

Budget Update and Modest Rate Increase

2022 required careful attention to keep the budget balanced amidst the financial impacts of COVID, 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:

2023 Revenue Graphic:

Other Revenues
\$572,605
(7% of our total revenue)
Other revenues include interest, late fees, antenna rents and hook-up fees.

IRR Service Revenue
\$114,323
(1% of our total revenue)
Irrigation Revenue (IRR) from customers with separate irrigation meters.

Non-Single Family Service Revenue
\$1,880,317
(23% of our total revenue)
Non-Single-Family Service Revenue from duplexes, apartments and condominiums, businesses, schools, and other government institutions.

Firelines Service Revenue
\$64,523
(<1% of our total revenue)
Revenue from separate Fire Line (FL) meters that customers pay to have available in the event of a fire.

Single Family Service Revenue
\$5,708,317
(68% of our total revenue)
The bulk of the District's revenue.

2023 Expenses Graphic:

Capital Transfer Costs
\$1,300,000
(16% of our total costs)
Annual contribution to capital projects.

Debt Service
\$1,083,019
(13% of our total costs)
The cost of repaying bonds and drinking water state revolving fund loans.

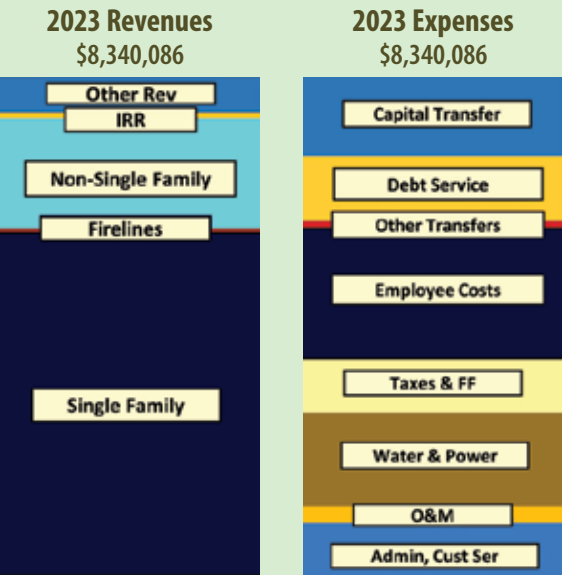
Other Transfer Costs
\$158,000
(2% of our total costs)
Annual contribution for vehicle replacement and irregularly occurring activities.

Employee Costs
\$2,151,818
(26% of our total costs)
Employee salaries, benefits, training, travel, uniforms, and testing.

Taxes and Franchise Fees
\$924,289
(11% of our total costs)
What we pay to the Cities of Shoreline and Lake Forest Park for providing water service to a portion of their residents.

Water and Power
\$1,561,190
(18% of our total costs)
What we pay to Seattle Public Utilities as the source of our water, as well as the electricity required to run our facilities.

O&M, Admin, and Customer Service
\$1,161,771
(14% of our total costs)
Costs of Operations and Maintenance (O&M), Administrative, and Customer Service include legal services, insurance, billing supplies, outside engineering services, vehicle maintenance, water meter maintenance, and repairing water main breaks.



Balancing the Budget

One of the unintended consequences of conserving water is the impact it can have on District finances. Given that 93% of the District's revenue comes from water use, decreased consumption can create a revenue shortfall. The District closely monitors and identifies necessary adjustments to avoid overspending—particularly given the ever-rising costs of operations and system maintenance.

The most logical way to balance the 2023 budget was to modify the timing of upcoming capital expenditures. We would love to do a number of capital projects next year and the following year, but will not start on new projects until we know the cost of our current projects.

We prefer to make small, annual, incremental rate increases rather than waiting 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 2022, our adopted 2023 budget will include a 4% rate increase. Please give us a call at 206.362.8100 if you have any questions.



