

# Budget Update and Modest Rate Increase

2015 required careful attention to keep the budget balanced amidst the financial impacts of a record drought, rising operational costs, and ongoing system improvements and maintenance.

North City Water District reviews our financial status during the Fall season of each year and develops an annual budget for the upcoming year. Copies of our budget presentations are available on our website; an explanation of the Budget Overview Charts at right is presented below:

### Revenue Chart:

**Single Family Service Revenue**  
\$4,585,271 (65% of our total revenue)  
The bulk of the District’s revenue.

**MFR Service Revenue**  
\$909,894 (13% of our total revenue)  
Multi-Family revenue (MFR) from duplexes, apartments and condominiums in our service area.

**Non-SF Ser Rev**  
\$701,074 (10% of our total revenue)  
Non Single-Family Service Revenue from businesses, schools, and other government institutions.

**IRR Ser Rev**  
\$133,519 (2% of our total revenue)  
Irrigation Revenue (IRR) from customers with separate irrigation meters.

**FL Ser Rev**  
\$83,072 (1% of our total revenue)  
Revenue from separate Fire Line (FL) meters that customers pay to have available in the event of a fire.

**Reserves**  
\$107,048 (1% of our total revenue)  
Reserve funds cover expenses during slow revenue times.

### Costs Chart:

**Employee Costs**  
\$1,621,625 (29% of our total costs)  
Employee salaries and benefits.

**Water and Power**  
\$1,468,815 (26% of our total costs)  
This is what we pay to Seattle Public Utilities as the source of our water, as well as the electricity required to run our facilities.

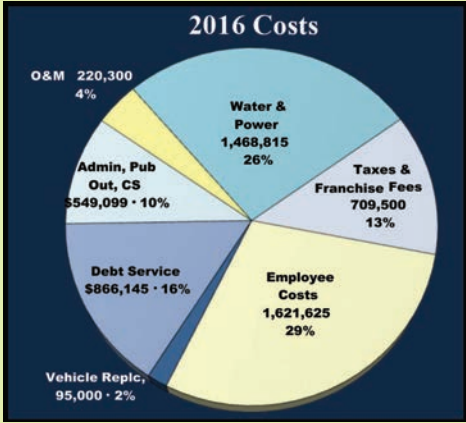
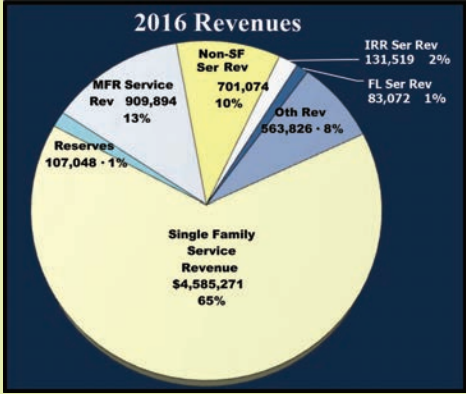
**Debt Service**  
\$866,145 (16% of our total costs)  
This is the cost of repaying bonds and drinking water state revolving fund loans that provide extremely low financing for system improvements.

**Taxes and Franchise Fees**  
\$709,500 (13% of our total costs)  
These are the dollars we pay to the Cities of Shoreline and Lake Forest Park for providing water service to a portion of their residents.

**Admin, Pub Out, CS**  
\$549,099 (10% of our total costs)  
These are the fees we pay to conduct administrative functions, including legal, insurance, and billing services.

**O&M**  
\$220,300 (4% of our total costs)  
Operations and Maintenance (O&M) costs include supplies outside of engineering services, vehicle maintenance, hydrant painting, and telemetry expenses (we’re almost 50% complete repainting hydrants!)

**Balancing the 2016 Budget**  
One of the unintended consequences of conserving water is the impact it can have on District finances. Given that 91% of the District’s revenue comes from water use, decreased consumption can create a revenue shortfall. The District closely monitored this situation throughout this past summer to identify what adjustments might be necessary to avoid overspending—particularly in light of



the ever-rising costs of operations and system maintenance.

We determined that the most logical way to keep the budget balanced was to modify the timing of upcoming capital expenditures: we will postpone the replacement of our old Maintenance Facility until the new North City Pump Station is complete.

As we committed to several years ago, we would rather make small, annual, incremental rate increases rather than wait as long as possible to make large rate increases, in order to make your water bills as predictable as possible. In light of all of these factors in 2015, our adopted 2016 budget will include a 3% rate increase. If you have any questions about our budget, just give us a call at 206.362.8100.



# NORTH CITY WAVES

Issue 4: October • November • December 2015      A newsletter for water-related issues and info  
Serving the communities of Shoreline and Lake Forest Park since 1931

### From Our Board...

by Charlotte Haines, President

In early December, District Commissioners and Staff joined over 150 folks to brave the rain in for the 18th Annual Tree Lighting Ceremony at Les Schwab. While the Around the Sound Band got everyone in the spirit with holiday songs, Santa arrived via sleigh and flipped the switch of the 42’ high “tree” atop the District’s reservoir, lighting up the familiar holiday beacon for the ret of the year. Meanwhile North City Water District has signed up to participate on the NextDoor.com community website, giving our ratepayers three ways to receive news and alerts: **1) Our Website** allows you to sign up for monthly updates and notices (free gardening classes, rebates, community events and more) via the “Subscribe” button on the right side of the Home page; **2) NextDoor.com** offers a unique way for local neighbors to connect and communicate (including notices from utilities, fire and police districts); and our social media presence at **3) Facebook.com/NorthCityWaterDistrict**. Choose the method that’s easiest for you!



