

# GENERAL MANAGER'S 2017 BUDGET INTRODUCTION

## GENERAL MANAGER'S 2016 BUDGET FINANCIAL SUMMARY REPORT & 2017 BUDGET OVERVIEW

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The Lakewood Water District is a municipal corporation formed under RCW Title 57 in 1943 by a vote of the citizens to be served by the District. Lakewood Water District currently has 29 employees plus one full-time, paid intern/temporary employee through yearend. The District has 32 wells, 30 of which are active; 13 active reservoirs with 26.62 million gallons of capacity; and 256 miles of water main. The District and its staff have been serving this community since it was formed June 1, 1943 after a majority vote of the people on May 22. The District's retail service area boundaries span 19.3 square miles, serving 16,881 connections in the City of Lakewood and parts of unincorporated Pierce County. The District wholesale service area currently provides water to the Town of Steilacoom and Summit Water & Supply Co. (Summit). The District additionally has wholesale water contracts with Spanaway Water Company (Spanaway) and Rainier View Water Company (Rainier View), serving a potential total population of approximately 120,300.

### 2017 Budget Introduction

The Lakewood Water District and staff are pleased to present the District's 2017 Budget with the theme, ***“Innovative, Long-term Planning and Investment for Sustained Maintenance, Superior Service, and Future Replacements”*** This budget includes the operational and maintenance expenses along with Capital Improvement and Replacement & Rehabilitation (R&R) system expenditures, a District forecast of cash flow for 2017, a summary of activities in 2017; and salary, benefit, and staffing level recommendations for 2017.

The purpose of this budget is to provide financial direction and resources for the District's operations and maintenance (O&M) activities and provide funding for capital projects as well as the necessary ongoing replacement and rehabilitation of its existing infrastructure. The District's budget has always been a work in progress and will continue to be into the future as it relates to meeting the needs of its customers and building and maintaining responsiveness to local and federal compliance that impacts costs affecting the District. As always, the District will continue diligently working as efficiently as possible to serve its rate-payers with high-quality, safe, reliable drinking water at the lowest rate practically possible.

An important factor in this budget, and in future budgets, is the fact of dealing with an aging water system. The water system is 73 years old, and there are several components of the system that are at or past their designed useful life. This does not mean they have to be removed from service right away but rather that an acceptable plan be adopted by the Board of Commissioners for replacement as needed and when needed. That includes assessing/determining the most cost-effective options

and beginning the process to fund, design, and construct these capital and R&R projects, many of which will be extremely expensive and time-consuming to complete. These projects are not presently funded under the District's current rate structure; therefore, the District will have to decide what methods would best fund these essential projects and what percentages would be covered by rate increases, borrowing, or a fixed charge as is present in the 50-year R&R Program. These projects will be putting pressures on current rates, so sources of funding will need to be found wherever possible. This will most likely include needed rate increases in the future to cover these costs. District staff and management will continue to work diligently to keep these costs to a minimum as they respond to the needs of the District's chronologically advanced infrastructure.

### **2016 Budget Financial Summary Report**

There were six primary areas of focus in the 2016 Budget set by the General Manager.

1. The District's 50-year R&R (Rehabilitation & Replacement) Program, starting in 2014, continued in its third year, with funding levels secured on an annual basis. The fixed meter charge, based on meter size, for all customers is dedicated to the financing of this program.
2. Evaluation and analysis of the new Advanced Metering Infrastructure (AMI) System.
3. Defining and educating the Board on the District's 10-year Capital Improvement Program.
4. Completion and implementation of the computerized maintenance management system software on iPads for use in the field.
5. Continued cross-training, education, training, and pay for District staff because of the ever-increasing market for trained, experienced water professionals.
6. Bi-annual wage and benefits analysis comparison.

The following is a summary of the present 2016 Profit & Loss (P&L) Budget; a detailed analysis can be found on page 10 as reported by the District's Finance Director. Revenues were slightly above 2016 projected revenues in the 2016 Budget.

