Clark Regional Wastewater District
Adopted Budget

2024

CLARK REGIONAL WASTEWATER DISTRICT

"Expanding the Boundaries of Service"

2024 Adopted Budget

Clark Regional Wastewater District
Clark County, Washington

For Fiscal Year
January 1 through December 31, 2024

Adopted by Resolution No. 1889
Dated: December 26, 2023

Note: Clicking the above header bar on any page will bring you to this Table of Contents.

Table of Contents

1. Introduction
- Directory of Officials 1
- Budget Message 3
- Budget in Brief 7
- District History 9
- Organizational Chart 12
- District Service Area Map 13
- District Departments, Services and Performance Measures 14
- GFOA Distinguished Budget Presentation Award 27

2. Strategic Plan
- District Mission, Vision and Values 29
- Strategic Planning 30
- Fiscal Year 2024 Goals and Objectives 31

3. Budget Process
- Operating Budget Policy 41
- Budget Calendar 43

4. Adopted Budget by Account
- Description of Accounts 45
- Budget Overview 46
- Operations and Maintenance Account 47
- Alliance Reserves Account 60
- Unemployment Reserve Account 62
- Debt Service Account 64
- Pre-Funded Debt Service Reserve Account 66
- Existing Assets Restoration and Replacement Account 68
- New Assets Capital Improvement Projects Account 70
- Historical Budget Summary 73
- Projected Budget Summary 74
- 2024 Account Balance Summary 75

5. 2024-2033 Ten-Year Capital Program 77

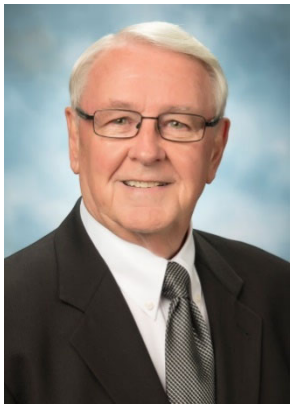
6. Appendix
- Appendix 1 – Financial Policies 95
- Appendix 2 – Equivalent Residential Units 99
- Appendix 3 – Service and Connection Charges 100
- Appendix 4 – Where Does My Money Go? 101
- Appendix 5 – Outstanding Debt/Loans by Type 102
- Appendix 6 – Debt/Loans Repayment Schedule 103
- Appendix 7 – Limitation of Indebtedness 104
- Appendix 8 – Employees (FTEs) by Function 105
- Appendix 9 – Salary Range and Positions 106
- Appendix 10 – Demographic Statistics 107
- Appendix 11 – Employees for Ten Principal Employers 110
- Appendix 12 – Ten Largest Customers – Current and Ten Fiscal Years Ago 111
- Appendix 13 – Glossary 112

Directory of Officials

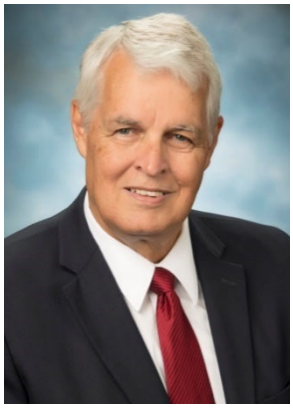
RCW 57.12.010 provides for a Board of Commissioners consisting of three members to serve as a governing body for the District. Each Commissioner serves a 6-year term with elections held every two years.

Elected Officials Serving During 2024

President
L. Neil Kimsey
Term: 6 Years
Expiration: December 2025



Vice President
Denny Kiggins
Term: 6 Years
Expiration: December 2029



Secretary
Norm Harker
Term: 6 Years
Expiration: December 2027

General Manager
John M. Peterson, P.E.

Finance Director/Treasurer
David Logan

Attorney
Eric C. Frimodt

Mailing Addresses:

District Office:	PO Box 8979 Vancouver, WA 98668-8979
Attorney:	PO Box C-90016 Bellevue, WA 98009-9016

Budget Message

Board of Commissioners
Clark Regional Wastewater District's Customers and Partners:

The District is pleased to present its Adopted Budget for the Fiscal Year 2024 (FY 2024), from January 1 to December 31, 2024. This budget is presented in accordance with the District's financial policies and direction from the Board of Commissioners. The budget document is formatted to provide an overview to help readers better understand the District's FY 2024 Adopted Budget as a financial planning roadmap. Comparisons in this Budget Message are "budget to budget" from the Board adopted FY 2023 budget to this FY 2024 Adopted Budget unless otherwise noted.

While not required to prepare a budget under Washington State law, the District chooses to prepare a budget as a professional business planning tool. The District is committed to providing our customers and stakeholders with a level of transparency and trust in the delivery of fiscally responsible and equitable service to the community. A budget is balanced when the sum of estimated sources equals or exceeds the estimated uses. For FY 2024, the District has forecasted that sources, with anticipated fund balance drawdown, will equal estimated uses.

Budget Summary

The Adopted Budget for FY 2024 is $60.6 million for all sources and uses of funds. Sources include $29.4 million from sewer service charges, $14.3 million from connection fees, and $16.9 million from other revenues. Uses include $15.1 million for treatment costs, $13.4 million for salaries and benefits, $10.6 million for services, supplies and other expenses, $2.1 million for debt service, $17.7 million for capital construction costs and capital purchases, and building the reserve balance by $1.7 million.

Total operating and maintenance (O&M) expenditures for FY 2024 are expected to increase by 6.4%. Salaries and benefits are budgeted to increase by 7.2% due to increases in the salary schedule reflecting labor cost trends and the addition of 1.0 full-time employees (FTEs) in 2024.

District Sewer Rates

The District's sanitary sewer base rate has increased to $45.00 per equivalent residential unit (ERU) per month, an increase of 3.4% for the Central service area in the 2024 Adopted Budget. In addition, the District established a rate of $54.40 per ERU for the Ridgefield service area. The Ridgefield rate includes the base rate of $45.00 per month and a $9.40 per month System

Integration Charge (SIC), an overall $0.90 increase per ERU for the Ridgefield service area customers for 2024.

Sources

Sewer service charges: $29.4 million. Sewer service charges are budgeted to increase $1.7 million, or 6.1%, in 2024. The drivers behind the increase in sewer service charge revenue are the anticipated growth throughout 2024 and the increase in rates.

Connection fees: $14.3 million. The District utilizes a four-tiered System Development Charge (SDC) structure (based on where wastewater flows for treatment). The District is forecasting 1,846 new paid connections in 2024, a decrease of 12 from the 2023 budget. Despite the budgeted decrease in new connections, the 2024 budget reflects an increase in budgeted connection fee revenue over the prior year of 10.9% due to a rate increase. SDC revenue is used to fund new capital improvement projects within the District's service areas.

Other revenues: $16.9 million. Investment interest is budgeted for $3.3 million, intergovernmental revenues for $9.0 million, miscellaneous revenues for $1.0 million, debt proceeds for $3.4 million, and Local Facilities Charge (LFC) reimbursements for $0.2 million.

Uses

Salaries and benefits: $13.4 million. Salaries and benefits are budgeted to increase by $0.9 million, or 7.2%, in 2024. This increase is driven by the addition of 1.0 FTE, a Senior Project Manager position to support Alliance capital work. Salary grades were market-adjusted by 3.0% for the 2024 budget year. Included in the budget is a 3.0% increase in pay on their anniversary date for employees not at the top of their pay grade, with the potential to earn an extra 1.5% increase based on merit. Benefits saw slight increases in medical and dental costs in 2024.

Services, supplies and other expenses: $10.6 million. Service costs are budgeted at $2.4 million, supplies at $1.5 million, and other expenses (insurance, utilities, and B&O taxes) at $6.6 million.

Treatment costs: $15.1 million. Treatment costs are budgeted at 0.5% higher for 2024.

Debt service: $2.1 million. Debt service (principal and interest) for District-issued 2020 bonds and Public Works Board loans in 2024 total $2.1 million.

Construction costs and capital purchases: $17.7 million. Construction costs are budgeted at $6.1 million for existing assets restoration and replacement projects/purchases and $11.6 million for new asset capital improvement projects/purchases.

Outlook

Clark County is experiencing strong economic growth coming out of the COVID-19 pandemic. Wastewater services are deemed essential, so the District continued operating essentially normally.

By the end of August 2023, the County's unemployment rate was 4.7%, compared to the State unemployment rate of 3.8%. Major industries in the County include healthcare and social assistance, retail trade, leisure and hospitality, and construction. The District forecasts new construction to continue at a strong pace in the near term, then slow and normalize over the next few years.

Clark County and its unincorporated areas have seen year-over-year population growth of 1.5%. The unincorporated areas are estimated to have grown 14.3% from 2014 to 2023. The County's population is anticipated to increase 36.0% overall from the 2010 census count by the year 2035.

Budget Priorities & Direction

The 2024 Adopted Budget continues to reflect the District's mission of "providing customer-focused, professional wastewater services in an environmental and financially responsible manner" and its vision to be "an active partner in Clark County, to support economic development and to manage and protect water resources."

With the anticipated growth in population comes opportunity and challenge for the District. The 2024 Adopted Budget highlights the ways in which it seeks to embrace opportunity in the face of these challenges.

Maintain a Stable Rate Structure. The District charges a flat base rate for monthly sewer service charges. Small inflationary rate increases are budgeted for 2024, driven by increasing operating and capital budget demands. District customers, based on which service area they reside in, are billed one of two flat rates per month.

Maintain Existing Assets of the District. As the inventory of sewer system assets within the District's collection system ages, it is important that the District maintain these assets appropriately to keep them in service as long as possible or replace them when necessary to prevent system failures.

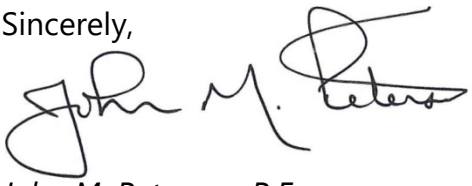
This budget includes $6.1 million for restoration and replacement funds for the District's current collection system assets. Assets being restored or replaced are identified through a criticality assessment performed by the Engineering and Operations departments. Also included in this budget are funds for the replacement of fleet and facility assets. As the District experiences

growth, it has been determined necessary to upgrade, maintain or replace assets in our administrative office and operations center.

Position the District for Growth. As of January 1, 2014, the sewer utility customers of the City of Ridgefield (Ridgefield) became customers of the District. Ridgefield is currently growing at a rate of 11.3% annually. The current population in Ridgefield is approximately 15,180. By 2035, Ridgefield's population is anticipated to be nearly triple what it was in 2010. In 2024, the District has budgeted $4.7 million to restore existing infrastructure and build new infrastructure to sustain this growth. A large part of these funds are allocated to building new pump stations and upgrading existing trunk sewer lines within Ridgefield.

Create a Sustaining District's Organizational Structure. With the addition of the sewer utility customers of the City of Ridgefield in 2014, serving as Administrative Lead for Discovery Clean Water Alliance (operational since 2015), and becoming Contract Operator of the Ridgefield Treatment Plant, Salmon Creek Treatment Plant and eight other Alliance assets, it has become necessary for the District to assess the workload of its departments and evaluate staffing levels to continue moving the District forward to meet regional wastewater needs. The 2024 budget includes the addition of 1.0 FTE, a Senior Project Manager position to support Alliance capital work.

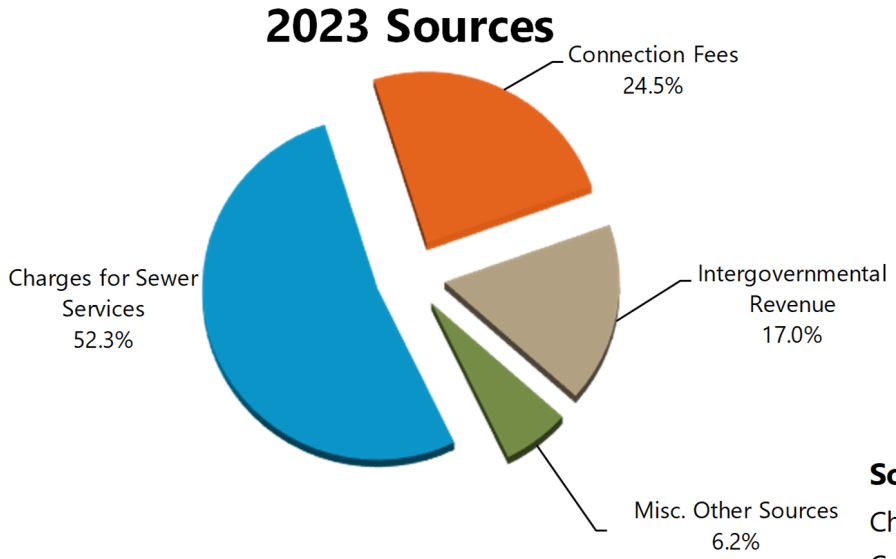
Sincerely,

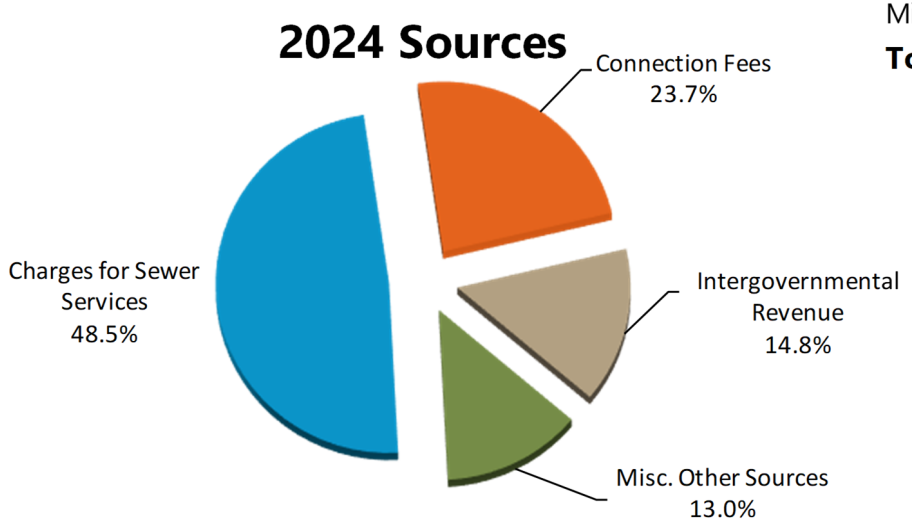


John M. Peterson, P.E.
General Manager

David Logan
Finance Director/Treasurer

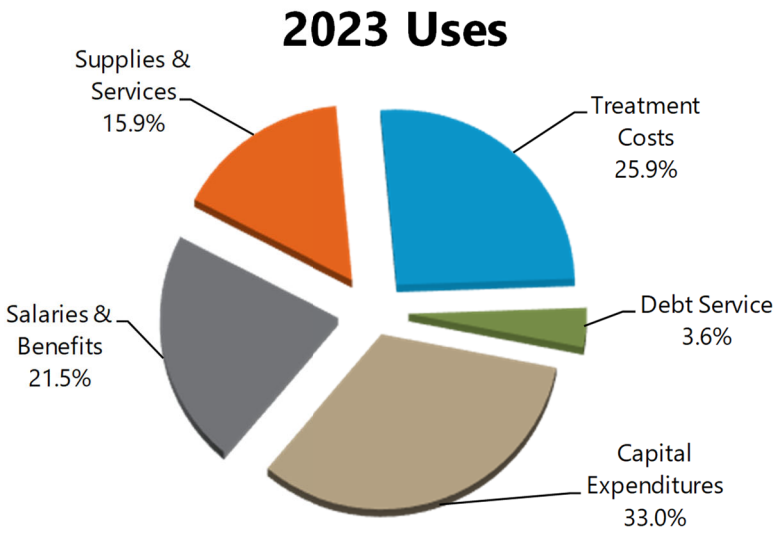
Budget in Brief

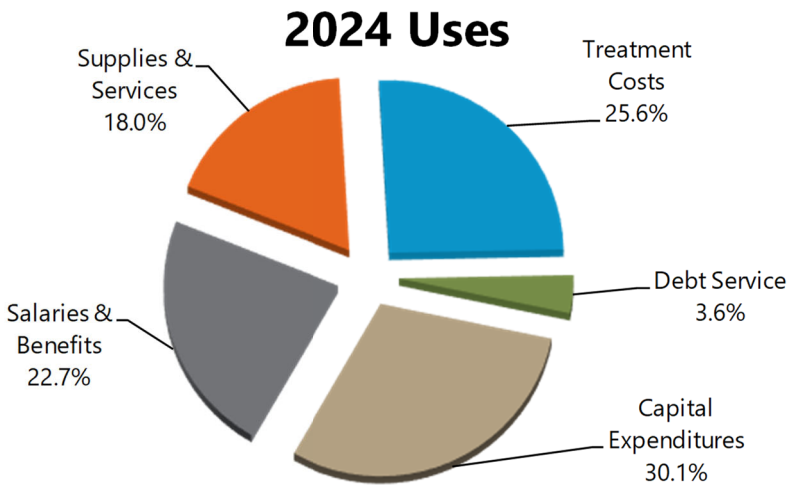




Sources	2023 Budget	2024 Budget
Charges for Sewer Services	$ 27,668,707	$ 29,362,859
Connection Fees	12,929,568	14,338,984
Intergovernmental Revenue	8,965,000	8,965,000
Misc. Other Sources	3,293,420	7,887,351
Total Sources	**$ 52,856,695**	**$ 60,554,194**

Budget in Brief





Uses	2023 Budget	2024 Budget
Salaries & Benefits	$ 12,486,193	$ 13,388,305
Supplies & Services	9,230,450	10,611,185
Treatment Costs	15,020,069	15,087,781
Debt Service	2,099,564	2,091,018
Capital Expenditures	19,164,270	17,722,400
Total Uses	**$ 58,000,546**	**$ 58,900,690**

District History

Clark Regional Wastewater District (formerly known as Hazel Dell Sewer District and Clark County Public Sewer District No. 1) has a rich history of service and support for the communities it serves. In 1958, the District was formed to meet the needs of a growing business community that was not served by sewer. The newly formed District provided wastewater treatment and collection for 300 Hazel Dell customers. In the 1970s, through separate interlocal agreements with Clark County and the City of Vancouver, the parties acknowledged the economies of scale for treatment. This allowed the District to focus on collection and transmission, with the County and City providing treatment through their existing plants.

In 1993, the County requested the District to take over all its collection and transmission functions, leaving the County to focus only on treatment at the Salmon Creek Treatment Plant (SCTP). In 1995, the County, the City of Battle Ground, and the District entered into a three-way agreement to expand and improve the SCTP. The District and Battle Ground owns 100% of the treatment capacity of the plant, with the County providing the facility and operating staff. In 2003, under the direction and management of the District, the three partners undertook a $77.0 million dollar capital improvement upgrade of the Salmon Creek Wastewater Management System (SCWMS). The project, completed in 2009, provided additional treatment capacity for years to come.

In 2009, an initial "Sewer Coalition Planning Study" was completed with participation from twelve Clark County public agencies to explore the potential for improved efficiencies in providing wastewater services to Clark County residents. This study resulted in a county-wide comprehensive sewer plan detailing transmission and treatment facilities necessary to provide sewer service within the County for the next 50 years.

In 2012, as another result of the 2009 study, four partner agencies (Clark Regional Wastewater District, Clark County, and the Cities of Ridgefield and Battle Ground) signed a Memorandum of Understanding (MOU) providing an agreement-in-principle for the framework of a new regional partnership. The regional sewer entity, Discovery Clean Water Alliance (Alliance), was formally incorporated in early 2013 by the four-member agencies. Alliance transition activities occurred throughout 2013 and 2014. The Alliance became fully operational effective January 1, 2015, with all members, including the District, transferring debt and assets as outlined in the Interlocal Formation Agreement (IFA) to the Alliance. Effective January 1, 2015, the Alliance owns and operates transmission lines, pump stations, and treatment plants to provide sewer treatment service to the mid-Clark County region (City of Battle Ground and the District's service areas, including City of Ridgefield).

Also, in 2012, the District and the City of Ridgefield (Ridgefield) signed an MOU for transfer of ownership of all of Ridgefield's sewer utility collection system assets, liabilities, and all its sewer

utility customers to the District. A final collection system transfer agreement and franchise agreement were finalized and signed by the District and Ridgefield in 2013. As of January 1, 2014, Ridgefield's sewer utility customers became customers of the District.

Following the transfer of assets from the City of Ridgefield to the Alliance, the City continued to operate the Ridgefield Treatment Plant. In late 2017, per the City of Ridgefield's request, the District provided a proposal to the City to take over operations of the plant. The City accepted the proposal, and the Alliance approved the change in operations. The District began official operation of the Ridgefield Treatment Plant on July 1, 2018.

On January 1, 2020, the District began operating the Battle Ground Force Main, Salmon Creek Interceptor, and Klineline Interceptor, all of which are assets owned by the Alliance and previously operated by Clark County. The District leveraged its existing mobilization within the District's service area to operate these assets while County staff time was dedicated to focus on SCTP operations during a large plant expansion.

In mid-2021, Clark County requested an early termination of its contractual obligation to operate the Salmon Creek Treatment Plant from the Alliance. The District, already involved in treatment plant operations, prepared a proposal to take over operations of the treatment plant. On October 1, 2021, the Alliance Board of Directors provided direction for early termination of the County contract, and the District began operations at the plant on July 1, 2022.

The District, throughout its history, has responded to the growing and changing needs of its stakeholders, including its current and future ratepayers. In 2024, the District is budgeted to grow from 92.5 to 93.5 employees. Including the District's Ridgefield service area, the District maintains over 775 miles of pipe and 77 pump stations throughout the 49 square miles of District service territory.

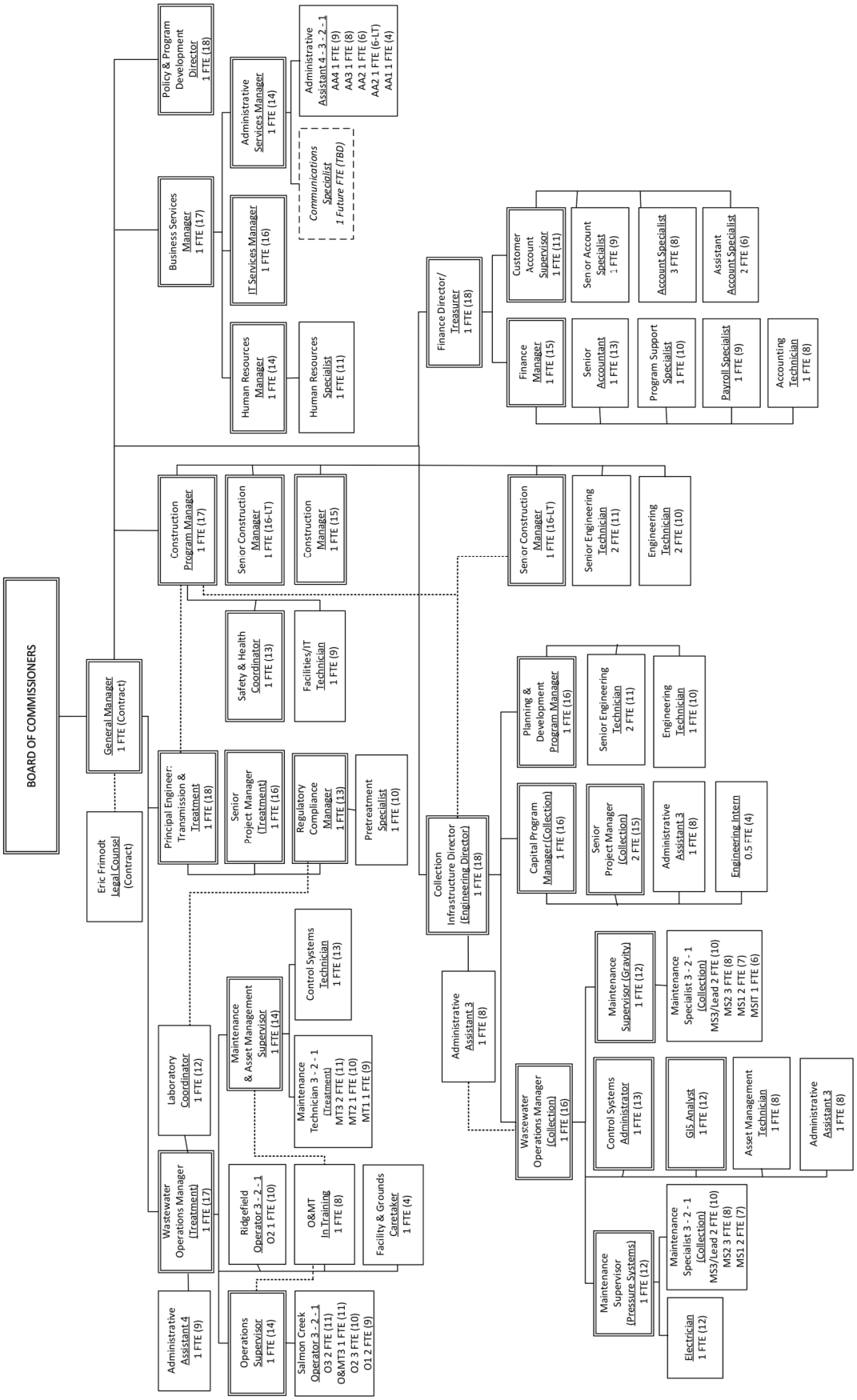
District Organization

Clark Regional Wastewater District is a special-purpose district organized under the Revised Code of Washington (RCW), Title 57. As a special-purpose district, it is chartered to provide sanitary sewer services to unincorporated Clark County, including the City of Ridgefield and portions of the City of Battle Ground and the City of Vancouver. As a public agency, it has a three-member Board of Commissioners who reside within the District service area and is elected by the ratepayers within those areas to six-year terms. The General Manager, hired by the Board of Commissioners, is the District's administrator and manages the 93.5 FTEs within Collection Infrastructure, Engineering, Wastewater Operations, Construction Manager, Finance, and Administration/Business Services departments.

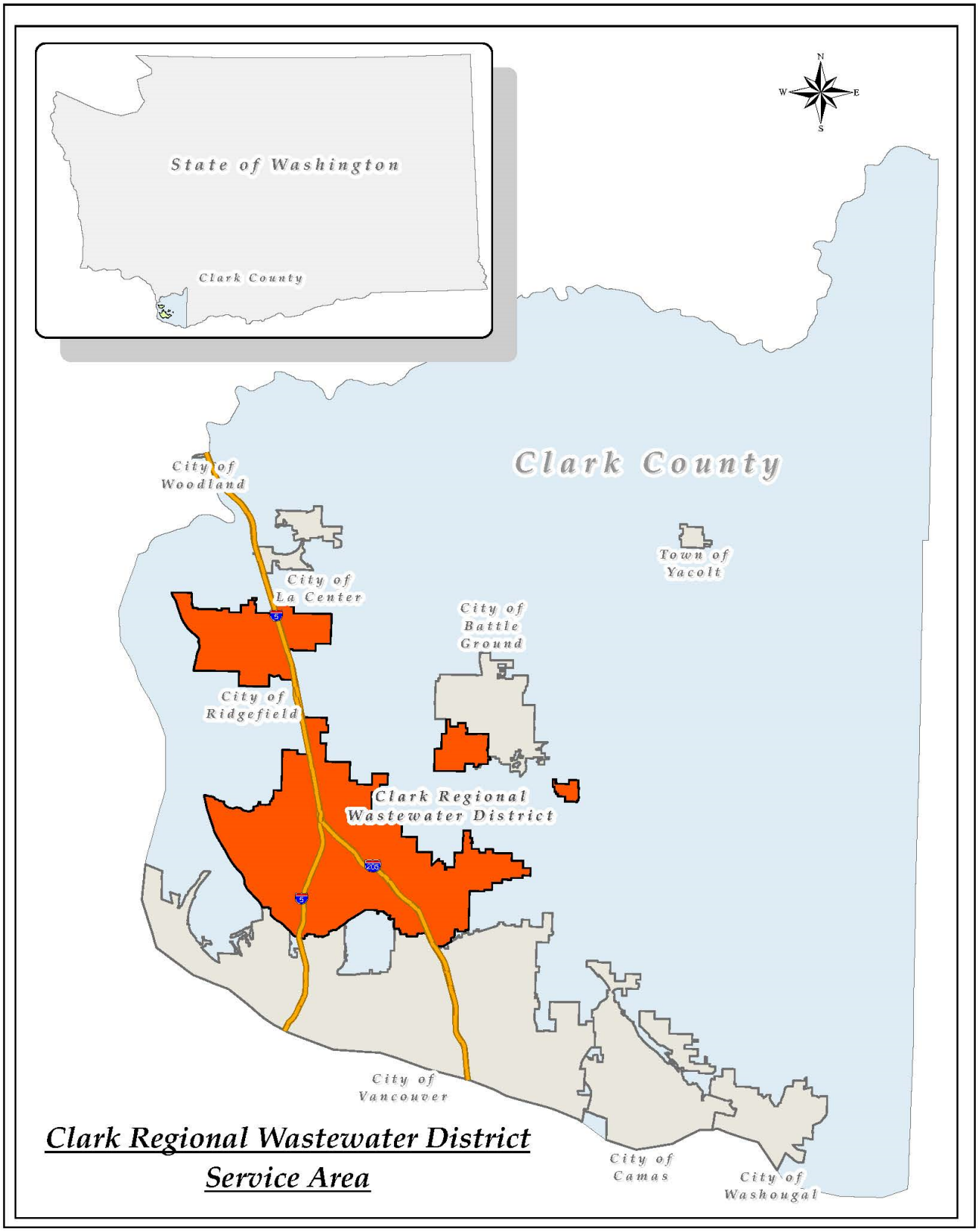
Our Ratepayers and Stakeholders

The District provides services to people living in unincorporated Clark County and the City of Ridgefield. The District provides sewer services and receives monthly rates from approximately 39,500 customers, including the Ridgefield service area customers. The District's customer base is comprised of both residential and commercial customers, and the District anticipates its customer base to grow to approximately 41,000 by the end of FY 2024. In addition, the District provides wastewater industry leadership, engineering expertise, and, in many cases, maintenance field support to the smaller cities within Clark County.