North City Water District's very own Santa Claus

North City Waves Newsletter ~ a publication by North City Water District

- 1) Join [www.nextdoor.com](http://www.nextdoor.com) for neighborhood news and notices
- 2) Follow us on [www.facebook.com/NorthCityWaterDistrict](https://www.facebook.com/NorthCityWaterDistrict)
- 3) Sign up for news, alerts, free classes and more on our website at [www.northcitywater.org](http://www.northcitywater.org)

### Three Ways to Stay in Touch

- From Drought to Flooding
- Project Updates
- Toilet Rebate
- Time to Winterize
- Budget Update and Rate Increase

### Inside This Issue

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The North City Waves Newsletter is brought to you by North City Water District, and its Board of Commissioners:  
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206.362.8100 • [www.northcitywater.org](http://www.northcitywater.org) • [f](https://www.facebook.com/NorthCityWaterDistrict) / NorthCityWaterDistrict







## From Drought to Flooding Across Washington State

*While Western Washington's prolonged rainfall has deactivated the Water Shortage Response Plan and caused heavy local flooding, Eastern Washington remains in extreme drought. What will a warm and wet El Niño mean for our state?*

Thanks to the ongoing shift in our weather pattern that has saturated the ground, filled reservoirs, and generally reset the region's water supply, citizens are no longer being asked to conserve water. On November 23, the cities of Everett, Seattle and Tacoma officially deactivated their Water Shortage Response Plan

Sudden heavy rains coming after a prolonged period of drought came at a high price, causing severe flooding, mudslides, and property damage throughout the region. However on the positive side, all but one of our local supply reservoirs is now at an above-average level (the South Fork Tolt Reservoir was still roughly 3.2 feet below its long term average as of December 7).

### Ongoing Drought in Eastern Washington

Despite the "monsoon" on the Western side of our state, extremely dry conditions persist in Eastern Washington state, with the biggest impacts on fish habitat and agriculture.

Back in May, Washington State Department of Agriculture (WSDA) estimated the drought would sap \$1.2 billion from Washington's \$10 billion agriculture industry, a rough calculation based on the assumption that losses would be concentrated in Yakima Valley irrigation districts with junior-water rights. The valley is the state's top-producing farm region, and growers with junior-water rights faced cutbacks because of low snowpacks.

However this estimate came before the state's hottest summer on record stunted fruits, wheat and other crops.

In July, the Department of Ecology issued more than 900 curtailment notices to irrigators, due to low streams statewide, resulting in farms in the Yakima Valley's 72,000 acre Roza Irrigation District receiving only 47 percent of their normal water supplies.

Although November/December rains have improved reservoir storage, the Yakima basin irrigation reservoirs still remain below capacity.

Meanwhile this year's El Niño is predicted to be the "most powerful on record." According to the Office of the Washington State Climatologist (OWSC), El Niño is forecast to bring higher than normal temperatures resulting in below normal snowpack. This is a particular hardship for dry land wheat farmers who rely on adequate soil moisture for their winter crops.

Should El Niño result in higher than normal temperatures and below normal snowpack, there may not be adequate supplies to fill the reservoirs. Washington Department of Ecology is already planning for a second drought year. Meanwhile Senator Cantwell is continuing to push legislation to bring drought relief and resilience for farmers and communities in the Yakima Basin.

### Learn more:

<http://www.seattle.gov/Util/MyServices/Water/AbouttheWaterSystem/WaterSupply/index.htm>

<http://www.ecy.wa.gov/drought/>



## Project Updates

### North City Pump Station (two photos at left)

Thankfully all this rain hasn't slowed down the Pump Station project's construction. The foundations have been poured, the walls are being erected, and the flooring is expected to begin soon. Completion is still on schedule for June of 2016.

### NE 178th Street in Lake Forest Park (bottom right)

We have completed the final phase of the NE 178th Street Roadway Improvements in Lake Forest Park—entailing the replacement of nearly 600 feet of water mains (underground water pipes) near Brookside Elementary School on 35th Avenue SE, along with new hydrants and services. This cost-sharing partnership between North City Water District and the City of Lake Forest Park provided three significant benefits: 1) shortened the construction impact for residents along this street; 2) enabled the City's contractor to lower and widen the culvert in order to reduce future flooding events, and 3) lowered the City of Lake Forest Park's project cost.



**Got questions? Call 206.362.8100.**



## YOU COULD BE SITTING ON A GOLD MINE...

Replace your old, leaky toilet with a new Premium 1.06 gpf (gallons per flush) toilet and get a

# \$100 REBATE

Expires March 31, 2016

**Saving Water Partnership**  
Seattle and Participating Local Water Utilities

**Call (206) 615-1282 or visit [www.savingwater.org](http://www.savingwater.org)**

## Time to Winterize

### Protect your pipes in 4 easy steps:

1. Disconnect and drain garden hoses. ❄️
2. Insulate exterior pipes and faucets.
3. Insulate interior pipes and faucets in cold areas (including unheated attics, basements, garages and crawl spaces).
4. Locate your master water shut-off valve and test it *prior* to an emergency. ❄️ ❄️

### Additional Precautions:

- If you have a yard sprinkler system, drain and blow out the system completely.
- On extra cold nights, open the doors of closets or cabinets that are located near water pipes on your home's exterior walls.
- For maximum protection, apply caulk around incoming pipes, and close or block your home's foundation vents during the coldest months (open them up once the threat of freezing has passed in order to prevent dry rot).