In the capital improvement and R&R projects arena, the following three projects were completed in 2016:

- 1) I-5 Crossing at Seattle Avenue—Pacific Highway to Bridgeport Way and Seattle Avenue to Bridgeport Way. Two new 12-inch water mains and one 8-inch sewer main replacement were installed, and the water main was upsized on Bridgeport Way.
- 2) City of Lakewood project on Bridgeport Way—123<sup>rd</sup> to San Francisco.
- 3) A second City project on South Tacoma Way—replacing 8-inch water main with 12-inch water main on South Tacoma Way from SR 512 to 96<sup>th</sup> Street SW.

For more detail on projects in 2016, please see the Superintendent's report on page 32.

## Internal Controls Review

For the 21st year in a row, the State Auditor's Office (SAO) completed its annual review and awarded the District a clean audit. The SAO's official Accountability Audit and Financial Statement Audit Reports again noted no deficiencies and complimented the District on its strong financial policies, precise accounting internal controls, and competent and cooperative staff.

The General Manager reviewed with the Superintendent and the Finance Director/Office Supervisor areas examined for any ethics violations or fraud by staff or management personnel, consultant, or vendor relationships with the District. None were identified or reported. Part of the reporting process is done by the Employee Self-Evaluation Reviews as well as explaining to the District staff procedures and processes for reporting such activities within the organization.

The General Manager is very pleased to report the continued support of District employees to make wise and efficient use of District employment within the confines of the Employee Handbook and business ethics and standards set forth by the Board of Commissioners.

## 2017 Budget Overview

In the 2017 Budget, there will again be six areas of focus:

1. The District's 50-year R&R (Replacement and Rehabilitation) Program will continue moving forward into its fourth year, having the funding levels from rates and revenue bonds on an annual basis. The fixed meter charge, based on meter size, for all customers continues to be dedicated to the financing of this program.
2. System leak detection will have greater emphases this year than in the past.
3. Contract with a consulting firm to perform an analysis regarding the life expectancies of the District's 13 existing tanks in order to develop a comprehensive timeline for replacement and financing.
4. Replacement of Ponders Wellsite treatment facilities.
5. Wholesale Transmission Main Extension.
6. First phase of updating the District's 10-year Comprehensive Water System Plan.

Outlined in Section One of this 2017 Budget are the Districts estimates revenues, expenses, and net income for the year.

At the Commissioners' Meeting on December 17, 2015, the Board discussed what it would take in rate increases over the next five years to bring the financial health of the District in line with its financial policies and return/maintain annual cash reserves to/at a level of \$3.5M. This resulted in the District's budgeting model and Five-year Rate

Forecast showing double-digit rate increases needed for 2016 and 2017; however, the Board wanted to avoid the double-digit rate increases and asked staff to normalize forecasted rate increases over the five years.

With that normalization, the 2016 Budget showed a need for a rate increase in 2017 of a 4.5 percent weighted average—a 3.9 percent General (O& M and general capital) increase and 6 percent annual 50-year R&R Program increase.

The annual increase for the 50-year R&R Program is fixed at 6 percent. R&R projects are planned as follows: Thorne Lane/Portland Avenue to Spruce (in Tillicum); Sylvan Park, Phase 2; Arrowhead Phase 1; Pacific Highway water main and PRV station; Gravelly Lake Drive at Mt. Tacoma Drive; and Design work on three future R&R projects.

The District went live with Lucity, a firm specializing in integrated mobile workforce management software, in late November 2016. This software accommodates iPads for remote work in the field; much of the District's records and accounting work in the field will soon be handled electronically by the field staff on their tablets.

The District continues to meet best management practices in regards to rehabilitation of its pumping operation grounds, buildings, and facilities in order to minimize the rate impact to District customers.

The Commissioners continue to support the financing of resources needed to maintain maintenance, operations schedules, and practices avoiding deferred maintenance.