Organizational Chart



District Service Area Map



District Departments, Services and Performance Measures

Collection Infrastructure

The Collection Infrastructure Department consists of operation and engineer workgroups.

Operations Workgroup

The Operations workgroup is staffed with twenty-two (22) skilled full-time employees providing many services for the District, including:

- Underground Collection System Condition Assessments
- Pipeline Maintenance and Preservation Programs
- Pump Station Maintenance
- Septic Tank Effluent Pumping (STEP) System Maintenance
- Fleet Management
- Risk Mitigation
- Asset Optimization
- Engineering Assistance
- Geographic Information System (GIS)

Underground Collection System Condition Assessments. Operations staff perform Closed Circuit Television (CCTV) inspections of pipelines and manholes to support condition assessments of the District-owned collection system. CCTV inspections use specialized video equipment to inspect the inside of pipes to identify defects or problematic lines. Defects are scored based on severity, providing an overall system condition. The entire collection system is inspected on a regular cycle, with known problem areas inspected more frequently. The condition assessment drives prioritization of capital, restoration, and replacement projects, as well as maintenance and repairs.

Pipeline Maintenance and Preservation Programs. The District owns and maintains approximately 132 miles of pressure mains. As of January 1, 2024, the total pipe inventory (including service laterals) is just over 775 miles, ranging from 4 to 36 inches in diameter. Routine maintenance of these lines consists of scheduled CCTV inspections followed by High-Velocity Cleaning (HVC), where needed. Problematic lines with potentially higher grease levels, roots, and/or debris build-up are assigned accelerated cleaning frequencies. The Operations department is party to the Grounds, Equipment and Maintenance (GEM) agreement with

regional agencies to share resources, such as occasional CCTV inspection, line cleaning, and other services as needed.

Pump Station Maintenance. Operations staff operate and maintain 77 sewer pump stations and four motor-operated valves (MOVs). Maintaining the pressurized discharge piping systems, known as force mains, is part of the Pump Station Maintenance Program. Current maintenance procedures include detailed tasks that are performed on a weekly, monthly, semi-annual, and annual basis to maximize the useful life of the pump station assets. Operations staff also manage chemical injection systems and air treatment systems designed to treat odorous and corrosive gasses that form in wastewater systems as part of the Pump Station Maintenance Program.

Septic Tank Effluent Pumping (STEP) System Maintenance. The Operations staff maintain the continuous service of 891 individual STEP systems. These STEP systems are located in the satellite areas of Meadow Glade, Hockinson, Van Ridge, and South Ridge, as well as a few systems in the Ridgefield service area. The STEP systems are individual pumping systems that typically pump from a single residence or tax lot into a public force main. STEP systems may be required in areas with flat topography and high groundwater that would prevent traditional gravity sewer system installation. The Operations department is responsible for inspecting new STEP systems constructed in these areas and ongoing maintenance and repairs of the existing STEP systems.

Fleet Management. The District outsources the repair and periodic maintenance of District vehicles and equipment. Fleet management responsibilities performed by the Operations department include managing the fleet washing contract, vehicle service schedule coordination, vehicle and equipment procurement and surplus, and performing minor maintenance activities related to passenger vehicles, pickups, and small construction and safety equipment. The Operations staff manage the routine maintenance schedules of all fleet vehicles owned by the District.

Risk Mitigation. Risk mitigation is a central function of the Operations department. All the condition assessment and maintenance functions described previously are forms of risk mitigation. Another risk mitigation tool is the department's SCADA (Supervisory Control and Data Acquisition) system. This automated system monitors the pump stations 24 hours per day and alerts staff of any potential risks associated with equipment failure. The system allows for proactive responses to small issues before they become large issues that require immediate reactive response.

Another risk mitigation tool is the District's Utility Locate Program. Mandated by state law, the 8-1-1 service for "Call Before You Dig" initiates a utility locate ticket, prompting the dispatch of Operations staff to mark the location of District underground assets. This program is preventive

in nature because communicating the location of infrastructure helps prevent service outages that occur when these assets are disturbed by excavators. The District performs approximately 11,000 utility locates per year.

Asset Management. The Operations department utilizes CentralSquare Enterprise Asset Management (EAM) for public works to schedule preventive and corrective work and manage asset lifecycle costs. EAM is integrated with other District systems, including the Geographic Information System (GIS) for infrastructure mapping, the SCADA system, and the CCTV inspection management software. The Operations department utilizes EAM's mobile application, which allows staff to access work orders and equipment details, GIS maps, and inspection data from the field on a tablet or other mobile device without returning to the office for data entry. Mobile access creates efficiencies in staff productivity, decreases fuel use and vehicle wear, and increases accuracy through real-time data capture. All maintenance functions are scheduled and documented in EAM, including facilities maintenance, collection system maintenance, wastewater treatment plant maintenance, and fleet maintenance.

Engineering Assistance. The Operations staff provides support to the District's Engineering department by performing various field verification techniques confirming locations of existing underground assets, providing pipeline CCTV inspection data to aid in identifying sewer lines that require capitalized restoration or replacement, assisting with plan review of new pump station and piping system designs, and working with Engineering to establish District construction standards.

Geographic Information System (GIS). The District maintains a state-of-the-art computer mapping, archiving, and analysis system. The GIS platform is used in support of Engineering, Finance, and Maintenance functions at the District. The mapping system covers the District's service areas and extensively supports customer service, planning, design, and decision-making. GIS is also integral to the District's Maintenance Management System (MMS).

Performance Measures

Performance Objectives and Measures	Target	Actual 2020	Actual 2021	Actual 2022	Estimated 2023	Planned 2024
1) Responsible stewardship of public resources by protecting infrastructure to ensure system reliability						
Percentage of total inspectable pipe inspected over eight (8) year period	100%	NA	80%	89%	100%	100%
Percentage of responses to applicable locate requests	100%	100%	100%	100%	100%	100%
Number of controllable pump station overflows	0	0	0	0	0	0

NA = data not available

Engineering Workgroup

The Engineering workgroup provides engineering services for the District and its customers under the management of the Engineering Director, a licensed Professional Engineer. The Director is assisted by nine (9) additional full-time staff and a half-time engineering intern (.5) for a total department size of ten and a half FTE (10.5). These services include:

- Annexation Process Management
- Development Review
- Capital Facility Planning
- Capital Program Management
- Septic Elimination Program (SEP)

Annexation Process Management. The Engineering department oversees the "annexation" process for the District. Annexation is the formal process by which the District expands its service area, administered in accordance with RCW 57.24. The District is designated the service provider to roughly nine (9) new square miles of urban growth area within the County's 2007 Comprehensive Plan update. Generally expanded via the petition method of annexation, at the request of property owners, the District has annexed approximately 70% of the existing urban growth area through year-end 2021.

Development Review. The Engineering department assists new project developers, current customers, and existing homeowners in need of sewer service while ensuring compliance with District Design and Construction standards. Services include preliminary application utility reviews, engineering design reviews, permitting, and construction management. In addition, property owners may obtain record drawing information for assistance in locating their existing system for connection.

Capital Facility Planning. Planning within the District is a two-part process initiated with long-range planning followed by sub-basin planning. Long-range basin planning is performed to develop a 20-year General Sewer Plan (GSP) to address the infrastructure needs to support urban incorporation by the County. The District's current GSP was adopted in 2017 in conjunction with Clark County's Comprehensive Plan update and in compliance with the requirements of the Growth Management Act. The GSP provides a summary of the capital improvement projects and the associated costs for the planning period. More detailed sub-basin planning is performed within the framework of the GSP to identify the means and methods of extending service to individual parcels. The next GSP update is planned for 2025.

Capital Program Management. The District administers an active Capital Program to maintain and expand the sanitary sewer collection system. The Capital Program supports Restoration and Replacement (R&R) projects and develops and delivers new Capacity/Infrastructure (CIP).

District staff directs the overall Capital Program, including prioritizing, planning, budgeting, some designing, and managing projects. Under a District Project Manager, spot repair projects are designed internally for bid and construction, but most projects are designed by professional engineering consultants for bid and construction. All work is performed under the direction of a licensed Professional Engineer. The District utilizes GIS analysis and EAM data to assess the condition of assets to develop an R&R program that prioritizes projects to address the highest-risk problem areas. By identifying critical infrastructure with a higher risk of failure, the District can focus capital expenditures most effectively. The 2024 Capital Program will continue to reflect projects identified by this process.

The annual budget identifies the total expected expenditure for each project in the Capital Program. The District maintains an ongoing detailed Ten-year Capital Program, with an annual Capital Program extracted from that detailed plan for the Board's review and approval.

Septic Elimination Program (SEP). Supporting the District's vision of partnerships to protect water resources in the District's service area, the District maintains a formally established Septic Elimination Program (SEP), which extends sewer service to residential homes within the District and offers a financial incentive for connecting properties. The program includes over 40 projects that are prioritized through established ranking criteria. The District also works closely with the Clark County Public Health Department to provide sewer service for customers who are faced with the removal of their failing septic systems through other Local Facilities programs (i.e. Customer Generated Infrastructure and District Installed Infrastructure).

Performance Measures

Performance Objectives and Measures	Target	Actual 2020	Actual 2021	Actual 2022	Estimated 2023	Planned 2024
1) Establish the future direction of the District; its purpose and vision in support of its stakeholders' needs						
Percentage of annual District sponsored capital budget delivered (excludes developer projects)	80%	80%	96%	66%	71%	80%
Actual to forecast ERU growth	90-110%	112%	105%	101%	80%	90-110%
2) Communication that is open, honest and timely						
Percentage of utility reviews completed within 14 days	80%	90%	86%	94%	93%	85%
Percentage of plan reviews completed within 14 days	95%	92%	77%	95%	95%	95%

NA = data not available

Wastewater Operations Department

The Wastewater Operations Department is a combined effort of two (2) treatment facilities, the Ridgefield Treatment Plant and the Salmon Creek Treatment Plant. The treatment plants have twenty-one (21) full-time employees who control and monitor the primary operations of the plants 24 hours a day and provide these services include:

- Ridgefield Treatment Plant Operations
- Salmon Creek Treatment Plant Operations

Ridgefield Treatment Plant Operations. As of July 1, 2018, the District became the Contract Operator of the Ridgefield Treatment Plant. The treatment plant is a Conventional Activated Sludge plant rated at 0.7 million gallons per day (MGD) that receives average flows of roughly 0.3 MGD, or 300,000 gallons per day. Treatment plant processes are a combination of mechanical and biological actions that remove organic and inorganic materials from the flow stream. The finished products of the wastewater treatment process are water cleaned to purity exceeding acceptable limits monitored by the Washington State Department of Ecology (Ecology) and the U.S. Environmental Protection Agency (EPA), and sludge that is transferred to the Salmon Creek Wastewater Treatment Facility, and Three Rivers Regional Wastewater Facility for processing into Class' B' biosolids suitable for land application by Ecology and EPA standards. The treatment plant also utilizes the District Supervisory Control and Data Acquisition (SCADA) system for process monitoring and automated operations, which prevents the need for 24-hour per-day staffing requirements. The plant maintenance programs are managed using a computerized Maintenance Management System (MMS).

Salmon Creek Treatment Plant Operations. As of July 1, 2022, the District became the Contract Operator of the Salmon Creek Treatment Plant. The treatment plant is a Conventional Activated Sludge plant, rated at 14.95 MGD, that receives average flows of roughly 8.5 MGD, or 8,500,000 gallons per day. Treatment plant processes are a combination of mechanical-biological actions that remove organic and inorganic materials from the flow stream. The finished products of the wastewater treatment process are water cleaned to purity exceeding acceptable limits monitored by the Washington State Department of Ecology and the U.S. EPA, and sludge that is processed into Class 'B' biosolids suitable for land application by Ecology and EPA standards. The treatment plant also utilizes a SCADA system for process monitoring and automated operations, which prevents the need for 24-hour per-day staffing requirements. Plant operations data is managed in Hach WIMS, an operational database that simplifies reporting. Plant maintenance programs are managed using a computerized Maintenance Management System (MMS).

Performance Measures

Performance Objectives and Measures	Target	Actual 2020	Actual 2021	Actual 2022	Estimated 2023	Planned 2024
1) Responsible stewardship of public resources by protecting infrastructure to ensure system reliability						
Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes
Effluent BOD	<30 mg/l	7.9	8.4	6.7	5.8	10
Effluent TSS	<30 mg/l	6.8	7.9	7.2	6.9	10
Total Ammonia	<18.7 mg/l	4	4.8	3.2	2.6	8
Effluent Fecal Coliform	<200cl/100ml	21.5	40.3	31	20	50
Percentage removal of BOD	85%	97%	97%	98%	98%	96%
Percentage removal of TSS	85%	97%	97%	98%	98%	96%

Transmission & Treatment Engineering Department

The Transmission and Treatment Department is staffed with four (4) full-time employees providing pretreatment, engineering and construction services for the Discovery Clean Water Alliance on behalf of the District. Services include, but not limited:

- Pretreatment Program
- Discovery Clean Water Alliance - Engineering

Pretreatment Program. The District administers the delegated Industrial Pretreatment Program for the Discovery Clean Water Alliance, implementing all federal and state pretreatment requirements applicable to non-domestic discharges in order to protect wastewater collection and treatment systems. Program responsibilities include business surveying, plan review, inspections, compliance monitoring, permitting and enforcement activities, compliance sampling at the Salmon Creek Treatment Plant, and reporting in accordance with NPDES requirements. The District also administers a Fats, Oils, Grits and Grease (FOGG) program for the Alliance as part of the Industrial Pretreatment Program.

Discovery Clean Water Alliance - Engineering. The District provides capital program management and construction program management services for the Alliance. Capital program management support services include capital plan development, capital plan delivery, regional asset development review, regional asset wastewater volume and quality management, regulatory compliance management, and other non-listed Engineering support services.

Construction Management Department

The Construction Management Department provides many services that support the District's day-to-day operations and the long-term stability of its core functionality with ten (10) exceptional full-time employees. The Construction Management Department includes:

- Construction
- Safety
- Facility Maintenance

Construction. The District utilizes in-house inspection and construction management personnel to manage Capital Development and Alliance construction projects. Construction management of District projects involves complete turnkey delivery of projects from bid to closeout. These activities include but are not limited to administering construction contracts, managing contractors and consultants, procuring outside materials outside of construction contracts, establishing & managing communication, managing project costs and schedules, and coordinating with District Engineering and operations staff, as needed.

Safety. Development and implementation of District Safety Programs and procedures in accordance with Washington State Department of Labor & Industries and Occupational Safety and Health Administration (OSHA) standards. Responsible for driving performance improvement and strengthening the safety culture in the District. Identify systemic Environmental, Health & Safety (EHS) gaps, develop corrective measures, and implement solutions necessary to sustain compliance with governing standards and District programs. Provide day-to-day oversight of the overall safety program and responsible for ensuring all District staff are up to date with all necessary training. Works closely with Human Resources and Risk Management to support those endeavors.

Facility Maintenance. The District's campus serves as the headquarters for the administration and maintenance activities of the District. The Construction Management department manages facilities maintenance. Janitorial, landscaping, HVAC, general building, and utility service contracts are overseen by this group. General daily maintenance and upgrade/improvement projects are performed in addition to a variety of other facilities maintenance tasks performed by the in-house IT/Facilities Technician.

Finance Department

The Finance department, with a staff of thirteen (13) dedicated, full-time employees, provides a wide range of services for the District. These services include but are not limited to the following:

- Customer Service
- Permits
- Accounting
- Treasury Management
- Budget/Forecasting
- Discovery Clean Water Alliance Administrative Lead Services
- Risk Management

Customer Service. As a customer-focused utility, Finance considers customer service an ongoing improvement process. We continue to evaluate how to improve and enhance our levels of service while providing the same quality of service to our customers that we would expect if we were customers. The District anticipates managing approximately 24,000 telephone calls, processing nearly 250,000 billing statements, and manually receipting over 5,500 payments. In addition, the District will continue to manage approximately 200 high-resource customers monthly.

Permits. In addition to utility billing and customer service responsibilities, the Finance department is responsible for issuing sewer permits. Finance is on track to issue close to 1,000 permits in 2023, which aligns with the number of permits issued in 2022.

Accounting. The department maintains the District's financial records in compliance with state and federal regulations. The District's financial statements are audited annually by the Washington State Auditor's Office (SAO) for adherence to Generally Accepted Accounting Principles (GAAP). For the last 41 years, SAO has had no findings to include in their Auditor's report. In addition to maintaining the financial records and preparing the statements for audit, core accounting functions provided by Finance include payroll, accounts payable, project accounting, accounts receivable, contract receivables, budget preparation, and general ledger maintenance. Various reports, such as the Annual Comprehensive Financial Report, Board reports, management reports and other audit and bond compliance statements, are prepared monthly, semi-annually, and annually. The District has been awarded the Certificate of Achievement for Excellence in Financial Reporting for the last 35 years and strives to continue providing transparent, informative, and relevant financial information for District stakeholders.

Treasury Management. The primary responsibility and goal of the treasury function are to ensure the District's financial resources are safeguarded, and the District's cash reserves are invested safely and prudently. To accomplish this, the District issues and/or defeases debt in an effort to provide the lowest financing costs to our ratepayers. In addition, the assets and cash transactions are secured by evaluating and enhancing internal controls and improving business processes, like recording assessments, liens, and the satisfaction thereof.

Budget/Forecasting. The District utilizes a ten-year revenue and expense forecast and the assumptions used in preparing the forecast to ensure adequate revenues are available for necessary operational and capital expenditures. The budget is a piece of the ten-year forecast in that it is developed from compiled information and the anticipated needs of each department to develop an operating budget. Budget preparation also necessitates internal coordination and facilitation of the capital plan information with Engineering, specifically to determine how future projects will affect the Existing Assets Restoration and Replacement (R&R) account, as well as the New Assets Capital Improvement Projects (CIP) account. The Management team provides valuable input throughout the budget preparation process. The budget is presented to the Board of Commissioners for review and adoption as the final step.

The District evaluation of current revenue forecasts necessary to adequately fund future capital and R&R needs and keep pace with the increased costs for operational activities has indicated that the 2024 base rates will increase by $1.50 per month. The District base rates continue to be more affordable and stable than other providers in Clark County and across Western Washington. Throughout the 7-year period from 2016 to 2023, other regional providers raised their rates on average $16.00+ per month, whereas the District raised its base rate a total of $5.50 per month. This reflects the District's efforts to keep costs at or below the inflation rate.

In recognition of its budgetary efforts, The District received the GFOA Distinguished Budget Award for its 2023 Adopted Budget. This award is the highest recognition in fiscal planning and budgeting nationwide. The District has been awarded the Distinguished Budget Award for the last eight years and strives to continue providing transparent, informative, and relevant financial information for District stakeholders.

Discovery Clean Water Alliance. In conjunction with its partners (Clark County and the Cities of Battle Ground and Ridgefield), the District formed Discovery Clean Water Alliance under the Joint Municipal Utility Services Act statute in January 2013. The District provides Administrative Lead services for Discovery Clean Water Alliance. The Finance department provides financial and treasury services for the Alliance Board of Directors. These services include but are not limited to the preparation of the operating and capital budgets, quarterly and annual financial reporting, Annual Comprehensive Financial Report development, SAO audit process management, financial policies compliance, debt and investment management, accounts receivable, and accounts payable. The District's Finance Director is the appointed Treasurer for the Alliance.

Risk Management (RM). The District's Finance Director/Treasurer is responsible for risk management. This includes ensuring compliance with all applicable laws, ordinances, policies and guidelines impacting the District. Also included is the administration of risk management program activities, including general liability insurance and claims processing, risk assessment and mitigation strategies.

Performance Measures

Performance Objectives and Measures	Target	Actual 2020	Actual 2021	Actual 2022	Estimated 2023	Planned 2024
1) Responsible stewardship of public funds and fiscal accountability to the public						
The District Annual Comprehensive Financial Report (ACFR) receives an Unqualified Opinion from the Washington State Auditor's Office	Yes	Yes	Yes	Yes	Yes	Yes
Government Finance Officer Association (GFOA) Certificate of Achievement of Excellence in Financial Reporting awarded to the District	Yes	Yes	Yes	Yes	Yes	Yes
Percentage of Operating Budget Over/Under spent	+/- 5.0%	-1.9%	-0.5%	1.9%	0.0%	0.0%
2) Transparent communication with stakeholders regarding objectives, goals, and planned spending						
The Government Finance Officer Association (GFOA) Distinguished Budget awarded to the District	Yes	Yes	Yes	Yes	Yes	Yes

Administration/Business Services Department

The Administration/Business Services department, with a staff of twelve (12) full-time employees, is responsible for administering and managing the overall affairs of the District, including Human Resources and IT services, and provides executive support to the District Board of Commissioners. The General Manager leads the department and includes the Policy & Program Development Director, Business Services Manager, IT Services Manager, HR Manager, HR Specialist, Administrative Services Manager, and five (5) Administrative Assistant support staff. The department's core functions include:

- District Management
- Support to the Board of Commissioners
- APWA Accreditation
- Discovery Clean Water Alliance
- Public Records
- Human Resources
- Succession Planning
- IT Services Management

District Management. The Administration department is active in all general management practices and oversees all District services and activities. Administrative staff administers and maintains oversight of intergovernmental coordination with partner agencies throughout the community. Specific day-to-day operations of District functions are the responsibility of department Managers. The Managers work closely with Administrative staff in "providing

customer-focused, professional wastewater services in an environmentally and financially responsible manner." In addition, public involvement and outreach activities, along with the development and implementation of key documents, presentations, and initiatives, are consistently provided by the Administration department.

Board of Commissioners (Board). Board support is provided by Administrative staff to ensure all applicable laws and regulations for open public meetings are adhered to and ensure effective and efficient due process for all individuals, organizations, and businesses that seek to appear before the Board at their regularly scheduled meetings.

APWA Accreditation. The Administration staff is instrumental in facilitating the process of APWA Accreditation. Initially accredited in 2005 and re-accredited in 2009, 2015, 2020, and 2023, the District is the first Special Purpose Government to carry the APWA Accreditation in North America. The accreditation process aims to provide a means of formally verifying and recognizing public works agencies for compliance with the recommended practices outlined in the Public Works Management Practices Manual. The accreditation process is entirely voluntary.

Discovery Clean Wastewater Alliance. In conjunction with its partners (Clark County and the Cities of Battle Ground and Ridgefield), the District formed the Discovery Clean Water Alliance (Alliance) under the Joint Municipal Utility Services Act statute in January 2013. The General Manager and Administrative staff also provide support to the Board of Directors of the Alliance. These responsibilities include executive and administrative services such as agency coordination, clerk for the Board, public outreach, and oversight of the operational committees. The District is also responsible for coordination with the Alliance legal counsel via contract and for overseeing the development of the complete administrative framework.

Public Records. The District Business Services Manager serves as the District Public Records Officer. Within five business days of receipt of a request, the Public Records Officer will acknowledge and fulfill the request.

Human Resources (HR). Administration of the HR program includes employment, recruitment, compensation/benefits, employee relations, training and employee development, personnel record management, personnel policy and procedure development, legal compliance, and internal consulting. The District offers a very competitive benefits package upon hire. The benefits include Washington State PERS, fully paid medical and dental benefits including vision coverage, paid sick leave, paid vacation, life insurance, medical and dependent care spending accounts, and short and long-term disability options. The Board of Commissioners has approved an annual market rate adjustment of 3.0% for all pay grades for the 2024 budget cycle. Along with the market rate adjustment by pay grade each year, employees are eligible to receive a 3.0% increase in pay upon a successful performance evaluation. Employees already at

the top of their salary range can receive an extra 1.5% based on extraordinary performance on their anniversary date.

Succession Planning. A priority of Human Resources is managing succession planning. With individuals in key positions at or nearing retirement age, the District is focusing not only on recruitment efforts for these positions but also on career development for the existing staff. This planning is necessary to increase the availability of experienced and capable employees to fill these positions when they become available.

IT Services Management. As the District continues to grow, so has the need for dedicated IT Services Management. In-house management of IT Services at the District will support all department's IT needs, starting with basic desktop support, implementation and maintenance of IT applications and processes, and IT security, all the way up to developing and implementing an IT strategy that aligns with the District's mission statement and goals.

Performance Measures

Performance Objectives and Measures	Target	Actual 2020	Actual 2021	Actual 2022	Estimated 2023	Planned 2024
1) Open and timely communication with Stakeholders						
Percentage of public records requests responded to within five (5) business days	100%	100%	100%	100%	100%	100%
Percentage of District Board meeting minutes available online to the public within 72 hours of Board adoption	100%	100%	100%	100%	100%	100%
2) Operating policies and procedures meet national industry standards						
American Public Works Association (APWA) accredited agency	Yes	Yes	Yes	Yes	Yes	Yes
3) Professional and motivated workforce						
Percentage of new hires getting a favorable performance rating	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage of employees obtaining a "successful" or higher performance rating	> 95.0%	96.4%	97.0%	96.7%	> 95.0%	> 95.0%
Employee turnover rate	< 10.0%	6.5%	8.4%	6.2%	< 10.0%	< 10.0%
4) Responsible stewardship of public resources through IT security awareness						
Employee phishing test pass rate	> 98.0%	97.5%	98.6%	97.6%	> 99.0%	> 98.0%

GFOA Distinguished Budget Presentation Award

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Clark Regional Wastewater District
Washington

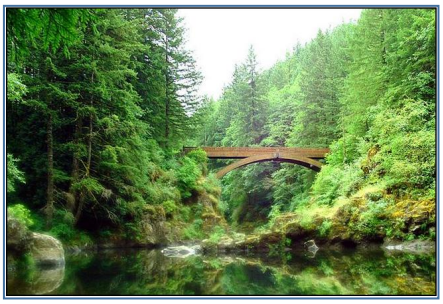
For the Fiscal Year Beginning

January 01, 2023

Christopher P. Morrill

Executive Director

District Mission, Vision and Values



Mission

Providing customer-focused, professional wastewater services in an environmentally and financially responsible manner.

Vision

An active partner in Clark County to support economic development and to manage and protect water resources.

Values

The District is committed to providing a high level of service to its customers and the community. The District fulfills this commitment through its staff, a team of innovative, talented, high-performing individuals who work together seeking to make a difference and keeping the customer first.

Safe and healthy workplace for all employees

Employees who are talented and motivated professionals that work together in a spirit of cooperation and with respect for all individuals

Responsibility, integrity and fairness in managing the environmental and financial resources entrusted to the District

Valued partner involved and active within our community

Innovation and learning, creating an environment of personal and professional growth

Communication that is active, open, honest and timely

Efficient and effective solutions that meet the needs of our customers and our community

Strategic Planning

The District strives to make each year an integral step in fulfilling its Mission and Vision. By adhering to its Values, the District continues to put the needs of its customers and community first. For the District, it is consistent with our Vision of being an integrated community partner.

The District's strategic plan establishes five core focus areas, referred to as our strategic planning objectives. More information and a copy of the District's complete strategic plan may be found at http://www.crwwd.com/about/planning.html. The strategic planning objectives are:

Planning - Establish the future direction of the District, its purpose and Vision in support of its stakeholders' needs.

Partnership - Strengthening existing and building new partnerships with our local public agencies.

Outreach - Enhancing public awareness and education of the District and its services.

Culture - Instilling the Mission, Vision and Values into the culture of the District.

Effectiveness - Improving the core business processes to allow the District to efficiently and effectively meet the current and future needs of its stakeholders.

For each of the strategic objectives, the District establishes and pursues realistic and timely goals and initiatives that are designed to propel the organization forward to accomplishing its Vision. Annually, these goals are reviewed and updated in a multi-year context, looking both retrospectively and prospectively. The goals are adopted by the Board of Commissioners as the General Manager/Organizational Goals for the year. The General Manager assigns the goals within each department, but more specifically to individual Managers. Likewise, individual goals are then formally integrated into each Manager's annual performance management program. This process maintains focus across the entire organization on the strategic initiatives and most important priorities.

