

Clark Regional Wastewater District **Adopted Budget**

2023



"Expanding the Boundaries of Service"

2023 Adopted Budget

Clark Regional Wastewater District
Clark County, Washington

For Fiscal Year
January 1 through December 31, 2023



Adopted by Resolution No. 1862
Dated: December 27, 2022

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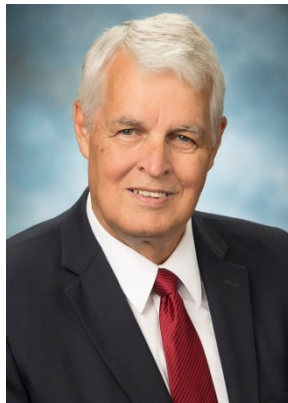
Directory of Officials

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.

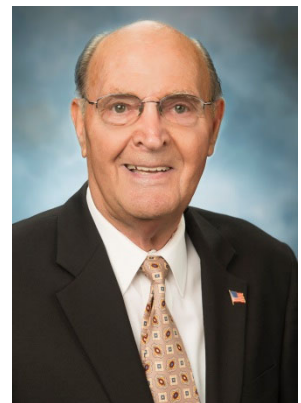
Elected Officials Serving During 2023



President
Denny Kiggins
Term: 6 Years
Expiration: December 2023



Vice President
Norm Harker
Term: 6 Years
Expiration: December 2027



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



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 2023 (FY 2023), from January 1 to December 31, 2023. 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 2023 Adopted Budget as a financial planning roadmap. Comparisons in this Budget Message are "budget to budget" from the Board adopted FY 2022 budget to this FY 2023 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. A budget is balanced when the sum of estimated sources equals or exceeds the estimated uses. For FY 2023, the District has forecasted that sources, with anticipated fund balance drawdown, will equal estimated uses.

Budget Summary

The Adopted Budget for FY 2023 is \$58.0 million for all sources and uses of funds. Sources include \$27.7 million from sewer service charges, \$12.9 million from connection fees, \$12.3 million from other revenues, and \$5.1 million from carryover fund balance. Uses include \$15.0 million for treatment costs, \$12.5 million for salaries and benefits, \$9.2 million for services, supplies and other expenses, \$2.1 million for debt service, and \$19.2 million for capital construction costs and capital purchases.

Total operating and maintenance (O&M) expenditures for FY 2023 are expected to increase by 21.8%, primarily due to the District operating the Salmon Creek Treatment Plant for a full year as opposed to 6 months in 2022. Salaries and benefits are budgeted to increase by 19.8% due to increases in the salary schedule reflecting labor cost trends and the addition of 4.5 full-time employees (FTEs) in 2023. Expenses include an increase of 28.4% for contractual services related to Enterprise Resource Planning (ERP) System needs assessment.

District Sewer Rates

The District's sanitary sewer base rate has increased to \$43.50 per equivalent residential unit (ERU) per month, an increase of 3.6% for the Central service area in the 2023 Adopted Budget. In addition, the District established a rate of \$53.50 per ERU for the Ridgefield service area. The Ridgefield rate includes the base rate of \$43.50 per month and a \$10.00 per month System

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Integration Charge (SIC), an overall \$.10 decrease per ERU for the Ridgefield service area customers for 2023.

Sources

Sewer service charges: \$27.7 million. Sewer service charges are budgeted to increase \$1.8 million, or 6.5%, in 2023. The drivers behind the increase in sewer service charge revenue are the anticipated growth throughout 2023 and the increase in rates.

Connection fees: \$12.9 million. The District utilizes a four-tiered System Development Charge (SDC) structure (based on where wastewater flows for treatment). The District is forecasting a total of 1,858 new paid connections in 2023, an increase of 397 from the 2022 budget. The budgeted increase in new connections results in an increase in budgeted connection fee revenue over the prior year of 25.2%. SDC revenue is used to fund new capital improvement projects within the District's service areas.

Other revenues: \$12.3 million. Investment interest is budgeted for \$0.6 million, intergovernmental revenues for \$9.0 million, miscellaneous revenues for \$1.0 million, grant funding for \$1.6 million, and Local Facilities Charge (LFC) reimbursements for \$0.2 million.

Carryover fund balance: \$5.1 million. Carryover fund balance will be used to fund capital construction projects in the 2023 budget.

Uses

Salaries and benefits: \$12.5 million. Salaries and benefits are budgeted to increase \$2.4 million, or 19.5% in 2023. This increase is driven by the addition of 4.5 FTEs. Positions added in 2023 include a Safety & Health Coordinator, a Pretreatment Specialist, two Operations & Maintenance In-Training positions and a half-time Accounting Technician to increase the current half-time position to full-time to support the increased workload. Salary grades were market adjusted by 5.0% for the 2023 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 2023.

Services, supplies and other expenses: \$9.2 million. Service costs are budgeted at \$2.4 million, supplies at \$1.2 million, and other expenses (insurance, utilities, and B&O taxes) at \$5.7 million.

Treatment costs: \$15.0 million. Treatment costs are budgeted at 17.0% higher for 2023.

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Debt service: \$2.1 million. Debt service (principal and interest) for District-issued 2020 bonds and Public Works Board loans in 2023 total \$2.1 million.

Construction costs and capital purchases: \$19.2 million. Construction costs are budgeted at \$6.7 million for existing assets restoration and replacement projects/purchases and \$12.5 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 largely normally.

By the end of August 2022, the County's unemployment rate was 4.4%, compared to the State unemployment rate of 3.7%. Major industries in the County include healthcare and social assistance, retail trade, leisure and hospitality, and construction. The District forecasts new construction to slow and normalize over the next six years.

Clark County and its unincorporated areas have seen year-over-year population growth of 0.1%. The unincorporated areas are estimated to have grown 14.4% from 2013 to 2022. The County's population is anticipated to increase 36.0% overall from the 2010 census count by the year 2035.

Budget Priorities & Direction

The 2023 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 2023 adopted budget highlights the following 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 2023, 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 age, 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.

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This budget includes \$6.7 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 14.5% annually. The current population in Ridgefield is approximately 13,640. It is anticipated that by 2035 Ridgefield's population will be nearly triple what it was in 2010. In 2023, the District has budgeted \$4.2 million concentrated on restoring existing and building 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 2023 budget includes the addition of 4.5 FTEs. The positions added include a Safety & Health Coordinator, a Pretreatment Specialist, two Operations & Maintenance In-Training positions and a half-time Accounting Technician to increase the current half-time position to full-time to support the increased workload.

Sincerely,



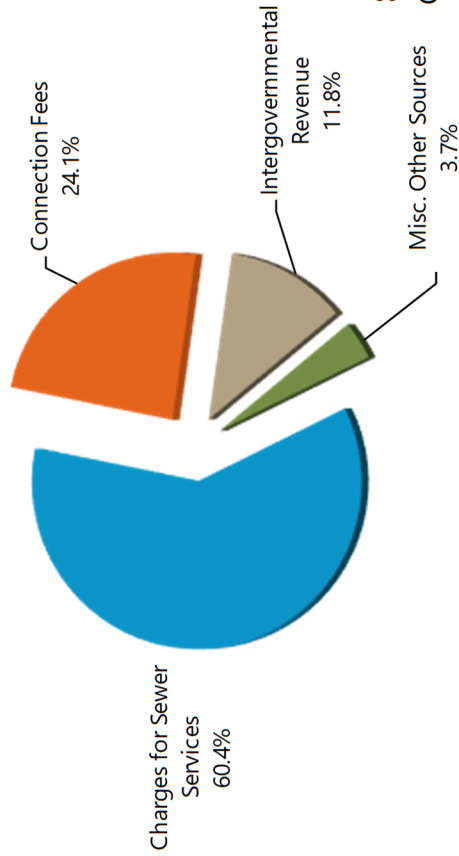
John M. Peterson, P.E.
General Manager



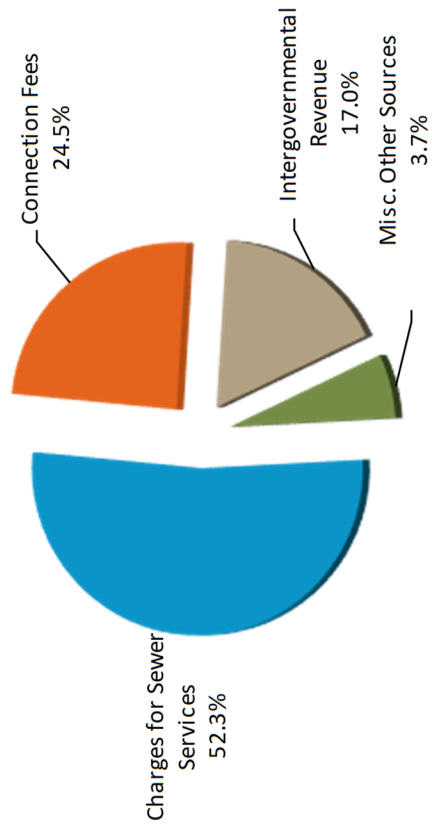
David Logan
Finance Director/Treasurer

Budget in Brief

2022 Sources



2023 Sources

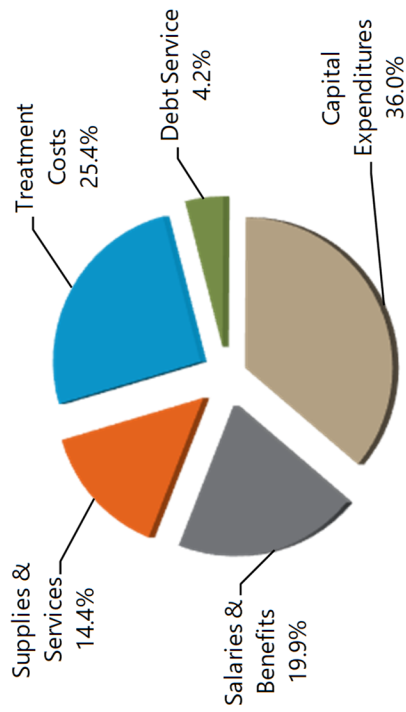


Sources

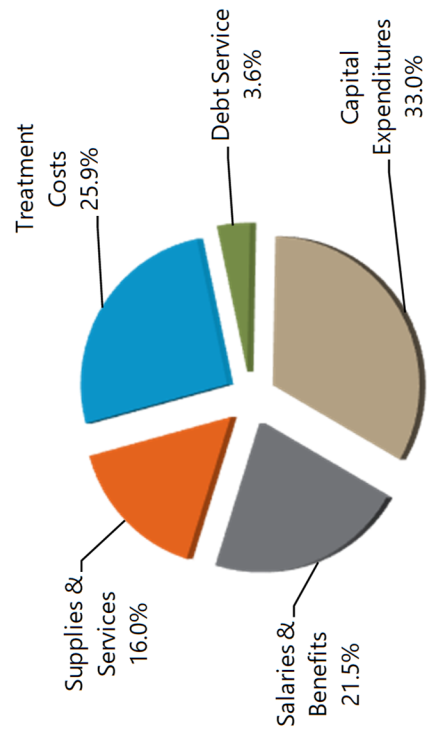
Charges for Sewer Services	2022	2023
Connection Fees	Budget	Budget
Intergovernmental Revenue	\$ 25,860,303	\$ 27,668,707
Misc. Other Sources	10,325,332	12,929,568
	5,046,496	8,965,000
	1,600,371	3,293,420
Total Sources	\$ 42,832,502	\$ 52,856,695

Budget in Brief

2022 Uses



2023 Uses



Uses	2022 Budget	2023 Budget
Salaries & Benefits	\$ 10,052,275	\$ 12,486,193
Supplies & Services	7,279,402	9,230,450
Treatment Costs	12,833,000	15,020,069
Debt Service	2,107,360	2,099,564
Capital Expenditures	18,171,315	19,164,270
Total Uses	\$ 50,443,352	\$ 58,000,546

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 own 100% of the treatment capacity of the plant, with the County providing the facility and operating staff. In 2003, the three partners, under the direction and management of the District, 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, 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 Kline 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 from the Alliance an early termination of their contractual obligation to operate the Salmon Creek Treatment Plant. The District, already involved in treatment plant operations, has 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 supported the District beginning 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 2023, the District is budgeted to grow from 88 to 92.5 employees. Including the District's Ridgefield service area, the District maintains over 750 miles of pipe and 85 pump stations throughout the 49 square miles of District service territory.

District Organization

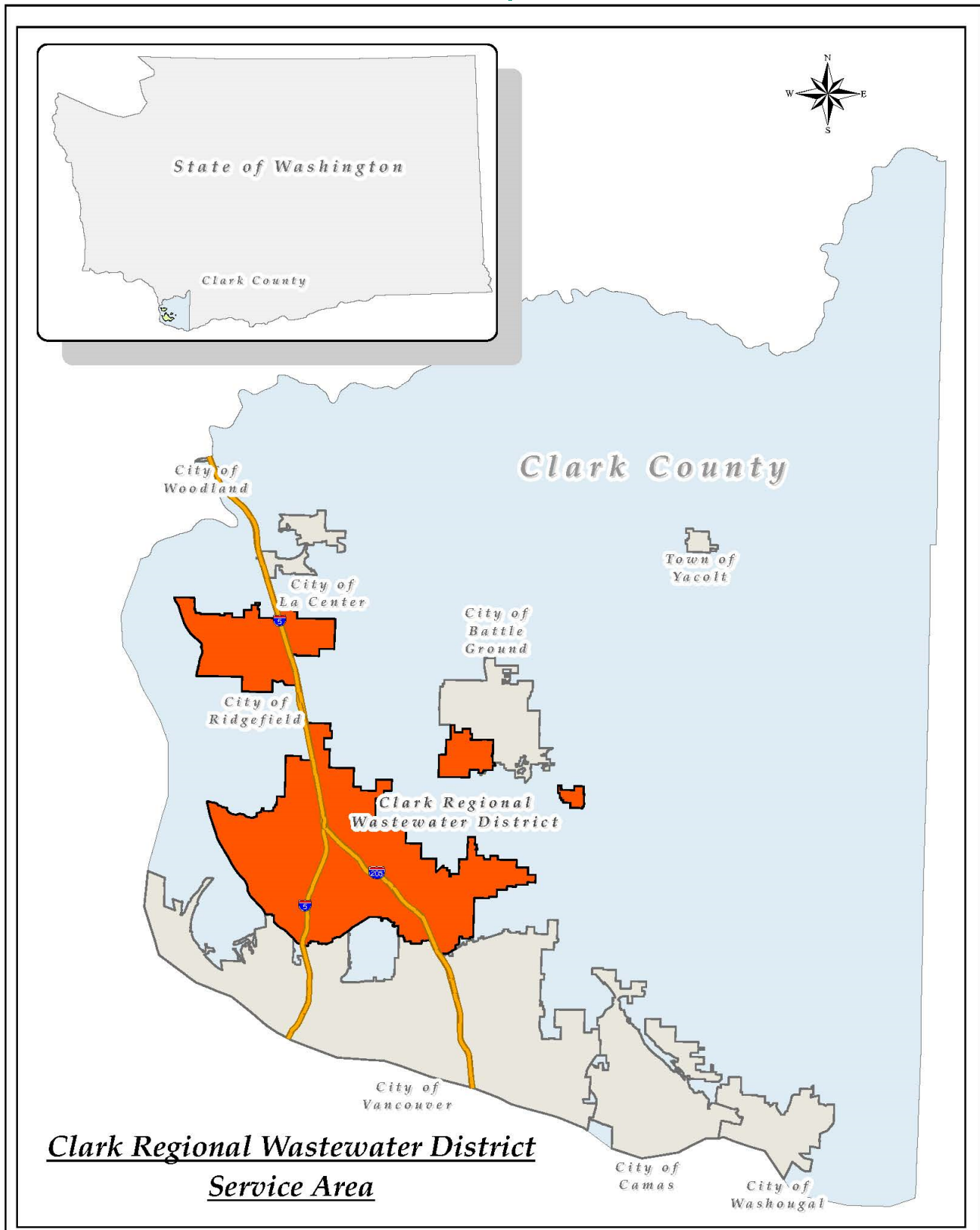
Clark Regional Wastewater District is a special-purpose district organized under the Revised Code of Washington (RCW), Title 57. As a special-purpose district, it is chartered to provide sanitary sewer services to unincorporated Clark County, including the City of Ridgefield and portions of the City 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 92.5 FTEs within Operations, Finance, Administration, Engineering, and 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 39,000 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 40,000 by the end of FY 2023. In addition, the District provides wastewater industry leadership, engineering expertise, and, in many cases, maintenance field support to the smaller cities within Clark County.



District Service Area Map



District Departments, Services and Performance Measures

Operations Department

The Operations department is staffed with forty-three (43) 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
- Ridgefield Treatment Plant Operations
- Salmon Creek Treatment Plant Operations
- Fleet Management
- Risk Mitigation
- Asset Optimization
- Engineering Assistance

Underground Collection System Condition Assessments. Operations staff performs Closed Circuit Television (CCTV) inspections of pipelines and manholes to provide condition assessments of the District-owned collection system. The condition assessment drives several of the maintenance and engineering programs, including pipeline assessment and maintenance scheduling frequency, repair and refurbishment budgets, development of emergency response plans, identification of capacity issues, and long-term capital replacement programs. The Operations staff also partners with our customers in a diagnostic and advisory role dealing with various condition issues within customer-owned assets.

Pipeline Maintenance and Preservation Programs. The District owns and maintains approximately 116 miles of pressure mains. As of January 1, 2023, the total pipe inventory is just over 750 miles, including service laterals, ranging from 4 inches to 36 inches in diameter. Routine maintenance of these lines consists of periodically scheduled High-Velocity Cleaning (HVC) using water and CCTV inspections. CCTV inspections use specialized video equipment to inspect the inside of pipes for identifying defects or problematic lines. Defects are scored based on severity, prioritized for repair, and used for the overall system condition assessment. Problematic lines that have potentially higher levels of grease and debris build-up are assigned accelerated HVC frequencies to mitigate problems in those areas. The Operations department has a Grounds, Equipment and Maintenance (GEM) agreement with regional agencies to provide

occasional CCTV inspection, condition assessment and line cleaning services for other local government agencies in Clark County.

Pump Station Maintenance. Operations staff operates and maintains 85 sewer pump stations. 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 manages chemical injection systems and air treatment systems designed to treat odorous and corrosive gasses that generate in wastewater systems as part of the Pump Station Maintenance Program.

Septic Tank Effluent Pumping (STEP) System Maintenance. The Operations staff maintains the continuous service of approximately 900 individual STEP systems. These STEP systems are located in the satellite areas of Meadow Glade, Hockinson, Van Ridge and South Ridge, as well as throughout 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 are typically required in areas with flat topography and high groundwater tables 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.

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 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. On October 1, 2021, the Alliance Board of Directors provided direction to allow Clark County to terminate the remainder of its Operations contract as Operator of the Salmon Creek Treatment Plant. The approved motion also included naming Clark Regional Wastewater District as the recommended successor Contract Operator. 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 prevent 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).