This budget contains one new Water Utility Worker I. This will help the District continue to meet the necessary levels of education and cross-training for current staffing. The Board of Commissioners has agreed with meeting these needs and understands the importance of having a workforce that is qualified, educated, and experienced to meet the needs of the District today and into the future. This becomes increasingly imperative in light of the added pressures other utilities are facing with aging workforces and a lack of qualified candidates to fill those positions. The Board of Commissioners recognizes the serious effects and costs when employees are lost to other utilities because of advanced training, pay, and benefits.

**Section Two**, directly related to wholesale water, begins on page 24 and outlines the history of the District's efforts to provide wholesale water to neighboring purveyors, the revenues generated to the District to benefit its customers, a summary of current activity to date, and forecasted activities for the upcoming year of 2017.

The Wholesale Booster Station facility was brought online in 2012, and wholesale water has been delivered to Summit Water & Supply Co. through the District's Wholesale Transmission Water Main since that time. Spanaway Water Company and Rainier View Water Company took no water in 2016 but still continued to pay the monthly fixed charge through their wholesale contracts and have the water available

to them when needed. Recently, a number of factors have generated renewed interests in taking wholesale water and, therefore, extending the Wholesale Transmission Main to the remaining wholesale partners.

The Town of Steilacoom's present wholesale water agreement will expire in the spring of 2017. Talks are currently underway to renew the contract with the Town but within the guidelines and parameters of other wholesale contracts that have been instituted since the Town's agreement in 1997.

**Section Three**, beginning on page 32, outlines the R&R and Capital Improvement Projects proposed for 2017 as well as the extended projected forecast for 2018 through 2021. The capital and R&R projects proposed for the 2017 total \$6,461,413. New capital projects for 2017 include the design work on the Wholesale Transmission Main Extension, a Tank Assessment and supplemental Asset Replacement Program, Security Improvements, and the first year of the 2018 Comprehensive Water System Plan update. Currently the Ponders Well Site Facilities Replacement Project is likely but not certain to be funded by the State legislature. If it is not funded by the State, then the storage and source project dollars in this 2017 Budget will be redirected to the Ponders project. Continuation of the District's 50-year R&R Program includes three projects in 2017—Thorne Lane/Portland Avenue to Spruce Street, Sylvan Park Phase 2; and Arrowhead Phase 1.

Seismic improvements were completed on seven District tanks in 2016 as a result of a grant from FEMA and the matching funds from the District. The District received word regarding potential additional funds from FEMA that would make it possible complete seismic improvements on the Steilacoom Tank, the most expensive of the seismic improvements. Base on District staff conversations with representatives from FEMA, there is a very strong likelihood the District will receive the additional funds for the Steilacoom Tank improvements sometime in 2017. Therefore, the actual project has been pushed out to the 2018 Budget.

**Section Four**, beginning on page 43 of this budget, reflects the District's organizational structure and personnel, including 2016 accomplishments, staffing levels, employee classifications, and proposed recommendations for 2017. There is one permanent new hire proposed in this 2017 Budget, which is replacing a full-time veteran employee the District tragically lost in April 2016. The District's GIS needs in 2016 were met by way of an unexpected and unique opportunity to hire a GIS Technician one year out of college. Funds in the 2016 Budget earmarked for consultant services in this area were redirected to wages and benefits for this new, very talented member of the District's team.

**Section Five**, beginning on page 55, provides employee salary and benefit information, including salary recommendations and benefit costs. Labor costs are increased by 3.75 percent in this budget; however, the General Manager will be proposing an increase of 4 percent. This late timing is due to October Seattle-Tacoma-Bremerton Consumer Price Index numbers not coming out until November 21, after the presentation of the Draft 2017 Budget.