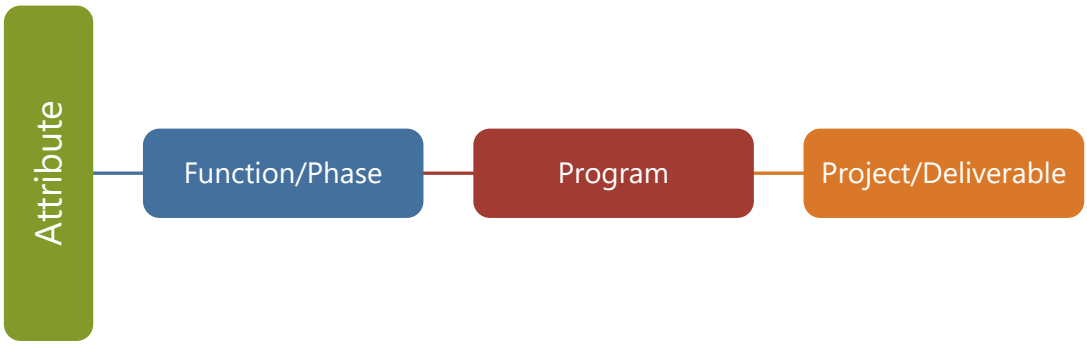
Fiscal Year 2024 Goals and Objectives

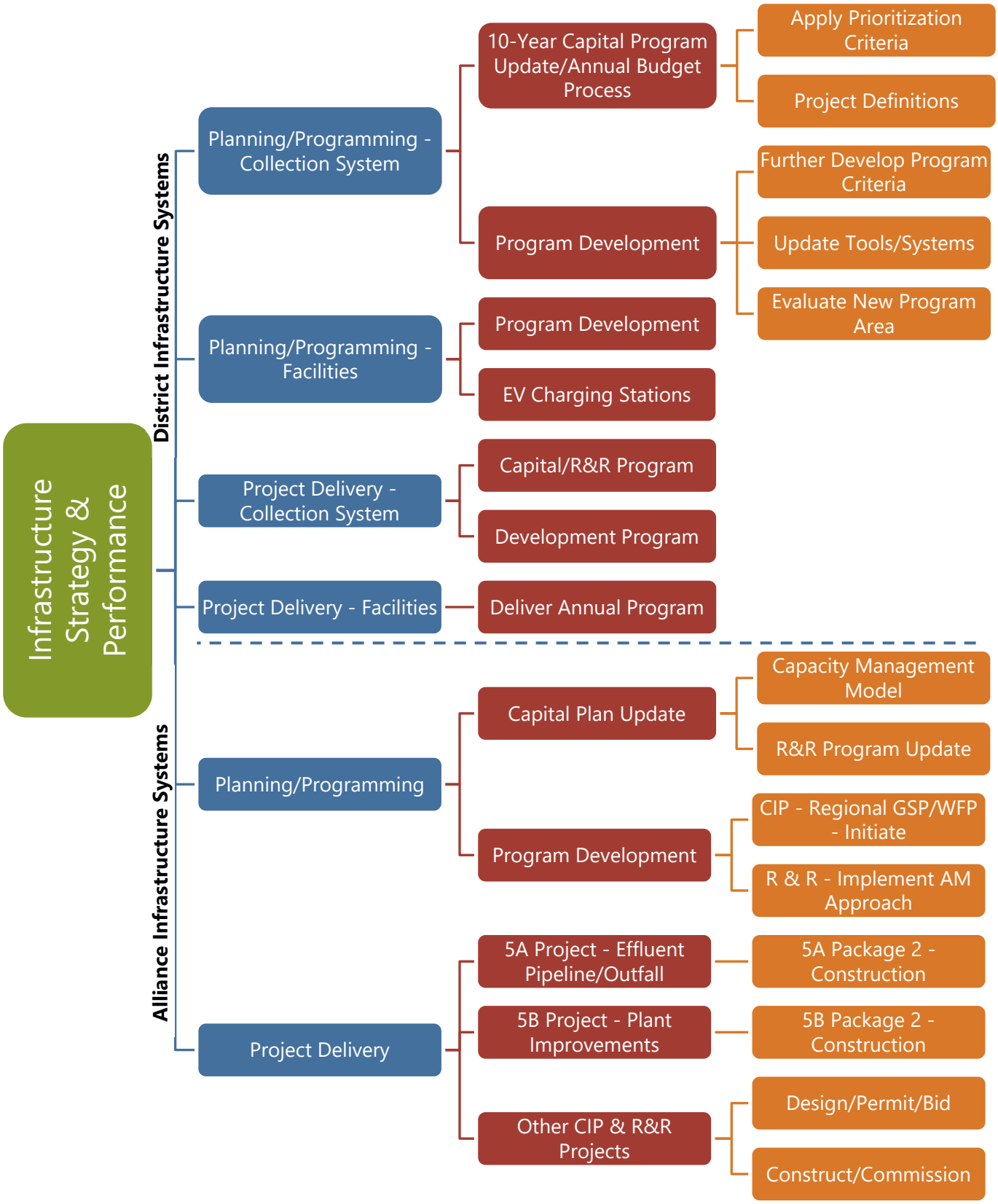
Goal Structure

Annually, organizational goals are developed to guide the District forward. The goals are categorized within each of the five (5) strategic planning objective areas and the ten (10) attributes of effectively managed utilities. For any one year, the emphasis may lie more heavily on one of the particular objectives (e.g., Effectiveness vs. Outreach). The intent is to continue growing in all areas while allowing the organization to be dynamic and responsive to the environment, including social, political, and economic factors. More specifically, to always be responsive to the policy direction of the Board of Commissioners. The Effective Utility Management model will be used to inform future strategic planning efforts at the District.

The District has been successful each year in more efficiently and effectively delivering services to the community. This is accomplished in part by focusing not only externally on the community but also internally on the work being done. In recent years, the District's goals have been concentrated on planning and partnership objectives, with a significant external focus. This has resulted in important long-term benefits to the District and its customers through such initiatives as the formation of the Discovery Clean Water Alliance and the transfer of the Ridgefield Collection System to the District.

For 2024, the bulk of the organizational goals have a strategic objective of Effectiveness. The attributes of this objective assist the District in designing goals that provide infrastructure strategy and performance, operational optimization through efficiency initiatives, product quality, and water resource sustainability by enhanced pretreatment and septic elimination programs, and other benefits that add value to District stakeholders. This focus is appropriate so that adequate time, energy, and resources are devoted to ensuring the success of project delivery, program development, and continued expansion of organizational roles.




Infrastructure Strategy & Performance
District Infrastructure Systems
Planning/Programming - Collection System
10-Year Capital Program Update/Annual Budget Process
Apply Prioritization Criteria
Project Definitions
Program Development
Further Develop Program Criteria
Update Tools/Systems
Evaluate New Program Area
Planning/Programming - Facilities
Program Development
EV Charging Stations
Project Delivery - Collection System
Capital/R&R Program
Development Program
Project Delivery - Facilities
Deliver Annual Program
Alliance Infrastructure Systems
Planning/Programming
Capital Plan Update
Capacity Management Model
R&R Program Update
Program Development
CIP - Regional GSP/WFP - Initiate
R & R - Implement AM Approach
Project Delivery
5A Project - Effluent Pipeline/Outfall
5A Package 2 - Construction
5B Project - Plant Improvements
5B Package 2 - Construction
Other CIP & R&R Projects
Design/Permit/Bid
Construct/Commission

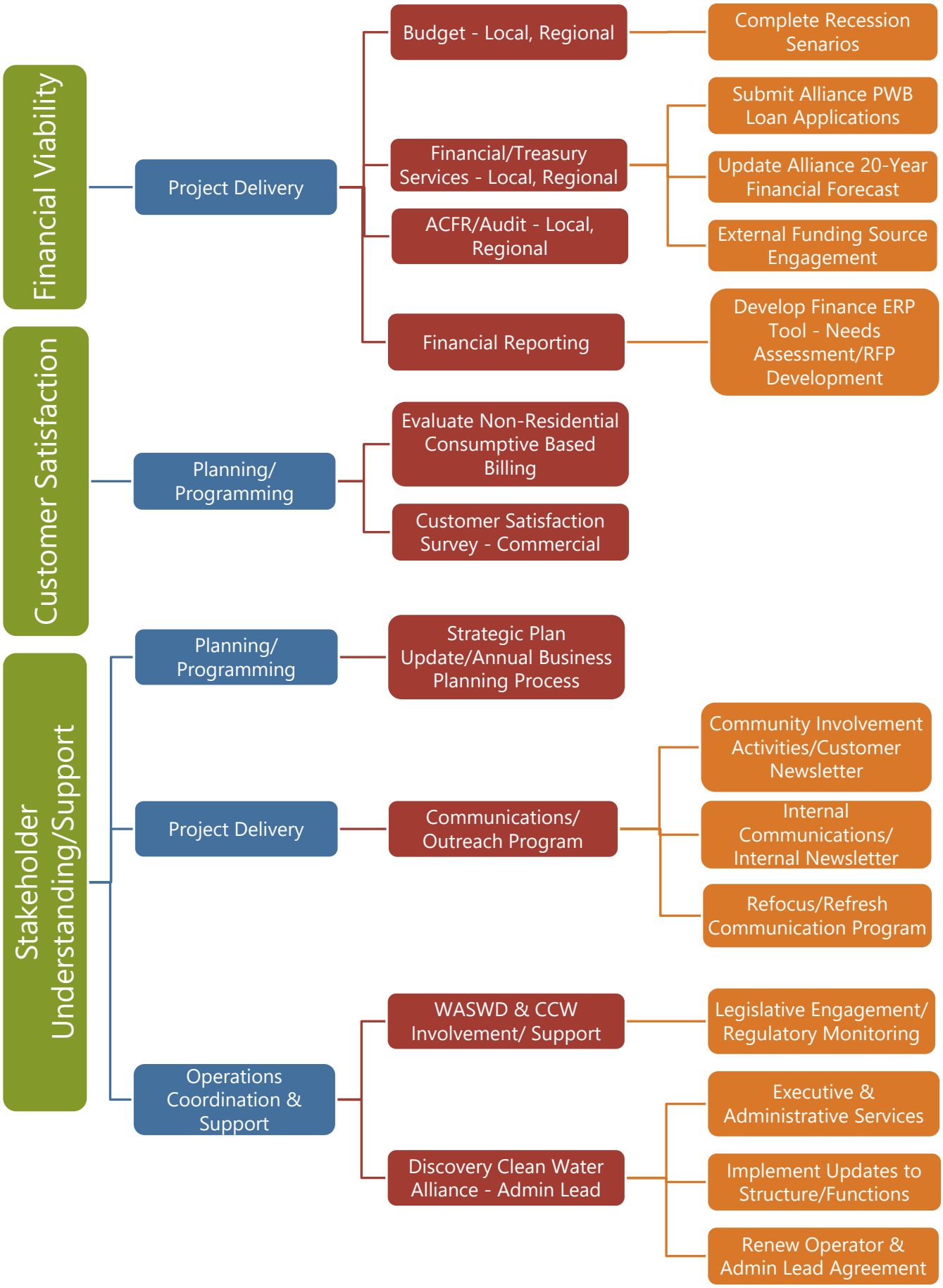
District Infrastructure Capital Program - $17,722,400

Discussion. District Capital Planning is a two-part process initiated with long-range planning and followed by sub-basin planning. Long-range basin planning is performed to develop a 20-year General Sewer Plan (GSP) to address the infrastructure needs to support urban incorporation by the County. District Engineering staff prepare a 10-year Capital Program that is updated annually in conjunction with the budget process.

Budget Implications. The District Capital Program does not have any Operating budget implications.

Budget impacts for 2024 include:

DESCRIPTION	ACCOUNT	EXPENSE CATEGORY		BUDGET IMPACT
Central Service Area	CIP	Capital Expenditures	$	7,019,300
Ridgefield Service Area	CIP	Capital Expenditures		4,437,000
Central Service Area	R&R	Capital Expenditures		4,561,100
Ridgefield Service Area	R&R	Capital Expenditures		136,000
Fleet & Facilities	R&R	Capital Expenditures		1,569,000


Financial Viability
Project Delivery
Budget - Local, Regional
Complete Recession Senarios
Financial/Treasury Services - Local, Regional
Submit Alliance PWB Loan Applications
Update Alliance 20-Year Financial Forecast
External Funding Source Engagement
ACFR/Audit - Local, Regional
Financial Reporting
Develop Finance ERP Tool - Needs Assessment/RFP Development
Customer Satisfaction
Planning/ Programming
Evaluate Non-Residential Consumptive Based Billing
Customer Satisfaction Survey - Commercial
Stakeholder Understanding/Support
Planning/ Programming
Strategic Plan Update/Annual Business Planning Process
Project Delivery
Communications/ Outreach Program
Community Involvement Activities/Customer Newsletter
Internal Communications/ Internal Newsletter
Refocus/Refresh Communication Program
Operations Coordination & Support
WASWD & CCW Involvement/ Support
Legislative Engagement/ Regulatory Monitoring
Discovery Clean Water Alliance - Admin Lead
Executive & Administrative Services
Implement Updates to Structure/Functions
Renew Operator & Admin Lead Agreement

Discovery Clean Water Alliance (Administrative Lead) - $1,715,000

Discussion. This goal encapsulates the District's continued participation and leadership in the administration of the Discovery Clean Water Alliance (Alliance). The District operates as the Administrative Lead via contract with the Alliance Board of Directors. These lead services include capital program management, financial and treasury services, and administrative services. For details on services provided under this contract, see District Departments and Services on page 14.

Budget Implications. For FY 2024, the District will be providing the following major services for the Alliance that impact the District budget:

- Capital Program Support and Regulatory Compliance for the Salmon Creek Treatment Plant (SCTP) Phase 5 Expansion and Columbia River Effluent Pipeline projects.
- Financial and Treasury Services will provide preparation of the Annual Comprehensive Financial Report (ACFR), budget monitoring and reporting.

Budget impacts for 2024 include:

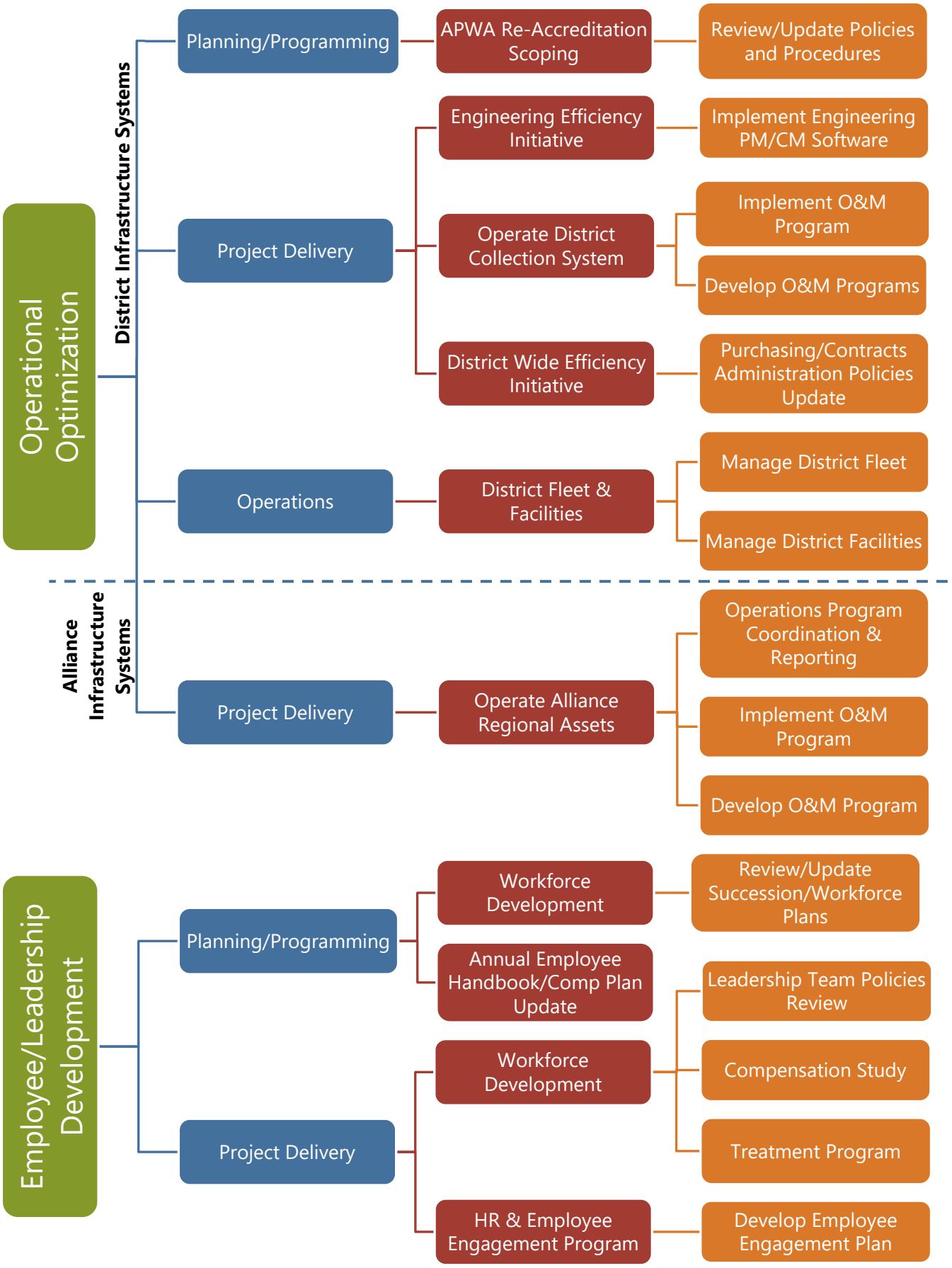
DESCRIPTION	ACCOUNT	EXPENSE CATEGORY		BUDGET IMPACT
Personnel Costs	O&M	Salaries & Benefits	$	1,256,000
Professional Services	O&M	Other - Regional Asset Expense		446,000
Other	O&M	Other - Regional Asset Expense		13,000

Enterprise Resource Planning (ERP) Needs Assessment/RFP Development - $80,000

Discussion. The District's 2024 financial viability initiative includes the recommendation of scoping an Enterprise Resource Planning (ERP) that will create efficiencies and improve program effectiveness in all areas related to financial management. The current financial reporting software provider has indicated that the on-premises solution that the District currently utilizes will eventually no longer be supported and is encouraging clients to migrate to their cloud solution. In 2024, the District plans to begin a needs assessment to determine whether the current vendor's cloud solution will meet the needs of a growing District or whether the District needs to consider other options. This effort will allow the District to be proactive in choosing a new solution rather than reactive.

Budget Implications. Budget impacts for 2024 include:

DESCRIPTION	ACCOUNT	EXPENSE CATEGORY		BUDGET IMPACT
Project Support	O&M	Processional Services - Consultant	$	80,000


Operational Optimization
District Infrastructure Systems
Planning/Programming
APWA Re-Accreditation Scoping
Review/Update Policies and Procedures
Project Delivery
Engineering Efficiency Initiative
Implement Engineering PM/CM Software
Operate District Collection System
Implement O&M Program
Develop O&M Programs
District Wide Efficiency Initiative
Purchasing/Contracts Administration Policies Update
Operations
District Fleet & Facilities
Manage District Fleet
Manage District Facilities
Alliance Infrastructure Systems
Project Delivery
Operate Alliance Regional Assets
Operations Program Coordination & Reporting
Implement O&M Program
Develop O&M Program
Employee/Leadership Development
Planning/Programming
Workforce Development
Review/Update Succession/Workforce Plans
Annual Employee Handbook/Comp Plan Update
Project Delivery
Workforce Development
Leadership Team Policies Review
Compensation Study
Treatment Program
HR & Employee Engagement Program
Develop Employee Engagement Plan

Workforce Development – Compensation Study - $60,000

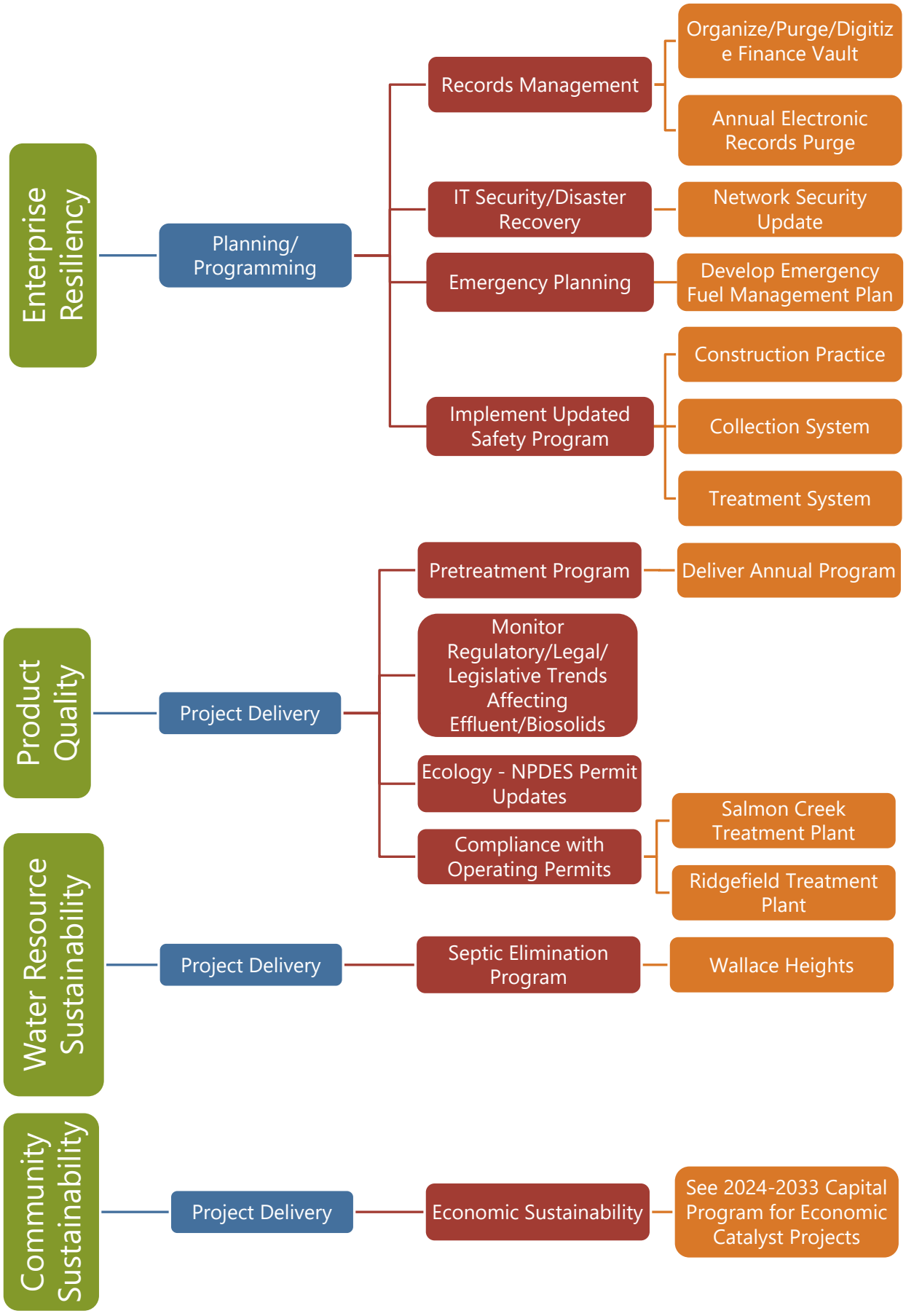
Discussion. The District seeks to update its compensation and benefits study to maintain total rewards alignment with prevailing market conditions (external equity) and enhance its ability to attract, retain, and motivate highly qualified employees. Work will be conducted with engagement from both staff, the employee committee, and the management team.

Objectives of the survey:

- Develop and conduct a custom compensation and benefits survey of prevailing practices for all employee classifications, exempt and non-exempt, with comparable benchmarking organizations applicable to the geographical recruitment areas.
- Ensure salary ranges for all positions reflect relative organizational value/risk, complexity, supervisory responsibilities, and educational/competency requirements (internal equity).
- Provide specific recommendations regarding appropriate modifications to the District's compensation and benefits policies, practices and offerings to accurately reflect prevailing market conditions consistent with the District's mission, vision and values.

Budget Implications. Budget impacts for 2024 include:

DESCRIPTION	ACCOUNT	EXPENSE CATEGORY		BUDGET IMPACT
Project Support	O&M	Processional Services - Compensation	$	60,000


Enterprise Resiliency
Planning/ Programming
Records Management
Organize/Purge/Digitize Finance Vault
Annual Electronic Records Purge
IT Security/Disaster Recovery
Network Security Update
Emergency Planning
Develop Emergency Fuel Management Plan
Implement Updated Safety Program
Construction Practice
Collection System
Treatment System
Product Quality
Project Delivery
Pretreatment Program
Deliver Annual Program
Monitor Regulatory/Legal/ Legislative Trends Affecting Effluent/Biosolids
Ecology - NPDES Permit Updates
Compliance with Operating Permits
Salmon Creek Treatment Plant
Ridgefield Treatment Plant
Water Resource Sustainability
Project Delivery
Septic Elimination Program
Wallace Heights
Community Sustainability
Project Delivery
Economic Sustainability
See 2024-2033 Capital Program for Economic Catalyst Projects

Capital Program – Economic Catalyst Projects - $12,340,000

Discussion. The District is committed to providing a wastewater system that will serve the next generation of customers and the next generation of jobs that are vital to the health of our community. Wastewater service plays a critical role in protecting public and environmental health, but also in helping our community reach its economic potential. We collaborate and work with partners to identify areas of economic significance that need wastewater infrastructure. The District makes strategic infrastructure investments in projects that act as a catalyst in these areas, removing barriers and stimulating economic development.

Budget Implications. Economic catalyst projects for 2024 include:

DESCRIPTION	ACCOUNT	EXPENSE CATEGORY	BUDGET IMPACT
Whipple Creek North PS Upgrade	CIP	Capital Construction Costs	$ 1,350,000
Mt. Vista Trunk Upgrade	CIP	Capital Construction Costs	550,000
DCWTS Phase 2A	CIP	Capital Construction Costs	2,610,000
DCWTS Phase 2B	CIP	Capital Construction Costs	300,000
NE 179th St and NE 29th Ave Improvement	CIP	Capital Construction Costs	80,000
Ridgefield N 50th Ave Roundabout and Pioneer St Widening	CIP	Capital Construction Costs	680,000
NE 179th Street CRP - NE 15th AVE - NE 26th AVE	CIP	Capital Construction Costs	20,000
NE 179th Street CRP - NE Delfel Rd - NE 15th AVE	CIP	Capital Construction Costs	40,000
Whipple Creek West Pump Station and Force Main	CIP	Capital Construction Costs	1,970,000
McCormick Creek Pump Station	CIP	Capital Construction Costs	1,700,000
Curtin Creek Gravity Sewer	CIP	Capital Construction Costs	1,450,000
Whipple Creek East Pump Station F and Force Main	CIP	Capital Construction Costs	270,000
Pleasant Valley North Pump Station C	CIP	Capital Construction Costs	200,000
Carty Road Pump Station	CIP	Capital Construction Costs	270,000
NE 179th Street Trunk	CIP	Capital Construction Costs	850,000

Operating Budget Policy

The budget is an essential element of the financial planning, control, and evaluation process for governments and businesses. In its most general sense, the budget is a framework that reflects the planned financial operation of an entity for a given period.

The District formally budgets revenues and expenditures for a one-year period. The District prepares a balanced budget, meaning that revenues equal or exceed expenditures. The formal annual budget is prepared, and budget decisions are made in the context of a ten-year revenue and expenditure forecast. The District's Finance department is responsible for preparing the annual budget and ten-year forecast with significant input and direction from the five other departments.

In budgeting for expenditures, the District prioritizes maintaining existing levels of sewer service before making the decision to expand and provide new services. Additionally, the District prepares a zero-based budget. Rather than incrementally increasing expenditures, it critically examines past spending patterns to budget for future expenditures. The District maintains long-term equipment and infrastructure replacement schedules. This helps stabilize costs to avoid any unexpected expenditures and helps to avoid the deterioration of District equipment and infrastructure.

The District elects to use the modified accrual basis of accounting for budgeting purposes. In general, revenues are budgeted if they are measurable and available to finance expenditures for the budget period. Sources from rates are available as they are collectible within 30 days of the end of the fiscal year. Expenditures are budgeted when the related liability is incurred.

The District uses the full accrual basis of accounting for financial reporting purposes. Some distinct differences between modified accrual and full accrual include:

	BUDGET ACCOUNTING	FINANCIAL REPORTING
Transaction	**Modified Accrual Basis**	**Full Accrual Basis**
Capital expenditures	Expenditure when liability is incurred	Capital asset when liability is incurred
Depreciation	Not recorded	Operating expense
Debt proceeds	Other financing sources when received	Increase in liabilities when received
Debt principal payments	Expenditure when paid	Reduction in liability when paid
Donated infrastructure	Not recorded	Capital contribution revenue

The District monitors account activity regularly and presents a semi-annual budget to actual financial report to the Board on a modified accrual basis to ensure expenditures do not exceed the adopted budget.

As a special purpose district, Clark Regional Wastewater District operates as an enterprise fund. The District maintains one fund with various accounts (sub-funds) used to segregate restricted assets, if any, and complies with bond covenants and other District resolutions. In 2024, the District will operate with the following accounts (sub-funds):

- Operations & Maintenance (O & M)
- Alliance Reserves
- Unemployment Reserve
- Debt Service
- Debt Service Reserve
- Existing Assets Restoration & Replacement (R & R)
- New Assets Capital Improvement Projects (CIP)

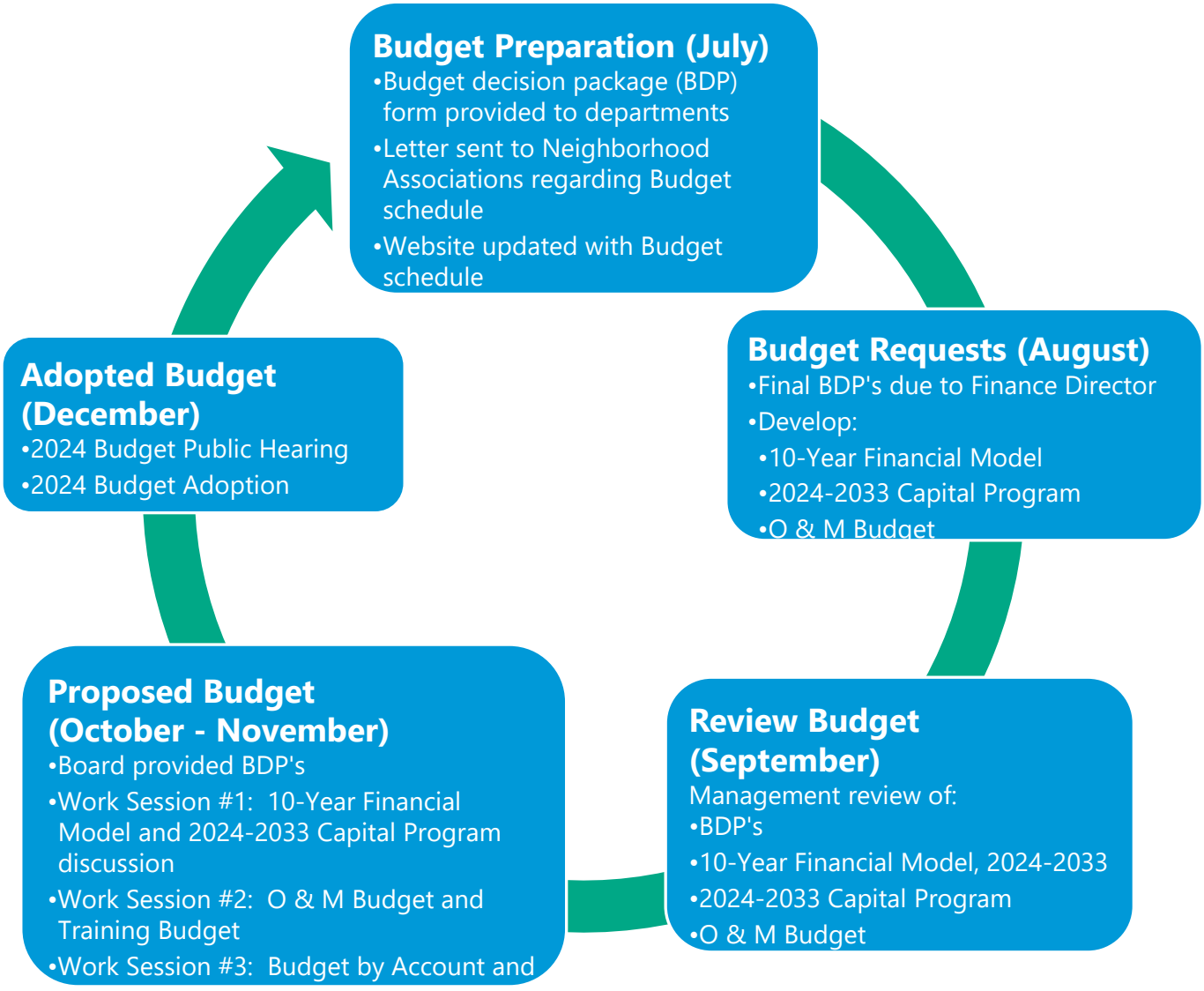
The nature of the operations of an enterprise fund is financed and accounted for, so the demand for services determines the appropriate level of resources to be applied. Increased demand for sewer services causes a higher level of resources to be applied and determines the rates used to recover that level of service. Thus, as in private sector accounting, flexible budgets typically are better for enterprise funds for planning, control, and evaluation purposes than fixed line-item budgets.