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 manages 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 system. This automated system monitors the pump stations 24 hours per day and alerts staff of any potential risk 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 11,500 utility locates per year.

Asset Management. The Operations department utilizes Lucy for public works, to schedule preventive and corrective work and manage asset lifecycle costs. Lucy 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 is utilizing Lucy's Mobile application which allows staff to receive locate tickets, access work orders or equipment details, access GIS maps, and enter 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, fuel use and vehicle wear, and with increased accuracy

due to real-time data capture. All maintenance functions are or will be scheduled and documented in Lucity, 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 to confirm locations of existing underground assets, providing pipeline inspection data from the CCTV inspections to aid in identifying sewer lines that are in need of capitalized repair or replacement, assisting with plan review of new pump station and piping system designs and working with Engineering to establish District construction standards.

Performance Measures

Performance Objectives and Measures	Target	Actual 2019	Actual 2020	Actual 2021	Estimated 2022	Planned 2023
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	NA	80%	89%	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
Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes
Effluent BOD	<30 mg/l	7.8	7.9	8.4	8	10
Effluent TSS	<30 mg/l	6.4	6.8	7.9	8	10
Total Ammonia	<18.7 mg/l	2.2	4	4.8	6	8
Effluent Fecal Coliform	<100cl/100ml	16.1	21.5	40.3	25	50
Percentage removal of BOD	85%	97%	97%	97%	98%	96%
Percentage removal of TSS	85%	97%	97%	97%	98%	96%

NA = data not available

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

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 as customers. The District anticipates managing approximately 27,500 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 customer service responsibilities, the Finance department is responsible for issuing sewer permits. Finance is on track to issue close to 1,050 permits in 2022, which is about 950 less than the number of permits issued in 2021.

Accounting. The department maintains the financial records of the District in compliance with state and federal regulations. The financial statements of the District are audited annually by the Washington State Auditor's Office (SAO) for adherence to Generally Accepted Accounting Principles (GAAP). For the last 40 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, quarterly and annually. The District has been awarded the Certificate of Achievement for Excellence in Financial Reporting for the last 34 years and strives to continue to provide financial information for District stakeholders that is transparent, informative, and relevant.

Treasury Management. The primary responsibility and goal of the treasury function is to ensure the financial resources of the District are safeguarded and the District's cash reserves are invested in a safe and prudent manner. 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 the recording of assessments, liens and the satisfaction thereof.

Budget/Forecasting. Starting with the 2023 budget, the District began utilizing a ten-year revenue and expense forecast and the assumptions used in the preparation of the forecast to ensure adequate revenues are available for necessary operational and capital expenditures. Previously budgets and forecasts were modeled over a six-year period. 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 their 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 2023 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 2015 to 2022, other regional providers raised their rates on average \$7+ per month, whereas the District raised its base rate a total of \$5 per month. This is reflective of the District's efforts to keep costs at or below the rate of inflation.

In recognition of its budgetary efforts, The District received the GFOA Distinguished Budget Award for its 2022 Adopted Budget. This award is the highest form of recognition in fiscal planning and budgeting nationwide.

Discovery Clean Water Alliance. The District, in conjunction with its partners (Clark County and the Cities of Battle Ground and Ridgefield), 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.

2023 Clark Regional Wastewater District Adopted Budget

Performance Measures

Performance Objectives and Measures	Target	Actual 2019	Actual 2020	Actual 2021	Estimated 2022	Planned 2023
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%	1.0%	-1.9%	-0.5%	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 Department

The Administration department, with a staff of ten (10) full-time employees, provides executive support to the District Board of Commissioners and is responsible for administering and managing the overall affairs of the District. The department is led by the General Manager and includes the Board Clerk/Administrative Services Manager, Transmission and Treatment Principal Engineer, a Regulatory Compliance Manager, a Pretreatment Specialist, and five (5) Administrative Assistant support staff. The Administration department's core functions include:

- District Management
- Support to the Board of Commissioners
- APWA Accreditation
- Pretreatment Program
- Discovery Clean Water Alliance
- Public Records

District Management. The Administration department is active in all of the general management practices and in oversight of 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. Originally accredited in 2005 and re-accredited in 2009, 2015, and 2020, the District is the first Special Purpose Government to carry the APWA Accreditation in North America. The purpose of the accreditation process is 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.

Pretreatment Program. The District operates the state-mandated Industrial Pretreatment Program for the Salmon Creek Wastewater Management System, implementing national

pretreatment standards necessary to protect receiving treatment systems. The District operates the program within the unincorporated areas of Clark County, including an area in which the District discharges into the City of Vancouver's Westside Treatment Plant, within the City of Ridgefield, and, by interlocal agreement, within the City of Battle Ground. This includes comprehensive pretreatment responsibility within the District system of sewers, as well as compliance sampling at the Salmon Creek Treatment Plant and pretreatment review in the Cities of Battle Ground and Ridgefield. The District conducts pretreatment surveys, monitors and inspects permitted industrial facilities, and administers a Fats, Oils, and Grease (FOG) program. Pretreatment activities are documented in an annual report in accordance with NPDES permit requirements.

Discovery Clean Wastewater Alliance. The District, in conjunction with its partners (Clark County and the Cities of Battle Ground and Ridgefield), 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 Board Clerk/Administrative 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.

Performance Measures

Performance Objectives and Measures	Target	Actual 2019	Actual 2020	Actual 2021	Estimated 2022	Planned 2023
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

Business Services Department

The Business Services department, with a staff of seven (7) full-time, highly qualified individuals, is led by the Business Services Director. This department provides the following services for the District:

- Human Resources
- Risk Management
- Succession Planning
- IT Services Management
- Facilities Maintenance

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, as well as short and long-term disability options. The Board of Commissioners has approved an annual market rate adjustment of 5.0% for all pay grades for the 2023 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. They can receive an extra 1.5% based on extraordinary performance on their anniversary date.

Risk Management (RM). The District's Business Services Director is responsible for risk management for the District. This includes ensuring compliance with all applicable laws, ordinances, policies and guidelines concerning health and safety throughout the District. Also included is the administration of risk management program activities, including general liability insurance and claims processing, risk assessment and mitigation strategies, and the design, development and implementation of District safety programs and procedures in accordance with Washington Industrial Safety and Health Administration (WISHA) and Occupational Safety and Health Administration (OSHA) standards.

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 career development within 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, IT security, all the way up to developing and implementing an IT strategy that aligns with the District's mission statement and goals.

Facility Maintenance. The District's campus serves as the headquarters for the administration and maintenance activities of the District. Facilities maintenance is managed by the Business Services department. Janitorial and landscaping service contracts are overseen, and small upgrade/improvement projects are performed in addition to a variety of other facilities maintenance tasks performed by the in-house Facilities Technician.

Performance Measures

Performance Objectives and Measures	Target	Actual 2019	Actual 2020	Actual 2021	Estimated 2022	Planned 2023
1) Professional and motivated workforce						
Percentage of new hires getting a favorable performance rating	100.0%	NA	100.0%	100.0%	100.0%	100.0%
Percentage of employees obtaining a "successful" or higher performance rating	> 95.0%	NA	96.4%	97.0%	96.7%	> 95.0%
Employee turnover rate	< 10.0%	8.5%	6.5%	8.4%	6.2%	< 10.0%
2) Responsible stewardship of public resources through IT security awareness						
Employee phishing test pass rate	> 98.0%	94.8%*	97.5%	98.6%	97.8%	> 98.0%

NA = data not available

Engineering Department

The Engineering department provides full-service engineering services to the District and its customers under the direction of the Engineering Director, a licensed professional engineer and nineteen (19) additional full-time staff and a half-time engineering intern (.5) for a total department size of nineteen and a half FTE (19.5). These services include:

- Annexation Process Management
- Development Review
- Capital Facility Planning
- Geographic Information System (GIS)
- Capital Program Management
- Construction Management Services
- Septic Elimination Program (SEP)
- Discovery Clean Water Alliance

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 provides assistance for new development, current customers and existing homes in need of sewer service. In addition, property owners 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 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. The District's GSP has recently been updated 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.

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 both the District's service areas and is used extensively for support to customer service, planning, design and decision making. GIS is also an integral part of the District's Maintenance Management System (MMS).

Capital Program Management. The District administers an active Capital Program to maintain and expand the sanitary sewer collection system. The Capital Program provides in-house services in support of Restoration and Replacement (R&R) projects and developing and delivering new Capacity/Infrastructure (CIP). District staff directs the overall Capital Program, including prioritizing, planning, budgeting, some design and inspection services, as well as project management. 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 a process that combines GIS analysis with the MMS data to produce an R&R program that identifies sewer pipes that are in the worst condition and likely to cause the greatest environmental harm if failure were to occur. By identifying critical infrastructure that has a higher risk of failure, the District can focus capital expenditures most effectively. The 2023 Capital Program will continue to reflect projects identified by this process.

The annual budget identifies the total expected expenditure for each of the projects contained within the Capital Program. The District maintains an ongoing detailed Ten-year Capital Program, with an annual Capital Program coming out of that detailed plan for the Board's review and approval.

Construction Management Services. The District utilizes in-house construction management services to manage both capital and development-related construction projects. Construction management of District projects includes but is not limited to administering construction contracts, procuring outside resources, establishing communication protocols, negotiating construction change orders, monitoring expenditures, as well as managing and coordinating District project staff.

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. The District also continues to work 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).

Discovery Clean Water Alliance. The Engineering department provides capital program management support and construction program management services for the Alliance. Capital

2023 Clark Regional Wastewater District Adopted Budget

program management support services include capital plan development, capital plan delivery, regional asset development review, regional asset wastewater volume and quality management and regulatory compliance management, as well as other non-listed Engineering support services.

Performance Measures

Performance Objectives and Measures	Target	Actual 2019	Actual 2020	Actual 2021	Estimated 2022	Planned 2023
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%	NA	80%	96%	66%	80%
Actual to forecast ERU growth	90-110%	NA	112%	105%	103%	90-110%
2) Communication that is open, honest and timely						
Percentage of utility reviews completed within 14 days	80%	NA	90%	86%	94%	85%
Percentage of plan reviews completed within 14 days	95%	NA	92%	77%	95%	95%

NA = data not available

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, 2022

Christopher P. Morill

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.

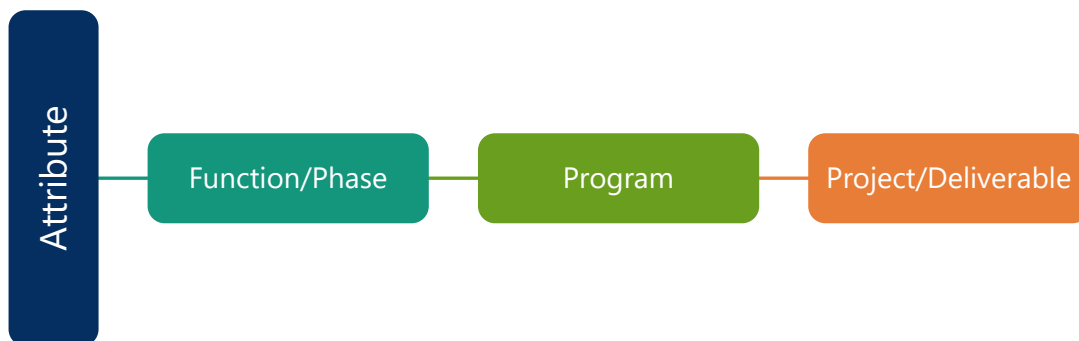
Fiscal Year 2023 Goals and Objectives

Goal Structure

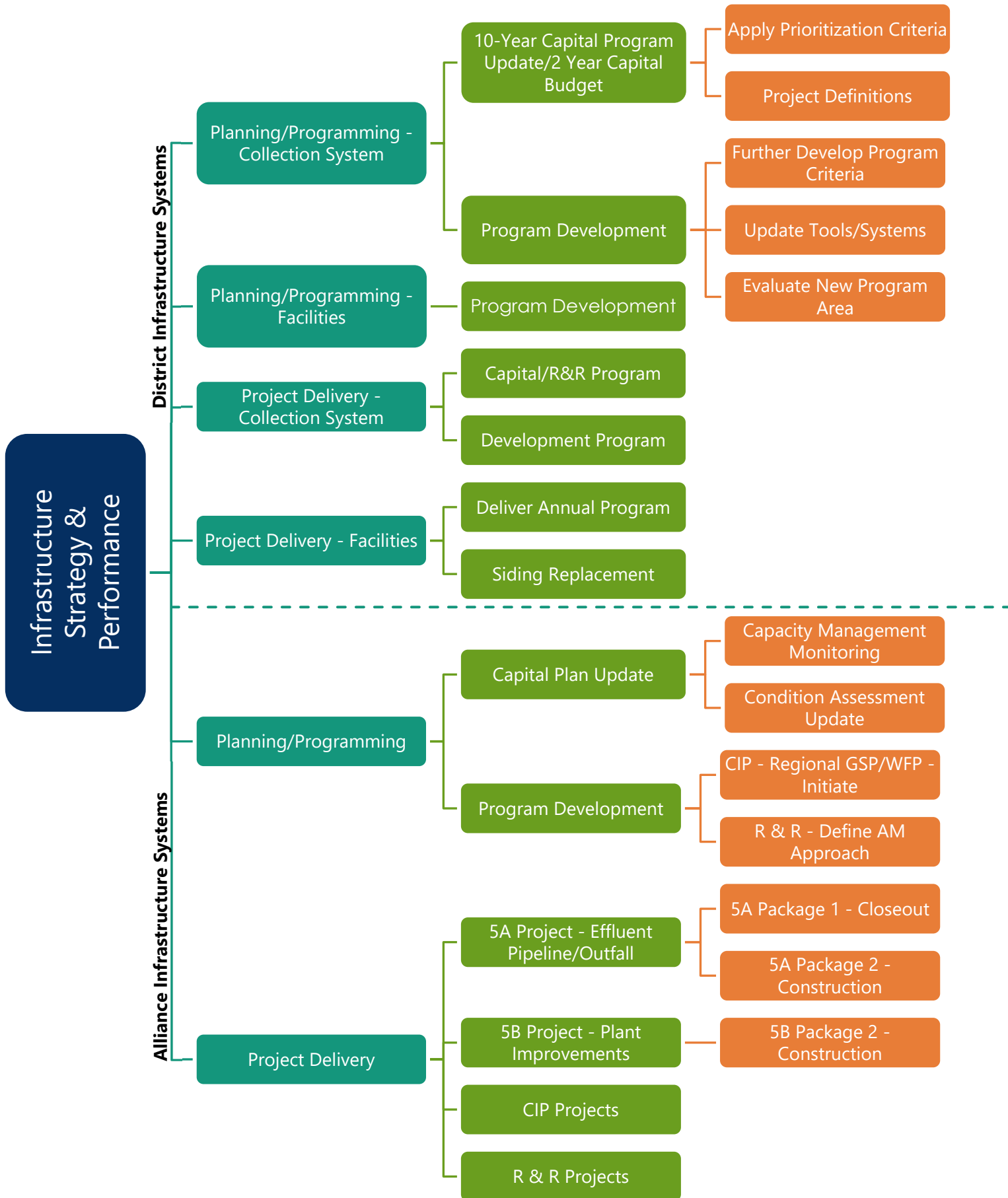
Annually, organizational goals are developed to guide the District forward. The goals are categorized within each of the five (5) strategic planning objective areas and the ten (10) attributes of effectively managed utilities. For any one year, the emphasis may lie more heavily on one of the particular 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 2023, 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.



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Discovery Clean Water Alliance Contract Operator - SCTP - \$5,480,000

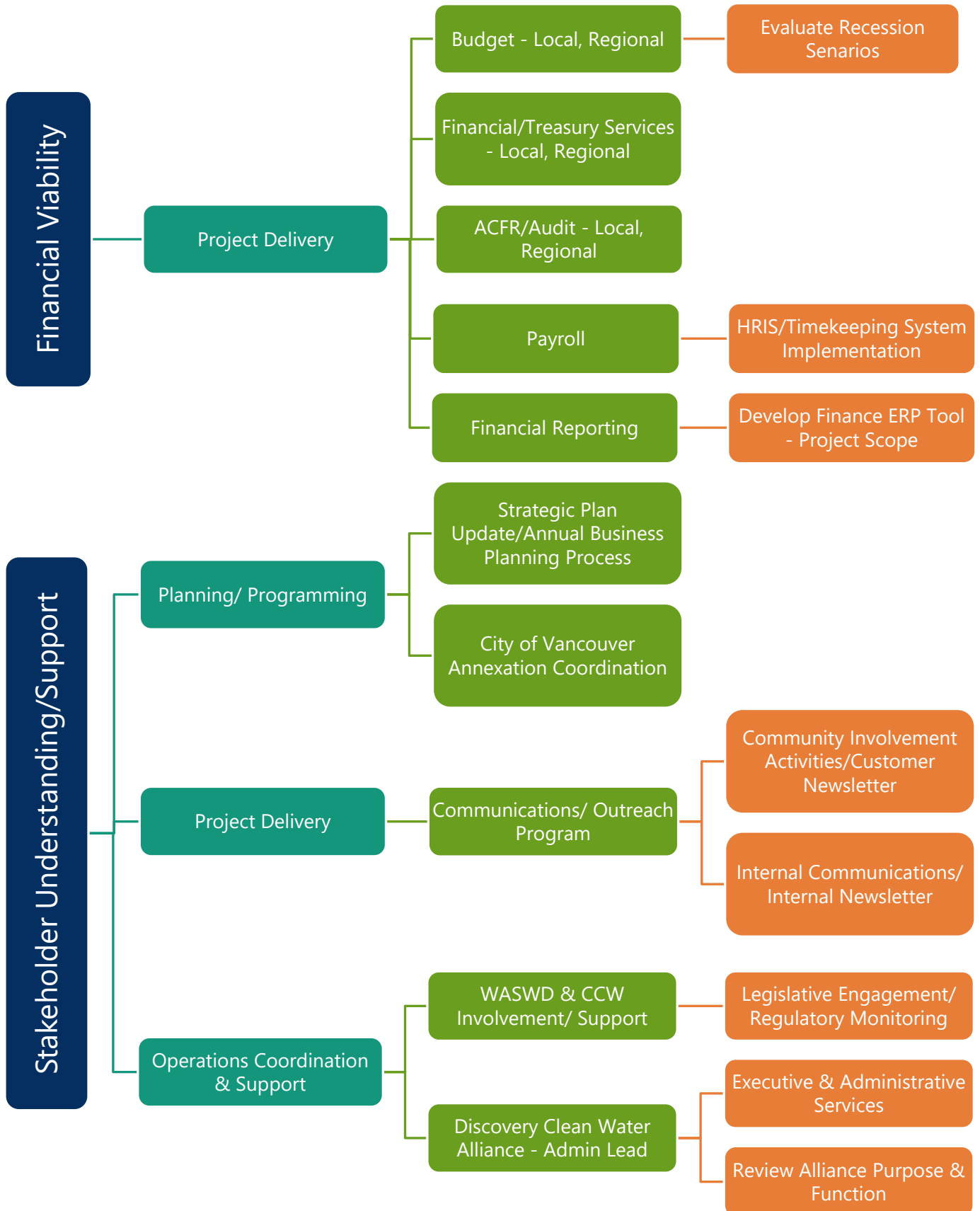
Discussion. The District began operating the Salmon Creek Treatment Plant (SCTP) on July 1, 2022. The 2023 budget includes a full year of salaries and benefits for employees dedicated to Plant operations, as opposed to 6 months in the 2022 budget. The District is currently the Contract Operator for the Alliance's remaining nine regional assets, which include: the Ridgefield Treatment Plant (RTP), Kline Interceptor - Regional Biofilter (RB), Battle Ground Force Main (BGFM), Salmon Creek Interceptor, and Kline Interceptor

Budget Implications. Operating costs for the SCTP operated by the District include personnel, supplies, services, utilities, maintenance, and repairs.