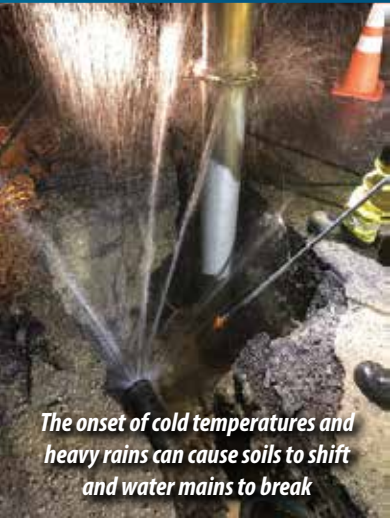
Issue 4: October • November • December 2022

Serving the communities of Shoreline and Lake Forest Park since 1931

From Our Board...

by Patricia Hale, Board President

When we look back over the previous year, this year feels almost like a new beginning. For too long we've been isolated, with limited interactions, unable to gather with friends and family, unable to travel. Finally being able to attend schools and community events this year seems so warm and wonderful. District staff have likewise been enjoying face to face interactions during the completion of several construction projects, including the relocation of service lines for properties along 5th Avenue NE related to the City of Shoreline's sidewalk project this past year. Like all of our projects, we wanted to coordinate our portion of this project in such a way as to reduce the impact on the roadway and neighborhood access. District staff have also been active in planning and preapplication meetings with the City of Shoreline, the City of Lake Forest Park, Sound Transit and the Washington State Department of Social and Health Services, for a variety of proposed projects that may impact water mains in our service area next summer and into the future. Proactive communications between all agencies always promotes a better result in every one of our efforts—from budgeting to construction!



The onset of cold temperatures and heavy rains can cause soils to shift and water mains to break

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

Website at www.northcitywater.org

3) Sign up for news, alerts, free classes and more on our

2) Follow us on www.facebook.com/NorthCityWaterDistrict

1) Join www.nextdoor.com for neighborhood news and notices

Three Ways to Stay in Touch

- From Our President
- Fall Rains and Shifting Ground
- Please Slow Down at Night
- Safeguarding Infrastructure Funds
- Meeting With Our Legislators
- Winterization Tips
- Holiday "Tree" Lighting Festival
- Budget Update and Modest Rate Increase

Inside This Issue

206.362.8100

Shoreline, Washington 98155

1519 NE 177th Street

PO Box 55367



The North City Waves Newsletter is brought to you by North City Water District, and its Board of Commissioners:

Patricia Hale (President), Ron Ricker (Vice President), and Charlotte Haines (Secretary).

Feel free to contact us at PO Box 55367, or 1519 NE 177th Street, Shoreline, WA 98155.

206.362.8100 • www.northcitywater.org • [Facebook](https://www.facebook.com/NorthCityWaterDistrict) / NorthCityWaterDistrict

Printed on 30%
post consumer paper.
Please recycle.





Please Slow Down at Night

Water main breaks don't always occur during normal work hours, nor do they seem to take holidays off—as evidenced on Thanksgiving 2021, when a water main broke around 3:00 am and our crews spent most of Thanksgiving day getting it repaired, thankfully just in time for the usual Thanksgiving dinner hour!

When water main breaks happen at night, they pose extra danger to our crews. Where possible, we have flaggers stationed before and after the affected area, which are fairly easy to see during daylight hours. However as soon as night falls, particularly in rainy weather, you may not see our flagger, much less any of our large equipment or staff working on the problem, until you come around a corner and confront them.

Please plan ahead on dark and/or rainy nights to allow some extra time to get to your destination. Drive more slowly, and be alert to changes—those bright lights up ahead might be a crew of fathers, mothers, sons and daughters working after hours to keep your water running.



Fall Rains and Shifting Ground... *a recipe for water main breaks*

When our weather changes from warm, dry summer days to the colder, rainy days of fall, these changes can cause our area's soil to shift, sometimes dramatically when heavy rains come all at once. This year the problem was exacerbated by a particularly hot, dry summer, with warm temperatures extending well into October, followed by a sudden shift to very cold temperatures in November.