When formally adopted, the expense estimates of flexible budgets typically are not viewed as appropriations but as approved plans. Budgetary control and evaluation are affected by comparing actual interim and annual revenues and expenditures with planned revenues and expenditures at the actual level of activity for the period. With that in mind, the operating budget can be considered moderately flexible and will be monitored to determine consistency with the level of service required by system growth.

As the District service areas and customer base continue to grow, so does the requirement to manage sound practices and fiscal policies as they relate to debt. The District's debt management is governed by a separate debt policy adopted by the Board of Commissioners. The District will fund the current portion of long-term liabilities in order to avoid accumulating an unmanageable liability.

It is critical that the District continues its prudent financial management by establishing sound fiscal policies, including the review of its rates and the structure of those rates through studies and analysis. The District uses a combination of consultants and internal analysis to develop its rates and policies. The District reviews its fiscal policies on an ongoing basis, as well as the appropriate amount of funding for the restoration and replacement of its assets. In order to maintain the quality and continually enhance the presentation of the District's budget document, the District is committed to submitting for the Government Finance Officers Association's Distinguished Budget Presentation Award on an annual basis.

Budget Calendar



Description of Accounts

Account	Description
Operations and Maintenance	Provides for the daily routine operational needs of the District
Alliance Reserves	Reserves set aside to fund future District Reserve obligations with Discovery Clean Water Alliance
Unemployment Reserve	Funds set aside to cover potential unemployment claims against the District
Debt Service	Holds restricted amounts for principal and interest payments on debt
Pre-Funded Debt Service	Reserves equal to one year of debt service for all District debt
Existing Assets R&R	Funds restoration and replacement of existing District infrastructure
New Assets CIP	Funds future new District infrastructure needs

2024 Budget Overview

ACCOUNTS	OPERATIONS			DEBT		CAPITAL		TOTAL
	Operations & Maintenance	Alliance Reserves	Unemployment Reserve	Debt Service	Debt Service Reserve	Existing Assets R & R	New Assets CIP	All Accounts
BEGINNING BALANCES	**$ 39,535,372**	**$ 2,195,000**	**$ 25,974**	**$ 820,784**	**$ 2,099,564**	**$ 6,832,913**	**$ 8,369,494**	**$ 59,879,101**
SOURCES								
Rates	29,396,722	-	-	-	-	-	-	**29,396,722**
Senior Low-Income Discount Program	(33,863)	-	-	-	-	-	-	**(33,863)**
SDC Connection Fees	-	-	-	-	-	-	14,338,984	**14,338,984**
LFC Reimbursements	-	-	-	-	-	-	160,000	**160,000**
Investment Interest	2,174,445	120,725	1,429	45,143	115,476	375,810	460,322	**3,293,351**
Intergovernmental Revenues	8,965,000	-	-	-	-	-	-	**8,965,000**
Other Miscellaneous Revenue	1,039,000	-	-	-	-	-	-	**1,039,000**
Debt Proceeds / Grant Funding	-	-	-	-	-	-	3,395,000	**3,395,000**
Subtotal Sources	**41,541,305**	**120,725**	**1,429**	**45,143**	**115,476**	**375,810**	**18,354,306**	**60,554,194**
TRANSFERS								
Transfer Debt Service	(1,650,852)	-	-	2,091,018	-	-	(440,166)	**-**
Transfer Debt Service Reserve	124,022	-	-	-	(124,022)	-	-	**-**
Transfer B&O Tax	250,932	-	-	-	-	-	(250,932)	**-**
Transfer Existing Assets R & R	(5,766,190)	-	-	-	-	5,766,190	-	**-**
Transfer Unemployment Reserve	1,429	-	(1,429)	-	-	-	-	**-**
Transfer Alliance Reserves	120,725	(120,725)	-	-	-	-	-	**-**
Subtotal Transfers	**(6,919,934)**	**(120,725)**	**(1,429)**	**2,091,018**	**(124,022)**	**5,766,190**	**(691,098)**	**-**
USES								
Debt Service	-	-	-	(2,091,018)	-	-	-	**(2,091,018)**
Operating Expenses	(39,087,273)	-	-	-	-	-	-	**(39,087,273)**
Capital Construction Costs / Purchases						(6,142,000)	(11,580,400)	**(17,722,400)**
Subtotal Uses	**(39,087,273)**	**-**	**-**	**(2,091,018)**	**-**	**(6,142,000)**	**(11,580,400)**	**(58,900,691)**
ENDING BALANCES	**$ 35,069,469**	**$ 2,195,000**	**$ 25,974**	**$ 865,927**	**$ 2,091,018**	**$ 6,832,913**	**$ 14,452,302**	**$ 61,532,604**

Operations and Maintenance Account

The Operations and Maintenance (O & M) account provides for the daily routine to financially sustain the effective delivery of District core functions. The District's policy for account reserves is to maintain a minimum of 150 days of current year budgeted operating expenses. For Fiscal Year 2024, this is approximately $16.3 million.

Operations and Maintenance Account

I. Sources and Uses

Sources

The general O & M account is primarily funded from monthly wastewater service charges. Additional funding into this account is from intergovernmental revenues, contract receivables, penalties, inspections, permit fees, and investment income from account reserves.

The District charges a fixed base rate of $45.00 per Equivalent Residential Unit (ERU) per month for wastewater services, an increase of $1.50 over 2023 rates. An ERU is equal to one home that is connected to the sewer system.

In addition to the fixed base rate, customers in the Ridgefield service area are charged a System Integration Charge (SIC). In 2024, this is $9.40 per ERU per month, representing a $0.60 decrease from the $10.00 charged in 2023 per ERU per month for Ridgefield service area customers. The SIC represents the District's additional costs of operation, maintenance, repair, replacement, and improvement of the Collection System.

Revenues of the O & M account fund all general operating expenses, including but not limited to salaries and wages, employee benefits, supplies, professional services, contractual services, other expenses, and treatment costs.

Uses

Operational expenses, such as salaries, benefits, and treatment costs, are the primary uses of funds in the O & M account, representing 23.9%, 10.3%, and 38.6% of the budget, respectively. O & M expenses in the aggregate will see a 6.4% increase over 2023 levels. This increase is primarily due to an increase in Regional Service Charges paid to the Alliance as construction on Regional Asset expansion projects progresses.

Transfers

Utility rates also provide funding to the R&R account to maintain the $6.8 million funding reserve limit, the Debt Service account for annual PWB loans and debt service payments, Debt Service Reserves, and Unemployment Reserve accounts to maintain the required funding level per District policy.

2024 Operations and Maintenance Account Revenue Forecast

OPERATIONS & MAINTENANCE	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2024 BUDGET
BEGINNING ACCOUNT BALANCE	**$ 20,866,491**	**$ 20,873,482**	**$ 19,296,224**	**$ 34,931,838**	**$ 39,535,372**
SOURCES					
Operating Revenue					
Charges for Services	22,551,975	24,378,129	23,129,354	27,701,769	29,396,722
Senior Low-Income Discount Program	(47,134)	(37,280)	(35,792)	(33,063)	(33,863)
Intergovernmental Revenues	134,222	359,028	4,207,338	8,965,000	8,965,000
Penalties	26,003	15,898	195,709	160,000	170,000
Permit Fees	172,930	183,905	116,710	140,000	114,000
DEA Fees	80,420	114,599	150,149	153,000	167,000
Ridgefield City Operating Fee	266,239	316,348	359,907	360,000	379,000
Vancouver City Interlocal Fee	41,677	42,888	45,751	47,000	48,000
Battle Ground Excise Tax	-	3,355	11,809	12,000	12,000
Other Miscellaneous Revenue	662,727	219,169	3,942,033	92,000	149,000
Total Operating Revenue	**23,889,059**	**25,596,039**	**32,122,968**	**37,597,707**	**39,366,859**
Non-Operating Revenue					
Transfer from New Assets CIP Account (B&O Taxes)	160,416	192,209	154,880	193,944	250,932
Investment Interest*	402,648	139	(237,322)	349,317	2,174,445
Transfer from Alliance Reserves	397,993	38,976	-	3,347,234	120,725
Transfer from Debt Service Reserve Account	-	-	28,190	28,870	124,022
Transfer from Unemployment Reserve Account	8,146	257	-	-	1,429
Transfer from New Assets CIP Account	288,063	-	-	-	-
Total Non-Operating Revenue	**1,257,266**	**231,581**	**(54,252)**	**3,919,365**	**2,671,553**
USES					
Operating Expenses	(22,430,419)	(24,010,033)	(29,053,463)	(36,736,712)	(39,087,273)
Transfer to Existing Assets R&R Account	(694,563)	(1,958,178)	(3,258,415)	(2,438,967)	(5,766,190)
Transfer to Unemployment Reserve Account	-	-	(3,409)	(1,578)	-
Transfer to Alliance Reserves	-	-	(1,709,798)	-	-
Transfer to Debt Service Account	(1,301,452)	(1,294,906)	(1,288,360)	(1,017,214)	(1,650,852)
Transfer to Debt Service Reserve Account	(712,900)	(38,449)	-	-	-
Transfer to New Assets CIP Account	-	(103,312)	-	-	-
Total Operating Uses	**(25,139,334)**	**(27,404,878)**	**(35,313,445)**	**(40,194,471)**	**(46,504,315)**
ENDING ACCOUNT BALANCE	**$ 20,873,482**	**$ 19,296,224**	**$ 16,051,495**	**$ 36,254,439**	**$ 35,069,469**

*Investment interest includes interest received and unrealized gains and losses from changes in the fair market value of investments

II. 2024 Operations and Maintenance Account Expenditure Forecast

OPERATIONS & MAINTENANCE OPERATING EXPENSE DETAILS	2020 ACTUAL	2021 ACTUALS	2022 ACTUALS	2023 BUDGET	2024 BUDGET	2023/2024 BUDGET CHANGE
Salaries & Wages						
Business Services	1,035,627	1,244,201	1,268,186	1,392,182	1,458,462	
Construction/Engineering	1,530,862	1,755,593	1,945,504	2,075,252	2,581,421	
Finance	802,404	911,908	967,017	1,054,640	1,057,843	
Operations	1,715,245	1,690,681	1,847,871	2,283,226	2,214,614	
Treatment Plant Operations	-	-	436,071	1,969,529	1,990,456	
Commissioners	29,768	39,144	37,958	41,064	46,824	
Total Salaries & Wages	**5,113,906**	**5,641,527**	**6,502,608**	**8,815,893**	**9,349,620**	**6.1%**
Employee Benefits						
Pension	630,996	625,225	265,467	852,650	826,378	
Health Insurance	1,218,420	1,306,782	1,663,627	2,077,656	2,419,102	
Uniforms / Incentives / Other	123,995	58,266	170,641	31,540	33,975	
Social Security / Medicare	380,626	422,436	545,401	636,400	683,823	
Labor and Industries	35,132	47,532	793	59,834	62,089	
Washington Paid Family Medical Leave	6,595	8,139	11,528	12,220	13,319	
Total Employee Benefits	**2,395,764**	**2,468,380**	**2,657,457**	**3,670,300**	**4,038,686**	**10.0%**
Supplies						
Materials / Supplies - Collection System	47,085	65,937	168,043	84,400	181,000	
Materials / Supplies - Pump Stations	104,368	194,685	214,523	237,000	356,000	
Office Supplies - General	94,874	96,442	169,780	158,000	225,750	
IT Hardware / Software	98,204	215,829	319,017	360,400	454,500	
Maintenance & Facilities Supplies	18,495	20,367	41,263	9,500	17,500	
Small Equipment / Tools - Maintenance	30,516	117,708	134,955	177,000	150,850	
Transportation Expense - Fuel	48,330	68,938	106,233	90,000	100,000	
Transportation Expense - Repair / Maint.	1,262	5,024	4,350	6,200	7,200	
Safety Supplies	35,041	30,470	67,794	36,500	48,200	
Total Supplies	**478,175**	**815,400**	**1,225,957**	**1,159,000**	**1,541,000**	**33.0%**
Professional Services						
Professional Services - Alliance	35,788	301,825	18,112	475,000	544,302	
Professional Services - Eng. / Operations	101,068	195,285	224,250	290,000	315,000	
Professional Services - Pretreatment	31,973	8,280	4,219	-	-	
Professional Services - Auditor	25,146	29,195	33,875	36,000	46,000	
Professional Services - Legal	108,655	115,803	123,087	172,000	180,000	
Professional Services - Compensation	43,263	7,297	11,027	-	65,000	
Professional Services - Communications	19,042	25,721	19,084	30,000	35,000	
Professional Services - Computer / IT	11,390	17,527	3,075	55,000	15,000	
Professional Services - Consultant / Advocacy	109,728	18,608	142,275	220,600	206,000	
Professional Services - Temporary	132,843	120,978	15,004	70,000	78,200	
Total Professional Services	**618,896**	**840,519**	**594,007**	**1,348,600**	**1,484,502**	**10.1%**
Contractual Services						
Contract Services - Finance	215,669	251,173	-	357,000	120,000	
Contract Services - Operations	13,698	12,290	9,572	61,600	55,000	
Contract Equipment Rental	1,433	4,535	1,722	15,000	10,000	
Contract Service - Maintenance / Repair Lines	25,477	50,666	82,183	54,500	140,000	
Contract Service - Equipment	31,216	91,863	574	88,000	75,000	
Contract Service - Vehicles	42,415	71,343	97,248	77,500	79,500	
Contract Service - Office / Bldg. Equip.	174,996	233,859	365,977	354,250	472,300	
Total Contract Services	**504,904**	**715,729**	**557,276**	**1,007,850**	**951,800**	**-5.6%**
Other Expenses						
Insurance - Pool	156,821	229,866	264,360	294,000	471,633	
Education / Travel Employees	42,498	61,147	124,818	165,605	236,838	
Education / Travel Commissioners	7,133	6,231	10,486	19,640	18,770	
Dues / Memberships / Subscriptions	40,187	57,583	92,172	57,570	110,432	
Postage	60,120	100,451	99,964	98,400	122,500	
Telephone / Web Services	65,049	82,992	165,300	133,550	231,000	
Utilities - Pump Stations	91,019	140,819	184,178	172,500	217,350	
Utilities - Admin / Shop	28,836	44,317	48,820	48,100	62,000	
Damage Claims	7,117	84,815	5,952	7,500	10,000	
Advertising	11,470	9,114	12,869	12,250	6,000	
Public Relations	5,484	10,447	10,332	13,500	15,500	
Miscellaneous General Administration	28,777	36,895	303,369	58,400	362,390	
Ridgefield City Operating Fee	252,551	316,348	370,303	360,000	380,000	
Vancouver City Interlocal Fee	38,854	42,888	43,256	46,000	54,000	
Battle Ground Excise Tax	-	3,355	11,413	12,000	18,000	
Business and Occupation (B&O) Taxes	488,860	658,623	1,240,507	720,000	760,000	
Alliance Miscellaneous	129,912	10,986	422,048	12,500	24,234	
Regional Asset Expenses	287,203	343,508	1,970,792	3,404,481	3,503,237	
Government Services / Impact Fees	11,214	77,106	31,333	80,000	30,000	
Total Other Expenses	**1,753,105**	**2,317,491**	**5,412,272**	**5,715,996**	**6,633,884**	**16.1%**
Treatment Costs						
Sewage Treatment - Alliance	10,932,983	12,194,459	11,541,456	14,364,069	14,364,069	
Sewage Treatment - Vancouver	561,168	568,334	493,524	580,000	643,712	
Sewage Treatment - Battle Ground	71,518	69,010	68,907	76,000	80,000	
Total Treatment Costs	**11,565,669**	**12,831,803**	**12,103,886**	**15,020,069**	**15,087,781**	**0.5%**
TOTAL OPERATING EXPENSES	**$ 22,430,419**	**$ 25,630,849**	**$ 29,053,463**	**$ 36,737,708**	**$ 39,087,272**	**6.4%**

III. Budget Narrative – Operations and Maintenance Account

Revenues

Charges for Services: $29,362,859

Charges for Services are reported here, net of reduced rates associated with the District's Senior Low-Income Discount Program. The 2024 budget reflects a forecast of 1,846 new ERUs based upon prior year growth patterns and anticipated construction. The additional ERUs have been included in the budgeted utility service revenue projections.

Monthly charges for services are divided into three sources - residential, multi-family residential, and commercial:

- Residential includes all single-family residential homes and condominiums
- Multi-family residential includes all apartments and mobile home parks
- Commercial includes all businesses and industries, including schools

For 2024, the District's customer base will increase to approximately 40,020 accounts, serving an estimated 55,715 ERUs. This increase will have a ripple effect, with the net result being additional inspections, maintenance, customer service calls, and treatment costs.

Intergovernmental Revenues: $8,965,000

The District will continue to act as Administrative Lead to the Alliance and invoice the Alliance monthly for these contracted services. Additionally, the District will continue to be the Contract Operator of all ten Regional Assets owned by the Alliance.

Penalties: $170,000

These represent penalties assessed on past-due utility balances. Penalties budgeted for 2024 are expected to increase slightly from the 2023 budget.

Fees: $281,000

Developer Extension Agreement (DEA), permits, tap, inspection fee activity, and development are expected to decrease from 2023 levels, resulting in a revenue projection decrease for the 2024 budget.

Ridgefield City Operating Fee: $379,000

As compensation for the collection system, the District pays the City of Ridgefield a City Operating Fee equal to 10% of sewer service charges (rates) collected from collection system customers. The District has the right to recover the City Operating Fee from collection system customers per the Collection System Transfer Agreement with the City of

Ridgefield. The 2024 budget anticipates the revenues for the Ridgefield City Operating Fee to increase from the 2023 budget due to continued growth in the City of Ridgefield.

Vancouver City Interlocal Fee: $48,000

As of September 1, 2017, the City of Vancouver annexed a portion of the District service area into the City. Under the Coordination of Services Agreement with the City of Vancouver, the District retains customers in the annexation area. As compensation for the collection system, the District pays the City of Vancouver a City Interlocal Fee equal to 6% of sewer service charges (rates) that are collected from collection system customers. The District has the right to recover the City Interlocal Fee from collection system customers per the Coordination of Services Agreement. The 2024 budget anticipates the revenues for the City of Vancouver Interlocal Fee to increase slightly from the 2023 budget.

Battle Ground Excise Tax: $12,000

As of September 1, 2021, the District began to remit an Excise Tax to the City of Battle Ground. Under the City of Battle Ground's City Code 3.32.010, the City has the authority to collect a revenue tax on the total gross revenues the District collects from customers within the City limits. The rate the City collects is set by resolution of the City Council and may be adjusted from time to time. For a utility providing sewer service within the City limits, Resolution No. 20-04 sets the revenue tax rate at 12%. The District has the right to recover the Excise Tax from collection system customers. The 2024 budget anticipates the revenues for the City of Battle Ground Excise Tax to remain consistent with 2023.

Expenses

Salaries and Wages: $9,349,620

The District Board of Commissioners has approved an annual market adjustment by pay grade of 3.0% for the 2024 budget cycle. Along with the market adjustment by pay grade each year, employees not at the top of their range receive a 3.0% increase in pay and can receive an extra 1.5% increase based on performance on their anniversary date. The 2024 budget depicts related costs for ninety-three and one-half (93.5) employees and three (3) Commissioners, an increase of 1.0 full-time employee over the 2023 budget. Salaries and wages will increase overall by 6.1% when compared to the 2023 budget. Since the District is the Administrative Lead and Contract Operator for all ten Alliance Regional Assets, a portion of total District staff salaries will be invoiced to the Alliance during 2024. Included in the budgeted salary amount are the Commissioners' salaries.

Commissioner salaries include a stipend that represents reimbursement for their attendance at all regular District Board or business meetings. In 2024, the District is budgeting for the Commissioners' salaries based on the full amount available to be paid ($46,824) per statute, including $350 per month for the Secretary of the Board. Effective in

1992, Washington State law allows for the payment of medical benefits to elected Commissioners. All three Commissioners are eligible for and receive this benefit.

Employee Benefits: $4,038,686

Overall, benefits for 2024 are expected to be 10.0% higher than in the 2023 budget.

Pension. The Washington Public Employee Retirement System (PERS) pension rate paid by employers is 9.51% through June 30, 2024, when it is expected to decrease to 8.83% for the remainder of the year.

Uniforms, Incentives, Other. The 2024 budgeted uniform costs and the Reward and Recognition program are $33,975. This amount is a slight increase from that reflected in the 2023 budget.

Health Insurance. Healthcare insurance continues to comprise a large portion of the 2024 benefits budget. The District uses the State of Washington's Healthcare Authority (HCA), as the administrator for two insurance carriers (Kaiser Permanente and Uniform Medical) to provide employee healthcare benefits in 2024. Both carriers negotiate with HCA for statewide benefits. Kaiser Permanente and Uniform Medical premiums will both increase by 22.73% and 4.2% in 2024, respectively, resulting in an approximate $341,446 increase in budgeted health insurance expenses when combined with the increase of one (1.0) FTE in 2024. The District currently funds the entire healthcare premium and allows employees who have other adequate medical coverage to opt out of District-paid medical insurance in exchange for a cash payment equal to a single premium for Uniform Medical insurance. This incentive has been beneficial to employees and continues to result in reduced medical insurance premiums paid by the District.

Social Security / Medicare. An additional one (1.0) full-time employee and anticipated step increases, performance-based increases, and market adjustments will have a direct effect on payroll taxes, creating a 7.5% increase in FICA and Medicare budgeted for 2024.

Labor and Industries. In 2024, the Washington Department of Labor and Industries insurance rates billed to the District are budgeted to increase in comparison to prior years' budgets. An additional one (1) full-time employee will also have a direct effect on Labor and Industries expenses.

Supplies: $1,541,000

All items of a consumable nature are budgeted as supplies. This includes office supplies, general system repair and maintenance supplies, in-house vehicle repairs, facilities supplies, and vehicle fuel. The 2024 supplies budget reflects a 33.0% increase over the 2023 budget.

IT telecommunication enhancements and the increase need for equipment maintenance and repair primarily drive this increase.

Materials / Supplies – Collection System. Collection system materials and supplies are anticipated to increase from the 2023 budget. As the District's collection system continues to expand and development activity levels continue to be elevated, additional supplies are required for the maintenance of mains and supplies for activities such as air valves and the increased costs of equipment maintenance and repair.

Materials / Supplies – Pump Stations. Pump Station materials and supplies are budgeted to increase by $119,000 or 50.2% from 2023. This increase is the result of the reclassification of Pump Station Repair from the Capital Budget to the O & M budget. An increase of $111,000 is needed for Pump Station repair, retrofitting, and replacement pumps at individual pump stations.

Office Supplies – General. General office supplies are expected to increase by $67,750, or 42.9%, in 2024. The primary driver of this increase is the addition of Health & Safety and Construction departments in 2024.

IT Hardware / Software. IT hardware/software costs are budgeted to increase by $94,100, or 26.1%, in 2024. The primary drivers of this increase are the 2024 scheduled computer upgrades and replacements and higher rates for new phone system vendors.

Maintenance & Facilities Supplies. Budgeted at 82.2% or $8,000 higher in 2024. This category addresses facility needs and annual maintenance in the shop area.

Small Equipment / Tools – Maintenance, Transportation Expense – Fuel / Repair / Maintenance. The 2024 budget is anticipated to decrease by $15,150 or 5.5% over the 2023 budgeted amount. The reclassification of the existing systems, such as Lucity, drives this decrease. The Lucity system is used by management to log repairs and determine necessary maintenance for District facilities and fleet vehicles. The District maintains no fuel reserves on campus but purchases fuel from Clark County.

Safety Supplies. Safety supplies are budgeted in 2024 to increase by $11,700, or 32.1% from 2023 amounts. Safety supplies continue to be budgeted at elevated levels due to an increased addition of budgetable line items for safety supplies added to all departments in 2024.

Professional Services: $1,484,502

Non-capital professional services such as legal counsel, the Washington State Auditor's Office annual audit, information technology support, communication, and engineering consulting services are budgeted as professional services. For 2024, the District anticipates a 10.1% increase in professional services compared to the 2023 budget. This is largely due to the need for additional consultant support for assistance with the compensation study budgeted for in 2024.

Professional Services – Alliance. The 2024 budget anticipates an increase of $69,302 or 14.6% from the 2023 budget for professional services the District engages in on behalf of the Alliance. This is due to an increasingly complex regulatory environment that requires consultant support.

Professional Services – Engineering / Operations. The District is budgeting $315,000 in the 2024 budget for on-call consulting assistance on various projects, a $25,000 increase from the 2023 budgeted amount of $290,000. This large increase is due to an increased need for SCADA on-call support and the addition of Adcomm radio support in 2024.

Professional Services – Auditor. The 2024 budget for the Washington State Auditor's Office Annual Comprehensive Financial Report (ACFR) and Accountability audit services is anticipated to increase by $10,000 from the 2023 budget. The 2024 budget anticipates an increase in rates for the Washington State Auditor's Office.

Professional Services – Compensation. The District undertakes an annual market rate study, as well as a compensation study every four years. The District last undertook a full compensation study in 2020 and undertook an abbreviated study in 2022. The 2024 budget anticipates undertaking a complete compensation study, yielding a $65,000 increase from the 2023 budget. Professional Human Resources consulting services for a full range of employment-related services are included in this budget, including but not limited to compliance, compensation, policy development, and employee relations.

Professional Services – Computer / Information Technology (IT). The 2024 budget decreased by $40,000 from the 2023 budget due to the completion of the Salmon Creek Treatment Plant computer systems migration.

Professional Services – Consultant / Advocacy. The District is budgeting a $14,600 decrease in consultant services. This is primarily due to a decreased need for consultant support strategic investments that were accelerated due to the District becoming the Operator of the Salmon Creek Treatment Plant in 2023.

Professional Services – Temporary. The District utilizes temporary employees for departmental support when permanent positions are vacant or to address workload fluctuations. The 2024 budget for temporary employee services is anticipated to increase by $8,200 or 11.7% as some positions have become vacant.

Contractual Services: $951,800

Contractual Services include equipment rentals, maintenance and repairs of lines, equipment repairs, vehicle repairs, office equipment maintenance, and building maintenance. The 2024 budget is 5.6% lower than the 2023 budget.

Contract Services – Finance. The District's Finance Department engages contracted services for banking and credit card processing. The 2024 budget for finance contract services represents a decrease of $237,000 or 66.4%, primarily as a result of the reclassification of Credit Card and Interactive Voice Response (IVR) fees to Other Expenses.

Contract Services – Maintenance / Repair Lines. The District anticipates contracted line maintenance to increase by $85,500 or 156.9% in 2024, due primarily to increased need for flagging and root control applications.

Contract Services – Equipment / Vehicles. Budgeted to decrease by $11,000 or 6.7% as compared to the 2023 budget. The District contracts with Clark County and other local service providers for vehicle and equipment maintenance. Equipment rentals usually occur in inclement weather when power failures occur. It is anticipated such events and costs in 2024 will be similar to historical events for the District.

Contract Services – Office / Building Equipment. Contract maintenance costs for 2024 are budgeted to increase by $118,050, or 33.3%, compared with 2023 budgeted amounts. This increase is driven by the addition of high-traffic pump stations and the Salmon Creek Treatment Plant to the current landscaping contract, along with an increased contract for janitorial services with the addition of a new Operations building. Contract Services for office and building equipment include copier and printer maintenance, heating system maintenance, and annual fire inspection costs, all of which remained relatively flat between the 2023 and 2024 budgets.

Other Expenses: $6,633,884

Overall, other expenses will increase by $917,888, or 16.1%, in the 2024 budget. This increase is attributed to the reclassification of fees associated with processing credit cards and Interactive Voice Response (IVR) payments.

Insurance - Pool. Insurance costs in 2024 are expected to increase by $177,633 or 60.4% compared to 2023, primarily due to increased rates from the Pool as property re-insurance rates continue to increase.

Telephone / Web Services. Included in 2024 are budgeted amounts for local and long-distance phone, cell phone and pager service, after-hours call center costs, and web services like web hosting, web filters, and email spam filters. The 2024 budget increases by $97,450, or 73.0%, from 2023, as telephone needs increase and the number of District staff continues to increase.

Utilities – Pump Stations. Included in 2024 are budgeted amounts for twenty-four-hour Supervisory Control and Data Acquisition (SCADA) monitoring and electrical costs for all pump stations, including natural gas and water. The SCADA system continues to provide value in overall reduced power and phone costs. SCADA is being used to monitor all District pump stations. The 2024 budget is anticipated to increase by $44,850, or 26% over the 2023 budget.