Budget impacts for 2023 include:

DESCRIPTION	ACCOUNT	EXPENSE CATEGORY	BUDGET IMPACT
Personnel Costs	O&M	Salaries & Benefits	\$ 2,502,000
Services and Supplies	O&M	Other - Regional Asset Expense	1,725,000
Utilities	O&M	Other - Regional Asset Expense	978,000
Other	O&M	Other - Regional Asset Expense	275,000

2023 Clark Regional Wastewater District Adopted Budget



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 detail on services provided under this contract, see District Departments and Services on page 13.

Budget Implications. For FY 2023, the District will be providing the following major services for the Alliance that impacts 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, and debt issuance to fund the Capital Program.

Budget impacts for 2023 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) Project Scoping - \$80,000

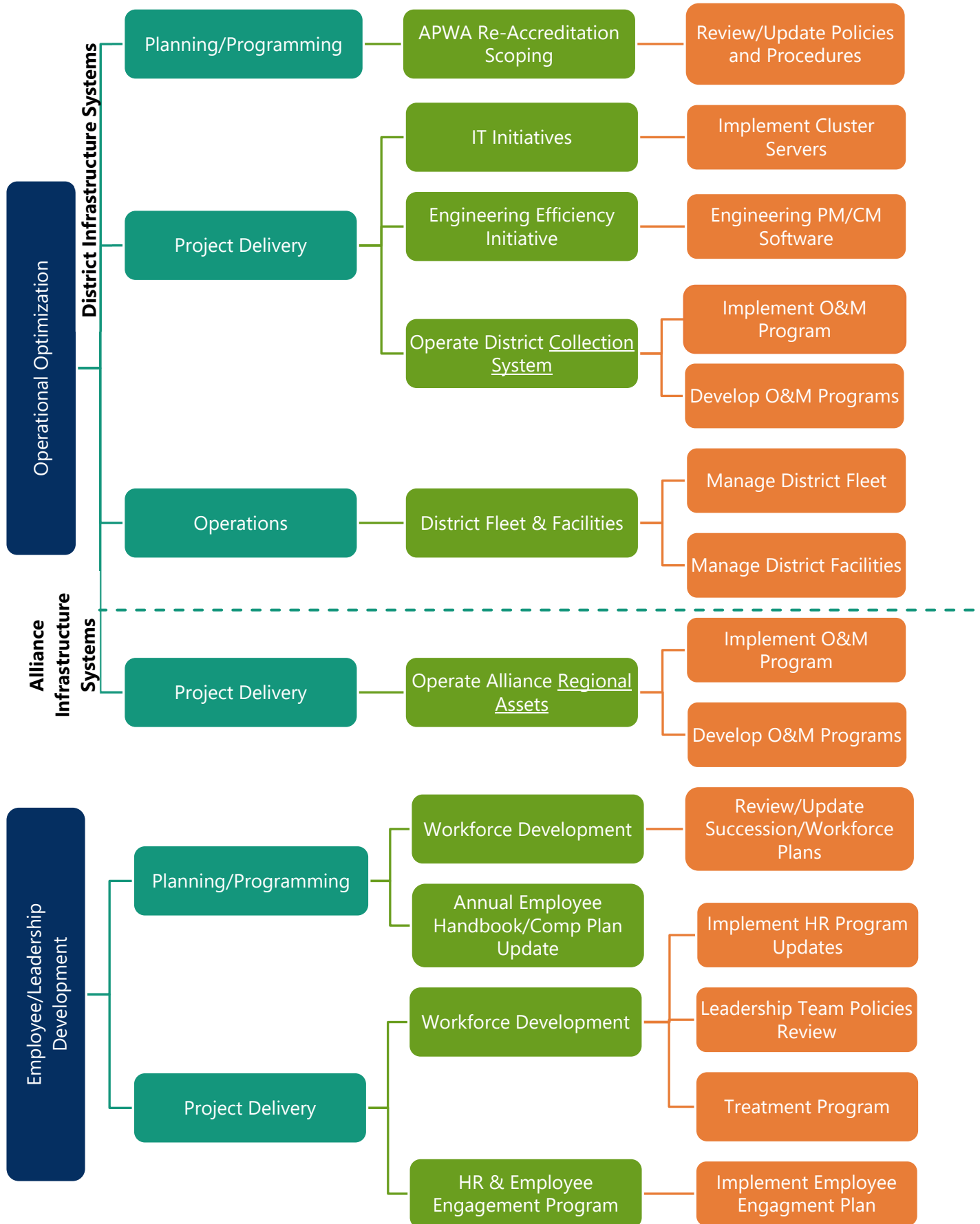
Discussion. The District’s 2023 financial viability initiative includes the recommendation of scoping an Enterprise Resource Planning (ERP) that will create efficiencies and improve program effectiveness in all areas related to financial management. The current financial reporting software provider has 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 2023, the District plans to begin a needs assessment to determine whether the cloud solution the current vendor offers 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.

2023 Clark Regional Wastewater District Adopted Budget

Budget Implications. Budget for 2023 includes:

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

2023 Clark Regional Wastewater District Adopted Budget



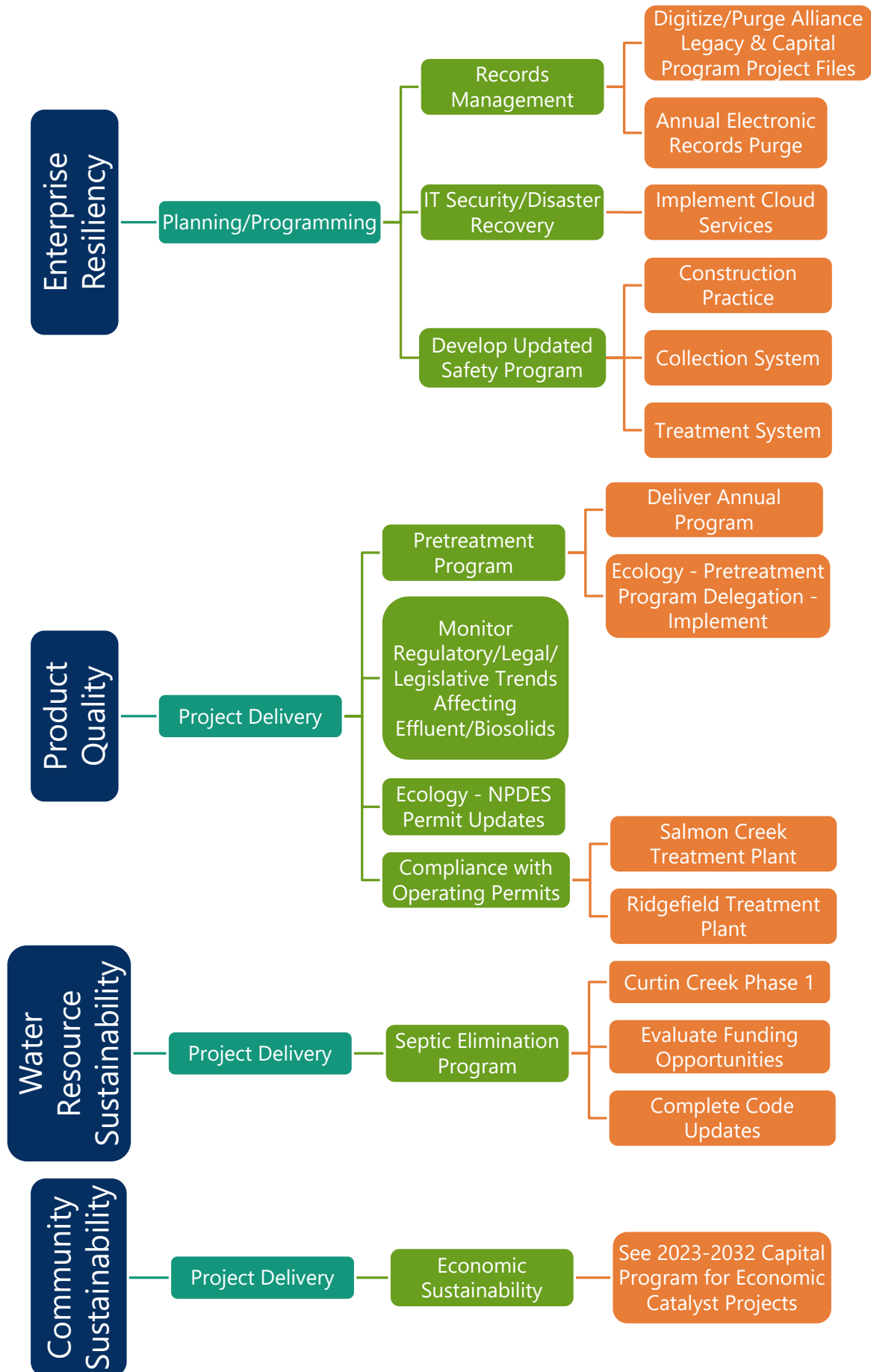
IT Cluster Servers Implementation - \$185,000

Discussion. The District is seeking to optimize the on-premise IT system's resiliency and scalability by moving away from the current single-application server system and to a clustered-application server system. Cluster servers deliver improved availability and reliability by working with multiple host servers simultaneously, which reduces downtime and limits operational interruptions.

Budget Implications. Budget for 2023 includes:

DESCRIPTION	ACCOUNT	EXPENSE CATEGORY	BUDGET IMPACT
Cluster Servers	O&M	Supplies	\$ 185,000

2023 Clark Regional Wastewater District Adopted Budget



Capital Program – Economic Catalyst Projects - \$13,384,000

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 which need wastewater infrastructure. The District makes strategic infrastructure investments in projects which act as a catalyst in these areas, removing barriers and stimulating economic development.

Budget Implications. Economic catalyst projects for 2023 include:

DESCRIPTION	ACCOUNT	EXPENSE CATEGORY	BUDGET IMPACT
Union Road PS Upgrade	CIP	Capital Construction Costs	\$ 4,000
Whipple Creek North PS Upgrade	CIP	Capital Construction Costs	1,320,000
NE 20th Avenue Trunk	CIP	Capital Construction Costs	3,385,000
Mt. Vista Trunk Upgrade	CIP	Capital Construction Costs	20,000
DCWTS Phase 2	CIP	Capital Construction Costs	300,000
Neil Kimsey Force Main Upgrade	CIP	Capital Construction Costs	50,000
NE 99th Street CRP	CIP	Capital Construction Costs	750,000
NE 179th St and NE 29th Ave Improvement	CIP	Capital Construction Costs	150,000
NE 179th Street CRP	CIP	Capital Construction Costs	10,000
Whipple Creek West PS and Force Main	CIP	Capital Construction Costs	1,850,000
NW 11th Avenue Gravity Trunk	CIP	Capital Construction Costs	1,555,000
South Junction Trunk Upgrade	CIP	Capital Construction Costs	1,760,000
Gee Creek Plateau PS and Force Main	CIP	Capital Construction Costs	70,000
Pioneer Street Extension	CIP	Capital Construction Costs	180,000
South 45th Avenue North	CIP	Capital Construction Costs	60,000
South 45th Avenue Culvert	CIP	Capital Construction Costs	60,000
North 50th Ave Roundabout	CIP	Capital Construction Costs	10,000
McCormick Creek Pump Station	CIP	Capital Construction Costs	1,600,000
Carty Road Pump Station	CIP	Capital Construction Costs	250,000

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 four (4) 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, the District 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 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:

Transaction	BUDGET ACCOUNTING	FINANCIAL REPORTING
	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 source 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 present a quarterly budget to actual financial reports 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 2023, 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)

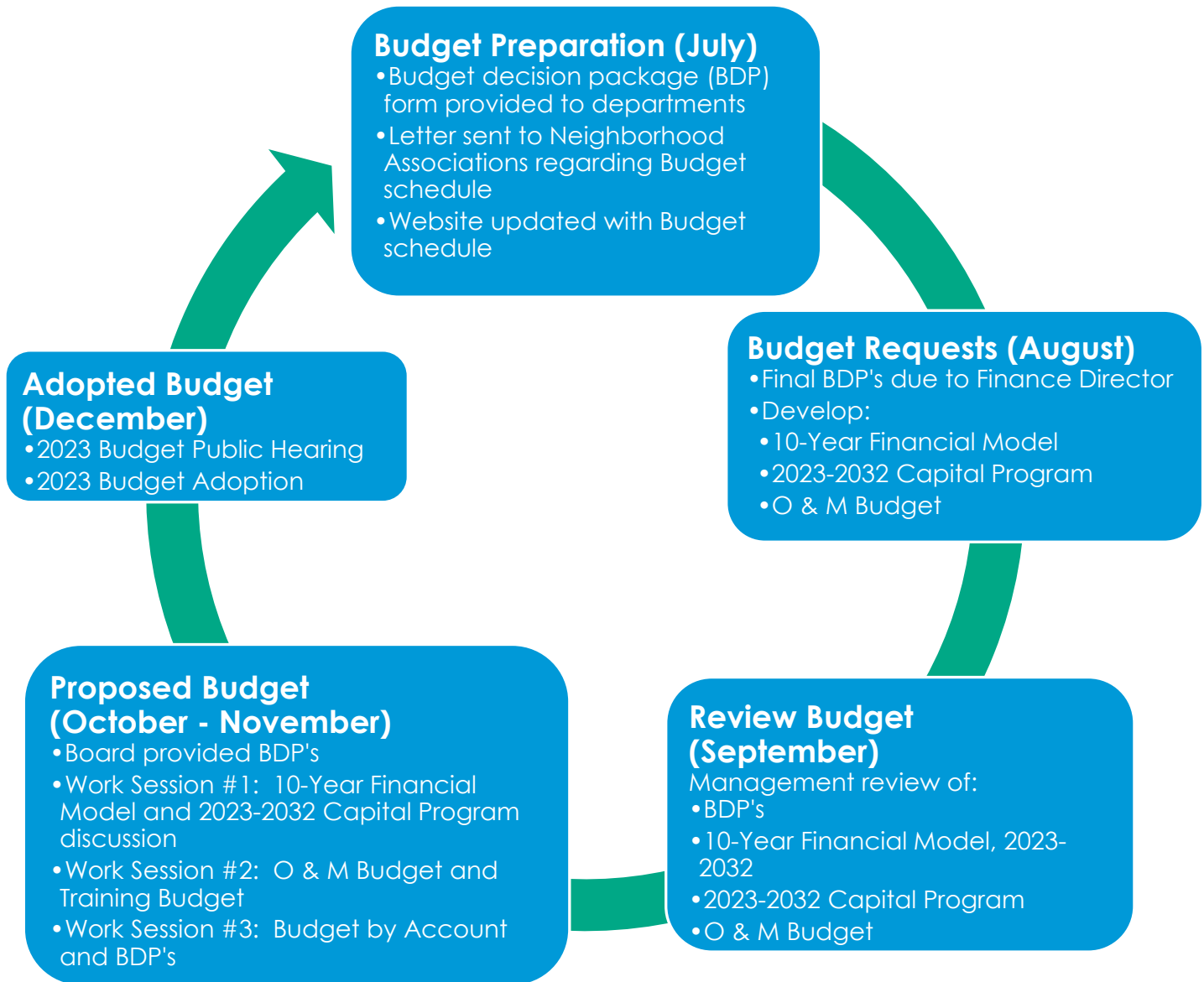
The nature of the operations of an enterprise fund is financed and accounted for, so the demand for services determines the appropriate level of resources to be applied. Increased demand for sewer services causes a higher level of resources to be applied and determines the rates that are used in recovering 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 are 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

2023 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	
BEGINNING BALANCES	\$ 34,931,838	\$ 5,487,360	\$ 24,154	\$ 812,657	\$ 2,107,360	\$ 11,000,000	\$ 7,378,650	\$ 61,742,019
SOURCES								
Rates	27,701,770							27,701,770
Senior Low-Income Discount Program	(33,063)							(33,063)
SDC Connection Fees							12,929,568	12,929,568
LFC Reimbursements							160,000	160,000
Investment Interest	349,317	54,874	242	8,127	21,074	110,000	73,786	617,420
Intergovernmental Revenues	8,965,000							8,965,000
Other Miscellaneous Revenue	964,000							964,000
Grant Funding							1,552,000	1,552,000
Subtotal Sources	37,947,024	54,874	242	8,127	21,074	110,000	14,715,354	52,856,695
TRANSFERS								
Transfer Debt Service	(1,017,214)			2,099,564			(1,082,350)	-
Transfer Debt Service Reserve	28,870				(28,870)			-
Transfer B&O Tax	193,944						(193,944)	-
Transfer Existing Assets R & R	(2,438,967)					2,438,967		-
Transfer Unemployment Reserve	(1,578)		1,578					-
Transfer Alliance Reserves	3,347,234	(3,347,234)						-
Subtotal Transfers	112,289	(3,347,234)	1,578	2,099,564	(28,870)	2,438,967	(1,276,294)	-
USES								
Debt Service				(2,099,564)				(2,099,564)
Operating Expenses	(36,736,712)							(36,736,712)
Capital Construction Costs / Purchases						(6,716,054)	(12,448,216)	(19,164,270)
Subtotal Uses	(36,736,712)	-	-	(2,099,564)	-	(6,716,054)	(12,448,216)	(58,000,546)
ENDING BALANCES	\$ 36,254,439	\$ 2,195,000	\$ 25,974	\$ 820,784	\$ 2,099,564	\$ 6,832,913	\$ 8,369,494	\$ 56,598,168

Operations and Maintenance Account

The Operations and Maintenance (O & M) account provides for the daily routine to financially sustain 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 2023, this is approximately \$15.3 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 \$43.50 per Equivalent Residential Unit (ERU) per month for wastewater services, an increase of \$1.50 over 2022 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 2023, this is \$10.00 per ERU per month, which represents a \$1.60 decrease from the \$11.60 charged in 2022 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 24.0%, 10.0%, and 40.9% of the budget, respectively. O & M expenses in the aggregate will see a 21.8% increase over 2022 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, and the District became the Contract Operator of the Salmon Creek Treatment Plant (SCTP) as of July 1, 2023. The District's SCTP Operator budget for 2023 is \$5.4 million, compared to a budget of \$2.6 million for July through December 2022.

Transfers

Utility rates also provide funding to the R&R account to maintain the \$11.0 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.