An overall increase of 7.1 percent is included in this budget for medical and dental coverage/premiums. An increase of 7.6 percent is quoted by Regence Blue Shield for the January 1, 2017 renewal of the District's medical premiums, and Delta Dental of Washington has quoted a small premiums increase of 1.5 percent for renewal of the District's current dental plan for 2017.

There was no premium increase for the District's employee life insurance and long-term disability coverage through Principal Life, and no PERS (Public Employees Retirement System) increases are projected until July 1, 2017.

## **FINANCE DIRECTOR'S 2016 BUDGET SUMMARY & 2017 BUDGET FINANCIAL OVERVIEW**

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### **2016 Budget Financial Performance Summary**

The 2016 forecast is an attempt to project the financial outcome for 2016 and is based on nine months of actual revenues or expenses and three months of budget, adjusted for any known changes. The 2016 forecast allows the District to measure the financial performance for the year as compared to the 2016 Budget.

In 2016, the District's budgeted operating revenue was at \$9,858,707. The operating revenue in the 2016 forecast is anticipated to be \$10,088,112. The 2016 budgeted net income is \$2,247,976, and the 2016 forecast is for a net income of \$2,438,960. Some of the variances relating to the difference between the budget and forecast are listed below.

The forecasted sale of water to District retail customers is slightly above the 2016 Budget by 0.5 percent or \$40,765; the District experienced a normal summer in 2016. The Town of Steilacoom revenues were at budget but incurred lower fixed charges revenue. Wholesale revenues were higher than the 2016 budget by \$182,565, as Summit Water Company forecasted to take 1.0 million GPD or 10% more water than in 2015.

The operation and maintenance (O&M) forecasted cost is lower by 0.7 percent or \$50,047 than the 2016 Budget. Over the course of 2016, management worked diligently to keep actual expenses near or lower than budgeted throughout the year.

### **2017 Budget Financial Overview**

On November 17, 2016, the Board of Commissioners was presented a draft budget that reflected a net income of \$2,042,564 with no rate increase included. The net income was lower than the 2016 budgeted income by \$205,414. The Board had questions regarding the information provided in the draft budget. The budget includes two components. The first component is the general operating and maintenance expenses of the District and the general Capital expenditures. The second component is the District's 50-year R&R Program that was adopted in 2014 by the Board. We have recommended a scenario that is consistent with last year's (2016) budget's 2017 rate increase; for narrative purposes, we are using an aggregate rate increase of 4.5 percent as calculated by the rate model. Included in this proposed final 2017 Budget is a 3.9 percent increase to the volume charge and the base charge to fund general operation and maintenance expense and capital projects. Also included is a 6.0 percent increase in R&R fees based on meter size to fund the District's 50-year R&R Program. With the overall weighted average rate increase of 4.5 percent, the District net income would be \$2,589,623.

The budget for water revenue was based on the 2016 actual revenue; this was a reasonable approach since the 2016 summer had normal weather. The 2017 budgeted revenue for volume charges and base charge is \$6,329,364 or 69 percent, and the R&R fixed fee charge based on meter size is \$2,730,414 or 31 percent of the total retail revenue.

The rate increases described above of 3.9 percent for the general rate increases and 6.0 percent for the R&R fixed fee allows for rate increases that allow the District to meet its financial policies as reflected in the rate model, which extends over 20 years.

With the overall, weighted average rate increase of 4.5 percent, the District would still have the lowest rate in the area, the second lowest being Parkland Light & Water Company. An average bi-monthly bill for 1,500 cubic feet of water for Lakewood Water District customers is currently \$42.26. After the proposed rate increase, it would be \$44.42, an increase of \$2.16 bi-monthly. Parkland Light & Water is at \$57.52 is the second lowest in the area for an average use of 1,500 cf. for a bi-monthly bill.

The second benchmark in valuing water is used by the EPA to define the industry measure for water consumption affordability. The measure utilizes the Average Median Household Income multiplied by 1.5 percent. According to the 2013 Census Bureau, the average median household income in Lakewood is \$44,859. The annual water cost affordability is \$673 a year or \$112 per bi-monthly billing for Lakewood. The average Lakewood Water District customer utilizing 1,500 cubic feet per bi-monthly billing would have an annual cost of \$267 or, again, \$44.42 per bi-monthly billing.