When the soil shifts, whether from frozen water expanding and cracking, excess rain creating an underground sinkhole, or erosion in an adjacent area, the sudden lack of support can cause our water mains to break.

We at North City Water District strive to be as proactive as possible in identifying the potential for water main breaks in advance, through regular maintenance, physical inspections, and continuous system pressure monitoring, but it's not possible to physically inspect every water main all the time.

That's where proactive planning comes into play. We are constantly preparing for a variety of emergency and disaster responses; to us, a water main break provides excellent practice for what our crews may have to face on a larger scale, in the event of a major earthquake.

When we are alerted to a water main break—whether from a customer who saw water on the ground, or heard water running, or a call from the fire or police department if a resident called them first—we quickly log into our computerized telemetry monitoring system (via remote access if it's after hours / we're away from the office). Sometimes if the break is large enough, the telemetry monitoring system will notify us first via an alarm that senses pressure changes. This sophisticated system enables us to identify the location so our on-call employee can go out to investigate (our staff is available 24 hours a day, 7 days a week for emergencies).

Once a break has been confirmed, good communication is key to getting the repair made as soon as possible. Additional staff are consulted to determine how many crew are needed, what materials are required, and which equipment and vehicles will be necessary for the repair. Most repairs begin by digging away the earth, either by hand with shovels, by backhoe for larger breaks, or using a "vactor" truck—a large vacuum truck that can suck up the wet dirt and excess material around the break. When water main breaks affect our customers, our admin team posts notices to both Facebook and NextDoor to keep everyone informed of the process and estimated completion time.

We are extremely grateful for good equipment, good maps, and especially our amazing crew, including several long-time employees whose experience with our system enables them to come up with the most effective and efficient plan to repair the damaged water main as quickly as possible.

Safeguarding Infrastructure Funds

In 1986, our State Legislators established an innovative funding mechanism called the Public Works Assistance Account (PWAA) dedicated to infrastructure. The PWAA provided low-interest financing to counties, cities and special purpose districts like ours to repair, rehabilitate and improve roads and streets, bridges, drinking water, wastewater, storm water, solid waste and recycling, and even broadband beginning in 2019.

For the first twelve biennia, the PWAA financed 1,690 projects through over \$2.3 billion in low cost loans. These impacts went beyond infrastructure: every \$1 invested generated an additional \$5 in economic activity.

In the early 2000s, shifting state priorities caused a rapid decline in the PWAA fund, as funds started being diverted and loan repayments redirected to non-infrastructure.

However these diversions are set to expire at the end of the biennium. In response, North City Water District is one of many special purpose districts who are standing with with our state's sewer and water association (WASWD.org) to urge the legislature uphold their commitment to our state's infrastructure, and ***pass a constitutional amendment*** that allows revenues to return to the PWAA account, and protects the loan repayment revenues from future diversions. This is just one of the reasons we like to meet with our Legislators on a regular basis!



L to R: Diane Pottinger, Charlotte Haines, Ron Ricker, Davina Duerr, Shelly Kloba, Patricia Hale

Meeting With Our Legislators

On November 22, our Commissioners and District Manager met with Representatives Davina Duerr and Shelley Kloba from the 1st Legislative District. (Side note: when the State redrew district boundaries after the federal census, The City of Lake Forest Park is now in the 1st Legislative District.) Both legislators come from a background of local government and knew some information about water utilities. Our discussions included various current and upcoming capital projects, as well as the potential projects that are being considered at the Fircrest Campus. After taking a tour of our new Maintenance Facility, we talked about issues coming up in this legislative session. Our discussions included the PWAA amendment described in the article to the left, and another bill that would standardize consistent procurement rules between cities, ports, and special purpose districts about what we can do in-house, versus what needs to go out for bid. All in all, we felt it was a very productive first meeting, and extend our gratitude to both Reps. Duerr and Kloba for their time!

Winterize Your Pipes!

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).

