

LAKEHAVEN WATER AND SEWER DISTRICT
King County, Washington

Resolution No. 2016-1279

RESOLUTION of the Board of Commissioners of the Lakehaven Water and Sewer District, King County, Washington, adopting the 2017-2018 biennial budget.

WHEREAS, it is the desire of the Board of Commissioners to adopt a biennial budget to assist and guide the District in planning expenditures for the operation and maintenance of the water and sewer systems, for necessary capital improvements to such systems and for the overall administration of the various services of the District, and

WHEREAS, the Board has reviewed budgetary considerations at various study sessions held during Board meetings, and

WHEREAS, a public hearing on the biennial budget was held on November 17, 2016, and

WHEREAS, believing that the adoption of the 2017-2018 biennial budget set forth herein is appropriate;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Lakehaven Water and Sewer District as follows:

SECTION 1(a): The projected revenues and expenditures for the District for calendar year 2017 shall be as follows:

| | Water | WasteWater | Combined |
|-----------------------------------|---------------------|---------------------|---------------------|
| Estimated Funds Available Jan 1 | \$24,667,647 | \$26,998,763 | \$51,666,410 |
| Rate Related Revenue | \$14,863,989 | \$16,503,681 | \$31,367,670 |
| Non Rate Related Charges | \$418,000 | \$273,500 | \$691,500 |
| Interest and Other Income | \$1,119,912 | \$339,350 | \$1,459,262 |
| Capital Facilities Charges | \$2,632,927 | \$2,434,770 | \$5,067,697 |
| Total Revenues & Other Sources | \$19,034,828 | \$19,551,301 | \$38,586,129 |
| Operations and Maintenance | \$10,167,765 | \$13,388,331 | \$23,556,096 |
| Debt Service | \$3,738,954 | \$509,427 | \$4,248,381 |
| Reserved for Capital Expenditures | \$6,343,200 | \$10,828,300 | \$17,171,500 |
| Total Expenditures | \$20,249,919 | \$24,726,058 | \$44,975,977 |
| Estimated Funds Available Dec 31 | \$23,452,556 | \$21,824,006 | \$45,276,562 |

(b): The projected revenues and expenditures for the District for calendar year 2018 shall be as follows:

| | Water | WasteWater | Combined |
|-----------------------------------|---------------------|---------------------|---------------------|
| Estimated Funds Available Jan 1 | \$23,452,556 | \$21,824,006 | \$45,276,562 |
| Rate Related Revenue | \$15,196,178 | \$17,048,258 | \$32,244,436 |
| Non Rate Related Charges | \$423,000 | \$278,500 | \$701,500 |
| Interest and Other Income | \$1,008,762 | \$217,175 | \$1,225,937 |
| Capital Facilities Charges | \$2,066,527 | \$1,936,020 | \$4,002,547 |
| Total Revenues & Other Sources | \$18,694,467 | \$19,479,953 | \$38,174,420 |
| Operations and Maintenance | \$10,404,325 | \$13,467,721 | \$23,872,047 |
| Debt Service | \$1,913,206 | \$253,431 | \$2,166,637 |
| Reserved for Capital Expenditures | \$6,479,800 | \$11,513,075 | \$17,992,875 |
| Total Expenditures | \$18,797,331 | \$25,234,227 | \$44,031,559 |
| Estimated Funds Available Dec 31 | \$23,349,692 | \$16,069,732 | \$39,419,423 |

Note: Depreciation Expense for 2017 and 2018 is estimated at \$7.9m and \$8.0m respectively. These non-cash items, are not shown on this cash-basis budget, but are reported as a part of the District's annual accrual-basis financial statements.

SECTION 2: The planned capital expenditures during the period 2017-2026 are shown below (in thousands):

| Project Name | 2017 | 2018 | 2019-2026 |
|--------------------------------------|------------------|------------------|-------------------|
| OASIS Program | \$ 550 | \$ 906 | \$ 16,585 |
| SSP Program | \$ 250 | \$ 250 | \$ 2,000 |
| Water Upgrades | \$ 1,035 | \$ 410 | \$ 3,440 |
| WM Distribution | \$ 3,640 | \$ 3,040 | \$ 26,770 |
| Lakota Upgrades | \$ 6,610 | \$ 6,160 | \$ 23,730 |
| Redondo Upgrades | \$ 2,380 | \$ 3,090 | \$ 14,700 |
| PS Upgrades | \$ 3,025 | \$ 2,240 | \$ 7,740 |
| SM Collection | \$ 2,445 | \$ 4,010 | \$ 19,210 |
| Roads | \$ 2,146 | \$ 3,316 | \$ 20,631 |
| IT Programs | \$ 150 | \$ 150 | \$ 1,200 |
| Admin Facility | \$ 390 | \$ 675 | \$ 11,660 |
| Vehicles | \$ 777 | \$ 300 | \$ 3,100 |
| Estimated Total Project Costs | \$ 23,398 | \$ 24,547 | \$ 150,766 |

SECTION 3: Although Section 1 of this resolution references total budget expenditure categories, it is the intent of the Board that each departmental budget (Water and Wastewater) is autonomous and expenditure limitations for each department shall be observed. Any increase in departmental budgets as well as the total budget is subject to Board approval.

SECTION 4: The Board hereby reserves the right to adopt any amendments to the budget as it shall deem appropriate.

ADOPTED by the Board of Commissioners of the Lakehaven Water and Sewer District, King County, Washington, at an open public meeting thereof this 8th day of December 2016.

ATTEST:

| | | | |
|---|-----------------|------------|----------------|
| <u>Absent</u> President and Commissioner | <u>Yea</u> | <u>Nay</u> | <u>Abstain</u> |
| <u>Leonard D. Espino</u> Vice President and Commissioner | <u>✓</u> Yea | <u>Nay</u> | <u>Abstain</u> |
| <u>M. McLean</u> Secretary and Commissioner | <u>✓</u> Yea | <u>Nay</u> | <u>Abstain</u> |
| <u>Donald L. Miller</u> Commissioner | <u>✓</u> Yea | <u>Nay</u> | <u>Abstain</u> |
| <u>Peter [Signature]</u> Commissioner | <u>✓</u> Yea | <u>Nay</u> | <u>Abstain</u> |

Approved as to form: [Signature] H. Pritchard
General Counsel