2023 Clark Regional Wastewater District Adopted Budget

2023 Operations and Maintenance Account Revenue Forecast

OPERATIONS & MAINTENANCE	2019 ACTUAL	2020 ACTUAL	2021 ACTUALS	2022 BUDGET	2023 BUDGET
BEGINNING ACCOUNT BALANCE	\$ 23,286,691	\$ 20,866,491	\$ 20,873,482	\$ 25,127,543	\$ 34,931,838
<u>SOURCES</u>					
Operating Revenue					
Charges for Services	21,193,614	22,551,975	24,378,129	25,893,366	27,701,770
Senior Low-Income Discount Program	(33,527)	(47,134)	(37,280)	(33,063)	(33,063)
Intergovernmental Revenues	1,488,295	134,222	359,028	5,046,496	8,965,000
Penalties	152,493	26,003	15,898	140,000	160,000
Permit Fees	142,625	172,930	183,905	150,000	140,000
DEA Fees	115,850	80,420	114,599	150,500	153,000
Ridgefield City Operating Fee	224,877	266,239	316,348	300,000	360,000
Vancouver City Interlocal Fee	37,938	41,677	42,888	43,000	47,000
Battle Ground Excise Tax	-	-	3,355	11,000	12,000
Other Miscellaneous Revenue	499,191	662,727	219,169	77,500	92,000
Total Operating Revenue	23,821,356	23,889,059	25,596,039	31,778,799	37,597,707
Non-Operating Revenue					
Transfer from New Assets CIP Account (B&O Taxes)	158,650	160,416	192,209	154,880	193,944
Investment Interest*	566,221	402,648	139	251,276	349,317
Transfer from Alliance Reserves	-	397,993	38,976	-	3,347,234
Transfer from Debt Service Reserve Account	1,356,954	-	-	28,190	28,870
Transfer from Unemployment Reserve Account	-	8,146	257	-	-
Transfer from New Assets CIP Account	-	288,063	-	-	-
Total Non-Operating Revenue	2,081,825	1,257,266	231,581	434,346	3,919,365
<u>USES</u>					
Operating Expenses	(21,935,285)	(22,430,419)	(24,010,033)	(30,164,677)	(36,736,712)
Transfer to Existing Assets R&R Account	(890,355)	(694,563)	(1,958,178)	(3,258,415)	(2,438,967)
Transfer to Unemployment Reserve Account	(1,472)	-	-	(3,409)	(1,578)
Transfer to Alliance Reserves	(1,788,235)	-	-	(1,709,798)	-
Transfer to Debt Service Account	(3,708,034)	(1,301,452)	(1,294,906)	(1,288,360)	(1,017,214)
Transfer to Debt Service Reserve Account	-	(712,900)	(38,449)	-	-
Transfer to New Assets CIP Account	-	-	(103,312)	-	-
Total Operating Uses	(28,323,381)	(25,139,334)	(27,404,878)	(36,424,659)	(40,194,471)
ENDING ACCOUNT BALANCE	\$ 20,866,491	\$ 20,873,482	\$ 19,296,224	\$ 20,916,029	\$ 36,254,439

2023 Clark Regional Wastewater District Adopted Budget

II. 2023 Operations and Maintenance Account Expenditure Forecast

OPERATIONS & MAINTENANCE	2019	2020	2021	2022	2023	2022/2023
OPERATING EXPENSE DETAILS	ACTUAL	ACTUAL	ACTUALS	BUDGET	BUDGET	BUDGET CHANGE
Salaries & Wages						
Maintenance / Facilities	1,492,459	1,631,149	1,597,790	2,495,236	3,882,496	
Finance	760,193	802,404	911,908	982,471	1,084,360	
Engineering	1,316,082	1,530,862	1,755,593	1,997,284	2,222,361	
Pretreatment	80,855	84,096	92,891	95,838	208,151	
General Administration	1,053,379	1,035,627	1,244,201	1,217,775	1,377,461	
Commissioners	37,128	29,768	39,144	41,064	41,064	
Total Salaries & Wages	4,740,096	5,113,906	5,641,527	6,829,668	8,815,893	29.1%
Employee Benefits						
Pension	580,761	630,996	625,225	785,712	852,916	
Health Insurance	1,041,380	1,218,420	1,306,782	1,795,150	2,069,027	
Uniforms / Incentives / Other	139,766	123,995	58,266	36,820	39,040	
Social Security / Medicare	357,281	380,626	422,436	519,514	636,099	
Labor and Industries	28,809	35,132	47,532	75,590	61,520	
Washington Paid Family Medical Leave	7,134	6,595	8,139	9,821	11,698	
Total Employee Benefits	2,155,131	2,395,764	2,468,380	3,222,607	3,670,300	13.9%
Supplies						
Materials / Supplies - Collection System	72,234	47,085	65,937	76,800	84,400	
Materials / Supplies - Pump Stations	163,981	104,368	194,685	222,000	237,000	
Office Supplies - General	101,648	94,874	96,442	150,025	138,000	
IT Hardware / Software	120,585	98,204	215,829	264,125	360,400	
Maintenance & Facilities Supplies	20,088	18,495	20,367	29,000	29,500	
Small Equipment / Tools - Maintenance	42,208	30,516	117,708	141,000	177,000	
Transportation Expense - Fuel	68,124	48,330	68,938	75,000	90,000	
Transportation Expense - Repair / Maintenance	826	1,262	5,024	5,000	6,200	
Safety Supplies	26,365	35,041	30,470	30,000	36,500	
Total Supplies	616,059	478,175	815,400	992,950	1,159,000	16.7%
Professional Services						
Professional Services - Alliance	307,189	35,788	301,825	417,000	475,000	
Professional Services - Engineering / Operations	70,293	101,068	195,285	260,000	290,000	
Professional Services - Pretreatment	40,045	31,973	8,280	-	-	
Professional Services - Auditor	25,599	25,146	29,195	33,000	36,000	
Professional Services - Legal	122,602	108,655	115,803	294,000	172,000	
Professional Services - Compensation	17,173	43,263	7,297	20,000	20,000	
Professional Services - Communications	25,475	19,042	25,721	30,000	30,000	
Professional Services - Computer / IT	9,591	11,390	17,527	61,000	55,000	
Professional Services - Consultant	27,963	109,728	18,608	479,000	200,600	
Professional Services - Temporary	195,691	132,843	120,978	85,000	70,000	
Total Professional Services	841,621	618,896	840,519	1,679,000	1,348,600	-19.7%
Contractual Services						
Contract Services - Finance	209,388	215,669	251,173	250,000	357,000	
Contract Services - Operations	3,483	13,698	12,290	15,000	15,000	
Contract Equipment Rental	670	1,433	4,535	3,000	15,000	
Contract Service - Maintenance / Repair Lines	22,370	25,477	50,666	54,500	54,500	
Contract Service - Equipment	15,129	31,216	91,863	87,000	88,000	
Contract Service - Vehicles	36,702	42,415	71,343	70,500	77,500	
Contract Service - Office / Building Equipment	168,537	174,996	233,859	305,200	400,850	
Total Contract Services	456,279	504,904	715,729	785,200	1,007,850	28.4%
Other Expenses						
Insurance - Pool	157,423	156,821	229,866	271,500	294,000	
Education / Travel Employees	89,514	42,498	61,147	152,816	165,606	
Education / Travel Commissioners	15,584	7,133	6,231	20,348	19,639	
Dues / Memberships / Subscriptions	42,695	40,187	57,583	48,365	56,520	
Postage	76,994	60,120	100,451	94,700	98,400	
Telephone / Web Services	76,951	65,049	82,992	92,950	133,550	
Utilities - Pump Stations	107,308	91,019	140,819	137,000	172,500	
Utilities - Admin / Shop	35,349	28,836	44,317	46,000	48,100	
Damage Claims	5,230	7,117	84,815	5,000	7,500	
Advertising	9,942	11,470	9,114	9,500	12,250	
Public Relations	8,762	5,484	10,447	13,500	13,500	
Miscellaneous General Administration	23,789	28,777	36,895	50,750	59,450	
Ridgefield City Operating Fee	224,519	252,551	316,348	300,000	360,000	
Vancouver City Interlocal Fee	39,877	38,854	42,888	43,000	46,000	
Battle Ground Excise Tax	-	-	3,355	11,000	12,000	
Business and Occupation (B&O) Taxes	465,659	488,860	658,623	675,000	720,000	
Alliance Miscellaneous	11,280	129,912	10,986	12,500	12,500	
Regional Asset Expenses	57,110	287,203	343,508	1,813,323	3,403,485	
Government Services / Impact Fees	17,102	11,214	77,106	25,000	80,000	
Total Other Expenses	1,465,088	1,753,105	2,317,491	3,822,252	5,715,000	49.5%
Treatment Costs						
Sewage Treatment - Alliance	11,099,983	10,932,983	12,194,459	12,195,000	14,364,069	
Sewage Treatment - Vancouver	490,046	561,168	568,334	566,000	580,000	
Sewage Treatment - Battle Ground	70,982	71,518	69,010	72,000	76,000	
Total Treatment Costs	11,661,011	11,565,669	12,831,803	12,833,000	15,020,069	17.0%
TOTAL OPERATING EXPENSES	\$ 21,935,285	\$ 22,430,419	\$ 25,630,849	\$ 30,164,677	\$ 36,736,712	21.8%

III. Budget Narrative – Operations and Maintenance Account

Revenues

Charges for Services: \$27,668,707

Charges for Services are reported here, net of reduced rates associated with the District's Senior Low-Income Discount Program. The 2023 budget reflects a forecast of 1,858 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 2023, the District's customer base will increase to approximately 40,000 accounts serving an estimated 54,250 ERUs. This increase will have a ripple effect, with the net result being additional inspections, maintenance, and customer service calls, as well as 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 the Ridgefield Treatment Plant, Regional Biofilter, and three additional Regional Assets.

Effective July 1, 2022, the District became the Contract Operator of the Salmon Creek Treatment Plant (SCTP). For 2023, the District anticipates revenue for operating the SCTP of \$6,192,000.

Penalties: \$160,000

These represent penalties assessed on past due utility balances. After lifting restrictions on assessing penalties on past due accounts by Washington Governor Jay Inslee in response to the economic effects of the COVID-19 pandemic, the District's past due balances are budgeted to increase substantially in 2023.

Fees: \$293,000

Developer Extension Agreement (DEA), permits, tap, and inspection fee activity, along with development, is expected to decrease from 2022 levels, resulting in a revenue projection decrease for the 2023 budget.

Ridgefield City Operating Fee: \$360,000

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 2023 budget anticipates the revenues for the Ridgefield City Operating Fee to increase from the 2022 budget due to continued growth in the City of Ridgefield.

Vancouver City Interlocal Fee: \$47,000

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 2023 budget anticipates the revenues for the City of Vancouver Interlocal Fee to increase slightly from the 2022 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 twelve percent (12%). The District has the right to recover the Excise Tax from collection system customers. The 2023 budget anticipates the revenues for the City of Battle Ground Excise Tax to increase slightly from the 2022 budget.

Expenses

Salaries and Wages: \$8,815,893

The District Board of Commissioners has approved an annual market adjustment by pay grade of 5.0% for the 2023 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 2023 budget depicts related costs for ninety-two and one-half (92.5) employees and three (3) Commissioners, an increase of 4.5 full-time employees over the 2022 budget. Salaries and wages will increase overall by 29.1% when compared to the 2022 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 2023. 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 2023, the District is budgeting for the Commissioners' salaries based on the full amount available to be paid (\$41,064) 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: \$3,670,300

Overall, benefits for 2023 are expected to be 13.9% higher than in the 2022 budget.

Pension. The Washington Public Employee Retirement System (PERS) pension rate paid by employers is 10.39% through June 30, 2023, when it is expected to decrease to 10.21% for the remainder of the year.

Uniforms, Incentives, Other. The 2023 budgeted uniform costs, the Reward and Recognition program, and administration costs for the Flexible Spending Account (FSA) are \$31,540 and \$7,500, respectively. These amounts are a slight increase from those reflected in the 2022 budget.

Health Insurance. Healthcare insurance continues to comprise a large portion of the 2023 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 2023. Both carriers negotiate with HCA for statewide benefits. Kaiser Permanente and Uniform Medical premiums will both increase by 7.1% and 9.1% in 2023, respectively, resulting in an approximate \$273,877 increase in budgeted health insurance expenses when combined with the increase of four and a half (4.5) FTEs in 2023. 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 four and a half (4.5) full-time employees and anticipated step increases, performance-based increases, and market adjustments will have a direct effect on payroll taxes, creating a 22.4% increase in FICA and Medicare budgeted for 2023.

Labor and Industries. In 2023, the Washington Department of Labor and Industries insurance rates billed to the District are budgeted to decrease in comparison to prior years' budgets due to a categorization change for District field staff. An additional four and a half (4.5) full-time employees will also have a direct effect on Labor and Industries expenses.

Supplies: \$1,159,000

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 2023 supplies budget reflects a 16.7% increase over the 2022 budget. This increase is primarily driven by anticipated IT security enhancements and the need for additional strategic odor-logging equipment.

Materials / Supplies – Collection System. Collection system materials and supplies are anticipated to increase slightly from the 2022 budget. As the District's collection system continues to expand and development activity levels continue to be elevated, additional supplies are required for maintenance of mains and supplies for activities such as locates.

Materials / Supplies – Pump Stations. Pump Station materials and supplies are budgeted to increase by \$15,000 or 6.8% from 2022. This increase is the result of an increased need for supplies for generator maintenance and replacement pumps at individual pump stations.

Office Supplies – General. General office supplies are expected to decrease by \$12,025 or 8.0%, as the need for office supplies has reduced in a more paperless environment.

IT Hardware / Software. IT hardware/software costs are budgeted to increase by \$96,275, or 36.5%, in 2023. The primary drivers of this increase are a new disaster recovery failover system in addition to new proposed software licenses and a security monitoring system.

Maintenance & Facilities Supplies. Budgeted at 1.7% or \$500 higher in 2023. This category addresses facility needs and annual maintenance in the shop area.

Small Equipment / Tools – Maintenance, Transportation Expense – Fuel / Repair / Maintenance. The 2023 budget is anticipated to increase by \$52,200 or 23.6% over the

2022 budgeted amount. This increase is driven by the anticipated purchase of additional odor-logging equipment for more strategic odor monitoring. This category contains the maintenance of existing systems such as Lucity. 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 2023 to increase slightly by \$6,500 or 21.7% from 2022 amounts. Safety supplies continue to be budgeted at elevated levels due to an increased need for gloves and other safety supplies along with an expanding workforce.

Professional Services: \$1,348,600

Non-capital professional services provided, 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 2023, the District anticipates a 19.7% decrease in professional services compared to the 2022 budget. This is largely due to the need for consultants to support strategic investments that were required due to the District becoming the Operator of the Salmon Creek Treatment Plant as of July 1, 2022, but that is not expected to occur in 2023.

Professional Services – Alliance. The 2023 budget anticipates an increase of \$58,000 or 13.9% from the 2022 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 \$290,000 in the 2023 budget for on-call consulting assistance on various projects, a \$30,000 increase from the 2022 budgeted amount of \$260,000. This large increase is due to an increased need for SCADA on-call support.

Professional Services – Auditor. The 2023 budget for Washington State Auditor's Office Annual Comprehensive Financial Report (ACFR) and Accountability audit services is anticipated to increase by \$3,000 from the 2022 budget. The 2023 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 2023 budget remains consistent with 2022. 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 2023 budget decreased slightly by \$6,000 from the 2022 budget due to a scheduled IT audit in 2022 that will not occur in 2023. Additional IT support has been required to manage the integration of the Salmon Creek Treatment Plant and its staff into District operations.

Professional Services – Consultant. The District is budgeting a \$278,400 decrease in consultant services. This decrease is primarily due to a need for consultants to support strategic investments that were accelerated due to the District becoming the Operator of the Salmon Creek Treatment Plant as of July 1, 2022, which is not expected to occur in 2023.

Professional Services – Temporary. The District utilizes temporary employees for departmental support when permanent positions are vacant or to address workload fluctuations. The 2023 budget for temporary employee services is anticipated to decrease by \$15,000 or 17.6% as some vacant positions have been filled.

Contractual Services: \$1,007,850

Contractual Services include equipment rentals, maintenance and repairs of lines, equipment repairs, vehicle repairs, office equipment maintenance, and building maintenance. The 2023 budget is 28.4% higher than the 2022 budget.

Contract Services – Finance. The District's Finance Department engages contracted services for banking and credit card processing. The 2023 budget for finance contract services represents an increase of \$107,000 or 42.8%, primarily as a result of an anticipated needs assessment for a new Enterprise Resource Planning (ERP) solution.

Contract Services – Maintenance / Repair Lines. The District anticipates contracted line maintenance to remain level in 2023. This category includes root control applications.

Contract Services – Equipment / Vehicles. Budgeted to increase slightly by \$8,000 or 5.1% as compared to the 2022 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 2023 will be similar to historical events for the District.

Contract Services – Office / Building Equipment. Contract maintenance costs for 2023 are budgeted to increase by \$95,650 or 31.3% compared with 2022 budgeted amounts. This

increase is driven by the addition of high-traffic pump stations to the current landscaping contract, along with an increased contract for janitorial services with the addition of a new Operations building and for enhanced cleaning due to COVID-19. 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 2022 and 2023 budgets.

Other Expenses: \$5,715,000

Overall, other expenses will increase \$1,504,761, or 49.5%, in the 2023 budget. This increase is attributed to the costs associated with the District becoming the contract operator of the Salmon Creek Treatment Plant.

Insurance - Pool. Insurance costs in 2023 are expected to increase by \$22,500 or 8.3% as compared to 2022, primarily due to an increase in rates from the Pool as property re-insurance rates continue to increase.

Telephone / Web Services. Included in 2023 are budgeted amounts for local and long-distance phone, cell phone and pager service, and after-hours' call center costs, as well as web services like web hosting, web filters, and email spam filters. The 2023 budget increases by \$40,600, or 43.7%, from 2022, as telephone needs increase as the number of District staff continues to increase.

Utilities – Pump Stations. Included in 2023 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 an overall reduction of power and phone costs. SCADA is being used to monitor all District pump stations. The 2023 budget is anticipated to increase by \$35,500 or 25.9% over the 2022 budget.

Miscellaneous General Administration. Employee physicals, pretreatment sampling costs, and bad debt are all included in this 2023 budget item. The 2023 budget anticipates expenses will increase by \$8,700 or 17.1% from the 2022 budgeted amount.

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 2023 budget anticipates an increase of \$60,000 or 20.0% 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 2023 budget anticipates a slight increase of \$3,000, or 7.0%, over the 2022 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 twelve percent (12%). The District has the right to recover the Excise Tax from collection system customers. The 2023 budget anticipates a slight increase of \$1,000, or 9.1%, over the 2022 budget.

Regional Asset Expenses. The 2023 budget reflects an increase of \$1,590,162, or 87.7% from the 2022 budget. This increase is entirely due to the costs related to operating the Salmon Creek Treatment Plant beginning July 1, 2022. This budget item also includes costs related to operating the Ridgefield Treatment Plant, which in 2023 remained level with 2022 budgeted amounts.