The Other Operating Revenue included cell company leases which increased \$66,944 from the 2016 Budget, primarily from amendments from cell companies needing upgrades to 4G use and other new technologies. Once anticipated revenues from the City of Lakewood to take over its in-premise isolation Cross Connection Program remain in the 2017 budget in the amount of \$18,000; however, in light of the most recent word from the City, these revenues will not be realized, as the City Council has decided to keep/conduct its own in-premise program. Revenues from the District's second year of cross connection control/backflow device testing services are estimated in this budget for those customers who will seek testing services through the District's administered program. In this first year of the program, the District signed up just over 500 customers; there is a goal of reaching 1,000 customers in the 2017 Budget.

Wholesale water sales for the three central Pierce County customers are budgeted to remain the same in 2017 compared to the 2016 Budget. Summit Water is projecting a decrease in 2017 by 33 percent, or \$182,565, for water consumption compared to the 2016 actual consumption through the Wholesale Transmission Main. The Town of Steilacoom revenue is budgeted to remain the same in the 2017 Budget as in the 2016 Budget. The District is entering into talks in 2017 with the Town of Steilacoom to discuss a new pricing format that would be similar to what the District utilizes for its other wholesale customers. Wholesale water revenue represents 6.9 percent of total revenue in the 2017 Budget (rounded to 8 in the pie chart on page 22).

Operating expenses were developed based on labor estimates to complete various tasks as determined by the department heads. An average hourly rate of \$43.96 per hour for field employees (which includes benefits and payroll taxes) was used to multiply the hours for each task. Overall labor cost represents a significant driver in the budget costs; the fully loaded labor costs (including taxes and benefits) went from \$259,539 per month in the 2016 budget to \$271,647 per month in the 2017 Budget. This is a \$12,108/mo. or a 4.7 percent increase in wages and benefits in the 2017 Budget. There are various reasons for the labor costs increase; general wage increase of 3.75 percent and additional pension of costs 1.0 percent and one additional field staff.

Operation costs in the 2017 Budget remained relatively the same compared to the 2016 Budget, with the primary increase projected in pumping costs of \$42,059. These costs were offset by lower safety costs (\$24,998), as there is no Cascadia Rising exercise budgeted for 2017.

The Administrative and General (A&G) expense increased \$107,991 from the 2016 Budget. The largest G&A cost increase is in the area of GIS Expenses, by \$42,247. This is a reflection of the first full year of wages for the GIS Technician hired in mid-June; the funds in the 2016 Budget for consultant help generally covered the GIS Technician's wages for the first six months of employ. Also contributing to the A&G costs increase was the general wage increase of \$50,010, election year costs of \$15,000, attorney costs by \$15,000, and truck and tractor costs by \$33,171. The Capital project costs in 2016 decreased, the result of which is less A&G cost allocated to Capital projects by \$68,003.

The maintenance expenses increased by \$102,364 or 8.7 percent. The reason for the increase was budgeting for the costs incurred for main breaks primarily caused by intruding trees roots and for checking for leaks with a leak detection program. The costs for both of these efforts are included in the "Maintenance of Mains" account. The increase to the "Maintenance of Mains" in the 2017 Budget is an increase of \$60,874. Maintenance of Hydrants increased by \$8,551; the increase is due to the efforts to maintain hydrants to prevent leaks. Increase in other maintenance accounts is caused by increase in labor and benefit costs mentioned above.

Depreciation expense increased \$40,000 or 2.0 percent because of adding fixed assets completed in 2016. Interest income remains at a minimum amount in the 2017 Budget. The District does not have any Certificate of Deposits presently and earns less than 0.25 percent in its savings account. Until reserves are built back up and interest rates increase, the District's interest income should be minimal. The decreased interest expense is a result of refinancing the 2006 Revenue Bond and caused by the pay-down of principal on outstanding debt.