Miscellaneous General Administration. Employee physicals, pretreatment sampling costs, credit card fees, IVR fees, and bad debt are all included in this 2024 budget item. The 2024 budget anticipates expenses will increase by $303,990 or 520.5% from the 2023 budgeted amount. This increase is attributed to the reclassification of fees associated with the processing of credit cards and Interactive Voice Response (IVR) payments.

Ridgefield City Operating Fee. As compensation for the collection system, the District pays the City of Ridgefield a City Operating Fee equal to 10.0% of sewer service charges (rates) that are collected from collection system customers. The District has the right to recover the City Operating Fee from collection system customers per the Collection System Transfer Agreement with the City of Ridgefield. The 2024 budget anticipates an increase of $20,000 or 5.6% due to the continued high growth in the City of Ridgefield.

Vancouver City Interlocal Fee. As of September 1, 2017, the City of Vancouver annexed a portion of the District service area into the City. Under the Coordination of Services Agreement with the City of Vancouver, the District retains customers in the annexation area. As compensation for the collection system, the District pays the City of Vancouver a City Interlocal Fee equal to 6.0% of sewer service charges (rates) that are collected from collection system customers. The District has the right to recover the City Interlocal Fee from collection system customers per the Coordination of Services Agreement. The 2024 budget anticipates an increase of $8,000, or 17.4%, over the 2023 budget.

Battle Ground Excise Tax. As of September 1, 2021, the District began to remit an Excise Tax to the City of Battle Ground. Under the City of Battle Ground's City Code 3.32.010, the City has the authority to collect a revenue tax on the total gross revenues the District collects from customers within the City limits. The rate the City collects is set by resolution of the City Council and may be adjusted from time to time. For a utility providing sewer service within the City limits, Resolution No. 20-04 sets the revenue tax rate at 12%. The District has the right to recover the Excise Tax from collection system customers. The 2024 budget anticipates an increase of $6,000, or 50%, over the 2023 budget.

Regional Asset Expenses. The 2024 budget reflects an increase of $98,756, or 2.9%, from the 2023 budget. This increase is entirely due to the Alliance biennial budgeting. The remaining estimated budget informs the 2024 budget. This budget item also includes costs related to operating the Ridgefield Treatment Plant, which in 2024 remained level with 2023 budgeted amounts.

Government Services / Impact Fees. The 2024 budget will reflect a $50,000 or 62.5% decrease from the 2023 budget. This decrease is entirely due to the removal of election fees from the 2024 budget, as no election costs are anticipated in 2024.

Treatment Costs: $15,087,781

The Alliance became operational on January 1, 2015, and now owns and operates the Salmon Creek Treatment Plant (SCTP), as well as the Ridgefield Treatment Plant (RTP). In 2024, the District will continue to contract with the City of Vancouver, the City of Battle Ground, and the Alliance for costs related to sewage treatment.

City of Battle Ground Treatment. The District pays the City of Battle Ground for pass-through usage of their holding facility for Hockinson and Meadow Glade customers. For 2024, this cost is budgeted at $80,000, an increase of 5.3% from 2023. These flows are included in the 86.4% of District flows treated by the Alliance at the Salmon Creek Treatment Plant.

City of Vancouver Treatment. The City of Vancouver treats approximately 10.3% of the District customers' wastewater at a budgeted cost of $643,712, an increase of 11% from 2023. In 2010, the District and the City of Vancouver initiated a coordination of services agreement, which reduced the rate per million gallons delivered to a wholesale versus a retail rate. The new rate was recalibrated again for 2024.

Discovery Clean Water Alliance (Alliance). Alliance expenses budgeted at $14,364,069 in 2024 will treat approximately 89.7% of the District's wastewater treatment flow. The Alliance owns and operates two wastewater treatment facilities. The SCTP will treat

approximately 86.4% of the District's flow, and the RTP will treat approximately 3.3%. The District's portion of the O&M, Debt Service and R&R expenses of the 2024 Salmon Creek and Ridgefield Treatment Plants will remain the same in 2024 as the 2023 budget. The Alliance budgets on a biennial cycle and is not anticipating any changes to charges in 2024.

Transfer to Existing Assets Replacement and Restoration Account: $5,766,190

The District has a policy to fund and accumulate a reserve that will be used to pay for future restoration and replacement of existing sewer infrastructure and other depreciable assets. The 2024 targeted reserve is $6.8 million. For 2024, rates will provide budgeted funding of $5.7 million for the Existing Assets R&R account to maintain the $6.8 million maximum threshold.

Transfer to Debt Service Account: $1,650,852

A portion of the rates is also transferred to the Debt Service account to accumulate funds to pay principal and interest on debt obligations due in 2024.

Alliance Reserves Account

The District has established an Alliance Reserve Account to maintain adequate contingency reserves in an amount equal to the City of Battle Ground's share of the Alliance debt service for the following year on debt-funded assets mutually benefiting both the District and City. Though not a legal requirement, the District elects to maintain this level of reserves as a prudent financial practice.

Alliance Reserves Account

I. Revenue Sources and Uses

This account maintains reserves for the Alliance Operations and Maintenance, Rate Stabilization, Restoration and Replacement, and Debt Service Reserve accounts. Reserve totals for 2024 have been calculated at $2.2 million to meet the required minimum amounts. Interest will continue to be earned on these reserves throughout 2024. A transfer from other funds is not anticipated for this account in 2024.

II. 2024 Alliance Reserves Account

ALLIANCE RESERVES	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2024 BUDGET
BEGINNING ACCOUNT BALANCE	**$ 4,058,618**	**$ 3,733,096**	**$ 3,677,084**	**$ 5,487,360**	**$ 2,195,000**
SOURCES					
Investment Interest*	72,471	(17,036)	(85,108)	54,874	120,725
Transfer from Other Funds	-	-	1,709,798	-	-
Total Sources	**72,471**	**(17,036)**	**1,624,690**	**54,874**	**120,725**
USES					
Transfer to Other Funds	(397,993)	(38,976)	-	(3,347,234)	(120,725)
Total Uses	**(397,993)**	**(38,976)**	**-**	**(3,347,234)**	**(120,725)**
ENDING ACCOUNT BALANCE	**$ 3,733,096**	**$ 3,677,084**	**$ 5,301,774**	**$ 2,195,000**	**$ 2,195,000**

*Investment interest includes interest received and unrealized gains and losses from changes in the fair market value of investments

III. Budget Narrative – Alliance Reserves Account

Sources

Investment interest of $120,725 is budgeted for 2024.

Uses

The reserve requirement for the operations of the Alliance decreased in 2024. Therefore, a transfer from the Alliance Reserves account to the Operations and Maintenance account of $120,725 is budgeted for 2024.

Unemployment Reserve Account

The Unemployment Reserve account was established as required by Washington State Law for a reimbursable employer. The District is self-insured against unemployment claims and has set aside funds to cover the actual cost of unemployment insurance for employees terminated from the District. The reserve requirement is $25,974.

Unemployment Reserve Account

I. Sources and Uses

Funds from the O & M account will be transferred into the Unemployment Reserve account to ensure that the District properly reserves the required funds to cover one unemployment claim for the budget year. Claims, if they occur, are then paid from this account.

II. 2024 Unemployment Reserve Account

UNEMPLOYMENT RESERVE	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2024 BUDGET
BEGINNING ACCOUNT BALANCE	**$ 28,055**	**$ 20,048**	**$ 19,812**	**$ 24,154**	**$ 25,974**
SOURCES					
Transfer from O & M Account	-	-	3,409	1,578	-
Investment Interest*	139	21	-	242	1,429
Total Sources	**139**	**21**	**3,409**	**1,820**	**1,429**
USES					
Unemployment Payments	-	-	-	-	-
Transfer to Other Funds	(8,146)	(257)	-	-	(1,429)
Total Uses	**(8,146)**	**(257)**	**-**	**-**	**(1,429)**
ENDING ACCOUNT BALANCE	**$ 20,048**	**$ 19,812**	**$ 23,221**	**$ 25,974**	**$ 25,974**

*Investment interest includes interest received and unrealized gains and losses from changes in the fair market value of investments

III. Budget Narrative – Unemployment Reserve Account

Sources

Budgeted revenue for 2024 is investment interest on account reserves of $1,429.

Uses

The required funds to cover one unemployment claim for a year remain the same in 2024. Therefore for 2024, $1,429 in transfers to the Operations and Maintenance account is budgeted.

The District budget does not assume that unemployment claims will be filed during 2024.

Debt Service Account

The Debt Service account holds restricted amounts for the principal and interest payments on a Public Works Board (PWB) loan to expand the Ridgefield collection system, two PWB loans to construct the Discovery Corridor Wastewater Transmission System (DCWTS), and the 2020 revenue bonds. This account is not required by District policy.

Debt Service Account

I. Sources and Uses

Funds from the O & M and CIP accounts will be transferred into the Debt Service account and restricted by Board policy for the 2024 principal and interest payments on the outstanding bond and loans. Investment income will be earned on all account reserves during 2024.

II. 2024 Debt Service Account (Bond Fund) Annual Forecast

DEBT SERVICE	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2024 BUDGET
BEGINNING ACCOUNT BALANC	**$ 779,842**	**$ 1,244,878**	**$ 1,246,890**	**$ 812,657**	**$ 820,784**
SOURCES					
Investment Interest*	34,598	2,012	(62,235)	8,127	45,143
Transfers from Other Funds	2,050,328	2,114,406	2,107,360	2,099,564	2,091,018
Total Sources	**2,084,926**	**2,116,418**	**2,045,125**	**2,107,691**	**2,136,161**
USES					
Debt Service Payments	(1,619,890)	(2,114,406)	(2,107,361)	(2,099,564)	(2,091,018)
Transfers to Other Funds	-	-	-	-	-
Total Uses	**(1,619,890)**	**(2,114,406)**	**(2,107,361)**	**(2,099,564)**	**(2,091,018)**
ENDING ACCOUNT BALANCE	**$ 1,244,878**	**$ 1,246,890**	**$ 1,184,654**	**$ 820,784**	**$ 865,927**

*Investment interest includes interest received and unrealized gains and losses from changes in the fair market value of investments.

III. Budget Narrative – Debt Service Account (Bond Fund)

Sources

Budgeted revenues for 2024 include interest on account reserves of $45,143. In addition, this account will receive $2,091,018 in transfers from Other Funds.

Uses

Debt service payments of $2,091,018 are the only budgeted use of Debt Service account funds in 2024.

Pre-Funded Debt Service Account

The Pre-Funded Debt Service account was established to maintain a reserve equal to one year of debt service for all debt held by the District. It is required by District policy but not a legally required reserve.

Pre-Funded Debt Service Account

I. Sources and Uses

This reserve account includes pre-funded debt service for all 2024 bond and loan payments that the District is directly obligated to pay.

II. 2024 Debt Service Reserve Account

DEBT SERVICE RESERVE	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2024 BUDGET
BEGINNING ACCOUNT BALANCE	**$ 1,307,594**	**$ 2,080,180**	**$ 2,115,480**	**$ 2,107,360**	**$ 2,099,564**
SOURCES					
Transfer from O & M Account	712,900	38,449	-	-	-
Investment Interest*	59,686	(3,149)	(37,429)	21,074	115,476
Total Sources	**772,586**	**35,300**	**(37,429)**	**21,074**	**115,476**
USES					
Transfer to Other Funds	-	-	(28,190)	(28,870)	(124,022)
Total Uses	**-**	**-**	**(28,190)**	**(28,870)**	**(124,022)**
ENDING ACCOUNT BALANCE	**$ 2,080,180**	**$ 2,115,480**	**$ 2,049,861**	**$ 2,099,564**	**$ 2,091,018**

*Investment interest includes interest received and unrealized gains and losses from changes in the fair market value of investments

III. Budget Narrative – Debt Service Reserve Account

Sources

Budgeted revenues for 2024 are investment interest on account reserves of $115,476.

Uses

There is a planned transfer of $124,022 to O & M rates from this account for 2024.

Existing Assets R & R Account

The Existing Assets Restoration and Replacement (R&R) account was established for the purpose of restoration and replacement of the sewer system network and other existing depreciable assets of the District. The depreciation of existing utility plant-in-service and equipment, together with increasing capital costs, creates a substantial future liability for system restoration and replacements. Current rates are set to include all costs of service, including reserving funds for infrastructure and other fixed asset restoration and replacement. The R&R account is used to accumulate reserves and, together with investment earnings, restore and replace utility plant-in-service and other depreciable equipment. The reserve requirement equals greater of 100% of annual depreciation or 2% of gross capital asset value, which is $6.8 million at the end of 2024, or 100% of annual depreciation.

Existing Assets Restoration and Replacement Account

I. Sources and Uses

As existing infrastructure and other depreciable equipment are restored or replaced, the District will continue to fund from rates. The ending account balance represents the $6.8 million maximum reserve funding level. R&R reserves will earn investment interest during the year on all unexpended funds.

R&R reserves will pay for all capital assets that are restored or replaced during the year. This will include restoration and replacement of collection or transmission lines and replacement of other depreciable assets.

II. 2024 Existing Assets Restoration and Replacement Account Annual Forecast

EXISTING ASSETS R & R	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2024 BUDGET
BEGINNING ACCOUNT BALANCE	**$ 11,153,501**	**$ 10,244,081**	**$ 11,190,570**	**$ 11,000,000**	**$ 6,832,913**
SOURCES					
Transfer from O & M Account	694,563	1,958,178	3,258,415	2,438,967	5,766,190
Investment Interest*	264,695	3,034	38,880	110,000	375,810
Transfer from Other Funds	34,600	-	-	-	-
Total Sources	**993,858**	**1,961,212**	**3,297,295**	**2,548,967**	**6,142,000**
USES					
Transfers to Debt Service	(163,105)	-	-	-	-
Capital Projects Central Service Area	(1,468,680)	(952,270)	(2,845,610)	(5,247,944)	(4,437,000)
Capital Projects Ridgefield Service Area	(63,728)	(17,467)	(96,254)	(99,110)	(136,000)
Capital Purchases	(207,765)	(44,986)	-	(1,369,000)	(1,569,000)
Total Uses	**(1,903,278)**	**(1,014,723)**	**(2,941,864)**	**(6,716,054)**	**(6,142,000)**
ENDING ACCOUNT BALANCE	**$ 10,244,081**	**$ 11,190,570**	**$ 11,546,001**	**$ 6,832,913**	**$ 6,832,913**

*Investment interest includes interest received and unrealized gains and losses from changes in the fair market value of investments

III. Budget Narrative – Existing Assets Restoration and Replacement Account

Sources

Budgeted sources include a $5,766,190 transfer of rates from the O & M account and investment interest on account reserves of $375,810.

Uses

Budgeted uses include $6,142,000 to be expended on repair and replacement projects throughout 2024.

New Assets CIP Account

The New Assets Capital Improvement Projects (CIP) account is used to fund future infrastructure needs for residents in the District's service area currently not receiving service. The District's General Sewer Plan updates and Clark County's Growth Management Act updates, a planning process that occurs every six years, establishes a funding structure that allows the District to meet demands associated with changing growth patterns in our service areas. The minimum reserve requirement for the CIP account is 50% of the lowest year of CIP expenditures in the ten-year Capital Program.

New Assets CIP Account

I. Sources and Uses

The System Development Charge (SDC) is the primary funding source for the CIP account and the Capital Improvement Projects in the 2024 budget. SDCs are paid as new connections hook up to the District's sewer collection system. SDCs are charged on a tiered system (depending on where sewer flows for treatment) for 2024 as follows:

Tier	Treatment Plant	SDC
Tier 1	City of Vancouver - Westside Treatment Plant	$ 3,374
Tier 2	Alliance - Salmon Creek Treatment Plant	6,827
Tier 3	Alliance - Ridgefield Service Area	10,112
Tier 4	Urban Holding Area	8,600

SDC charges, investment interest, and local facility charges received in 2024 will fund new construction of trunk lines, pump stations, and force mains budgeted for the year. Capital projects reflect the demands placed on the system based on growth and development within the District's Central and Ridgefield service areas. The District expends CIP funds where development and growth are occurring and coordinates capital construction projects in conjunction with County Road Projects for additional cost savings.

II. 2024 New Assets CIP Account

NEW ASSETS CIP	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2024 BUDGET
BEGINNING ACCOUNT BALANCE	**$ 2,031,470**	**$ 17,349,323**	**$ 21,699,311**	**$ 7,378,650**	**$ 8,369,494**
SOURCES					
SDC Connection Fees	11,453,428	13,561,861	10,094,733	12,929,568	14,338,984
Investment Interest*	243,005	(54,896)	(154,760)	73,786	460,322
LFC Reimbursements	301,662	205,998	334,177	160,000	160,000
Debt Proceeds / Grant Funding	12,455,453	-	-	1,552,000	3,395,000
Transfers from Other Funds	-	103,312	-	-	-
Total Sources	**24,453,548**	**13,816,275**	**10,274,151**	**14,715,354**	**18,354,306**
USES					
Transfers to O & M Account (B&O Taxes)	(160,416)	(192,209)	(154,880)	(193,944)	(250,932)
Transfers to Debt Service	(585,771)	(819,500)	(819,000)	(1,082,350)	(440,166)
Transfers to Other Funds	(322,663)	-	879,370	-	-
Capital Projects Central Service Area	(6,210,212)	(7,664,562)	(5,768,065)	(8,700,056)	(7,019,300)
Capital Projects Ridgefield Service Area	(1,750,910)	(431,853)	(302,013)	(3,748,160)	(4,561,100)
Capital Purchases	(105,723)	(358,163)	-	-	-
Total Uses	**(9,135,695)**	**(9,466,287)**	**(6,164,588)**	**(13,724,510)**	**(12,271,498)**
ENDING ACCOUNT BALANCE	**$ 17,349,323**	**$ 21,699,311**	**$ 25,808,873**	**$ 8,369,494**	**$ 14,452,302**

*Investment interest includes interest received and unrealized gains and losses from changes in the fair market value of investments

III. Budget Narrative – New Assets CIP Account

Sources

The 2024 budget anticipates the CIP account will see $14,338,984 in revenue derived from 1,846 paid SDCs, budgeted to be collected during 2024. This represents a $1,409,416 or 10.9% revenue increase from the 2023 budget, driven by continued SDC growth.

Investment interest for 2024 is projected to be $460,322, an increase compared to 2023 budgeted interest income due to a higher account balance and higher projected interest rates.

Uses

The CIP account will transfer $250,932 for Business and Occupation tax to the O&M account based on 2024 anticipated SDC connection revenues. The funds will be restricted to pay the related tax when the Department of Revenue report is filed with the State of Washington.

Budgeted capital improvement project expenditures in the 2024 budget total $11,580,400.

The District will continue to closely monitor developer activities and coordinate construction, when economically beneficial, with Clark County road projects to assist us in our estimates of future growth and future uses of capital improvement dollars.

Historical Budget Summary

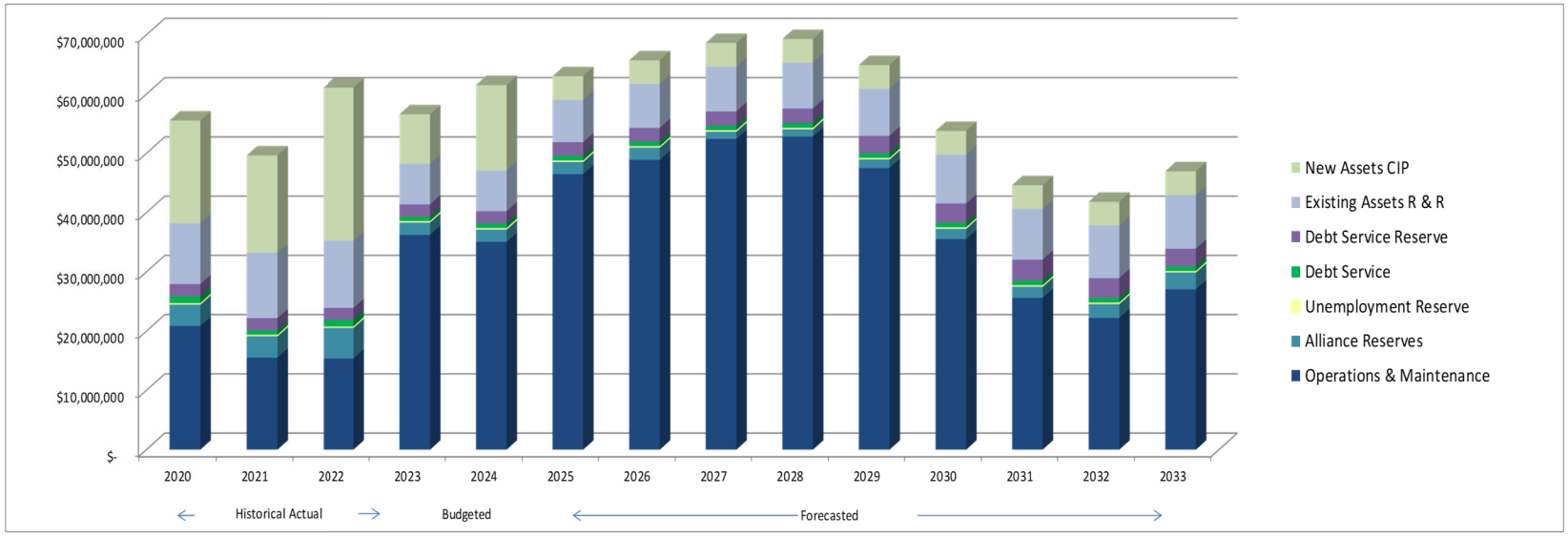
ALL ACCOUNTS	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2024 BUDGET
BEGINNING BALANCES	**$ 40,225,571**	**$ 55,545,088**	**$ 57,508,269**	**$ 61,742,019**	**$ 59,879,101**
SOURCES					
Rates	22,504,841	24,340,849	23,093,562	27,668,706	29,362,859
SDC Connection Fees	11,453,428	12,813,900	10,094,733	12,929,568	14,338,984
LFC Reimbursements	301,662	175,000	334,177	160,000	160,000
Investment Interest	1,077,242	596,153	(537,974)	617,420	3,293,351
Intergovernmental Revenues	134,222	359,028	4,207,338	8,965,000	8,965,000
Other Miscellaneous Revenue	1,249,996	892,807	4,822,069	964,000	1,039,000
Debt Proceeds / Grant Funding	12,455,453	-	-	1,552,000	3,395,000
Subtotal Sources	**49,176,844**	**39,177,737**	**42,013,904**	**52,856,694**	**60,554,194**
USES					
Debt Service	(1,619,890)	(2,114,406)	(2,107,361)	(2,099,564)	(2,091,018)
Operating Expenses					
Salaries / Benefits	(7,509,670)	(8,109,907)	(10,234,588)	(12,486,193)	(13,388,306)
Supplies	(478,175)	(815,400)	(1,303,599)	(1,159,000)	(1,541,000)
Services (Professional / Contractual)	(1,123,800)	(1,556,248)	(1,151,278)		(2,436,302)
Other	(1,753,105)	(2,317,491)	(6,438,932)	(5,715,000)	(6,633,884)
Treatment	(11,565,669)	(12,831,803)	(12,835,584)	(15,020,069)	(15,087,781)
Capital Construction Costs/Purchases	(9,807,018)	(9,469,301)	(9,011,942)	(19,164,270)	(17,722,400)
Subtotal Uses	**(33,857,327)**	**(37,214,556)**	**(43,083,284)**	**(55,644,096)**	**(58,900,691)**
ENDING BALANCES	**$ 55,545,088**	**$ 57,508,269**	**$ 56,438,889**	**$ 58,954,617**	**$ 61,532,604**

Projected Budget Summary

ALL ACCOUNTS	2024 PROJECTED	2025 PROJECTED	2026 PROJECTED	2027 PROJECTED	2028 PROJECTED	2029 PROJECTED	2030 PROJECTED	2031 PROJECTED	2032 PROJECTED	2033 PROJECTED
BEGINNING BALANCES	**$ 59,879,101**	**$ 61,532,604**	**$ 63,024,963**	**$ 65,708,169**	**$ 68,635,414**	**$ 69,301,677**	**$ 64,914,978**	**$ 53,796,404**	**$ 44,633,423**	**$ 41,828,163**
SOURCES										
Rates	29,362,859	31,258,130	33,114,478	35,249,040	37,381,064	39,186,515	41,018,061	42,887,997	45,180,187	47,525,351
SDC Connection Fees	14,338,984	15,680,396	14,401,221	13,494,962	14,202,803	14,547,972	15,566,330	16,655,973	17,821,891	19,069,423
LFC Reimbursements	160,000	168,000	176,400	183,456	190,794	198,426	206,363	214,618	223,202	232,130
Investment Interest	3,293,351	3,076,630	2,836,123	2,956,868	3,088,594	2,772,067	2,596,599	1,613,892	1,339,003	836,563
Intergovernmental Revenues	8,965,000	9,598,060	9,598,113	10,182,169	10,182,227	10,802,288	10,802,353	11,460,421	11,460,492	12,027,566
Other Miscellaneous Revenue	1,039,000	1,090,950	1,145,498	1,191,317	1,238,970	1,288,529	1,340,070	1,393,673	1,449,420	1,507,397
Debt Proceeds / Grant Funding	3,395,000	2,800,000	200,000	3,250,000	1,940,000	8,100,000	2,650,000	8,750,000	3,500,000	13,600,000
Subtotal Sources	**60,554,194**	**63,672,167**	**61,471,833**	**66,507,812**	**68,224,452**	**76,895,797**	**74,179,776**	**82,976,573**	**80,974,194**	**94,798,431**
USES										
Debt Service	(2,091,018)	(2,340,478)	(2,327,504)	(2,409,872)	(2,504,049)	(2,974,179)	(3,264,996)	(3,559,603)	(3,356,853)	(3,004,448)
Operating Expenses										
Salaries / Benefits	(13,388,306)	(14,413,511)	(14,760,248)	(15,662,481)	(16,494,496)	(17,518,429)	(18,449,904)	(19,595,087)	(20,637,957)	(21,736,759)
Supplies	(1,541,000)	(1,618,050)	(1,698,953)	(1,766,911)	(1,837,587)	(1,911,091)	(1,987,534)	(2,067,035)	(2,149,717)	(2,235,706)
Services (Professional / Contractual)	(2,436,302)	(2,558,117)	(2,686,023)	(2,793,464)	(2,905,202)	(3,021,411)	(3,142,267)	(3,267,958)	(3,398,676)	(3,534,623)
Other	(6,633,884)	(6,965,578)	(7,313,857)	(7,606,411)	(7,910,668)	(8,227,095)	(8,556,178)	(8,898,425)	(9,254,362)	(9,624,537)
Treatment	(15,087,781)	(17,195,177)	(17,233,171)	(18,239,285)	(18,272,478)	(23,038,792)	(23,074,692)	(24,672,976)	(24,711,807)	(27,806,972)
Capital Construction Costs/Purchases	(17,722,400)	(17,088,896)	(12,768,871)	(15,102,142)	(17,633,710)	(24,591,501)	(26,822,778)	(30,078,469)	(20,270,082)	(21,699,668)
Subtotal Uses	**(58,900,691)**	**(62,179,807)**	**(58,788,627)**	**(63,580,567)**	**(67,558,189)**	**(81,282,496)**	**(85,298,350)**	**(92,139,554)**	**(83,779,454)**	**(89,642,712)**
ENDING BALANCES	**$ 61,532,604**	**$ 63,024,963**	**$ 65,708,169**	**$ 68,635,414**	**$ 69,301,677**	**$ 64,914,978**	**$ 53,796,404**	**$ 44,633,423**	**$ 41,828,163**	**$ 46,983,882**

2024 Account Balance Summary

	HISTORICAL ACTUAL			BUDGETED		FORECASTED								
Account	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operations & Maintenance	$ 20,873,482	$ 15,524,768	$ 15,364,621	$ 36,254,439	$ 35,069,469	$ 46,484,226	$ 48,901,526	$ 52,429,023	$ 52,832,528	$ 47,524,119	$ 35,523,948	$ 25,624,980	$ 22,219,490	$ 27,057,234
Alliance Reserves	3,733,096	3,740,160	5,301,774	2,195,000	2,195,000	2,190,000	2,186,000	1,353,000	1,359,000	1,578,000	1,862,000	1,990,000	2,477,000	2,962,000
Unemployment Reserve	20,048	20,540	23,221	25,974	25,974	25,974	25,974	25,974	25,974	25,974	25,974	25,974	25,974	25,974
Debt Service	1,244,878	804,611	1,184,654	820,784	865,927	865,927	865,927	865,927	865,927	865,927	865,927	865,927	865,927	865,927
Debt Service Reserve	2,080,180	2,114,406	2,049,861	2,099,564	2,091,018	2,340,478	2,327,504	2,409,872	2,504,049	2,974,179	3,264,996	3,559,603	3,356,853	3,004,448
Existing Assets R & R	10,244,081	11,000,000	11,353,503	6,832,913	6,832,913	7,105,393	7,388,273	7,538,653	7,701,233	7,933,813	8,240,593	8,553,973	8,869,953	9,055,333
New Assets CIP	17,349,323	16,450,910	25,808,873	8,369,494	14,452,302	4,012,965	4,012,965	4,012,965	4,012,965	4,012,965	4,012,965	4,012,965	4,012,965	4,012,965
TOTAL ACCOUNTS	$ 55,545,088	$ 49,655,395	$ 61,086,506	$ 56,598,168	$ 61,532,604	$ 63,024,963	$ 65,708,169	$ 68,635,414	$ 69,301,677	$ 64,914,978	$ 53,796,404	$ 44,633,423	$ 41,828,163	$ 46,983,882



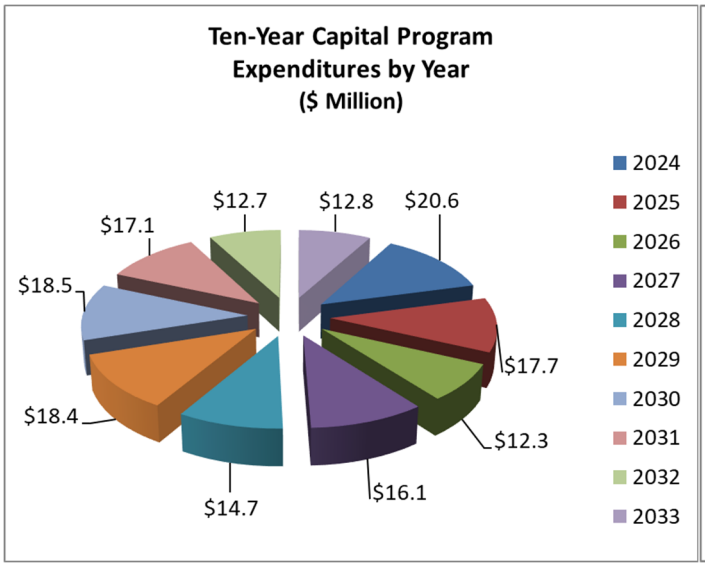
2024-2033 Ten-Year Capital Program

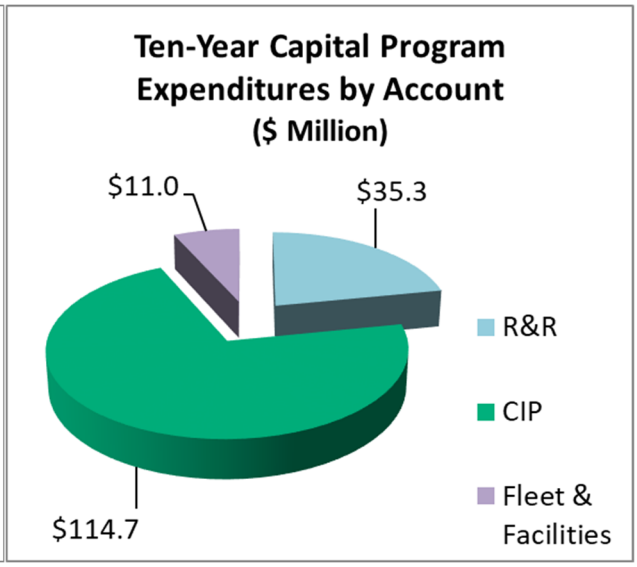
Clark Regional Wastewater District's (District) overall budget for 2024 is comprised of the Operating Budget and Capital Budget. The 2024 Capital Budget represents the District's Existing Assets Restoration and Replacement account (R&R), New Assets Capital Improvement Project account (CIP), and Fleet and Facilities activities. The CIP account represents the current year's costs necessary to construct or purchase new assets, including general facilities such as pump stations and trunk sewers, local collection systems, and fleet and facilities. The CIP account also accommodates reimbursing private development when they build District capital improvements. The R&R account provides for the restoration or replacement of existing assets, including general facilities such as trunk sewers and pump stations, local collection systems (e.g., 8-inch sewers), and fleet and facilities.