Government Services / Impact Fees. The 2023 budget will reflect a \$55,000 or 220.0% increase from the 2022 budget to cover potential election costs during an election year.

Treatment Costs: \$15,020,069

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 2023, the District will continue to contract with the City of Vancouver, 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 2023, this cost is budgeted at \$76,000, an increase of 5.6% from 2022. 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 \$580,000, an increase of 2.5% from 2022. 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 2023.

Discovery Clean Water Alliance (Alliance). Alliance expenses budgeted at \$14,364,069 in 2023 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 the R&R expenses of the 2023 Salmon Creek and Ridgefield Treatment Plants will increase by \$2,169,069 or 17.8% over the 2022 budget as several large construction projects have entered the construction phase and have been financed.

Transfer to Existing Assets Replacement and Restoration Account: \$2,438,967

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 2023 targeted reserve is \$11.0 million. For 2023, rates will provide budgeted funding of \$2.4 million for the Existing Assets R&R account to maintain the \$11.0 million maximum threshold.

Transfer to Debt Service Account: \$1,017,214

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 2023.

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 2023 have been calculated at \$2.2 million to meet the required minimum amounts. Interest will continue to be earned on these reserves throughout 2023. A transfer to other funds is not anticipated for this account in 2023.

II. 2023 Alliance Reserves Account

ALLIANCE RESERVES	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2022 BUDGET	2023 BUDGET
BEGINNING ACCOUNT BALANCE	\$ 4,121,865	\$ 4,058,618	\$ 3,733,096	\$ 3,740,160	\$ 5,487,360
<u>SOURCES</u>					
Investment Interest*	122,838	72,471	(17,036)	37,402	54,874
Transfer from Other Funds	-	-	-	1,709,798	-
Total Sources	122,838	72,471	(17,036)	1,747,200	54,874
<u>USES</u>					
Transfer to Other Funds	(186,085)	(397,993)	(38,976)	-	(3,347,234)
Total Uses	(186,085)	(397,993)	(38,976)	-	(3,347,234)
ENDING ACCOUNT BALANCE	\$ 4,058,618	\$ 3,733,096	\$ 3,677,084	\$ 5,487,360	\$ 2,195,000

III. Budget Narrative – Alliance Reserves Account

Sources

Investment interest of \$54,874 is budgeted for 2023.

Uses

The reserve requirement for the operations of the Alliance decreased in 2023. Therefore, a transfer from the Alliance Reserves account to the Operations and Maintenance account of \$3,347,234 is budgeted for 2023.

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. 2023 Unemployment Reserve Account

UNEMPLOYMENT RESERVE	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 BUDGET	2023 BUDGET
BEGINNING ACCOUNT BALANCE	\$ 26,190	\$ 28,055	\$ 20,048	\$ 20,540	\$ 24,154
<u>SOURCES</u>					
Transfer from O & M Account	1,243	-	-	3,409	1,578
Investment Interest*	622	139	21	205	242
Total Sources	1,865	139	21	3,614	1,820
<u>USES</u>					
Unemployment Payments	-	-	-	-	-
Transfer to Other Funds	-	(8,146)	(257)	-	-
Total Uses	-	(8,146)	(257)	-	-
ENDING ACCOUNT BALANCE	\$ 28,055	\$ 20,048	\$ 19,812	\$ 24,154	\$ 25,974

III. Budget Narrative – Unemployment Reserve Account

Sources

Budgeted revenue for 2023 is investment interest on account reserves of \$242. The required funds to cover one unemployment claim for a year has increased in 2023. Therefore for 2023, \$1,578 in transfers from the O & M Account is budgeted.

The District budget does not assume that unemployment claims will be filed during 2023.

Uses

There are no budgeted uses from this account in 2023.

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.

2023 Clark Regional Wastewater District Adopted Budget

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 2023 principal and interest payments on the outstanding bond and loans. Investment income will be earned on all account reserves during 2023.

II. 2023 Debt Service Account (Bond Fund) Annual Forecast

DEBT SERVICE	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 BUDGET	2023 BUDGET
BEGINNING ACCOUNT BALANCE	\$ 765,655	\$ 779,842	\$ 1,244,878	\$ 804,611	\$ 812,657
<u>SOURCES</u>					
Investment Interest*	21,579	34,598	2,012	8,046	8,127
Transfers from Other Funds	3,708,034	2,050,328	2,114,406	2,107,360	2,099,564
Total Sources	3,729,613	2,084,926	2,116,418	2,115,406	2,107,691
<u>USES</u>					
Debt Service Payments	(3,648,770)	(1,619,890)	(2,114,406)	(2,107,360)	(2,099,564)
Transfers to Other Funds	(66,656)	-	-	-	-
Total Uses	(3,715,426)	(1,619,890)	(2,114,406)	(2,107,360)	(2,099,564)
ENDING ACCOUNT BALANCE	\$ 779,842	\$ 1,244,878	\$ 1,246,890	\$ 812,657	\$ 820,784

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

Sources

Budgeted revenues for 2023 include interest on account reserves of \$8,127. In addition, this account will receive \$2,099,564 in transfers from Other Funds.

Uses

Debt service payments of \$2,099,564 are the only budgeted use of Debt Service account funds in 2023.

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.

2023 Clark Regional Wastewater District Adopted Budget

Pre-Funded Debt Service Account

I. Sources and Uses

This reserve account includes pre-funded debt service for all 2023 bond and loan payments that the District is directly obligated to pay.

II. 2023 Debt Service Reserve Account

DEBT SERVICE RESERVE	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 BUDGET	2023 BUDGET
BEGINNING ACCOUNT BALANCE	\$ 2,606,038	\$ 1,307,594	\$ 2,080,180	\$ 2,114,406	\$ 2,107,360
SOURCES					
Transfer from O & M Account	-	712,900	38,449	-	-
Investment Interest*	58,510	59,686	(3,149)	21,144	21,074
Total Sources	58,510	772,586	35,300	21,144	21,074
USES					
Transfer to Other Funds	(1,356,954)	-	-	(28,190)	(28,870)
Total Uses	(1,356,954)	-	-	(28,190)	(28,870)
ENDING ACCOUNT BALANCE	\$ 1,307,594	\$ 2,080,180	\$ 2,115,480	\$ 2,107,360	\$ 2,099,564

III. Budget Narrative – Debt Service Reserve Account

Sources

Budgeted revenues for 2023 are investment interest on account reserves of \$21,074.

Uses

There is a planned transfer of \$28,870 to O & M rates from this account for 2023.

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 2023.

2023 Clark Regional Wastewater District Adopted Budget

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 \$11.0 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. 2023 Existing Assets Restoration and Replacement Account Annual Forecast

	2019	2020	2021	2022	2023
EXISTING ASSETS R & R	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET
BEGINNING ACCOUNT BALANCE	\$ 10,973,952	\$ 11,153,501	\$ 10,244,081	\$ 11,000,000	\$ 11,000,000
SOURCES					
Transfer from O & M Account	1,399,818	694,563	1,958,178	3,258,415	2,438,967
Investment Interest*	383,768	264,695	3,034	110,000	110,000
Transfer from Other Funds		34,600			
Total Sources	1,783,586	993,858	1,961,212	3,368,415	2,548,967
USES					
Transfers to Debt Service	-	(163,105)	-	-	-
Capital Projects Central Service Area	(1,222,370)	(1,468,680)	(952,270)	(3,157,785)	(5,247,944)
Capital Projects Ridgefield Service Area	(56,699)	(63,728)	(17,467)	(90,630)	(99,110)
Capital Purchases	(324,968)	(207,765)	(44,986)	(120,000)	(1,369,000)
Total Uses	(1,604,037)	(1,903,278)	(1,014,723)	(3,368,415)	(6,716,054)
ENDING ACCOUNT BALANCE	\$ 11,153,501	\$ 10,244,081	\$ 11,190,570	\$ 11,000,000	\$ 6,832,913

III. Budget Narrative – Existing Assets Restoration and Replacement Account

Sources

Budgeted sources include a \$2,438,967 transfer of rates from the O & M account and investment interest on account reserves of \$110,000.

Uses

Budgeted uses include \$6,716,054 to be expended on repair and replacement projects throughout 2023.

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.

2023 Clark Regional Wastewater District Adopted Budget

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 2023 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 2023 as follows:

Tier	Treatment Plant	SDC
Tier 1	City of Vancouver - Westside Treatment Plant	\$ 3,154
Tier 2	Alliance - Salmon Creek Treatment Plant	6,381
Tier 3	Alliance - Ridgefield Service Area	9,450
Tier 4	Urban Holding Area	6,381

SDC charges, investment interest, and local facility charges received in 2023 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. 2023 New Assets CIP Account

NEW ASSETS CIP	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 BUDGET	2023 BUDGET
BEGINNING ACCOUNT BALANCE	\$ 2,710,549	\$ 2,031,470	\$ 17,349,323	\$ 12,529,800	\$ 7,378,650
SOURCES					
SDC Connection Fees	9,921,986	11,453,428	13,561,861	10,325,332	12,929,568
Investment Interest*	59,112	243,005	(54,896)	125,298	73,786
LFC Reimbursements	311,047	301,662	205,998	175,000	160,000
Debt Proceeds	-	12,455,453	-	-	-
Grant Funding	-	-	-	-	1,552,000
Transfers from Other Funds	1,531,742	-	103,312	-	-
Total Sources	11,823,887	24,453,548	13,816,275	10,625,630	14,715,354
USES					
Transfers to O & M Account (B&O Taxes)	(158,650)	(160,416)	(192,209)	(154,880)	(193,944)
Transfers to Debt Service	-	(585,771)	(819,500)	(819,000)	(1,082,350)
Transfers to Other Funds	-	(322,663)	-	-	-
Capital Projects Central Service Area	(8,188,609)	(6,210,212)	(7,664,562)	(12,685,529)	(8,700,056)
Capital Projects Ridgefield Service Area	(4,073,417)	(1,750,910)	(431,853)	(2,067,371)	(3,748,160)
Capital Purchases	(82,290)	(105,723)	(358,163)	(50,000)	-
Total Uses	(12,502,966)	(9,135,695)	(9,466,287)	(15,776,780)	(13,724,510)
ENDING ACCOUNT BALANCE	\$ 2,031,470	\$ 17,349,323	\$ 21,699,311	\$ 7,378,650	\$ 8,369,494

III. Budget Narrative – New Assets CIP Account

Sources

The 2023 budget anticipates the CIP account will see \$12,929,568 in revenue derived from 1,858 paid SDCs, budgeted to be collected during 2023. This represents a \$2,604,236 or 25.2% revenue decrease from the 2022 budget, driven by continued SDC growth.

Investment interest for 2023 is projected to be \$73,786, a decrease compared to 2022 budgeted interest income due to a lower account balance and lower projected interest rates.

Uses

The CIP account will transfer \$193,944 for Business and Occupation tax to the O & M account based on 2023 anticipated SDC connection revenues. The funds will be restricted to pay the related tax when the annual Department of Revenue report is filed with the State of Washington.

Budgeted capital improvement project expenditures in the 2023 budget total \$12,448,216.

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	2019	2020	2021	2022	2023
	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET
BEGINNING BALANCES	\$ 44,490,940	\$ 40,225,571	\$ 47,692,213	\$ 55,337,060	\$ 61,742,019
SOURCES					
Rates	21,160,087	22,504,841	24,340,849	25,860,303	27,668,707
SDC Connection Fees	9,921,986	11,453,428	12,813,900	10,325,332	12,929,568
LFC Reimbursements	311,047	301,662	175,000	175,000	160,000
Investment Interest	1,212,650	1,077,242	596,153	553,371	617,420
Intergovernmental Revenues	1,488,295	134,222	359,028	5,046,496	8,965,000
Debt Proceeds	-	12,455,453	-	-	-
Other Miscellaneous Revenue	1,172,974	1,249,996	892,807	872,000	2,516,000
Subtotal Sources	35,267,039	49,176,844	39,177,737	42,832,502	52,856,695
USES					
Debt Service	(3,648,770)	(1,619,890)	(2,114,406)	(2,107,360)	(2,099,564)
Operating Expenses					
Salaries / Benefits	(6,895,227)	(7,509,670)	(8,109,907)	(10,052,275)	(12,486,193)
Supplies	(616,059)	(478,175)	(815,400)	(992,950)	(1,159,000)
Services (Professional / Contractual)	(1,297,900)	(1,123,800)	(1,556,248)	(2,214,200)	(2,356,450)
Other	(1,465,088)	(1,753,105)	(2,317,491)	(4,072,252)	(5,715,000)
Treatment	(11,661,011)	(11,565,669)	(12,831,803)	(12,833,000)	(15,020,069)
Capital Construction Costs/Purchases	(13,948,353)	(9,807,018)	(9,469,301)	(18,171,315)	(19,164,270)
Subtotal Uses	(39,532,408)	(33,857,327)	(37,214,556)	(50,443,352)	(58,000,546)
ENDING BALANCES	\$ 40,225,571	\$ 55,545,088	\$ 49,655,394	\$ 47,726,210	\$ 56,598,168

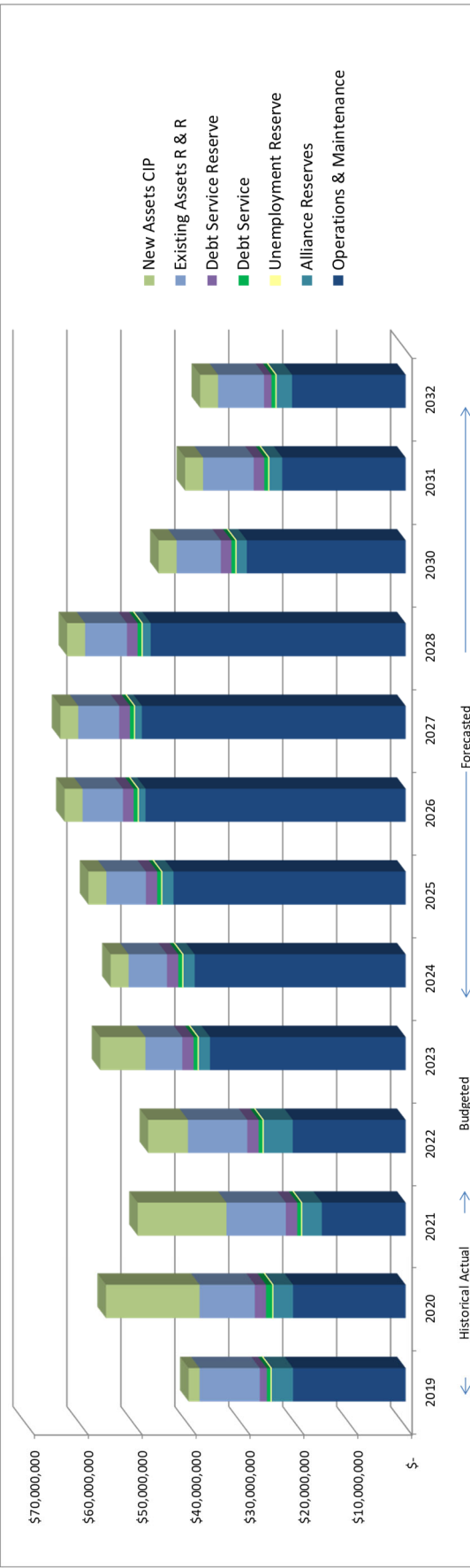
Projected Budget Summary

ALL ACCOUNTS	2024	2025	2026	2027	2028	2029	2030	2031	2032
	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
BEGINNING BALANCES	\$ 56,598,168		\$ 58,797,283	\$ 63,203,482	\$ 63,995,215	\$ 62,737,813	\$ 51,725,770	\$ 45,775,288	\$ 40,867,367
SOURCES									
Rates	29,508,904	31,381,791	33,220,816	34,969,493	36,704,271	38,453,083	40,237,369	42,057,129	43,912,363
SDC Connection Fees	14,126,920	16,341,735	14,104,304	13,950,053	13,247,214	13,909,575	14,605,054	15,335,306	16,102,072
LFC Reimbursements	168,000	176,400	183,456	190,794	198,426	206,363	214,618	223,202	232,130
Investment Interest	622,580	656,038	764,365	884,849	959,928	941,067	775,887	686,629	613,010
Intergovernmental Revenues	8,965,060	9,598,113	9,598,169	10,182,227	10,182,288	10,802,353	10,802,421	11,460,492	11,460,566
Other Miscellaneous Revenue	1,087,200	1,141,560	1,187,222	1,234,711	1,284,100	1,335,464	1,388,882	1,444,438	1,502,215
Subtotal Sources	54,478,663	59,295,637	59,058,332	61,412,127	62,576,227	65,647,905	68,024,230	71,207,196	73,822,356
USES									
Debt Service	(2,091,018)	(2,086,723)	(1,997,444)	(1,991,988)	(1,985,532)	(1,978,076)	(1,974,620)	(1,964,914)	(1,373,919)
Operating Expenses									
Salaries / Benefits	(13,321,468)	(13,578,183)	(14,283,386)	(15,040,164)	(15,837,338)	(16,788,435)	(17,678,922)	(18,740,433)	(19,735,186)
Supplies	(1,216,950)	(1,277,798)	(1,328,909)	(1,382,066)	(1,437,348)	(1,494,842)	(1,554,636)	(1,616,821)	(1,681,494)
Services (Professional / Contractual)	(2,390,273)	(2,509,786)	(2,610,178)	(2,714,585)	(2,823,168)	(2,936,095)	(3,053,539)	(3,175,680)	(3,302,707)
Other	(6,090,113)	(6,387,118)	(6,667,192)	(6,933,880)	(7,211,235)	(7,499,685)	(7,799,672)	(8,111,659)	(8,436,125)
Treatment	(15,052,869)	(17,158,519)	(17,187,449)	(18,191,733)	(18,223,024)	(22,987,360)	(23,021,203)	(24,617,347)	(24,653,953)
Capital Construction Costs/Purchases	(16,244,329)	(12,170,040)	(10,577,575)	(14,365,979)	(16,315,984)	(22,975,455)	(18,892,120)	(17,888,262)	(17,417,453)
Subtotal Uses	(56,407,019)	(55,168,167)	(54,652,132)	(60,620,395)	(63,833,629)	(76,659,948)	(73,974,712)	(76,115,117)	(76,600,838)
ENDING BALANCES	\$ 54,669,813	\$ 58,797,283	\$ 63,203,482	\$ 63,995,215	\$ 62,737,813	\$ 51,725,770	\$ 45,775,288	\$ 40,867,367	\$ 38,088,885