In summary, the District's 2017 Budget, with an overall rate of increase of 4.5 percent, has a net income of \$2,589,623, compared to the 2016 Budget with a net income of \$2,247,976. The reasons for increases in net income are described above.

The budget process is a significant tool to assist management in the financial performance of the District. A number of the staff has contributed to this budget. The involvement of the department heads and the accounting staff, in conjunction with District management staff, has made this year's budget a team project. District staff will continue to look for opportunities to improve the budget process.

**PROPOSED 2017 BUDGET - SUMMARY  
INCOME STATEMENT**

**INCLUDES 4.5% RATE INCR.**

	<b>2017 BUDGET</b>	<b>2016 FORECAST</b>	<b>2016 BUDGET</b>	<b>BUD-vs-FCST VARIANCE</b>
SALE OF WATER	9,166,694	8,674,976	8,634,211	491,718
OTHER OPERATING REVENUE	722,234	666,893	660,818	55,341
WHOLESALE WATER SALES	551,080	746,243	563,678	(195,163)
<b>TOTAL OPERATING REVENUE</b>	<b>10,440,008</b>	<b>10,088,112</b>	<b>9,858,707</b>	<b>351,896</b>
<b>OPERATING EXPENSE</b>				
PUMPING	732,166	697,300	683,945	34,866
WATER TREATMENT	278,892	245,792	250,432	33,100
TRANSMISSION & DISTRIBUTION	847,431	786,713	855,094	60,718
CUSTOMER ACCOUNTS	635,263	596,338	594,653	38,925
CUSTOMER INFORMATION	10,060	5,129	15,272	4,931
ADMINISTRATIVE & GENERAL	1,082,443	1,104,882	974,452	(22,439)
<b>TOTAL OPERATING EXPENSE</b>	<b>3,586,255</b>	<b>3,436,154</b>	<b>3,373,848</b>	<b>150,101</b>
<b>MAINTENANCE EXPENSE</b>				
SOURCE OF SUPPLY	18,845	15,732	18,705	3,113
PUMPING	180,780	180,089	173,942	691
WATER TREATMENT	147,032	157,911	141,030	(10,879)
TRANSMISSION & DISTRIBUTION	781,087	691,048	692,087	90,040
ADMINISTRATIVE & GENERAL	146,158	133,140	145,774	13,018
<b>SUB-TOTAL</b>	<b>1,273,902</b>	<b>1,177,920</b>	<b>1,171,538</b>	<b>95,982</b>
DEPRECIATION EXPENSE	2,020,000	1,973,615	1,980,000	46,385
UTILITY EXCISE TAXES	414,263	396,424	408,681	17,839
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>3,708,165</b>	<b>3,547,959</b>	<b>3,560,219</b>	<b>160,206</b>
<b>TOTAL OPERATING &amp; MAINT EXPENSE</b>	<b>7,294,420</b>	<b>6,984,113</b>	<b>6,934,067</b>	<b>310,307</b>
<b>NET OPERATING REVENUE</b>	<b>3,145,587</b>	<b>3,103,998</b>	<b>2,924,640</b>	<b>41,589</b>
GAIN (LOSS) ON DISP. OF PROPERTY	21,810	37,427	19,217	(15,617)
RENTAL OR LEASE INCOME	9,900	9,900	8,435	-
INTEREST INCOME	7,500	12,571	7,500	(5,071)
MISC. NONOPERATING INCOME/EXPENSE	-	-	-	-
INTEREST L-T DEBT	(595,175)	(686,711)	(711,816)	91,536
DEBT ISSUANCE COSTS	-	(38,225)	-	38,225
<b>TOTAL MISC INCOME/EXPENSE</b>	<b>(555,965)</b>	<b>(665,038)</b>	<b>(676,664)</b>	<b>109,073</b>
<b>NET INCOME</b>	<b>2,589,622</b>	<b>2,438,960</b>	<b>2,247,976</b>	<b>150,662</b>