The District annually prepares and adopts a ten-year capital program. The FY 2024 capital budget is based upon the first year of the 2024-2033 Ten-Year Capital Program. These projects and purchases are all developed and scheduled out on the District's 2024-2033 Ten-Year Capital Program. Although the District budgets on an annual basis, it is not unusual for capital project commitments to span multiple years. As identified within the R&R account, CIP account, and Account Balance summary in the Adopted Budget by Account section, the District has ensured sufficient rates and charges to support the 2024-2033 Ten-Year Capital Program while maintaining a healthy account balance.

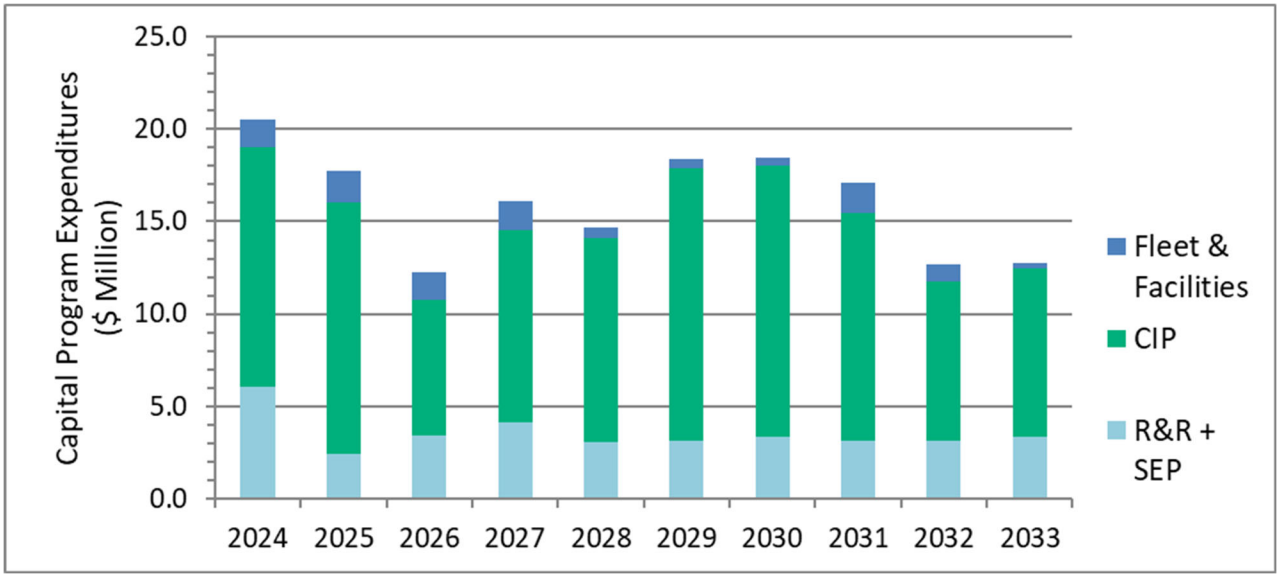
The ten-year program is based on the District's 20-Year Capital Plan. The projects identified in the Ten–Year Capital Program are those needed to ensure the District's ability to meet the long-term level-of-service requirements. Continuous planning is an integral part of this process and enables the District to monitor system capacities, forecast future demands, adapt to changing regulatory requirements, prioritize capital projects to meet these demands and predict financial resource requirements.

Over the 2024 to 2033 capital program period, 2024 is the most capital-intensive year. The budget forecasts to deliver 12.8% of the ten-year capital expenditures in 2024. The FY 2024 capital budget total is $20.6 million out of the ten-year program of $161.0 million. Over the ten-year program, $35.3 million is planned for R&R and SEP expenditures, $114.7 million for CIP expenditures, and $11.0 million for Fleet and Facilities expenditures. The District maintains the required minimum debt coverage ratio of 1.25%.





Annual capital expenditures over the ten years average around $16.1 million, with a minimum of $12.3 million in 2026 and a maximum of $20.6 million in 2024.



The Capital Program tables on the next page identify all capital projects or purchases anticipated for 2024 through 2033 for the District's Central and Ridgefield service areas. This includes eight specific R&R projects and budgeted amounts for seven R&R programs, 55 CIP projects or programs, and two fleet programs to purchase or replace equipment and maintain facilities.

The District's system has approximately 775 miles of pipe and 77 pump stations. The 2024-2033 Capital Program represents about 15 miles of additional gravity and pressure sewers, eight (8) new pump stations, the elimination of two (2) pump stations, and upgrading ten (10) pump stations.

Capital Program 2024-2033

Existing Assets Restoration and Replacement

Central Service Area Septic Elimination, Restoration and Replacement	Ten-Year Program	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
CIP - Septic Elimination Program											
Septic Project Allowance	$6,000,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000	$600,000
Wallace Heights SEP	$100,000	$100,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Septic Elimination Program Totals	**$6,100,000**	**$700,000**	**$600,000**	**$600,000**	**$600,000**	**$600,000**	**$600,000**	**$600,000**	**$600,000**	**$600,000**	**$600,000**
Restoration and Replacement											
Central Restoration and Replacement Allowance	$5,500,000	$100,000	$100,000	$100,000	$100,000	$100,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Pavement Repair and Manhole Adjustment Allowance	$1,500,000	$140,000	$140,000	$140,000	$140,000	$140,000	$160,000	$160,000	$160,000	$160,000	$160,000
Gravity Repair Program	$10,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Access Manhole Program	$660,000	$0	$0	$0	$220,000	$0	$0	$220,000	$0	$0	$220,000
Knollridge South & West Pump Station Replacements	$1,880,000	$1,880,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Glenwood Pump Station ARV Replacement	$3,050,000	$2,100,000	$50,000	$900,000	$0	$0	$0	$0	$0	$0	$0
Plantation Pump Station Replacement	$450,000	$0	$70,000	$380,000	$0	$0	$0	$0	$0	$0	$0
Mill Creek Pump Station Replacement	$2,100,000	$0	$100,000	$150,000	$1,850,000	$0	$0	$0	$0	$0	$0
Oro-Vega Pump Station Replacement	$1,180,000	$0	$0	$0	$100,000	$1,080,000	$0	$0	$0	$0	$0
Tenny Creek Pump Station and Trunk Abandonment	$50,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$50,000
Restoration and Replacement Totals	**$26,370,000**	**$5,220,000**	**$1,460,000**	**$2,670,000**	**$3,410,000**	**$2,320,000**	**$2,160,000**	**$2,380,000**	**$2,160,000**	**$2,160,000**	**$2,430,000**
TOTAL DISTRICT RESTORATION AND REPLACEMENT	**$32,470,000**	**$5,920,000**	**$2,060,000**	**$3,270,000**	**$4,010,000**	**$2,920,000**	**$2,760,000**	**$2,980,000**	**$2,760,000**	**$2,760,000**	**$3,030,000**

Ridgefield Service Area Restoration and Replacement Account	Ten-Year Program	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Ridgefield Restoration and Replacement Allowance	$1,550,000	$60,000	$60,000	$60,000	$60,000	$60,000	$250,000	$250,000	$250,000	$250,000	$250,000
Ridgefield Gravity Repair Program	$1,000,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000
Abrams Park Pump Station Replacement	$240,000	$0	$240,000	$0	$0	$0	$0	$0	$0	$0	$0
Restoration & Replacement Totals	**$2,790,000**	**$160,000**	**$400,000**	**$160,000**	**$160,000**	**$160,000**	**$350,000**	**$350,000**	**$350,000**	**$350,000**	**$350,000**
TOTAL RIDGEFIELD RESTORATION AND REPLACEMENT	**$2,790,000**	**$160,000**	**$400,000**	**$160,000**	**$160,000**	**$160,000**	**$350,000**	**$350,000**	**$350,000**	**$350,000**	**$350,000**
TOTAL RESTORATION AND REPLACEMENT	**$35,260,000**	**$6,080,000**	**$2,460,000**	**$3,430,000**	**$4,170,000**	**$3,080,000**	**$3,110,000**	**$3,330,000**	**$3,110,000**	**$3,110,000**	**$3,380,000**

Capital Program 2024-2033

New Assets Capital Improvement

Central Service Area Capital Improvement Project Account	Ten-Year Program	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
CIP - General Facilities Projects (Trunks, Pump Stations, Force Mains)											
General Sewer Plan Update	$530,000	$265,000	$265,000	$0	$0	$0	$0	$0	$0	$0	$0
Whipple Creek North Pump Station Upgrade	$1,350,000	$1,350,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Mt Vista Trunk Upgrade	$550,000	$550,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
DCWTS Phase 2B	$6,500,000	$300,000	$2,800,000	$0	$1,100,000	$2,300,000	$0	$0	$0	$0	$0
Payne Pump Station Redirection	$840,000	$0	$0	$100,000	$740,000	$0	$0	$0	$0	$0	$0
Neil Kimsey Force Main Upgrade	$20,050,000	$0	$0	$200,000	$2,150,000	$1,100,000	$7,600,000	$9,000,000	$0	$0	$0
Schuller Force Main Upgrade	$860,000	$0	$0	$0	$0	$80,000	$780,000	$0	$0	$0	$0
Legacy Pump Station Phase 3 Upgrade	$600,000	$0	$0	$0	$0	$0	$0	$0	$0	$300,000	$300,000
Whipple Creek Place PS Elimination	$250,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$250,000
Pleasant Valley North Pump Station Upgrade	$150,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$150,000
General Facilities Totals	**$31,680,000**	**$2,465,000**	**$3,065,000**	**$300,000**	**$3,990,000**	**$3,480,000**	**$8,380,000**	**$9,000,000**	**$0**	**$300,000**	**$700,000**
CIP - Local Agency Partnership											
Central Local Agency Partnership Allowance	$6,000,000	$0	$0	$0	$0	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
NE 179th Street and NE 29th Avenue Intersection Improvement	$2,180,000	$80,000	$1,050,000	$1,050,000	$0	$0	$0	$0	$0	$0	$0
NE 179th Street CRP (NE 15th Ave - NE 26th Ave)	$1,280,000	$20,000	$20,000	$20,000	$20,000	$750,000	$450,000	$0	$0	$0	$0
NE 179th Street CRP (NE Delfel Rd - NE 15th Ave)	$2,450,000	$40,000	$40,000	$40,000	$40,000	$1,600,000	$690,000	$0	$0	$0	$0
District Installed Infrastructure Totals	**$11,910,000**	**$140,000**	**$1,110,000**	**$1,110,000**	**$60,000**	**$3,350,000**	**$2,140,000**	**$1,000,000**	**$1,000,000**	**$1,000,000**	**$1,000,000**
CIP - Developer Reimbursement											
Central Developer Reimbursement Project Allowance	$10,600,000	$200,000	$200,000	$400,000	$1,400,000	$1,400,000	$1,400,000	$1,400,000	$1,400,000	$1,400,000	$1,400,000
District Installed Laterals Allowance	$130,000	$13,000	$13,000	$13,000	$13,000	$13,000	$13,000	$13,000	$13,000	$13,000	$13,000
Whipple Creek West Pump Station and Force Main	$1,970,000	$1,970,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Whipple Creek Trunk (Killian Commercial)	$530,000	$0	$530,000	$0	$0	$0	$0	$0	$0	$0	$0
Curtin Creek Gravity Sewer	$1,450,000	$1,450,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Whipple Creek East Pump Station F and Force Main	$3,110,000	$270,000	$2,840,000	$0	$0	$0	$0	$0	$0	$0	$0
Pleasant Valley North Pump Station C	$1,530,000	$200,000	$1,330,000	$0	$0	$0	$0	$0	$0	$0	$0
NE 179th Street Trunk	$850,000	$850,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Curtin Creek West Pump Station C	$3,050,000	$0	$400,000	$2,650,000	$0	$0	$0	$0	$0	$0	$0
Developer Reimbursement Totals	**$23,220,000**	**$4,953,000**	**$5,313,000**	**$3,063,000**	**$1,413,000**	**$1,413,000**	**$1,413,000**	**$1,413,000**	**$1,413,000**	**$1,413,000**	**$1,413,000**
TOTAL DISTRICT CAPITAL IMPROVEMENT	**$66,810,000**	**$7,558,000**	**$9,488,000**	**$4,473,000**	**$5,463,000**	**$8,243,000**	**$11,933,000**	**$11,413,000**	**$2,413,000**	**$2,713,000**	**$3,113,000**

Capital Program 2024-2033

New Assets Capital Improvement Projects (continued)

Ridgefield Service Area Capital Improvement Project Account	Ten-Year Program	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
CIP - General Facilities Projects (Trunks, Pump Stations, Force Mains)											
DCWTS Phase 2A	$2,610,000	$2,610,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gee Creek Meadows Pump Station Upgrade	$3,260,000	$0	$0	$400,000	$2,860,000	$0	$0	$0	$0	$0	$0
Royle Road Pump Station Pump Addition	$540,000	$0	$0	$0	$60,000	$480,000	$0	$0	$0	$0	$0
Gee Creek Plateau Pump Station and Force Main	$6,250,000	$0	$0	$0	$0	$0	$400,000	$500,000	$5,350,000	$0	$0
Gee Creek Meadows Force Main Redirection	$2,220,000	$0	$0	$0	$0	$0	$100,000	$200,000	$1,920,000	$0	$0
Marina Pump Station Upgrade and Force Main	$3,500,000	$0	$0	$0	$0	$0	$0	$250,000	$250,000	$3,000,000	$0
Marina Pump Station Trunk	$2,500,000	$0	$0	$0	$0	$0	$0	$0	$100,000	$200,000	$2,200,000
Pioneer Canyon Pump Station Phase 3 Upgrade	$700,000	$0	$0	$0	$0	$0	$0	$0	$0	$300,000	$400,000
Kennedy Farms Pump Station Upgrade	$1,250,000	$0	$0	$0	$0	$0	$0	$0	$0	$150,000	$1,100,000
General Facilities Totals	**$22,830,000**	**$2,610,000**	**$0**	**$400,000**	**$2,920,000**	**$480,000**	**$500,000**	**$950,000**	**$7,620,000**	**$3,650,000**	**$3,700,000**
CIP - Local Agency Partnership											
Ridgefield Local Agency Partnership Allowance	$3,400,000	$0	$0	$200,000	$200,000	$500,000	$500,000	$500,000	$500,000	$500,000	$500,000
N 50th Ave Roundabout and Pioneer St Widening	$1,360,000	$680,000	$680,000	$0	$0	$0	$0	$0	$0	$0	$0
Royle Road, Hillhurst Road to 19th Street	$820,000	$40,000	$340,000	$440,000	$0	$0	$0	$0	$0	$0	$0
Local Agency Partnership Totals	**$5,580,000**	**$720,000**	**$1,020,000**	**$640,000**	**$200,000**	**$500,000**	**$500,000**	**$500,000**	**$500,000**	**$500,000**	**$500,000**
CIP - Developer Reimbursement											
Ridgefield Developer Reimbursement Project Allowance	$14,520,000	$60,000	$60,000	$1,800,000	$1,800,000	$1,800,000	$1,800,000	$1,800,000	$1,800,000	$1,800,000	$1,800,000
Ridgefield District Installed Laterals Allowance	$60,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000
McCormick Creek Pump Station	$1,700,000	$1,700,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Carty Road Pump Station	$1,860,000	$270,000	$1,590,000	$0	$0	$0	$0	$0	$0	$0	$0
Heron Ridge East Pump Station and Force Main	$1,380,000	$0	$1,380,000	$0	$0	$0	$0	$0	$0	$0	$0
Developer Reimbursement Totals	**$19,520,000**	**$2,036,000**	**$3,036,000**	**$1,806,000**	**$1,806,000**	**$1,806,000**	**$1,806,000**	**$1,806,000**	**$1,806,000**	**$1,806,000**	**$1,806,000**
TOTAL RIDGEFIELD CAPITAL IMPROVEMENT	**$47,930,000**	**$5,366,000**	**$4,056,000**	**$2,846,000**	**$4,926,000**	**$2,786,000**	**$2,806,000**	**$3,256,000**	**$9,926,000**	**$5,956,000**	**$6,006,000**
TOTAL CAPITAL IMPROVEMENT	**$114,740,000**	**$12,924,000**	**$13,544,000**	**$7,319,000**	**$10,389,000**	**$11,029,000**	**$14,739,000**	**$14,669,000**	**$12,339,000**	**$8,669,000**	**$9,119,000**

Capital Program 2024-2033

Fleet and Facilities

FLEET AND FACILITIES	Ten-Year Program	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Fleet											
District Fleet	$3,508,000	$443,000	$955,000	$85,000	$670,000	$160,000	$325,000	$195,000	$125,000	$550,000	$ -
SCTP Fleet	$925,000	$360,000	$109,000	$209,000	$120,000	$40,000	$17,000	$50,000	$20,000	$ -	$ -
Fleet Totals	**$4,433,000**	**$803,000**	**$1,064,000**	**$294,000**	**$790,000**	**$200,000**	**$342,000**	**$245,000**	**$145,000**	**$550,000**	**$0**
Facilities & IT											
ERP System and Implementation	$550,000	$250,000	$300,000	$0	$0	$0	$0	$0	$0	$0	$0
Internet Technology and Office Equipment	$2,965,000	$94,000	$1,000	$896,200	$456,000	$209,000	$85,200	$0	$894,900	$128,700	$200,000
Campus Program Allowance	$400,000	$30,000	$30,000	$35,000	$35,000	$40,000	$40,000	$45,000	$45,000	$50,000	$50,000
Building Improvements	$1,697,000	$237,000	$85,000	$120,000	$260,000	$55,000	$35,000	$160,000	$585,000	$65,000	$95,000
Campus Civil & Site Improvements	$795,000	$125,000	$230,000	$180,000	$10,000	$50,000	$10,000	$50,000	$15,000	$125,000	$0
Furniture, Fixtures & Equipment	$125,500	$30,000	$8,000	$7,500	$15,000	$10,000	$15,000	$10,000	$10,000	$20,000	$0
Facility Totals	**$6,532,500**	**$766,000**	**$654,000**	**$1,238,700**	**$776,000**	**$364,000**	**$185,200**	**$265,000**	**$1,549,900**	**$388,700**	**$345,000**
TOTAL FLEET AND FACILITIES	**$10,965,500**	**$1,569,000**	**$1,718,000**	**$1,532,700**	**$1,566,000**	**$564,000**	**$527,200**	**$510,000**	**$1,694,900**	**$938,700**	**$345,000**

TEN-YEAR PROGRAM TOTAL	**$160,965,500**	**$20,573,000**	**$17,722,000**	**$12,281,700**	**$16,125,000**	**$14,673,000**	**$18,376,200**	**$18,509,000**	**$17,143,900**	**$12,717,700**	**$12,844,000**

Capital Plan 2024-2033

Central Service Area
Existing Assets – Project Summaries

CIP – Septic Elimination Program

Septic Project Allowance
Cost: $6,000,000
Scope: The District invests approximately $600,000 in the Septic Elimination Program on an annual basis. New projects will be identified for future years.
Basis: Septic Elimination

Wallace Heights SEP
Cost: $100,000
Scope: Assist the neighborhood south of NE 112th Street, north of NE 106th Street between NE Stutz Road and NE 8th Avenue by making public sanitary sewer available. Install an 8-inch gravity main to serve 59 properties.
Basis: Septic Elimination

Restoration and Replacement – Pump Stations & Force Mains

Central Restoration and Replacement Allowance
Cost: $5,500,000
Scope: Annual program for unplanned sewer repairs and engineering support on restoration and replacement needs on gravity sewer infrastructure, pump stations, force mains, and other related appurtenances. Projects are identified by District staff or partner agencies.
Basis: Condition

Pavement Repair and Manhole Adjustment Program
Cost: $1,500,000
Scope: This is an annual program for repairing pavement and adjusting manhole frames and covers. Pavement repairs are to address trench settlement, complete final restoration on district-led repair projects, and/or address other pavement needs that may arise due to a sewer project.
Basis: Condition

Central Gravity Repair Program
Cost: $10,000,000
Scope: This is an annual program in the outer years of the ten-year program for maintaining reliable service by restoring and replacing localized "hot spot" areas in sewer infrastructure.
Basis: Condition

Access Manhole Program
Cost: $660,000
Scope: This program includes new manhole installation to create access to existing pipelines for ongoing maintenance. Projects were identified during attempts to retrieve CCTV inspection and attempt to conduct maintenance monitoring activities.
Basis: Condition

Knollridge South and West Pump Station Replacement
Cost: $1,880,000
Scope: This project will replace two existing pump stations and include new wet wells, valve vaults, valves, piping, and other appurtenances. The project will also construct 125 feet of new gravity sewer and 150 feet of new force main to relocate both pump stations.
Basis: Condition

Glenwood Pump Station ARV Replacement
Cost: $3,050,000
Scope: Upgrade the existing force main transient protection system by installing two surge tanks and three valves to ensure protection of the force main. The project also includes the abandonment of existing valves and manholes that will no longer be in service.
Basis: Condition

Plantation Pump Station Replacement
Cost: $450,000
Scope: The upgrade will replace the existing submersible pump station with new grinder pumps for reliability and to decrease maintenance costs.
Basis: Condition

Mill Creek Pump Station Restoration
Cost: $2,100,000
Scope: Confirm pump station location and update facility to increase reliability and monitoring capabilities. Upsize elements of the pump station to accommodate larger pumps.
Basis: Condition

Oro-Vega Pump Station Replacement
Cost: $1,180,000
Scope: This project upgrades the existing pump station by installing a new top slab on the wet well, new vaults and associated force main, a new generator, electrical and control equipment, and a new shelter.
Basis: Condition

Tenny Creek Pump Station and Trunk Abandonment
Cost: $50,000
Scope: This project includes an alternative analysis that will focus on reducing the risk of sewer failure and/or sanitary sewer overflows into Tenny Creek.
Basis: Condition

Ridgefield Service Area
Existing Assets – Project Summaries

Restoration and Replacement – Pump Stations & Force Mains

Ridgefield Restoration and Replacement Allowance
Cost: $1,550,000
Scope: Annual program for unplanned sewer repairs and engineering support on restoration and replacement needs on gravity sewer infrastructure, pump stations, force mains, and other related appurtenances. Projects are identified by District staff or partner agencies.
Basis: Condition

Ridgefield Gravity Repair Program
Cost: $1,000,000
Scope: This is an annual program in the outer years of the ten-year program for maintaining reliable service by restoring and replacing localized "hot spot" areas in sewer infrastructure.
Basis: Condition

Abrams Park Pump Station Replacement
Cost: $240,000
Scope: Replace the existing pump station with a new grinder pump for reliability and to decrease maintenance costs.
Basis: Condition

Central Service Area
New Assets – Project Summaries

General Facilities Projects (Trunks, Pump Stations, Force Mains)

General Sewer Plan Update
Cost: $530,000
Scope: This project will update the District's 2017 General Sewer Plan (GSP) to align with Clark County's Growth Management Plan, which will be updated by June 2025. This project will include updates to the District's hydraulic model.
Basis: Planning

Mt Vista Trunk Upgrade
Cost: $550,000
Scope: Development in the Pleasant Valley North sewer basin will deliver added hydraulic loading on the Mt Vista Trunk. This project will reduce surcharging in the lower reaches of the trunk.
Basis: Capacity

DCWTS Phase 2B
Cost: $6,500,000
Scope: Upgrade the capacity of the Legacy pump station and force main system by installing a 20-inch force main.
Basis: Capacity

Payne Pump Station Redirection
Cost: $840,000
Scope: Install a new force main in NE 29th Avenue to relieve the Whipple Creek North pump station.
Basis: Capacity

Neil Kimsey Force Main Upgrade
Cost: $20,050,000
Scope: Increase the capacity of the Neil Kimsey pump station system by constructing 17,040 feet of 22-inch force main to accommodate the additional flows resulting from the redirection of flows from Ridgefield.
Basis: Capacity

Schuller Force Main Upgrade
Cost: $860,000
Scope: Upsize the existing force main to increase firm pump capacity at the Schuller pump station to serve the Schuller Mini-Basin.
Basis: Capacity

Legacy Pump Station Phase 3 Upgrade
Cost: $600,000
Scope: This project addresses a capacity need by upgrading the Legacy pump station.
Basis: Capacity

Whipple Creek Place Pump Station Elimination
Cost: $250,000
Scope: Divert flow from the NW 149th Street pump station away from the 6" force main shared with Whipple Creek West pump station. Decommission the Whipple Creek Place pump station by installing gravity sewer from the pump station west to NW 11th Avenue and north to Whipple Creek West pump station.
Basis: Capacity

Pleasant Valley North Pump Station Upgrade
Cost: $150,000
Scope: Install new pumps to increase the capacity of the station.
Basis: Capacity

CIP – Local Agency Partnership

Central Local Agency Partnership Allowance
Cost: $6,000,000
Scope: Allowance to participate in local agency projects to address sewer needs and reduce impacts to the public.
Basis: Extending Service

NE 179th Street and NE 29th Avenue Intersection Improvement
Cost: $2,180,000
Scope: This project is to construct a gravity sewer in NE 179th Street and NE 29th Avenue to provide service in support of commercial and industrial development.
Basis: Extending Service

NE 179th Street CRP (NE 15th Ave - NE 26th Ave)
Cost: $1,280,000
Scope: This project is to construct a gravity sewer in NE 179th Street to provide service in support of commercial and industrial development.
Basis: Extending Service

NE 179th Street CRP (NE Delfel Rd - NE 15th Ave)
Cost: $2,450,000
Scope: This project extends service in conjunction with a County Road Project along NE 179th Street from the Fairgrounds pump station through the NE 179th Street Interchange with I-5. The project consists of a gravity trunk and allows for the abandonment of the Fairgrounds pump station.
Basis: Extending Service

Developer Reimbursement

Developer Reimbursement Project Allowance
Cost: $10,600,000
Scope: This allowance provides for future developer reimbursements to construct pump stations, force mains, and trunk sewers in the Central service area per the General Sewer Plan.
Basis: Extending Service

District Installed Laterals Allowance
Cost: $130,000
Scope: This allowance provides for side sewers to be constructed in the Central Service Area in conjunction with private development projects.
Basis: Extending Service

Whipple Creek West Pump Station and Force Main
Cost: $1,970,000
Scope: Install a new pump station to serve the Whipple Creek West basin's northern area and collect flow from the Whipple Creek Place pump station and the 149th Street pump station. This facility will be located north of the intersection of NW 11th Avenue and NW 149th Street. Install a 6-inch force main from the pump station south along NW 11th Avenue and west along NW 149th Street.
Basis: Extending Service

Whipple Creek Trunk (Killian Commercial)
Cost: $530,000
Scope: This project constructs about 4,500 feet of 10-inch and 24-inch gravity trunk on NE 179th Street from east of NE 15th Avenue to NE Union Road just east of the I-5 junction and north through the Killian Commercial project.
Basis: Extending Service

Curtin Creek Gravity Sewer
Cost: $1,450,000
Scope: Construct 2,100 feet of 8-inch gravity main west from the Curtin Creek pump station to NE 72nd Avenue
Basis: Extending Service

Whipple Creek East Pump Station F and Force Main
Cost: $3,110,000
Scope: Install a new pump station to serve the eastern area of the Whipple Creek East basin. This facility will be located north of NE 179th Street, west of the BPA Corridor. Install a 6-inch force main from the pump station west along NE 179th Street to a point of connection at NE 20th Avenue.
Basis: Extending Service

Pleasant Valley North Pump Station C
Cost: $1,530,000
Scope: Install a new pump station to serve the northeastern portion of the Pleasant Valley North basin. The facility will be located in the vicinity of NE 50th Avenue and NE 174th Street. Install a force main in a northerly direction along NE 50th Avenue to NE 179th Street.
Basis: Extending Service