2023 Clark Regional Wastewater District Adopted Budget

2023 Account Balance Summary

Account	HISTORICAL ACTUAL			BUDGETED			FORECASTED									
	2019	2020	2021	2022	2023		2024	2025	2026	2027	2028	2029	2030	2031	2032	
Operations & Maintenance	\$ 20,866,491	\$ 20,873,482	\$ 15,524,768	\$ 20,916,029	\$ 36,254,439		\$ 39,107,897	\$ 43,021,922	\$ 48,208,360	\$ 48,878,659	\$ 47,250,973	\$ 35,778,046	\$ 29,445,880	\$ 22,875,425	\$ 21,052,998	
Alliance Reserves	4,058,618	3,733,096	3,740,160	5,487,360	2,195,000		2,190,000	2,186,000	1,343,000	1,359,000	1,578,000	1,862,000	1,990,000	2,477,000	2,962,000	
Unemployment Reserve	28,055	20,048	20,540	24,154	25,974		25,974	25,974	25,974	25,974	25,974	25,974	25,974	25,974	25,974	
Debt Service	779,842	1,244,878	804,611	812,657	820,784		820,784	820,784	820,784	820,784	820,784	820,784	820,784	820,784	820,784	
Debt Service Reserve	1,307,594	2,080,180	2,114,406	2,107,360	2,099,564		2,091,018	2,086,723	1,997,444	1,991,988	1,985,532	1,978,076	1,974,620	1,964,914	1,373,919	
Existing Assets R & R	11,153,501	10,244,081	11,000,000	11,000,000	6,832,913		7,109,233	7,330,973	7,483,013	7,593,903	7,751,643	7,935,983	8,193,123	9,376,363	8,528,303	
New Assets CIP	2,031,470	17,349,323	16,450,910	7,378,650	8,369,494		3,324,907	3,324,907	3,324,907	3,324,907	3,324,907	3,324,907	3,324,907	3,324,907	3,324,907	
TOTAL ACCOUNTS	\$40,225,571	\$55,545,088	\$49,655,394	\$47,726,210	\$56,598,168		\$54,669,813	\$58,797,283	\$63,203,482	\$63,995,215	\$62,737,813	\$51,725,770	\$45,775,288	\$40,867,367	\$38,088,885	



2023-2032 Ten-Year Capital Program

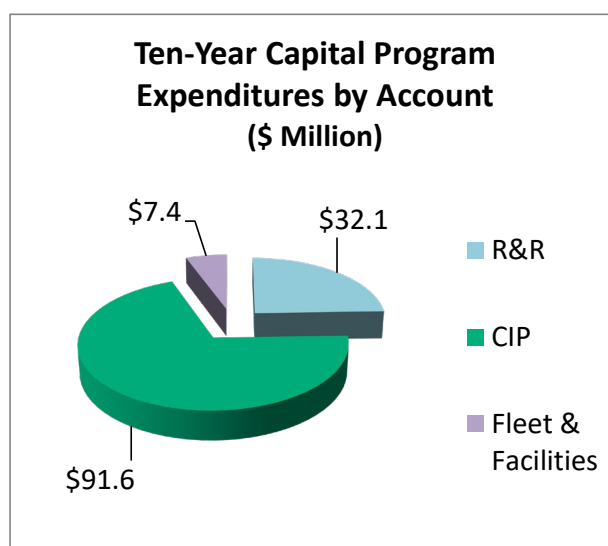
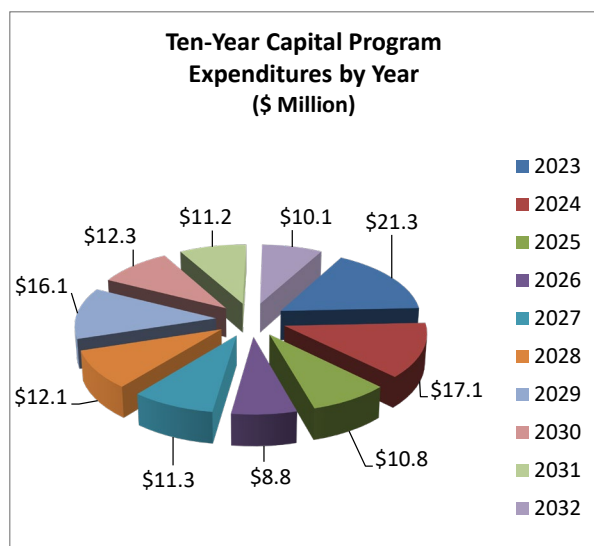
Clark Regional Wastewater District's (District) overall budget for 2023 is comprised of the Operating Budget and Capital Budget. The 2023 Capital Budget represents the District's Existing Assets Restoration and Replacement account (R&R), its New Assets Capital Improvement Project account (CIP), and its 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, once again, 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 2023 capital budget is based upon the first year of the 2023-2032 Ten-Year Capital Program. These projects and purchases are all developed and scheduled out on the District's 2023-2032 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 2023-2032 Ten-Year Capital Program while maintaining a healthy account balance.

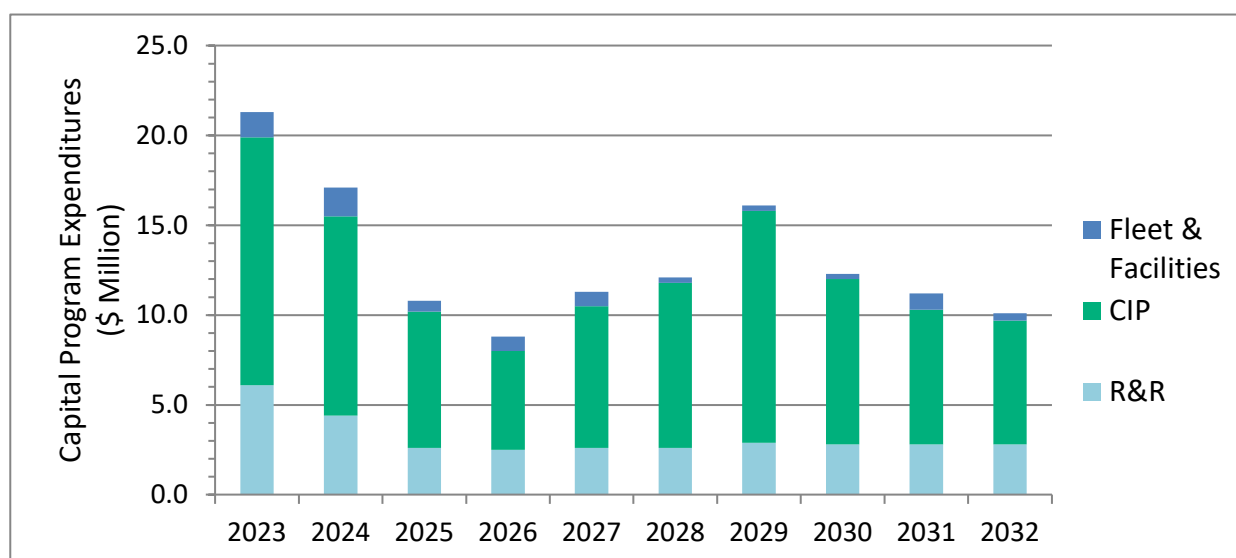
The ten-year program is based on the District's 20-Year Capital Plan. The projects identified in the Ten-Year Capital Program are those needed to ensure the District's ability to meet the long-term level-of-service requirements. Continuous planning is an integral part of this process and enables the 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 2023 to 2032 capital program period, 2023 is the most capital-intensive year. The budget forecasts to deliver 16.2% of the ten-year capital expenditures in 2023. The FY 2023 capital budget total is \$21.3 million out of the ten-year program of \$131.1 million. Over the ten-year program, \$32.1 million is planned for R&R expenditures, \$91.6 million is planned for CIP expenditures, and \$7.4 million is planned for Fleet and Facilities expenditures. The District maintains the required minimum debt coverage ratio of 1.25%.

2023 Clark Regional Wastewater District Adopted Budget



Annual capital expenditures over the ten-year period average around \$13.11 million, with a minimum of \$8.8 million in 2026 and a maximum of \$21.3 million in 2023.



The Capital Program tables on the next page identify all capital projects or purchases anticipated for 2023 through 2032 for the District's Central service area and Ridgefield service area. This includes ten specific R&R projects and budgeted amounts for 12 R&R programs, 47 CIP projects or programs, two (2) vehicles and five (5) other programs to purchase or replace equipment and maintain facilities.

Approximately 750 miles of pipe and 85 pump stations currently exist in the District's system. The 2023-2032 Capital Program represents about 15 miles of additional gravity and pressure sewers, seven (7) new pump stations and upgrading six (6) pump stations.

Capital Program 2023-2032

Existing Assets Restoration and Replacement

Central Service Area		Ten-Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Septic Elimination, Restoration and Replacement		Program										
CIP - Septic Elimination Program												
Septic Project Allowance		\$4,850,000	\$0	\$50,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Curtin Creek Phase 1 SEP		\$2,170,000	\$2,170,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Restoration and Replacement - Gravity Totals		\$7,020,000	\$2,170,000	\$50,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Restoration and Replacement - Gravity												
R&R Gravity Program Allowance		\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000	\$250,000	\$250,000
Spot Repair Program		\$900,000	\$75,000	\$75,000	\$75,000	\$75,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Pavement Repair and Manhole Adjustment Program		\$1,320,000	\$125,000	\$125,000	\$125,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
Lining Program		\$7,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$1,000,000
Main Repair Program		\$3,000,000	\$1,000,000	\$0	\$0	\$1,000,000	\$0	\$0	\$1,000,000	\$0	\$0	\$0
I&I Program		\$240,000	\$0	\$0	\$0	\$0	\$0	\$80,000	\$0	\$80,000	\$0	\$80,000
Access Manhole Program		\$450,000	\$150,000	\$0	\$0	\$150,000	\$0	\$0	\$150,000	\$0	\$0	\$0
Salmon Creek Treatment Plant MH 14-2594 Diversion		\$65,000	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Restoration and Replacement - Gravity Totals		\$13,975,000	\$1,415,000	\$1,200,000	\$1,200,000	\$1,360,000	\$1,235,000	\$1,315,000	\$1,635,000	\$1,565,000	\$1,485,000	\$1,565,000
Restoration and Replacement - Pump Stations and Force Mains												
Pump Station and Force Main Program Allowance		\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Pump Station and Force Main Program		\$500,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
STEP System Replacement Program		\$100,000	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SCADA and Telemetry Upgrade Program		\$100,000	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Glenwood Pump Station ARV Replacement		\$2,800,000	\$250,000	\$2,550,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Knoll Ridge West Pump Station Replacement		\$1,190,000	\$1,190,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Knoll Ridge South Pump Station Replacement		\$800,000	\$800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oro-Vega Pump Station Replacement		\$685,000	\$0	\$50,000	\$635,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plantation Pump Station Replacement		\$365,000	\$0	\$50,000	\$315,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mill Creek Pump Station Restoration		\$615,000	\$0	\$0	\$90,000	\$525,000	\$0	\$0	\$0	\$0	\$0	\$0
Restoration & Replacement - Pump Station and Force Main Tot		\$9,655,000	\$2,390,000	\$2,800,000	\$685,000	\$455,000	\$575,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000
TOTAL DISTRICT RESTORATION AND REPLACEMENT		\$30,650,000	\$5,975,000	\$4,050,000	\$2,485,000	\$2,415,000	\$2,410,000	\$2,465,000	\$2,785,000	\$2,715,000	\$2,635,000	\$2,715,000
Ridgefield Service Area		Six-Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Restoration and Replacement Account		Program										
Restoration and Replacement - Gravity												
Ridgefield Repair Program		\$600,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
Restoration & Replacement - Gravity Totals		\$600,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
Restoration and Replacement - Pump Stations and Force Mains												
Ridgefield Pump Station and Force Main Program		\$500,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Abrams Park Pump Station Replacement		\$220,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taverner Force Main Access Structures		\$105,000	\$0	\$0	\$0	\$15,000	\$90,000	\$0	\$0	\$0	\$0	\$0
Restoration & Replacement - Pump Station Totals		\$825,000	\$60,000	\$240,000	\$40,000	\$55,000	\$130,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
TOTAL RIDGEFIELD RESTORATION AND REPLACEMENT		\$1,425,000	\$110,000	\$290,000	\$90,000	\$105,000	\$180,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
TOTAL RESTORATION AND REPLACEMENT		\$32,075,000	\$6,085,000	\$4,340,000	\$2,575,000	\$2,520,000	\$2,590,000	\$2,595,000	\$2,915,000	\$2,845,000	\$2,765,000	\$2,845,000

Capital Program 2023-2032

New Assets Capital Improvement

Central Service Area		Ten-Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Capital Improvement Project Account		Program										
CIP - General Facilities Projects (Trunks, Pump Stations, Force Mains)												
General Sewer Plan Update		\$600,000	\$50,000	\$150,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$50,000	\$150,000
Union Road Pump Station Upgrade		\$4,000	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Whipple Creek North Pump Station Upgrade		\$1,320,000	\$1,320,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NE 20th Avenue Trunk		\$3,385,000	\$3,385,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mt Vista Trunk Upgrade		\$420,000	\$20,000	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCWTS Phase 2		\$7,580,000	\$300,000	\$1,880,000	\$300,000	\$300,000	\$4,800,000	\$0	\$0	\$0	\$0	\$0
Schuller Force Main Upgrade		\$620,000	\$0	\$10,000	\$610,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payne Pump Station Redirection		\$690,000	\$0	\$0	\$90,000	\$600,000	\$0	\$0	\$0	\$0	\$0	\$0
Pleasant Valley North Pump Station Upgrade		\$330,000	\$0	\$0	\$0	\$20,000	\$310,000	\$0	\$0	\$0	\$0	\$0
Neil Kimsey Force Main Upgrade		\$12,500,000	\$50,000	\$150,000	\$500,000	\$500,000	\$500,000	\$4,400,000	\$6,400,000	\$0	\$0	\$0
Legacy Pump Station Upgrade		\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000
NE 99th Street CRP (94th Ave - SR 503)		\$750,000	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NE 179th Street and NE 29th Avenue Intersection Improvement		\$2,600,000	\$150,000	\$150,000	\$1,000,000	\$0	\$0	\$0	\$1,300,000	\$0	\$0	\$0
NE 179th Street CRP (NE Delfel Road - NE 15th Ave)		\$3,070,000	\$10,000	\$10,000	\$50,000	\$100,000	\$200,000	\$1,100,000	\$400,000	\$400,000	\$400,000	\$400,000
General Facilities Totals		\$34,269,000	\$6,039,000	\$2,750,000	\$2,750,000	\$1,520,000	\$5,810,000	\$5,500,000	\$8,100,000	\$400,000	\$650,000	\$750,000
CIP - District Installed Infrastructure (Extending Local Collection)												
Curtin Creek Gravity Trunk		\$1,300,000	\$0	\$650,000	\$650,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Installed Infrastructure Totals		\$1,300,000	\$0	\$650,000	\$650,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CIP - Developer Reimbursement												
Developer Reimbursement Project Allowance		\$4,400,000	\$200,000	\$200,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
District Installed Laterals Allowance		\$120,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Whipple Creek West Pump Station and Force Main		\$1,850,000	\$1,850,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NW 11th Avenue Gravity Trunk		\$1,555,000	\$1,555,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pleasant Valley North Pump Station C		\$1,250,000	\$0	\$1,250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Whipple Creek Trunk (Killian Commercial)		\$350,000	\$0	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Whipple Creek East Pump Station F and Force Main		\$2,500,000	\$0	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Curtin Creek West Pump Station C		\$2,875,000	\$0	\$0	\$375,000	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$0
Neil Kimsey Trunk		\$747,500	\$0	\$0	\$97,500	\$650,000	\$0	\$0	\$0	\$0	\$0	\$0
209th St Pump Station Trunk		\$4,720,000	\$0	\$0	\$0	\$0	\$0	\$0	\$720,000	\$4,000,000	\$0	\$0
Developer Reimbursement Totals		\$20,367,500	\$3,617,000	\$4,312,000	\$887,000	\$3,109,500	\$1,162,000	\$512,000	\$1,232,000	\$4,512,000	\$512,000	\$512,000
TOTAL DISTRICT CAPITAL IMPROVEMENT		\$55,936,500	\$9,656,000	\$7,712,000	\$4,287,000	\$4,629,500	\$6,972,000	\$6,012,000	\$9,332,000	\$4,912,000	\$1,162,000	\$1,262,000

Capital Program 2023-2032

New Assets Capital Improvement Projects

(continued)

Ridgefield Service Area	Ten-Year Program	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Capital Improvement Project Account											
CIP - General Facilities Projects (Trunks, Pump Stations, Force Mains)											
South Junction Trunk Upgrade	\$1,760,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gee Creek Meadows Pump Station Upgrade	\$2,150,000	\$50,000	\$200,000	\$1,900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Royle Road Pump Station Pump Addition	\$500,000	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gee Creek Plateau Pump Station and Force Main	\$5,520,000	\$70,000	\$50,000	\$200,000	\$200,000	\$200,000	\$2,400,000	\$2,400,000	\$0	\$0	\$0
Gee Creek Meadows Force Main Redirection	\$2,155,000	\$65,000	\$10,000	\$10,000	\$10,000	\$10,000	\$100,000	\$200,000	\$1,750,000	\$0	\$0
Kennedy Farms Pump Station Upgrade	\$960,000	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000	\$840,000	\$0	\$0
Marina Pump Station Upgrade and Force Main	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$400,000	\$2,500,000	\$0
Pioneer Canyon Pump Station Upgrade	\$700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000	\$300,000
Marina Pump Station Trunk	\$2,280,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$250,000	\$1,930,000
COR Pioneer Street Extension Project2	\$180,000	\$180,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COR S 45th Ave North Project2	\$60,000	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COR S 45th Ave Culvert Project2	\$60,000	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COR N 50th Ave Roundabout and Pioneer St Widening Project2	\$210,000	\$10,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COR S 45th Ave South Project2	\$60,000	\$0	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Local Agency Partnership Allowance	\$1,600,000	\$0	\$0	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
General Facilities Totals	\$21,195,000	\$2,255,000	\$520,000	\$2,810,000	\$410,000	\$410,000	\$2,700,000	\$3,020,000	\$3,490,000	\$3,150,000	\$2,430,000
CIP - Developer Reimbursement											
Ridgefield Developer Reimbursement Project Allowance	\$4,100,000	\$50,000	\$50,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Ridgefield District Installed Laterals Allowance	\$50,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
McCormick Creek Pump Station	\$1,600,000	\$1,600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carty Road Pump Station	\$1,750,000	\$250,000	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Heron Ridge East Pump Station and Force Main	\$1,300,000	\$0	\$1,300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Boschma Trunk (Seton)	\$2,530,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$330,000	\$2,200,000	\$0
Gee Creek East Pump Station C	\$3,105,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$405,000	\$2,700,000
Developer Reimbursement Totals	\$14,435,000	\$1,905,000	\$2,855,000	\$505,000	\$505,000	\$505,000	\$505,000	\$505,000	\$835,000	\$3,110,000	\$3,205,000
TOTAL RIDGEFIELD CAPITAL IMPROVEMENT	\$55,630,000	\$4,160,000	\$3,375,000	\$3,315,000	\$915,000	\$915,000	\$3,205,000	\$3,525,000	\$4,325,000	\$6,260,000	\$5,635,000
TOTAL CAPITAL IMPROVEMENT	\$91,566,500	\$13,816,000	\$11,087,000	\$7,602,000	\$5,544,500	\$7,887,000	\$9,217,000	\$12,857,000	\$9,237,000	\$7,422,000	\$6,897,000

Capital Program 2023-2032

Fleet and Facilities

FLEET AND FACILITIES		Ten-Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Program		Program										
Fleet												
District Fleet		\$1,790,000	\$500,000	\$360,000	\$230,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
SCTP Fleet		\$1,026,000	\$191,000	\$325,000	\$74,000	\$209,000	\$140,000	\$0	\$17,000	\$50,000	\$20,000	\$0
Fleet Totals		\$2,816,000	\$691,000	\$685,000	\$304,000	\$309,000	\$240,000	\$100,000	\$117,000	\$150,000	\$120,000	\$100,000
Facilities & IT												
Campus Capital Program		\$2,245,000	\$277,500	\$452,500	\$180,000	\$180,000	\$50,000	\$110,000	\$50,000	\$160,000	\$600,000	\$185,000
Pump Station Facilities & Site Work		\$175,000	\$10,000	\$10,000	\$10,000	\$35,000	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
O&M Tools & Equipment		\$420,000	\$60,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
ERP System and Implementation		\$550,000	\$250,000	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Internet Technology and Office Equipment		\$1,233,400	\$80,500	\$94,200	\$45,000	\$190,900	\$483,100	\$25,500	\$85,200	\$0	\$103,300	\$125,700
Facility Totals		\$4,623,400	\$678,000	\$886,700	\$275,000	\$445,900	\$583,100	\$195,500	\$195,200	\$220,000	\$763,300	\$370,700
TOTAL FLEET AND FACILITIES		\$7,439,400	\$1,369,000	\$1,581,700	\$579,000	\$754,900	\$823,100	\$295,500	\$312,200	\$370,000	\$883,300	\$470,700

Capital Plan 2023-2032

Central Service Area Existing Assets – Project Summaries

Restoration and Replacement - Gravity

R&R Gravity Program Allowance

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

Spot Repair Program

Cost: \$900,000

Scope: This is an annual program for maintaining reliable service by restoring and replacing localized “hot spot” areas in sewer infrastructure. Projects are identified via closed-circuit television (CCTV) inspections, cleaning records, and customer reports. Projects generally include lateral repair, manhole repair, and facility abandonment.