## 2017 Capital Improvement and R&R Projects--Summary

Project Class	Project	Project Subtotal	Overhead	Project Total	Project Classification	
					Total Capital	Total R & R
R & R	Thorne Ln/Portland Ave to Spruce (\$600,000)	509,091	50,909	\$ 560,000		560,000
R & R	Sylvan Park, Phase II	700,000	70,000	\$ 770,000		770,000
R & R	Arrowhead, Ph I	1,454,545	145,455	\$ 1,600,000		1,600,000
R & R	Design for Tillicum(60K), Sylvan Park Phase III (65K) Arrow head Phase II (90K)	215,000	21,500	\$ 236,500		236,500
Capital	Steilacoom Tank Seismic Upgrade Move to 2018			\$ -	0	
Capital	Pacific Highway Main and PRV (Grocery Outlet) \$412,500 option Removed	340,000	34,000	\$ 374,000		375,000
Capital	Gravelly Lake Dr./Xing @ Mt. Tacoma Dr. (\$40,000)	130,000	13,000	\$ 143,000	143,000	
		-	-	\$ -		
<b>Total Capital and R&amp;R Projects 2017</b>		<b>\$ 3,348,636</b>	<b>\$ 334,864</b>	<b>\$ 3,683,500</b>	<b>\$ 143,000</b>	<b>\$ 3,541,500</b>
					Capital	R&R
<b>2017 Maintenance and Operations Projects to be Capitalized</b>						
Capital	WTME Design - Line of Credit if necessary 500K			\$ -		
Capital	2018 Comprehensive Plan update 2017 and 2018	150,000	15,000	\$ 165,000	165,000	
R&R	Root Bound Meter Service Replacement (15 ea \$2000)	30,000	3,000	\$ 33,000	33,000	
Capital	PD- Treatment Projects	63,602	6,360	\$ 69,962	69,962	
Capital	PD- Asset Replacement Program Pumping	686,500	68,650	\$ 755,150	755,150	
Capital	PD- Security Improvements	13,000	1,300	\$ 14,300	14,300	
Capital	PD/MM Annual Vehicle Replacement Program (GROSS)	-	-	\$ -	0	
Capital	PD - Capital Improvements Tanks Wells and Boosters or Ponders	1,020,000	102,000	\$ 1,122,000	1,122,000	
Capital	Tank Assessment Contract	186,364	18,636	\$ 205,000	205,000	
Capital	GIS Capital per Tab	22,581	2,258	\$ 24,839	24,839	
M&O	PD- USGS Groundwater Model Maintenance for Chambers Clover Creek Basin	25,000	2,500	\$ 27,500	27,500	
Capital	Office/Shop Exterior Painting Paving Roofing Etc.	-	-	\$ -	0	
M&O	PD/MM Field Tools and Equipment	-	-	\$ -	0	
M&O	Office Equipment & Miscellaneous Furniture	90,000	9,000	\$ 99,000	99,000	
<b>Total 2017 Capital and R&amp;R Projects</b>		<b>\$ 2,287,047</b>	<b>\$ 228,705</b>	<b>\$ 2,515,752</b>	<b>\$ 2,515,752</b>	<b>\$ -</b>
<b>2017 Alternative R&amp;R Project Listing</b>						
R&R	Tillicum Project (\$750,000)	<b>Project costs are shown above under the Annual Water Main Replacement Program</b>				
R&R	Sylvan Park Pahase III (\$950,000)					
<b>TOTAL ALL PROJECTS</b>		<b>\$ 5,635,683</b>	<b>\$ 563,568</b>	<b>\$ 6,199,251</b>	<b>\$ 2,658,752</b>	<b>\$ 3,541,500</b>