NE 179th Street Trunk
Cost: $850,000
Scope: Extend sewer service in support of development along the NE 179th Street corridor by installing 770 feet of 10-inch gravity sewer, 650 feet of 8-inch gravity sewer, and 690 feet of 6-inch force main.
Basis: Extending Service

Curtin Creek West Pump Station C
Cost: $3,050,000
Scope: Provide a new pump station and force main to serve the eastern portion of Curtin Creek West basin.
Basis: Extending Service

Ridgefield Service Area
New Assets – Project Summaries

General Facilities Projects (Trunks, Pump Stations, Force Mains)

DCWTS Phase 2A
Cost: $2,610,000
Scope: Upgrade the capacity of the Pioneer Canyon and Neil Kimsey Regional pump station and force main systems. Address current facility deficiencies at Pioneer Canyon, Neil Kimsey Regional, and Legacy and enhance monitoring of the facilities.
Basis: Capacity

Gee Creek Meadows Pump Station Upgrade
Cost: $3,260,000
Scope: Upgrade the existing pump station to be redirected to the future Gee Creek Plateau pump station, increase the capacity, and address existing pump station deficiencies.
Basis: Capacity

Royle Road Pump Station Pump Addition
Cost: $540,000
Scope: Increase pump station capacity by installing a third 70 HP pump and associated electrical and control appurtenances to accommodate additional flows from development in the sewer basin.
Basis: Capacity

Gee Creek Plateau Pump Station and Force Main
Cost: $6,250,000
Scope: Construct a new pump station and force the main to deliver flow from the Gee Creek Meadows pump station to Pioneer Canyon pump station. This project supports decommissioning of the Ridgefield Treatment Plant.
Basis: Capacity

Gee Creek Meadows Force Main Redirection
Cost: $2,220,000
Scope: Construct force main from Gee Creek Meadows pump station to the future Gee Creek Plateau pump station. This project supports decommissioning of the Ridgefield Treatment Plant.
Basis: Capacity

Marina Pump Station Upgrade and Force Main
Cost: $3,500,000
Scope: Upgrade the Marina pump station and redirect the existing force main to the Gee Creek Meadows pump station. This project supports decommissioning of the Ridgefield Treatment Plant.
Basis: Capacity

Marina Pump Station Trunk
Cost: $2,500,000
Scope: Construct trunk sewer from the Ridgefield Treatment Plant to Marina pump station. This project supports decommissioning of the Ridgefield Treatment Plant.
Basis: Capacity

Pioneer Canyon Pump Station Phase 3 Upgrade
Cost: $700,000
Scope: Upgrade the Pioneer Canyon pump station to meet projected capacity needs in the Ridgefield Service Area.
Basis: Capacity

Kennedy Farms Pump Station Upgrade
Cost: $1,250,000
Scope: Upgrade the Kennedy Farms pump station to accommodate development in the Royle Road basin.
Basis: Capacity

CIP – Local Agency Partnership

Ridgefield Local Agency Partnership Allowance
Cost: $3,400,000
Scope: Allowance to participate in local agency projects to address sewer needs and reduce impacts to the public.
Basis: Extending Service

COR N 50th Avenue Roundabout and Pioneer Street Widening
Cost: $1,360,000
Scope: The City of Ridgefield is widening Pioneer Street between S 56th Place and 45th Avenue. The District will participate in the project to extend sewer in Pioneer Street and 50th Avenue.
Basis: Extending Service

COR Royle Road, Hillhurst Road to 19th Street
Cost: $820,000
Scope: The City of Ridgefield is improving Royle Road between Hillhurst Road and S 19th Street. The District has gravity sewer, Royle Road pump station and force main through this corridor that needs to be protected and operational issues to address.
Basis: Condition

Developer Reimbursement

Ridgefield Developer Reimbursement Project Allowance
Cost: $14,520,000
Scope: This allowance provides for future developer reimbursements to construct pump stations, force mains, and trunk sewers in the Ridgefield service area in accordance with the General Sewer Plan.
Basis: Extending Service

McCormick Creek Pump Station
Cost: $1,700,000
Scope: This project includes developer reimbursement for a pump station and force main along N 10th Street in association with the proposed Greely Farms residential subdivision.
Basis: Extending Service

Heron Ridge East Pump Station and Force Main
Cost: $1,380,000
Scope: Provide a new submersible pump station and a new force main to serve the Heron Ridge basin
Basis: Extending Service

Carty Road Pump Station
Cost: $1,860,000
Scope: Install pump station and force main to extend service to proposed residential developments along NW Carty Road.
Basis: Extending Service

Fleet and Facilities

Fleet

District Fleet
Cost: $3,508,000
Scope: Replace and purchase new vehicles as needed based on current fleet analysis and business needs.
Basis: Operational Optimization

SCTP Fleet
Cost: $925,000
Scope: Replace and purchase new vehicles as needed based on current fleet analysis and business needs.
Basis: Operational Optimization

Facilities & IT

ERP System Implementation
Cost: $550,000
Scope: To procure and implement an Enterprise Resource Planning (ERP) System.
Basis: Operational Optimization

Internet Technology and Office Equipment
Cost: $2,965,000
Scope: Procure new, replace, maintain, and upgrade systems, servers, computers, peripherals, services, office printers, copiers, plotters, and other office machines.
Basis: Operational Optimization

Campus Program Allowance
Cost: $400,000
Scope: Allowance for restoration and replacement work for the ongoing maintenance and improvement of the facilities and building systems at the District Campus.
Basis: Operational Optimization

Building Improvements
Cost: $1,697,000
Scope: Capital work for ongoing improvements of the facilities and building systems at the District Campus.
Basis: Operational Optimization

Campus Civil & Site Improvements
Cost: $795,000
Scope: Capital work for ongoing improvements of the grounds and site at the District Campus.
Basis: Operational Optimization

Furniture, Fixtures & Equipment
Cost: $125,000
Scope: Procure new, replace, maintain, and upgrade furniture, fixtures and equipment.
Basis: Operational Optimization

Appendix 1 – Financial Policies

Clark Regional Wastewater District is governed by an elected board that consists of three commissioners. The Board of Commissioners has provided direction and framework in several key areas by establishing guiding policies. The District's fiscal policies, as mirrored in its rate model, require segregation of the District's accounts based on their revenue sources and internally restricted uses. The following policies shape District operations, cash reserve requirements, and how funds are to be utilized for District expenses.

Revenue Sufficiency

- The District will establish sewer rates sufficient on an annual basis to meet all utility cash requirements, including operating expenses, debt service, rate-funded capital costs, and additions to reserves. Changes in rate levels should be gradual and uniform to the extent costs can be projected.
- The District will impose a connection charge, also known as a System Development Charge (SDC), on new development to reflect an appropriate capital investment by new customers commensurate with system costs, including future improvements that serve such growth.

Expenditures Policies

- The District will maintain expenditure categories according to state statutes and administrative regulations.
- The District's operating budget will not use one-time revenues to support ongoing expenditures.
- The District will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' expenses, such as postponing necessary expenditures, accruing future years' revenues, or rolling over short-term debt.
- The District will pay for all current operating expenditures with current operating revenues. Long-term debt will not be used for funding current operating expenditures.
- The District will consider technological and capital investment programs which are cost-effective, and which will reduce operating costs as high funding priorities.

Long-Term Financial Planning

In conjunction with the annual budget, a Ten-Year Capital Program will be developed and updated annually. The Ten-Year Capital Program and the annual budget will both be

prepared within the framework of the 20-year Comprehensive General Sewer Plan (GSP). The GSP is updated periodically and is designed to provide a readily accessible and easy-to-understand infrastructure plan that is based on practical planning assumptions.

Accounting, Auditing and Financial Reporting

- The District shall maintain accounting records and report on the financial condition and results of operations in accordance with Generally Accepted Accounting Principles as promulgated by the Governmental Accounting Standards Board.
- The District shall have an independent financial audit performed annually by the Washington State Auditor's Office in accordance with Generally Accepted Auditing Standards and Washington State statutes.
- The District operates under the accrual basis of accounting as required by Generally Accepted Accounting Principles.

Funding and Reserves Policies

District Reserve Policies were adopted by the Board of Commissioners on October 25, 2022, through Resolution #1857 and are summarized below:

Operations and Maintenance:

Funding: Sewer service rates
Reserves: A minimum balance of 150 days of operating expenses is maintained

Alliance Reserve:

Funding: Sewer service rates
Reserves: Funds set aside to fund the District's step-up responsibility per the Alliance Interlocal Formation Agreement in an amount equal to the City of Battle Ground's share of Alliance debt service for the following year.

Unemployment Reserve:

Funding: Sewer service rates
Reserves: Maximum weekly benefit amount paid to one District employee for up to 26 weeks

Debt Service:

Funding: Sewer service rates
Reserves: No reserve fund held here (separate Debt Service Reserve account). Holds funds to pay debt service as it becomes due.

Debt Service Reserve:

Funding: Sewer service rates

Reserves: One year's debt service requirement on all District bond debt and loans.

Existing Assets Replacement and Restoration (R&R):

Funding: Sewer service rates

Reserves: Greater than 100% of annual depreciation expense or gross capital asset value.

New Assets Capital Improvement Projects (CIP):

Funding: System Development Charges

Reserves: 50% of the lowest year of CIP expenditures in the ten-year Capital Program.

Capital Assets Policy

The District operates under a separately adopted Capital Assets Policy, adopted by the Board of Commissioners on August 9, 2022, through Resolution #1852. The Capital Assets Policy will be reviewed and modified periodically to ensure that it continues to meet the financial objectives of the District and continues to serve the best interests of the District and its stakeholders.

Investment Policy

The District operates under a separately adopted Investment Policy, adopted by the Board of Commissioners on February 14, 2023, through Resolution #1867. The District's policy is to invest funds in a manner that will, in order of priority, 1) preserve the safety of principle in the District's investment portfolio, 2) remain sufficiently liquid to enable the District to meet all reasonably anticipated operating requirements and 3) provide the District with investment yields attaining a market rate of return. The Board-adopted Investment Policy will be reviewed and modified periodically to ensure that it continues to meet the financial objectives of the District and continues to serve the best interests of the District and its stakeholders.

Debt Policy

The District operates under a separately adopted Debt Policy, adopted by the Board of Commissioners on October 10, 2017, through Resolution #1701.

- The District intends to issue and defease debt when rates are favorable in order to provide the lowest capital costs to ratepayers.

- Debt shall only be issued for capital projects. The District maintains sufficient financial resources through effective budgeting to cover ongoing operational expenses.
- The District shall strive to maintain the highest credit rating possible.
- The District will undertake to provide continuing disclosure as required by the Securities and Exchange Commission.
- All debt covenants shall be closely monitored to ensure compliance with terms.

The Board-adopted Debt Policy will be reviewed and modified periodically to ensure that it continues to meet the District's financial objectives and serves the District's and its stakeholders' best interests.

Purchasing Policy

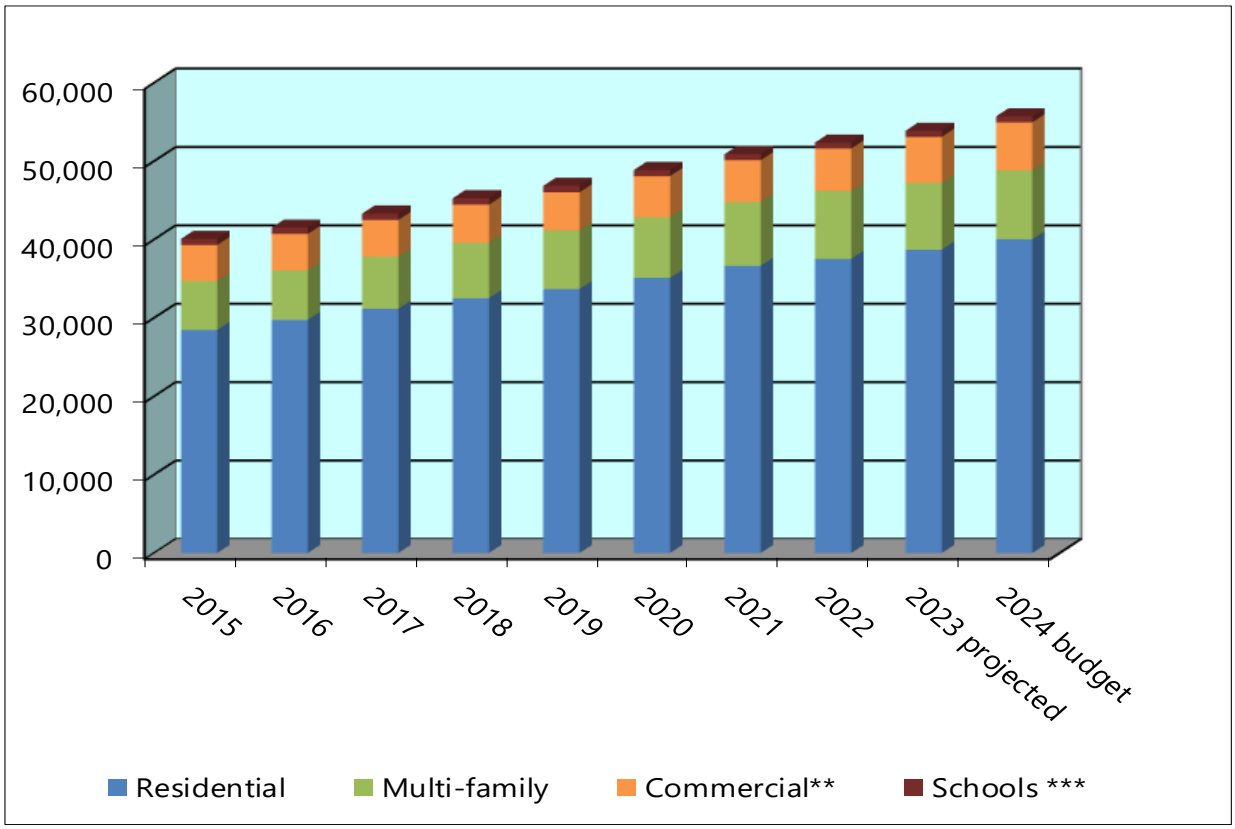
The District operates under a separately adopted Purchasing Policy, adopted by the Board of Commissioners on August 9, 2022, through Resolution #1851. The Board-adopted Purchasing Policy will be reviewed and modified periodically to ensure that it continues to meet the District's financial objectives and serves the District's and its stakeholders' best interests.

Reimbursable Business Expense and Travel Advance Policy

The District operates under a separately adopted Reimbursable Business Expense and Travel Advance Policy, adopted by the Board of Commissioners on April 25, 2023, through Resolution #1876. The Board-adopted Travel Reimbursement Policy will be reviewed and modified periodically to ensure that it continues to meet the District's financial objectives and serves the best interest of the District and its stakeholders.

Appendix 2 – Equivalent Residential Units*

Year	Residential	Multi-family	Commercial**	Schools ***	Total
2015	28,453	6,234	4,624	778	40,089
2016	29,738	6,322	4,647	801	41,508
2017	31,157	6,655	4,691	812	43,315
2018	32,506	7,086	4,851	823	45,266
2019	33,673	7,507	4,851	823	46,854
2020	35,105	7,744	5,231	793	48,872
2021	36,635	8,159	5,321	775	50,890
2022	37,526	8,658	5,428	755	52,366
2023 projected	38,694	8,535	5,865	775	53,869
2024 budget	40,020	8,828	6,090	777	55,715



Note

* The District's customer base by equivalent residential unit (ERU) per single-family dwelling.

** Commercial customers are billed at a 10 employees per ERU rate calculation.

*** Elementary, middle and high schools are billed at a 32 students per ERU rate calculation. Colleges are billed at a 10 students per ERU rate calculation. As of 2019, Washington State University Vancouver campus is billed on consumption instead of student headcount. Declining school ERU's starting in 2020 due to the COVID-19 pandemic causing school closures and decreased enrollment.

Appendix 3 – Service and Connection Charges

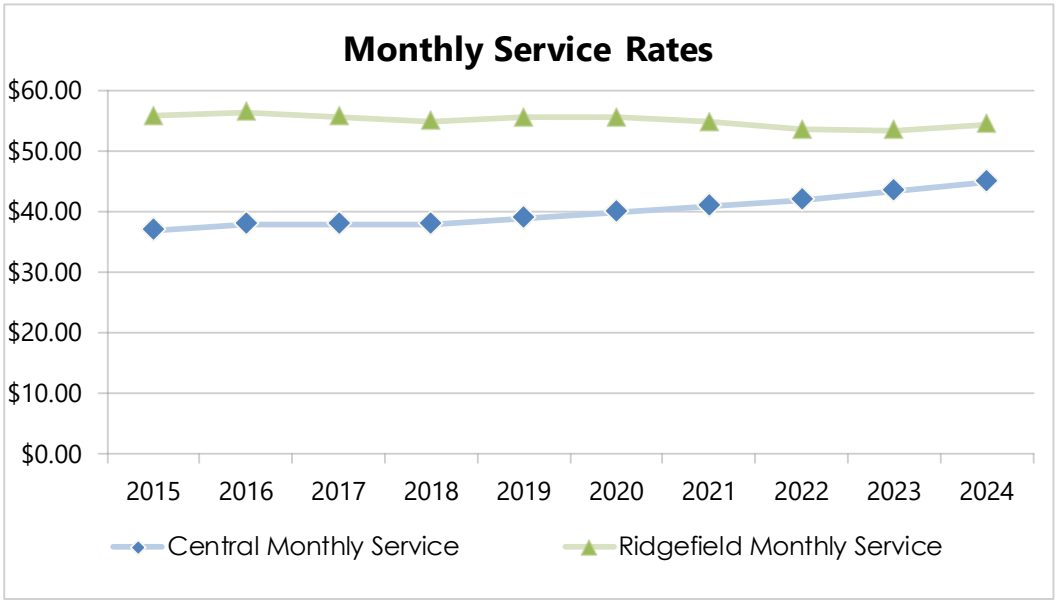
Year	Central Monthly Service	Ridgefield Monthly Service	System Development Charge VTP	SCTP	RFTP	UHA
2015	37.00	55.80	1,720	4,708	7,550	
2016	38.00	56.50	1,720	4,708	7,550	
2017	38.00	55.70	1,720	4,708	7,550	
2018	38.00	55.00	1,720	4,708	7,550	
2019	39.00	55.60	2,120	5,108	7,950	
2020	40.00	55.60	2,520	5,508	8,350	
2021	41.00	54.80	2,920	5,908	8,750	
2022	42.00	53.60	2,920	5,908	8,750	
2023	43.50	53.50	3,154	6,381	9,450	6,381
2024	45.00	54.40	3,374	6,827	10,112	8,600

Note

In 2012, a four-year base rate increase of $1.00 per month each year (2013-2016) was approved by the District's Board of Commissioners. These rate increases were determined necessary to adjust to inflationary costs for goods, services, fuel, labor and Restoration & Replacement costs.

In 2018, a four-year base rate increase of $1.00 per month each year (2019-2022) was approved by the District's Board of Commissioners. This rate increase is deemed necessary to adjust to inflationary costs for goods, services, fuel, labor and rising treatment costs. The District Board of Commissioners also approved a three-year fee increase of $400 each year (2019-2021) to the System Development Charge for each tier to fund new capital infrastructure projects.

In 2023, a four-year base rate increase of $1.50 per month each year (2023-2026) was approved by the District's Board of Commissioners. This rate increase is deemed necessary to adjust for inflationary costs for goods, services, fuel, labor and rising treatment costs. The District Board of Commissioners also approved a four-year (2023-2026) fee increase to the System Development Charge for each tier to fund new capital infrastructure projects. Additionally, the Board created a fourth tier of System Development Charges in the undeveloped Urban Holding Area.



Appendix 4 – Where Does My Money Go?

Central Service Area $45.00

Capital Expenditures $13.54

Treatment Costs $11.53

Salaries & Benefits $10.23

Supplies & Services $8.11

Debt Service $1.60

Ridgefield Service Area $54.40

System Integration Charge $9.40

Capital Expenditures $13.54

Treatment Costs $11.53

Salaries & Benefits $10.23

Supplies & Services $8.11

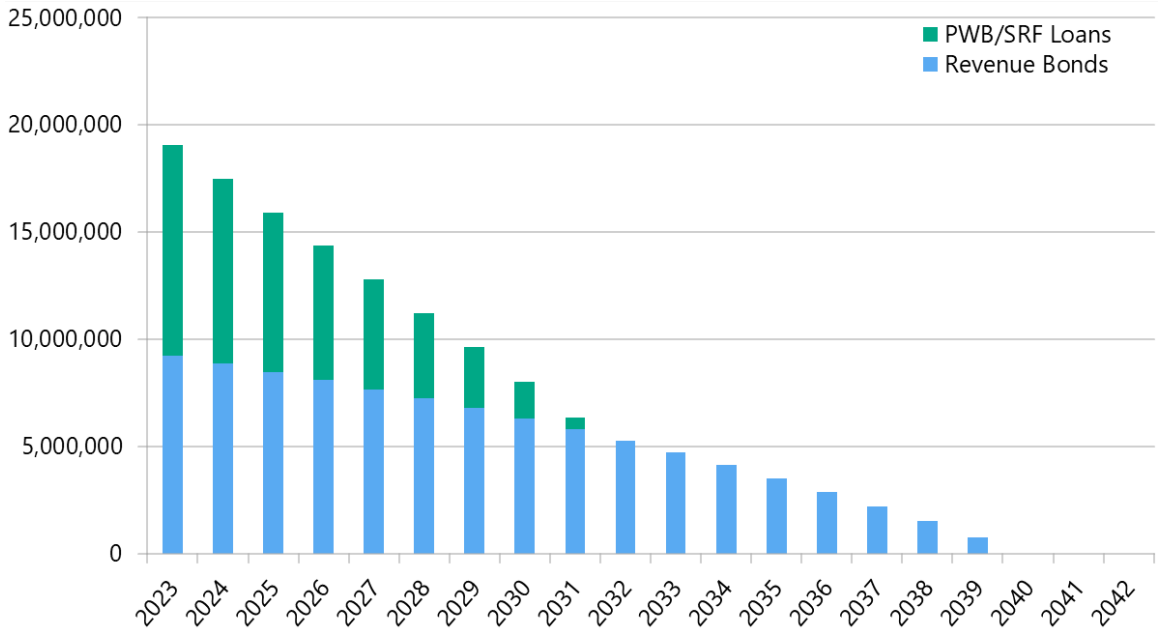
Debt Service $1.60

Appendix 5 – Outstanding Debt/Loans by Type

Year	Revenue Bonds	PWB/SRF Loans	Total
2023*	9,215,000	9,853,287	19,068,287
2024	8,860,000	8,628,124	17,488,124
2025	8,485,000	7,402,962	15,887,962
2026	8,090,000	6,261,783	14,351,783
2027	7,675,000	5,120,604	12,795,604
2028	7,240,000	3,979,426	11,219,426
2029	6,785,000	2,838,247	9,623,247
2030	6,305,000	1,697,068	8,002,068
2031	5,805,000	555,889	6,360,889
2032	5,280,000	-	5,280,000
2033	4,725,000	-	4,725,000
2034	4,145,000	-	4,145,000
2035	3,535,000	-	3,535,000
2036	2,895,000	-	2,895,000
2037	2,225,000	-	2,225,000
2038	1,520,000	-	1,520,000
2039	780,000	-	780,000
2040	-	-	-
2041	-	-	-
2042	-	-	-

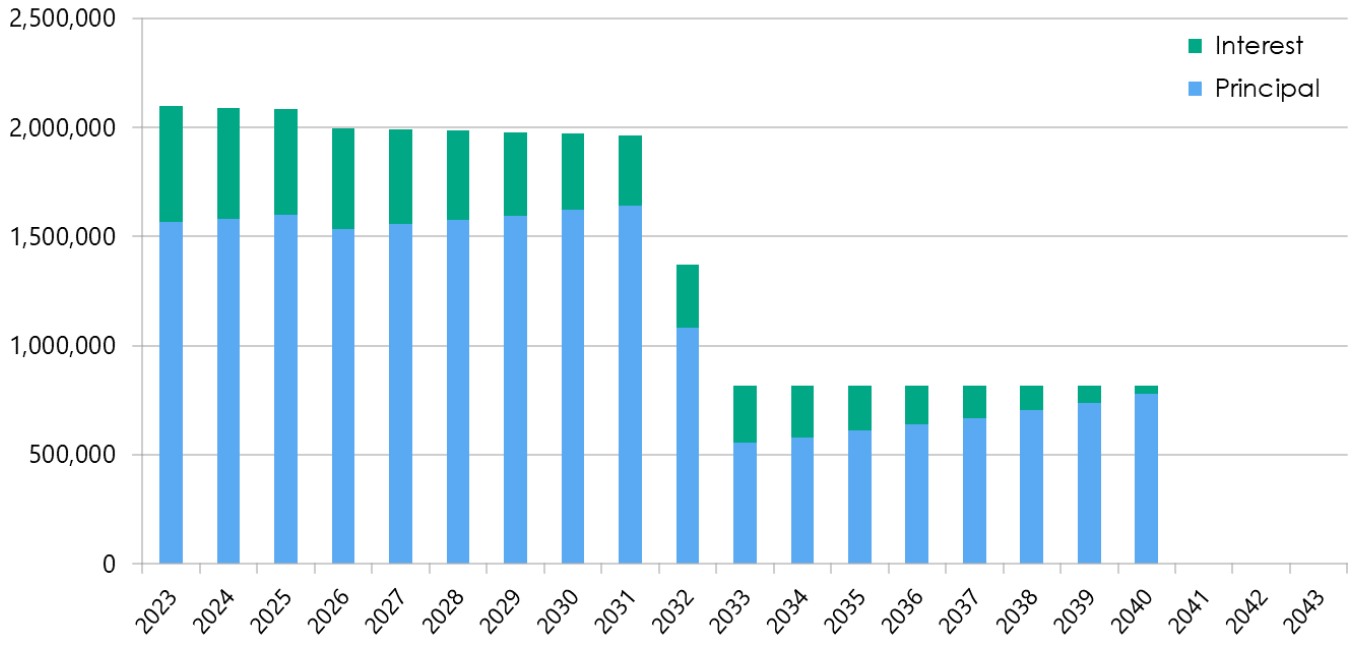
Note

* The District was awarded a Public Works Board of $10 million in 2023. The awarded loan is reimbursable. As of January 1, 2024, the District had not requested any reimbursements on this loan.



Appendix 6 – Debt/Loans Repayment Schedule

Year	Principal	Interest	Total
2023	1,565,162	534,402	2,099,564
2024	1,580,162	510,856	2,091,019
2025	1,600,162	486,561	2,086,723
2026	1,536,179	461,265	1,997,444
2027	1,556,179	435,809	1,991,988
2028	1,576,179	409,353	1,985,532
2029	1,596,179	381,897	1,978,076
2030	1,621,179	353,441	1,974,620
2031	1,641,179	323,734	1,964,913
2032	1,080,889	293,029	1,373,919
2033	555,000	264,000	819,000
2034	580,000	236,250	816,250
2035	610,000	207,250	817,250
2036	640,000	176,750	816,750
2037	670,000	144,750	814,750
2038	705,000	111,250	816,250
2039	740,000	76,000	816,000
2040	780,000	39,000	819,000
2041	-	-	-
2042	-	-	-
2043	-	-	-
	$ 40,219,910	$ 9,481,506	$ 49,701,415



Appendix 7 – Limitation of Indebtedness

The limitation of indebtedness applies to general obligation debt only. Clark Regional Wastewater District (District) has never issued general obligation debt. However, the District still diligently monitors debt through the below-noted Bond Coverage Ratio Analysis. If the District ever issued general obligation debt, RCW 57.20.110 and 120 specifies a general obligation limitation of indebtedness of 0.5% of the value of the taxable property within its boundaries, in addition to the constitutional debt limitations. The District's assessed value is $30,648,184,946, which calculates to a legal debt limit of $134,172,637. The District's total debt outstanding as of 12/31/2023 is $19,068,287.

BOND COVERAGE RATIO

	Actual 2020	Actual 2021	Actual 2022	Budget 2023	Budget 2024
Operating Revenues					
Charges for Services	$ 22,504,841	$ 24,340,849	$ 23,093,562	$ 27,668,707	$ 29,362,859
Other Operating Revenues	1,384,218	1,255,190	9,029,406	9,929,000	8,090,000
Total Operating Revenue	23,889,059	25,596,039	32,122,968	37,597,707	39,316,230
Operating Expenses					
Salaries, Wages and Benefits	7,509,670	8,109,907	9,160,064	12,486,193	13,388,305
Sewage Treatment	11,565,669	12,831,803	12,159,950	15,020,069	15,087,781
Other Operating Expenses*	3,355,080	4,689,139	7,226,655	9,231,446	10,611,185
Total Operating Expenses	22,430,419	25,630,849	28,546,669	36,737,708	39,087,271
Net Operating Income					
Non-Operating Income					
Interest Income	903,970	596,153	(538,871)	617,420	3,293,351
Other non-operating revenues	797,500	758,000	1,310,292	964,000	1,914,000
Gain/loss on disposal of capital assets	290	24,672	(152,326)	-	-
Interest Expense	(360,358)	(579,243)	(442,477)	(534,402)	(510,856)
Other non-operating expense	(295,787)	-	(462,815)	-	-
Total Non-Operating Income	1,045,615	799,582	(286,197)	1,047,018	4,696,495
Capital Contributions (Cash)**	10,814,312	12,728,271	9,995,703	10,500,332	14,498,984
Net Revenue Available For Debt Service***	13,678,925	14,072,286	13,728,282	12,941,751	19,935,294
Debt service on issued bonds	(318,438)	(819,500)	(819,000)	(817,750)	(815,750)
Debt service on junior lien obligations	(1,301,452)	(1,294,906)	(1,288,360)	(1,281,814)	(1,275,269)
Net Revenue Available for Other Purposes	12,059,036	11,957,880	11,620,921	10,842,187	17,844,275
1.25 Coverage Ratio Test					
Parity Bond Debt Service Coverage Ratio	42.96	17.17	16.76	15.83	24.44
Debt Service Coverage Ratio On All System Obligations	8.44	6.66	6.51	6.16	9.53

Notes:

* Excludes depreciation

** Includes System Development Charges (SDCs) and Local Facility Charges (LFCs). Excludes donated capital facilities.

*** Excludes interest expense

Appendix 8 – Employees (FTEs) by Function

Year	Wastewater Operations	Collection Infrastructure	Finance	Administration / Business Support Services	Transmission & Treatment	Construction Management	Total
2015		30.50	10.00	9.00	1.00		50.50
2016		29.50	10.00	10.00	1.00		50.50
2017		31.50	11.00	10.00	1.00		53.50
2018	2.00	25.50	11.00	12.00	1.00	4.00	55.50
2019	2.00	28.50	11.00	12.00	1.00	4.00	58.50
2020	2.00	29.50	11.00	12.00	3.00	4.00	61.50
2021	2.00	32.50	11.75	10.00	3.00	4.00	63.25
2022	17.00	34.50	12.50	13.00	3.00	8.00	88.00
2023	21.00	33.50	13.00	14.00	3.00	8.00	92.50
2024	21.00	33.50	13.00	12.00	4.00	10.00	93.50

Wastewater Operations staff manages all transmission and pump station maintenance.