Basis: Condition

Pavement Repair and Manhole Adjustment Program

Cost: \$1,320,000

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

Lining Program

Cost: \$7,000,000

Scope: The program includes a series of projects to address structural and re-occurring maintenance issues using trenchless repair methods. Projects identified via Operations and Engineering review of maintenance records and the District’s Risk Assessment Tool. Projects include CIPP installation for mainlines and laterals.

Basis: Condition



Main Repair Program

Cost: \$3,000,000

Scope: The program includes projects to maintain reliable service by repairing mainlines that carry high risk or have costly operational needs. Projects identified via Operations and Engineering review of maintenance records and the District's Risk Assessment Tool. Projects include open-cut repair for mainlines and laterals.

Basis: Condition

Infiltration and Inflow (I & I) Program

Cost: \$240,000

Scope: This program includes projects to maintain reliable service by removing sources of infiltration and inflow from the collection system. Projects are identified via CCTV inspection and maintenance reports of excessive I&I in manholes. Projects include pipe and manhole grouting, coating, and repair.

Basis: Capacity

Access Manhole Program

Cost: \$450,000

Scope: This program includes projects to create access to existing pipelines for ongoing maintenance. Projects identified during attempts to retrieve CCTV inspection and attempts to conduct maintenance monitoring activities. Projects include new manhole installation.

Basis: Condition

Salmon Creek Treatment Plant Diversion

Cost: \$65,000

Scope: Install 20 feet of 10-inch gravity trunk and modify a manhole to install two weir gates. The weir gates will divert flow from the Cougar Canyon South basin to the Westside Treatment Plant and provide long-term flexibility. Address the defect in the sewer receiving flow to ensure reliability.

Basis: Condition

Restoration and Replacement – Pump Stations & Force Mains

Pump Station and Force Main Program Allowance

Cost: \$2,500,000

Scope: This program allowance provides for restoration and replacement needs that result from future pump station and force main condition and risk assessments.

Basis: Condition

Pump Station and Force Main Program

Cost: \$500,000

Scope: This program allowance provides for annual pump, mechanical and electrical repairs and replacements over \$5,000. Projects are identified by District staff.

Basis: Condition

STEP System Replacement Program

Cost: \$100,000

Scope: Inventory and develop a program to systematically replace STEP systems and/or components.

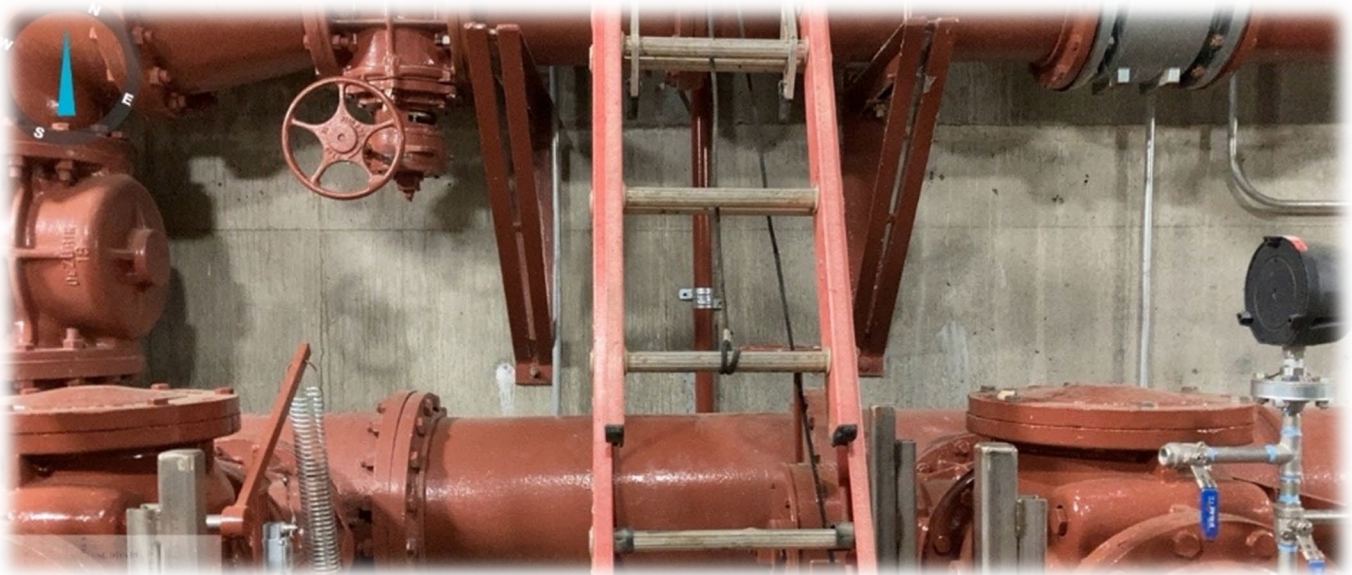
Basis: Condition

SCADA and Telemetry Upgrade Program

Cost: \$100,000

Scope: Upgrade equipment to standardize maintenance and maintain reliable sewer service.

Basis: Condition



Glenwood Pump Station ARV Replacement

Cost: \$2,800,000

Scope: Upgrade the existing force main valve system to ensure protection of the force main.

Basis: Condition

Knoll Ridge West Pump Station Replacement

Cost: \$1,190,000

Scope: This project will construct a new wetwell, valve vault, valves, piping, and other appurtenances. The project will also reconstruct 96 feet of existing gravity sewer.

Basis: Condition

Knoll Ridge South Pump Station Replacement

Cost: \$800,000

Scope: This project will construct a new wetwell, valve vault, valves, piping, and other appurtenances.

Basis: Condition

Oro-Vega Pump Station Replacement

Cost: \$685,000

Scope: This project upgrades the existing pump station by installing a new top slab on the wetwell, new vaults and associated force main, a new generator, electrical and control equipment, and a new shelter.

Basis: Condition

Plantation Pump Station Replacement

Cost: \$365,000

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: \$615,000

Scope: Update existing pump station site and facilities to increase reliability and monitoring capabilities. Site improvements include a new concrete slab and flood wall to prevent Mill Creek floodwaters from entering the pump station. Facility updates include lining the wet well, installing piping for emergency bypass pumping using portable surface-mounted pumps, and installing a new valve vault with a flow meter.

Basis: Condition

Ridgefield Service Area Existing Assets – Project Summaries

Restoration and Replacement - Gravity

Ridgefield Repair Program

Cost: \$600,000

Scope: This program allowance provides for minor repair and replacement projects. The program includes lateral repairs.

Basis: Condition

Restoration and Replacement – Pump Stations & Force Mains

Ridgefield Pump Station and Force Main Program

Cost: \$500,000

Scope: This program allowance provides for annual pump, mechanical and electrical repairs, and replacements over \$5,000. Projects are identified by District staff.

Basis: Condition



Abrams Park Pump Station Replacement

Cost: \$220,000

Scope: Replace the existing pump station with a new grinder pump for reliability and to decrease maintenance costs.

Basis: Condition

Taverner Force Main Access Structures

Cost: \$105,000

Scope: Install two to three points of access to the force main currently Taverner 1. Access structures, isolation valves, and locate stations will be located near 90-degree bends for periodic cleaning and maintenance.

Basis: Condition

Central Service Area New Assets – Project Summaries

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

General Sewer Plan Update

Cost: \$600,000

Scope: The District prepares a General Sewer Plan (GSP) to support Clark County's Growth Management Plan. The last GSP was adopted in 2017. It is anticipated that the County will update its Growth Management Plan by June 2025. The District's service area has seen and continues to experience significant growth and economic potential in Clark County. As a result, the District is planning for a future GSP update that will include the initiation of a flow monitoring program and an update to the District's hydraulic model.

Basis: Planning

Union Road Pump Station Upgrade

Cost: \$4,000

Scope: Continue to have Clark County staff assist in the fulfillment of Clark County permit requirements.

Basis: Capacity

Whipple Creek North Pump Station Upgrade

Cost: \$1,320,000

Scope: Increase capacity at the Whipple Creek North Pump Station from the current rated capacity of 358 gpm to serve the flow from nearby development and the abandonment of the Fairground Pump Station as part of the NE 179th Street CRP. The 2036 hydraulic load to the Whipple Creek North Pump Station is estimated to be 950 gpm.

Basis: Capacity

NE 20th Avenue Trunk

Cost: \$3,385,000

Scope: Upgrade the NE 20th Avenue Trunk sewer between NE 155th Street and NE 139th Street to accommodate additional flow from Ridgefield and growth in the Central Service Area.

Basis: Capacity

Mt Vista Trunk Upgrade

Cost: \$420,000

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 2

Cost: \$7,580,000

Scope: Upgrade the capacity of the Pioneer Canyon, Neil Kimsey Regional, and Legacy pump station and force main systems. Address current facility deficiencies and enhance monitoring of the facilities.

Basis: Capacity

Schuller Force Main Upgrade

Cost: \$620,000

Scope: Upsize the existing force main to increase firm pump capacity at the Schuller Pump Station to serve the Schuller Mini-Basin.

Basis: Capacity

Payne Pump Station Redirection

Cost: \$690,000

Scope: Install new force main in NE 29th Avenue to connect to the existing gravity system in NE 166th Way.

Basis: System Optimization

Pleasant Valley North Pump Station Upgrade

Cost: \$330,000

Scope: Install new pumps to increase the capacity of the station to 670 gpm.

Basis: Capacity

Neil Kimsey Force Main Upgrade

Cost: \$12,500,000

Scope: Increase 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

Legacy Pump Station Upgrade

Cost: \$400,000

Scope: This project addresses a capacity need by upgrading the Legacy Pump Station.

Basis: Capacity

NE 99th Street CRP (NE 94th Avenue – SR 503)

Cost: \$750,000

Scope: This project extends service in conjunction with a County Road Project along NE 99th Street from NE 94th Avenue to SR 503 (NE 117th Avenue). The project consists of 2,830 feet of gravity line and abandonment of Country Meadows Pump Station.

Basis: Extending Service

NE 179th Street and NE 29th Avenue Intersection Improvement

Cost: \$2,600,000

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 Road – NE 15th Avenue)

Cost: \$3,070,000

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 900 feet of gravity trunk and allows for the abandonment of the Fairgrounds Pump Station.

Basis: Extending Service

District Installed Infrastructure (DII)

Curtin Creek Gravity Trunk

Cost: \$1,300,000

Scope: This project extends service north of NE 119th Street from the new Curtin Creek Pump Station west to NE 72nd Avenue. The project consists of 2,000 feet of 8-inch gravity main to serve the Fire Station and adjacent parcels along NE 72nd Avenue.

Basis: Extending Service

Developer Reimbursement

Developer Reimbursement Project Allowance

Cost: \$4,400,000

Scope: This allowance provides for future developer reimbursements to construct pump stations, force mains, and trunk sewers in the Central service area in accordance with the General Sewer Plan.

Basis: Extending Service

District Installed Laterals Allowance

Cost: \$120,000

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: \$1,850,000

Scope: Install a new pump station to serve the northern area of the Whipple Creek West basin and collect flow from 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

NW 11th Avenue Gravity Trunk

Cost: \$1,555,000

Scope: To convey flows from the future Whipple Creek West Pump Station A, 2,300 feet of a 12-inch gravity trunk line will be installed.

Basis: Extending Service

Pleasant Valley North Pump Station C

Cost: \$1,250,000

Scope: Install a new pump station 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

Whipple Creek Trunk (Killian Commercial)

Cost: \$350,000

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

Whipple Creek East Pump Station F and Force Main

Cost: \$2,500,000

Scope: Install a new duplex 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 on NE 29th Avenue at NE 174th Street or on NE 179th Street at NE 20th Avenue.

Basis: Extending Service

Curtin Creek West Pump Station C

Cost: \$2,875,000

Scope: Provide a new pump station and force main to serve the eastern portion of Curtin Creek West Mini-Basin.

Basis: Extending Service



Neil Kimsey Trunk

Cost: \$747,000

Scope: The future pump station at 209th Street conveys flow back to the Neil Kimsey Pump Station. The discharge from the 209th Street PS flows by gravity in a northerly direction to the north bound rest area and the Neil Kimsey Pump Station. Approximately 1,100 LF of 12-inch gravity trunk will be required to accommodate the anticipated 50-year growth forecast.

Basis: Extending Service

209th St Pump Station Trunk

Cost: \$4,720,000

Scope: This gravity trunk will be required to accommodate the anticipated 50-year growth forecast in the Urban Growth Area.

Basis: Extending Service

Septic Elimination Program (SEP)

Septic Project Allowance

Cost: \$4,850,000

Scope: The District invests approximately \$400,000 in the Septic Elimination Program on an annual basis. New projects will be identified for future years.

Basis: Septic Elimination

Curtin Creek Phase 1 SEP

Cost: \$2,170,000

Scope: Assist neighborhood bounded by NE 105th Street, NE 94th Avenue, NE 102nd Street, and NE 86th Avenue by making public sanitary sewer available. 3,700 feet of 8-inch gravity main with 72 – 4-inch gravity laterals.

Basis: Septic Elimination

Ridgefield Service Area New Assets – Project Summaries

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

South Junction Trunk Upgrade

Cost: \$1,760,000

Scope: Upgrade existing 8-inch gravity main to 10-inch gravity trunk to match the rest of the trunk service to the southern portion of the Ridgefield Junction to provide increased capacity to serve the southern portion of the Ridgefield Junction in support of economic development and jobs creation.

Basis: Capacity

Gee Creek Meadows Pump Station Upgrade

Cost: \$2,150,000

Scope: Install a new 120-inch wet well, replace two existing pumps with larger pumps, upgrade the electrical system of the existing pump station to comply with current safety and building codes, and improve the station's operation efficiency. Increase the capacity of the pump station to 950 gpm to accommodate 2036 projected flow to the station.

Basis: System Optimization

Royle Road Pump Station Pump Addition

Cost: \$500,000

Scope: Increase pump station capacity to 1,390 gpm by installing 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: \$5,520,000

Scope: Construct a pump station and force main to deliver flow from the Gee Creek Meadows Pump Station to Pioneer Canyon Pump Station.

Basis: System Optimization

Gee Creek Meadows Force Main Redirection

Cost: \$2,155,000

Scope: Construct force main from Gee Creek Meadows Pump Station to the future Gee Creek Plateau Pump Station.

Basis: System Optimization

Kennedy Farms Pump Station Upgrade

Cost: \$960,000

Scope: Upgrade the Kennedy Farms Pump Station to meet projected capacity needs in the Ridgefield Service Area.

Basis: Capacity

Marina Pump Station Upgrade and Force Main

Cost: \$3,000,000

Scope: Upgrade the Marina Pump Station and associated force main to meet projected capacity needs in the Ridgefield Service Area.

Basis: Capacity



Pioneer Canyon Pump Station Upgrade

Cost: \$700,000

Scope: Upgrade the Pioneer Canyon Pump Station to meet projected capacity needs in the Ridgefield Service Area.

Basis: Capacity

Marina Pump Station Trunk

Cost: \$2,280,000

Scope: Construct force main from Marina Pump Station.

Basis: System Optimization

Pioneer Street Extension Project

Cost: \$180,000

Scope: Extend sewer north to serve the future Clark College campus north of Pioneer Street. Extend sewer east to further service along S 5th Street as identified in the General Sewer Plan.

Basis: Extending Service

S 45th Avenue North Project

Cost: \$60,000

Scope: The City of Ridgefield is improving S 45th Avenue between S 15th St and S 3rd Way. The District has gravity sewer and the Royle Road Pump Station and force main through this corridor that needs to be protected.

Basis: Condition

S 45th Avenue Culvert Project

Cost: \$60,000

Scope: The City of Ridgefield is improving S 45th Avenue at the crossing of Gee Creek. The District has gravity sewer and the Royle Road Pump Station and force main through this corridor that needs to be protected.

Basis: Condition

N 50th Avenue Roundabout and Pioneer Street Widening

Cost: \$210,000

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

S 45th Avenue South Project

Cost: \$60,000

2023 Clark Regional Wastewater District Adopted Budget

Scope: The City of Ridgefield is improving S 45th Avenue between Hillhurst and S 19th Street. The District has gravity sewer and the Royle Road Pump Station and force main through this corridor that needs to be protected.

Basis: Condition

Ridgefield Local Agency Partnership Allowance

Cost: \$1,600,000

Scope: Allowance to participate in local Agency-led projects and extend sewer service in the Ridgefield service area.

Basis: Extending Service

Developer Reimbursement



Developer Reimbursement Project Allowance

Cost: \$4,100,000

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

District Installed Laterals Allowance

Cost: \$50,000

Scope: This allowance provides for side sewers to be constructed in conjunction with private development projects.