Collection Infrastructure staff manages all collection, as well as operations of all ten regional assets owned by the Alliance, including the Ridgefield and Salmon Creek Treatment Plants.

Finance provides customer service, utility billing, accounting and treasury services.

Business Support Services includes executive management, Human Resources, Policy & Program Development, IT Services, APWA Accreditation, Board and Alliance support.

Transmission & Treatment staff provides development, local and regional facilities capital program management, as well as inspection services.

Construction Management includes Safety & Health Coordinator, Facilities, Construction Managers and Engineering Technicians

Note

In 2019, the budget increased by 3 FTEs. The District added 2 Wastewater Treatment Plant Operators when they assumed the role of Contract Operator of the Ridgefield Wastewater Treatment Plant on July 1, 2018. The District also added the position of Alliance Capital Program Manager in the Engineering Department.

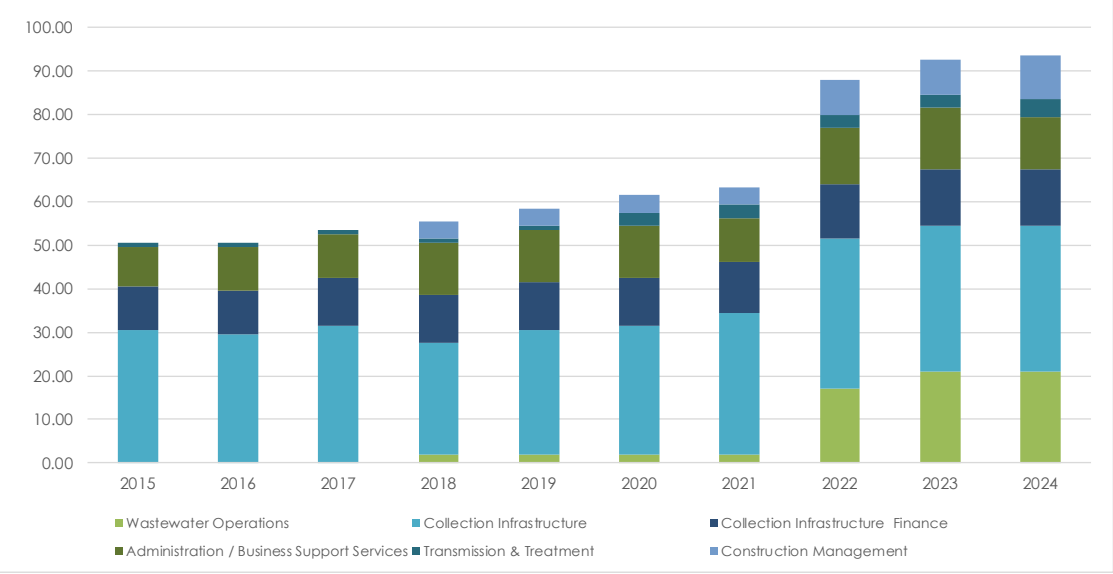
In 2020, the budget increased by 3 FTEs. The District added a Maintenance Specialist I in the Operations Department and a Development Review Engineer and Alliance Construction Program Manager in the Engineering Department.

In 2021, the budget increased by 1.75 FTEs. The District added a .75 FTE to the Customer Account Team and added a limited-term Senior Project Manager (1 FTE). Three Administrative employees were assigned to different departments, two to Engineering and one to Operations.

In 2022, the budget increased by 24.75 FTE primarily due to 18 FTE to operate the Salmon Creek Treatment Plant beginning July 1, 2022. The District also added two limited-term Construction Mangers and a Project Manager to support the Alliance Capital Program. Also included is an Engineering Technician, Maintenance Specialist, Human Resources Associate, and an Administrative Assistant II position to support increased workload.

In 2023, the budget increased by 4.5 FTEs. The District added 2 Operators-in-Training to the Operations Department, a Pretreatment Specialist to the Administration Department, a Safety & Health Coordinator to the Business Services Department, and increased an Accounting Technician position from 0.5 to 1.0 FTEs.

In 2024, the budget increased by 1 FTE. The District added a Senior Project Manager to the Transmission & Treatment Department. The District restructured their Organization Chart.



CLARK REGIONAL WASTEWATER DISTRICT
SALARY GRADES & POSITIONS
2024 BUDGET

Salary Grades			Wastewater Operations	Collection Infrastructure	Finance	Business Support Services	Transmission & Treatment	Construction Management
12,351	**20**	16,146						
11,436	**19**	14,950				General Manager*		
10,589	**18**	13,843		Collection Infrastructure Director (Engineering Director)	Finance Director/Treasurer	Policy & Program Development Director	Principal Engineer: Transmission & Treatment	
9,804	**17**	12,817	Wastewater Operations Manager (Treatment)			Business Services Manager		Construction Program Manager
9,078	**16**	11,868		Planning & Development Program Manager Capital Program Manager Wastewater Operations Manager (Collection)		IT Services Manager	Senior Project Manager	Senior Construction Manager (2)
8,406	**15**	10,989		Senior Project Manager (2)	Finance Manager			Construction Manager
7,783	**14**	10,175	Operations Supervisor Maintenance & Asset Management Supervisor			Human Resources Manager Administrative Services Manager		
7,206	**13**	9,421	Control Systems Technician	Control Systems Administrator	Senior Accountant		Regulatory Compliance Manager	Safety & Health Coordinator
6,673	**12**	8,723	WWTP Laboratory Coordinator	Maintenance Supervisor (Gravity) GIS Analyst Electrician Maintenance Supervisor (Pressure Systems)				
6,178	**11**	8,077	WWTP Operator III (2) Operations & Maintenance Technician III WWTP Maintenance Technician III (2)	Senior Engineering Technician (2)	Customer Account Supervisor	Human Resources Specialist		Senior Engineering Technician (2)
5,721	**10**	7,479	WWTP Operator II (4) WWTP Maintenance Technician II	Engineering Technician Maintenance Specialist III/Lead (4)	Program Support Specialist		Pretreatment Specialist	Engineering Technician (2)
5,297	**9**	6,925	WWTP Operator I (2) Administrative Assistant IIII WWTP Maintenance Technician I		Senior Account Specialist Payroll Specialist	Administrative Assistant IIII		Facilities/IT Technician
4,905	**8**	6,412	Operations & Maintenance Technician In-Training	Administrative Assistant III (3) Asset Management Technician Maintenance Specialist II (6)	Account Specialist (3) Accounting Technician	Administrative Assistant III		
4,541	**7**	5,937		Maintenance Specialist I (4)				
4,205	**6**	5,497		Maintenance Specialist In-Training	Assistant Account Specialist (2)	Administrative Assistant II (2)		
3,893	**5**	5,090						
3,605	**4**	4,713	WWTP Facilities Caretaker	Engineering Intern (.5)		Administrative Assistant I		
Total Budgeted FTEs			21.00	33.50	13.00	12.00	4.00	10.00

Notes
Total FTE count for 2024 is 93.5. In addition to 93.5 FTE's, the District has a 3-member elected Board of Commissioners.
The 2024 budget reflects a 3% market adjustment to salary grades.
WWTP = Wastewater Treatment Plant
* Contract Employee

Appendix 10 – Demographics Statistics

	Clark County			
Year	Unincorporated Population*	Per Capita Income **	Total Personal Income	Unemployment
2014	210,140	43,403	9,120,706,420	7.4%
2015	214,585	45,220	9,703,533,700	7.1%
2016	218,750	46,969	10,274,468,750	6.1%
2017	223,160	49,014	10,937,964,240	5.9%
2018	222,420	52,229	11,616,774,180	5.1%
2019	226,890	54,919	12,460,571,910	5.3%
2020	233,048	57,827	13,476,466,696	4.3%
2021	236,200	63,923	15,098,612,600	6.8%
2022	237,650	65,522	15,571,303,300	5.0%
2023	240,155	68,548	16,462,205,234	4.5%

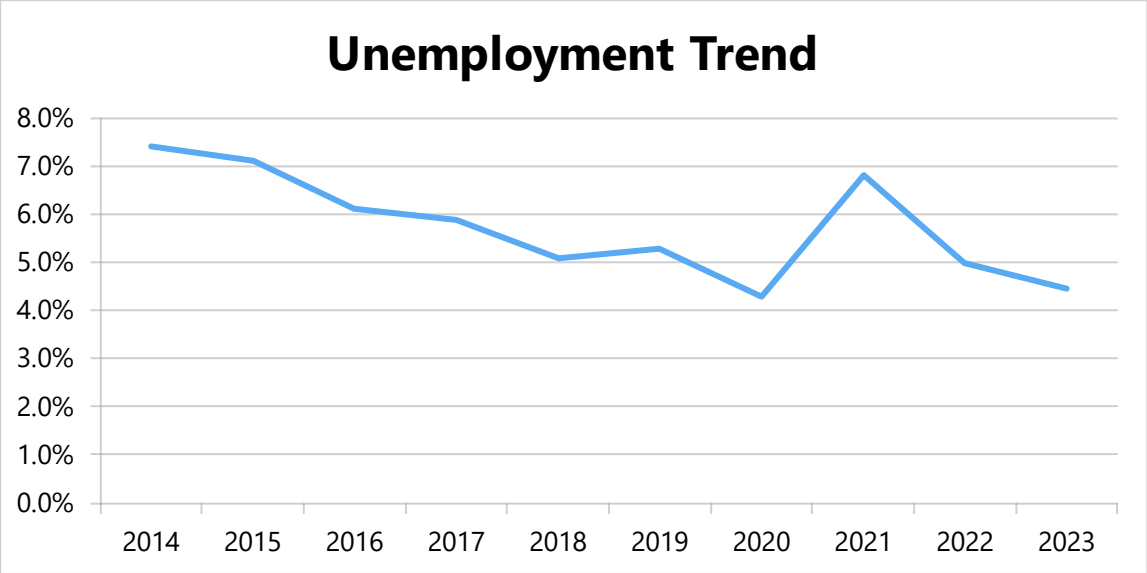
Note

Demographic information is from the following sources:

* Washington State Office of Financial Management

** Federal Reserve Economic Data
2022 was inflated by 4.6% to arrive at the 2023 numbers, respectively, as 2023 data is not available at time of budget adoption. The 4.6% represents the average increase per year from 2014 to 2022.

District demographics would be expected to closely follow overall Clark County.



Appendix 10 (continued) – Race and Ethnicity

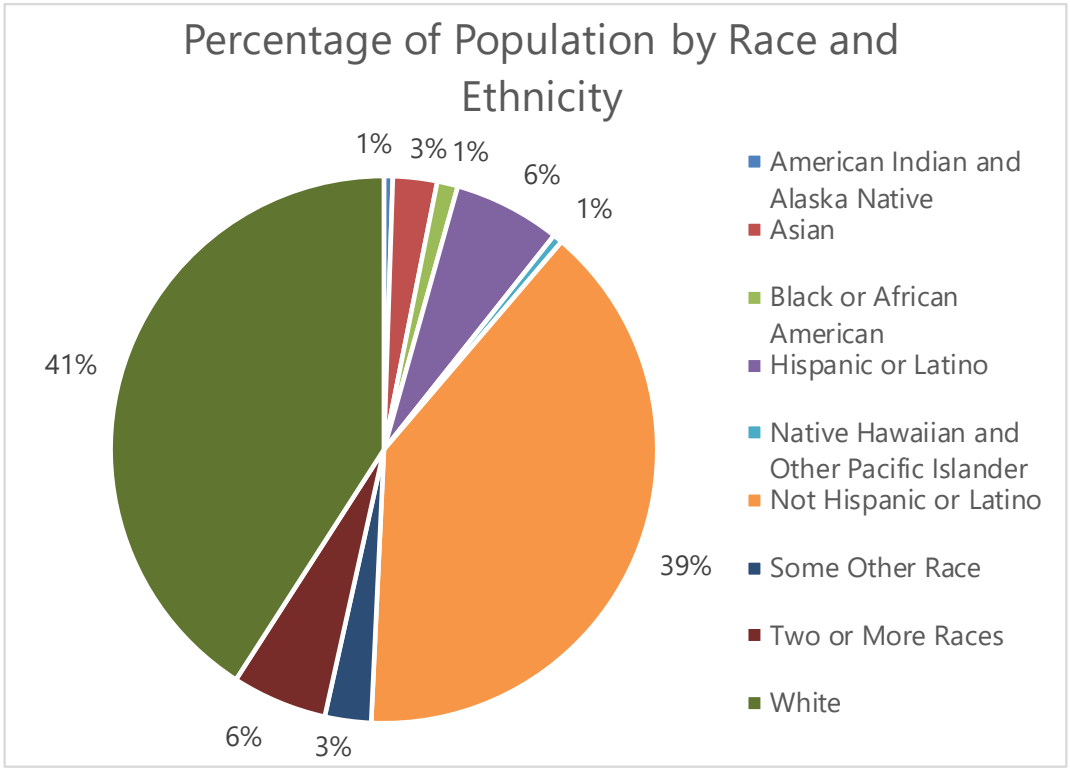
Clark County

Race and Ethnicity*	Percentage of Population	Number of Residents
American Indian and Alaska Native	1%	4,835
Asian	3%	24,274
Black or African American	1%	11,396
Hispanic or Latino	6%	58,790
Native Hawaiian and Other Pacific Islander	1%	5,306
Not Hispanic or Latino	39%	366,727
Some Other Race	3%	25,402
Two or More Races	6%	52,271
White	41%	379,827

Note:

* Detail may not sum to totals due to rounding. Hispanic population can be of any race.

Source: U.S. Census Bureau, American Community Survey (ACS) 2020 Decennial Census



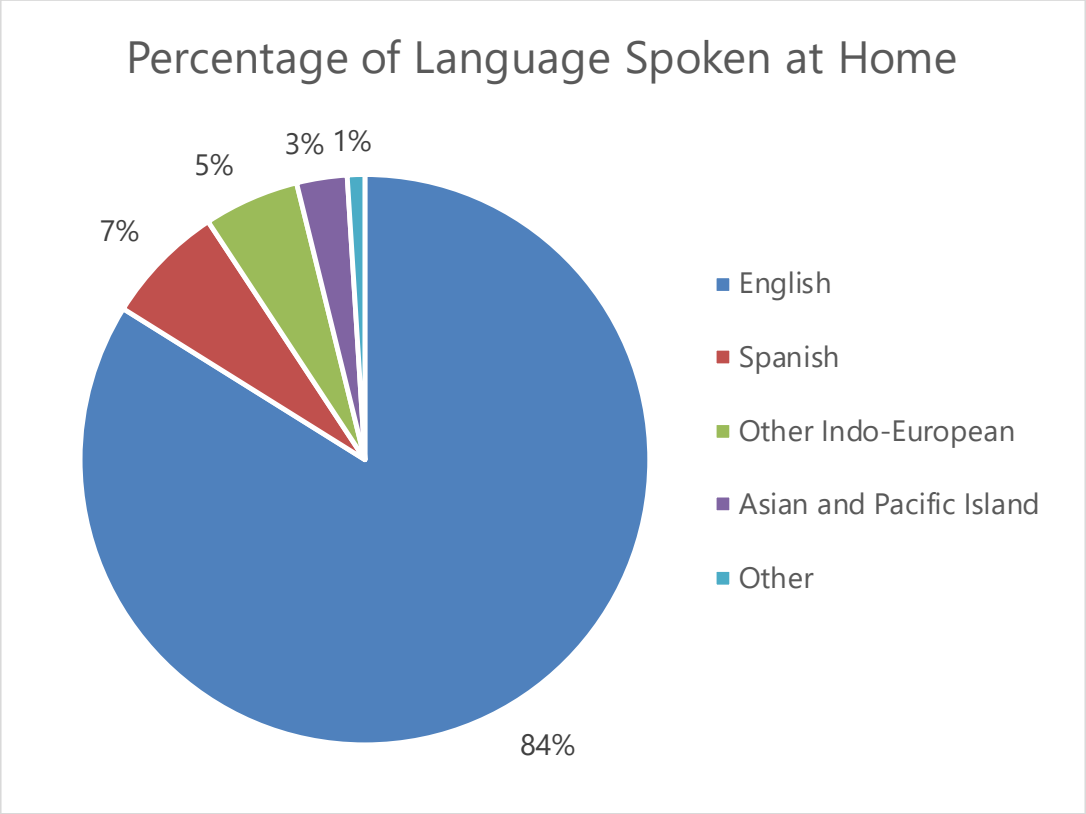
Appendix 10 (continued) – Language Spoken at Home

Clark County		
Language Spoken at Home*	Percentage of Population	Number of Residents
English	84%	411,770
Spanish	7%	33,605
Other Indo-European	5%	26,597
Asian and Pacific Island	3%	14,065
Other	1%	2,354

Note:

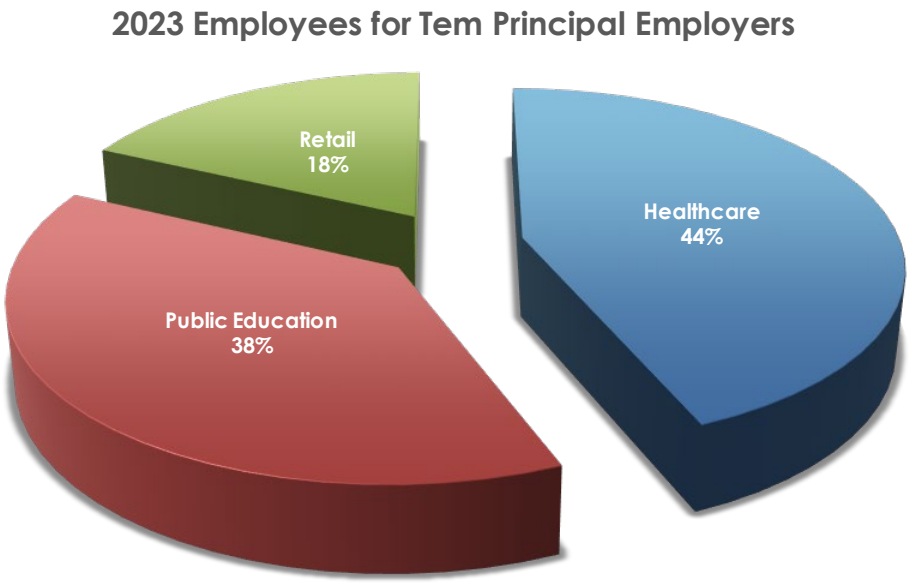
* The number of residents surveyed were individuals 5 years or older.

Source: U.S. Census Bureau, 2022 American Community Survey 1-Year Estimates



Appendix 11 – Employees for Ten Principal Employers

	Number of Employees									
Customer	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Legacy Salmon Creek Hospital	1,796	1,587	2,023	1,924	1,890	1,852	1,778	1,680	1,460	1,349
Vancouver Public Schools	925	1,053	933	960	917	929	922	914	872	1,020
Fred Meyer	455	453	495	500	482	455	505	507	785	720
Battle Ground Public Schools	504	509	436	374	386	390	404	409	383	385
Washington State University Vancouver	423	418	430	441	463	453	449	443	466	346
The Vancouver Clinic	611	429	382	392	339	287	324	308	-	-
Ridgefield Public Schools	503	446	380	346	325	324	232	230	241	-
UNFI	654	-	350	350	224	-	-	-	-	-
Kaiser Permanente	293	285	263	247	247	250	250	250	295	283
Evergreen Public Schools	-	229	245	-	-	-	-	-	-	201
Dollar Tree	271	260	-	260	249	222	229	-	200	-
Safeway	-	-	-	-	237	237	304	276	316	287
Wal-Mart	-	-	-	-	-	-	-	210	197	-
Home Depot	-	-	-	-	-	-	-	-	-	200
Hockinson Public Schools	-	-	-	-	-	-	-	-	-	206
Target	-	-	-	-	-	-	-	-	-	-
Total	6,435	5,669	5,937	5,794	5,759	5,399	5,397	5,227	5,215	4,997



Total employment for CRWWD's service area alone is not collected in US census data nor is calculable as only a portion of unincorporated Clark County; therefore, a calculation of each employer's percentage of total employment is excluded.

Appendix 12 – Ten Largest Customers

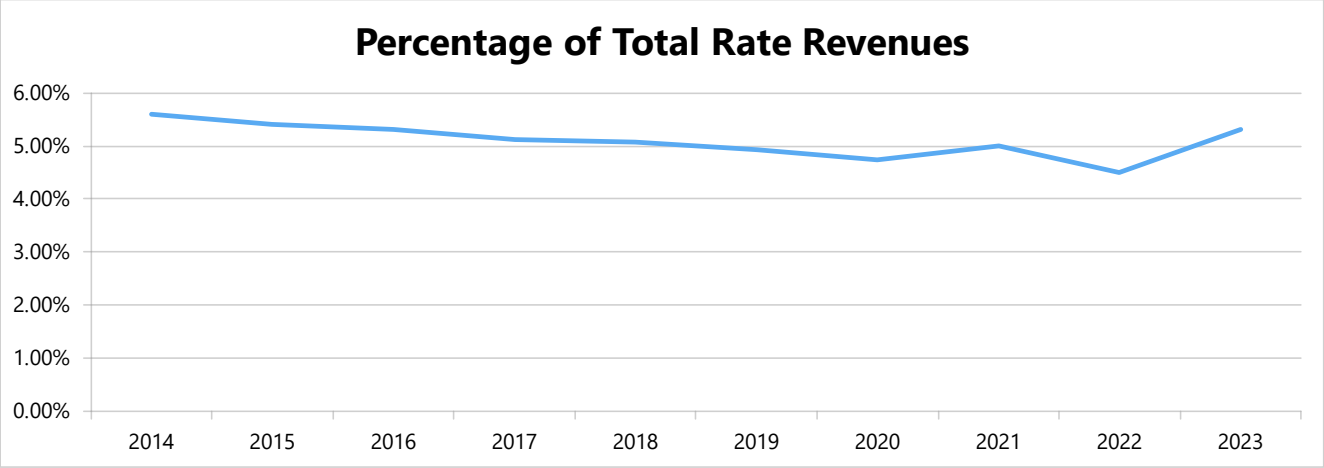
Current and Ten Fiscal Years Ago

	2023*			2014		
Customer	Rate Revenues	Rank	Percentage of Total Rate Revenues	Rate Revenues	Rank	Percentage of Total Rate Revenues
Acero Ridgefield	154,722	1	0.63%	-		-
Vancouver Public Schools	152,331	2	0.63%	124,324	1	0.85%
Salmon Creek Estate Condominiums	147,204	3	0.60%	115,056	2	0.78%
Highland Crossing LLC	139,165	4	0.57%	-		-
Highland Hills Apartments	134,624	5	0.55%	105,223	3	0.72%
ACERO 78TH LLC	120,791	6	0.50%			
Prairie View Association	118,494	7	0.49%	92,616	4	0.63%
Alderbrook LLC	114,527	8	0.47%	-		-
Parklane Apartments	109,098	9	0.45%	85,272	5	0.58%
Reflections at the Park**	102,573	10	0.42%	80,172	6	0.55%
Bridge Creek Apartments***	-		-	68,952	7	0.47%
Crystal Creek Apartments	-		-	67,728	8	0.46%
Willow Pointe Apartments	-		-	63,240	9	0.43%
Legacy Salmon Creek Hospital	-		-	58,058	10	0.40%
Subtotal (ten largest)	1,293,529		5.31%	860,642		5.87%
Balance from other customers	23,073,693		94.69%	13,807,848		94.13%
Total	$ 24,367,222		100.00%	$ 14,668,490		100.00%

* Budgeted rate revenues for the 2023 year

** Formerly Prairie Park Apartments

*** Formerly Discovery Park Apartments



Appendix 13 – Glossary

Accounts
An allocation of liquid resources that is segregated for the purpose of carrying out a specific purpose or activity.

Accrual Basis of Accounting
A basis of accounting in which transactions are recognized when they occur, as opposed to being recognized when the actual cash changes hands.

Adopted Budget
The final budget approved by the Board of Commissioners.

Alliance Reserves Account
Reserves set aside to fund future District reserves obligations with Discovery Clean Water Alliance.

Balanced Budget
A budget in which revenues equals or exceeds expenditures.

Beginning Account Balance
The residual account balance representing unused funds brought forward from the previous financial year.

Budget
An estimate of revenues and expenditures for a period of time into the future.

Capital Expenditure
An expenditure used to acquire or construct a tangible asset with a cost greater than $10,000 and a useful life of greater than one (1) year.

Debt Limit
The maximum amount of gross or net debt which is legally permitted per state law.

Debt Service
The principal and interest due and payable on outstanding revenue bonds and loans.

Debt Service Account
An account used to hold restricted amounts for the principal and interest payments on the 2020 sewer revenue bonds and PWTF loans.

Debt Service Reserve Account
Reserves set aside to fund principal and interest payments on all District-issued debt for one (1) year if sufficient funds were not generated from rates to cover all these debt obligations.

Defeasance
The legal release of a debtor from being the primary obligor under the debt, either by the courts or by the creditor.

Deficit
The excess of expenditures over revenues during an accounting period; or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

Depreciation
The allocation of the cost of a capital asset to future periods benefited by the asset.

Discovery Corridor Wastewater Transmission System
A District owned system constructed along the I-5 corridor, which allows for the transmission of wastewater from the Ridgefield service area to be treated at the Salmon Creek Treatment Plant.

Equivalent Residential Unit (ERU)
An ERU is 200 gallons per day per single-family dwelling.

Enterprise Fund
Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.

Existing Assets Replacement and Restoration (R&R) Account
An account funded through sewer utility rates and investment interest for infrastructure and other fixed asset restoration and replacement.

Expenses
Under the accrual basis of accounting an expense account records the cost of goods or services received without consideration of whether cash was expended or not.

Fiscal Year
Any period of twelve (12) months that is designated as the operating year for accounting and budgeting purposes. The District's fiscal year is from January 1 through December 31 per Washington state statute.

Full Time Equivalent (FTEs)
The hours worked by one employee on a full-time basis. On an annual basis, an FTE is considered to be 2,080 hours.

Generally Accepted Accounting Principles (GAAP)
Standards formulated by the Governmental Accounting Standards Board that set the guidelines used for accounting and reporting for government entities.

Intergovernmental Revenues
Revenues received by the District from other governments for providing services.

Interlocal Agreement
A written contract between two or more government entities.

Liquid Resources
Resources that are in the form of cash; or convertible to cash within 20 working days.

Memorandum of Understanding
Agreement between two or more parties used to establish official partnerships.

Modified Accrual Basis of Accounting
Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within 30 days of the end of the budget year to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

New Assets Capital Improvement Projects Account (CIP)
An account that is used to fund future infrastructure needs of residents of the District's Service Areas who are not currently receiving service.

Operations and Maintenance (O&M) Account
An account that provides for the daily routine needs of the District. This account is used to financially sustain effective delivery of District core functions.

Proprietary Fund
A business-like fund of a state or local government that provides goods or services for a fee. An enterprise fund is one type of proprietary fund.

Public Works Trust Fund (PWTF)
A fund overseen by the state of Washington Department of Ecology that is used to loan state monies to local governments for infrastructure projects.

Reserve
Assets that are segregated for future use or for a specific purpose.

Resources/Sources (financial)
Total amounts available to fund expenditures.

Revenue
Rates and charges received by the District used to fund general operations, debt service, and capital construction projects.

Ridgefield Treatment Plant
A treatment plant facility owned by Discovery Clean Water Alliance. Beginning July 1, 2018, the District became contract operator of this plant.

Salmon Creek Treatment Plant (SCTP)
A treatment plant facility owned by Discovery Clean Water Alliance with 100% capacity owned by the City of Battle Ground and the District. The majority of the District's collected sewage is transmitted to the SCTP for treatment. Beginning July 1, 2022, the District is planning on becoming contract operator of this plant.

Salmon Creek Wastewater Management System (SCWMS)
The Salmon Creek Wastewater Management System consists of the SCTP and its related transmission facilities.

Septic Elimination Program (SEP)
A program created to help protect and enhance the quality of water resources and reduce environmental health problems caused by failing or improperly functioning septic systems.

Special Purpose District
An independent governmental unit that exists separately from a general-purpose government.

State Revolving Fund (SRF)
A fund administered by the state of Washington that provides low-interest loans for investment in water and sewer sanitation infrastructure.

System Development Charges (SDC)
Charges to customers used to pay for future capital improvements. Replacement for the general facility charges.

Treatment Costs
Costs the District pays to Discovery Clean Water Alliance, City of Vancouver and City of Battle Ground for the treatment of sewage that the District collects and transmits to the treatment plants.

Unemployment Reserve Account
Funds set aside to cover potential unemployment claims that the district may be liable for.

Utility Local Improvement District (ULID)
A district formed by a local government for the purpose of levying special benefit assessments against property specially benefited by improvements relating to the district.

Wastewater District
A special purpose district that provides sanitary sewer services.