Basis: Extending Service

McCormick Creek Pump Station

Cost: \$1,600,000

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

Carty Road Pump Station

Cost: \$1,750,000

Scope: Install pump station and force main to extend service to proposed residential developments along NW Carty Road.

Basis: Extending Service

Heron Ridge East Pump Station and Force Main

Cost: \$1,300,000

Scope: Provide a new submersible pump station with a 2036 capacity of 50 gpm and a 50-year capacity of approximately 100 gpm and new 4-inch force main for an approximate distance of 600 feet to serve the Heron Ridge Mini-Basin

Basis: Extending Service

Boschma Trunk (Seton)

Cost: \$2,530,000

Scope: Provide a new trunk in the Seton region.

Basis: Extending Service

Gee Creek East Pump Station C

Cost: \$3,105,000

Scope: Provide new Pump Station and Force main to serve the Gee Creek East Mini-Basin.

Basis: Extending Service

Fleet and Facilities

Fleet

District Fleet

Cost: \$1,790,000

Scope: Replace and purchase new vehicles as needed based on current fleet analysis and business needs.

Basis: Operational Optimization

SCTP Fleet

Cost: \$1,026,000

Scope: Replace and purchase new vehicles as needed based on current fleet analysis and business needs.

Basis: Operational Optimization

Facilities & IT

Campus Capital Program

Cost: \$2,245,000

Scope: The Campus Capital Program includes capital and restoration and replacement work for the ongoing maintenance and improvement of the facilities, grounds, building systems, and site at the District Campus.

Basis: Operational Optimization

Pump Station Facilities & Site Work

Cost: \$175,000

Scope: Work includes as-needed improvements and restoration and replacement of buildings, kiosks, paving, grounds, and landscaping. Includes roofing and painting of Glenwood, pressure washing and sealing of brick façade at multiple stations, site paving maintenance, maintenance, repair, and replacement of electrical panel kiosks at multiple stations.

Basis: Condition

O&M Tools & Equipment

Cost: \$420,000

Scope: Replace or purchase new operational tools and equipment, including pumps, odor control equipment, and other miscellaneous tools.

Basis: Operational Optimization

ERP System and Implementation

Cost: \$550,000

Scope: To procure and implement an Enterprise Resource Planning (ERP) System. The selection of a new system will be based on a 2023 Districtwide needs assessment.

Basis: Operational Optimization

Internet Technology and Office Equipment

Cost: \$1,223,400

Scope: Procure new, replace, maintain, and upgrade systems, servers, computers, peripherals, services, office printers, copiers, plotters, and other office machines.

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 statute and administrative regulation.
- 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 are adopted by the Board of Commissioners on October 25, 2022, through Resolution #1857 and are summarize 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 timely pay debt service as it becomes due.

Debt Service Reserve:

Funding: Sewer service rates

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

Existing Assets Replacement and Restoration (R&R):

Funding: Sewer service rates

Reserves: Greater of 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 interest of the District and its stakeholders.

Investment Policy

The District operates under a separately adopted Investment Policy, adopted by the Board of Commissioners on May 25, 2021, through Resolution #1814. 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 interest 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

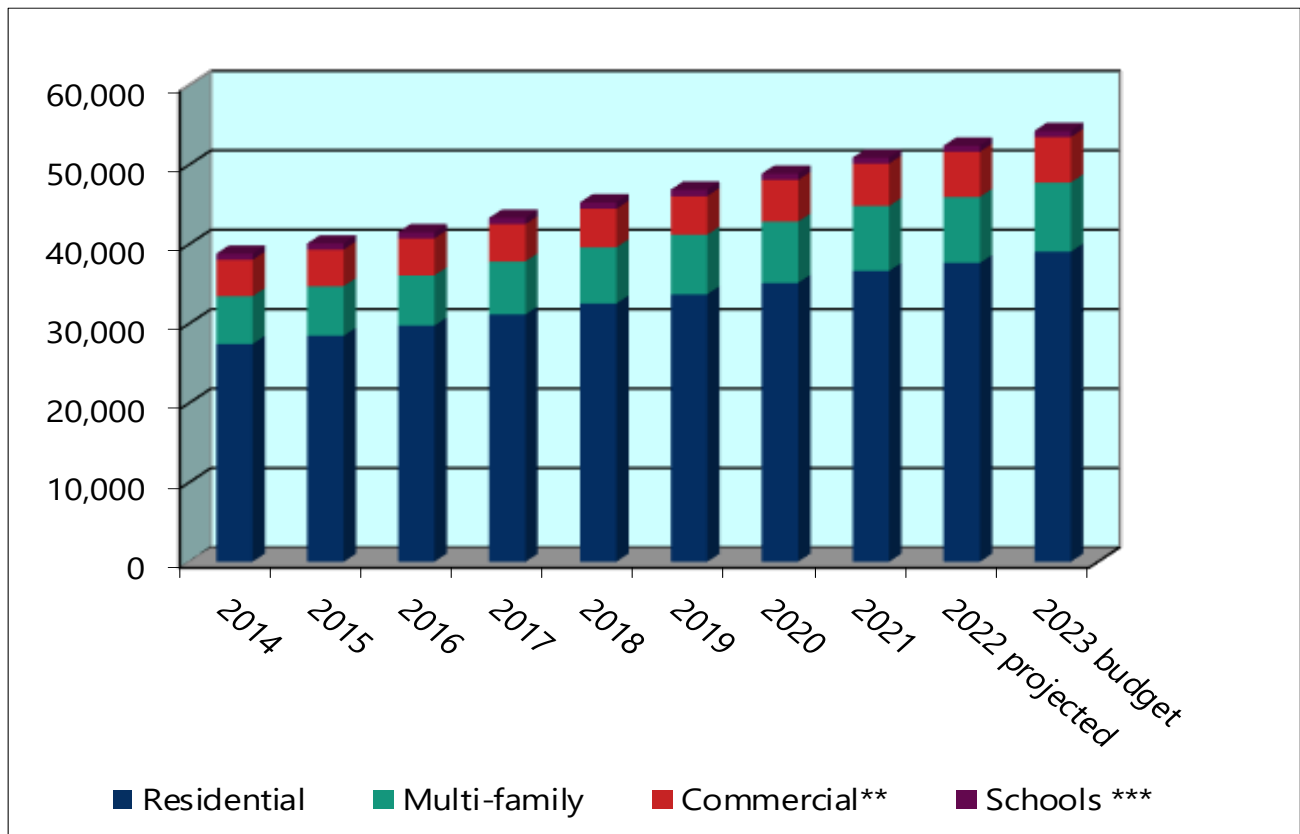
The District operates under a separately adopted Purchasing Policy, adopted by the Board of Commissioners on August 9, 2022, through Resolution #1851. The Board-adopted Purchasing Policy will be reviewed and modified periodically to ensure that it continues to meet the District's financial objectives 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 June 28, 2022, through Resolution #1847. 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
2014	27,432	6,000	4,582	777	38,791
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 projected	37,634	8,301	5,675	783	52,393
2023 budget	39,054	8,698	5,716	783	54,251



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

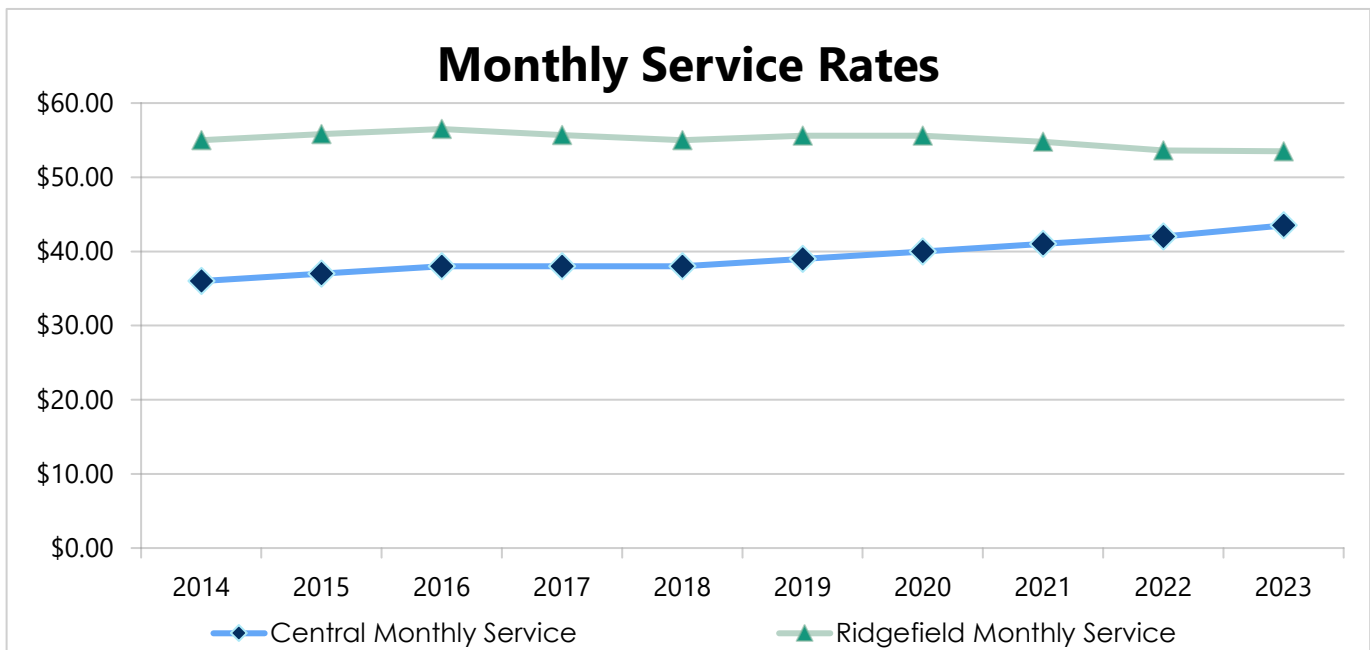
Year	Central Monthly Service	Ridgefield Monthly Service	System Development Charge		
			VTP	SCTP	RFTP
2014	36.00	55.00	1,720	4,708	7,550
2015	37.00	55.80	1,720	4,708	7,550
2016	38.00	56.50	1,720	4,708	7,550
2017	38.00	55.70	1,720	4,708	7,550
2018	38.00	55.00	1,720	4,708	7,550
2019	39.00	55.60	2,120	5,108	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

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 and 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 for 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.



Appendix 4 – Where Does My Money Go?

Central Service Area \$43.50

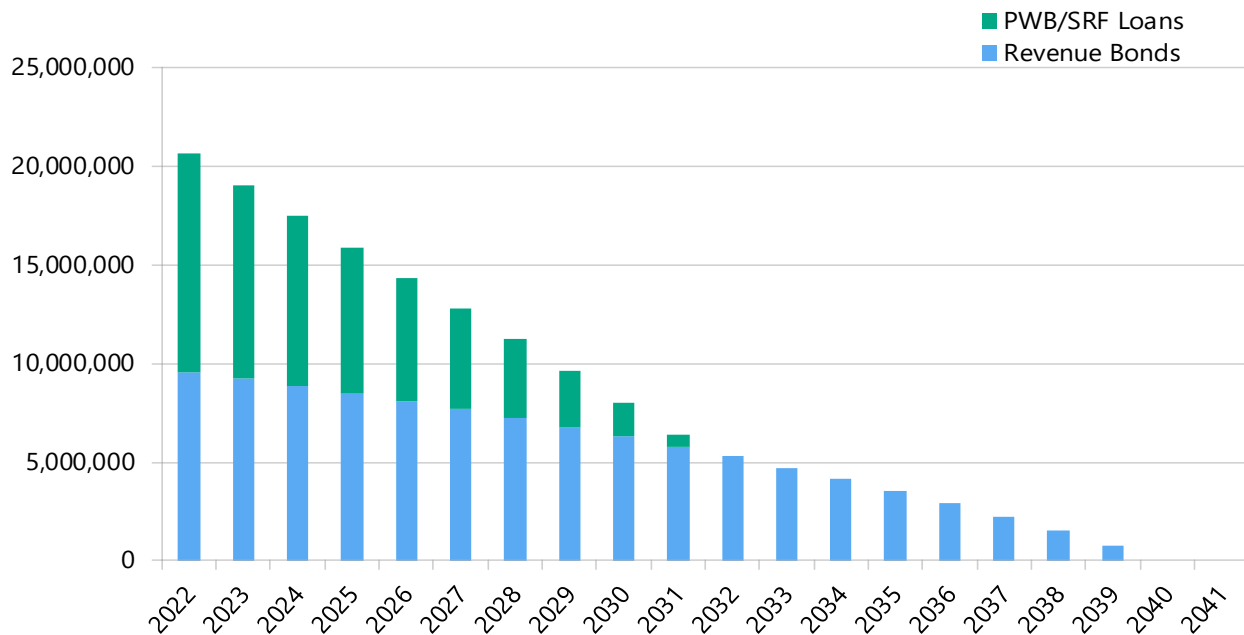


Ridgefield Service Area \$53.50



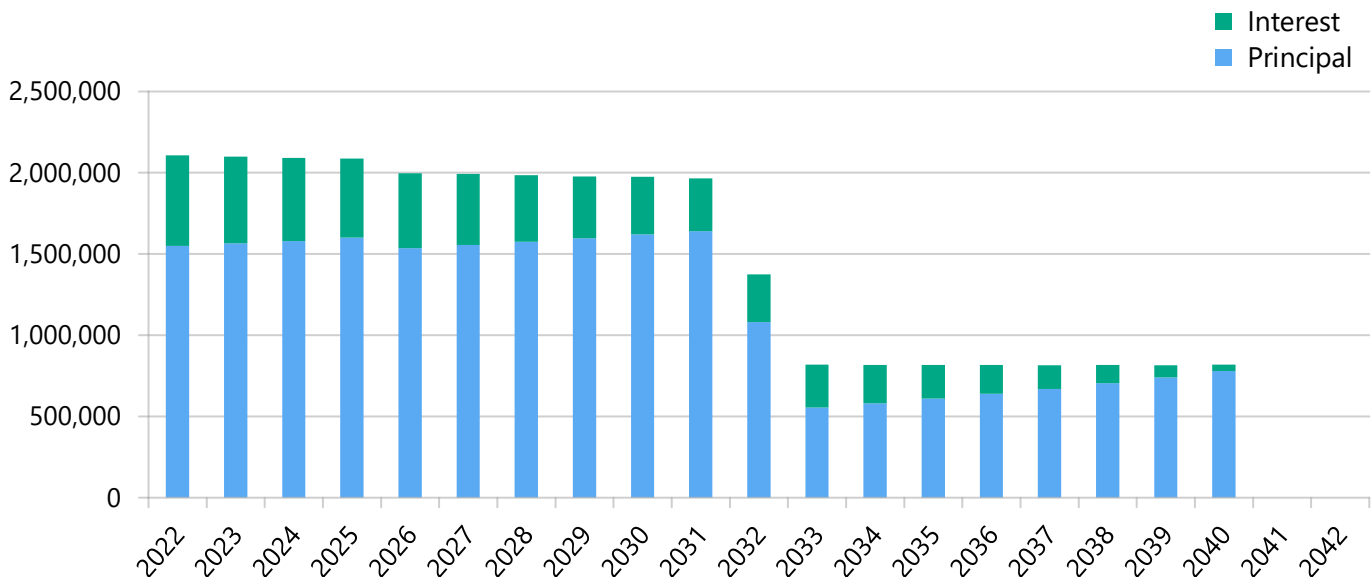
Appendix 5 – Outstanding Debt/Loans by Type

Year	Revenue Bonds	PWB/SRF Loans	Total
2022	9,555,000	11,078,449	20,633,449
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	-	-	-



Appendix 6 – Debt/Loans Repayment Schedule

Year	Principal	Interest	Total
2022	1,550,162	557,198	2,107,360
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	-	-	-
	<u>\$ 22,183,612</u>	<u>\$ 6,002,796</u>	<u>\$ 28,186,407</u>



Appendix 7 – Limitation of Indebtedness

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 \$28,235,256,241, which calculates to a legal debt limit of \$141,176,281. The District's total debt outstanding as of 12/31/2022 is \$20,633,448.

BOND COVERAGE RATIO					
	Actual 2019	Actual 2020	Actual 2021	Budget 2022	Budget 2023
Operating Revenues					
Charges for Services	\$ 21,160,087	\$ 22,504,841	\$ 24,340,849	\$ 25,860,303	\$ 27,668,707
Other Operating Revenues	2,661,269	1,384,218	1,255,190	5,918,496	9,929,000
Total Operating Revenue	23,821,356	23,889,059	25,596,039	31,778,799	37,597,707
Operating Expenses					
Salaries, Wages and Benefits	6,895,227	7,509,670	8,109,907	10,052,275	12,486,193
Sewerage Treatment	11,661,011	11,565,669	12,831,803	12,833,000	16,108,316
Other Operating Expenses*	3,379,047	3,355,080	4,689,139	7,279,402	9,230,450
Total Operating Expenses	21,935,285	22,430,419	25,630,849	30,164,677	37,824,959
Net Operating Income					
Non-Operating Income					
Interest Income	1,212,650	903,970	596,153	553,371	617,420
Other non-operating revenues	1,172,974	797,500	758,000	964,000	964,000
Gain/loss on disposal of capital assets	(228,256)	290	24,672	-	-
Interest Expense	(119,554)	(360,358)	(579,243)	(557,198)	(534,402)
Other non-operating expense	(368,469)	(295,787)	-	-	-
Total Non-Operating Income	1,669,345	1,045,615	799,582	960,173	1,047,018
Capital Contributions (Cash)**	10,082,833	10,814,312	12,728,271	12,988,900	10,500,332
Net Revenue Available For Debt Service***	13,757,803	13,678,925	14,072,286	16,120,393	11,854,500
Debt service on issued bonds	(600,000)	(318,438)	(819,500)	(819,000)	(817,750)
Debt service on junior lien obligations	(1,307,998)	(1,301,452) *	(1,294,906)	(1,288,360)	(1,281,814)
Net Revenue Available for Other Purposes	11,849,805	12,059,035	11,957,879	14,013,033	9,754,936
1.25 Coverage Ratio Test					
Parity Bond Debt Service Coverage Ratio	22.93	42.96	17.17	19.68	14.50
Debt Service Coverage Ratio On All System Obligations	7.21	8.44	6.66	7.65	5.65

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	Operations	Finance	Administration	Engineering	Business Services	Total
2014	19.00	10.00	8.50	11.50	-	49.00
2015	19.00	10.00	9.00	12.50	-	50.50
2016	18.00	10.00	10.00	12.50	-	50.50
2017	18.00	11.00	11.00	13.50	-	53.50
2018	18.00	11.00	9.00	13.50	4.00	55.50
2019	20.00	11.00	9.00	14.50	4.00	58.50
2020	21.00	11.00	9.00	16.50	4.00	61.50
2021	21.00	11.75	6.00	20.50	4.00	63.25
2022	40.00	12.50	10.00	20.50	5.00	88.00
2023	43.00	13.00	10.00	19.50	7.00	92.50

Operations staff manages all collection, transmission and pump station maintenance, 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.

Administration includes executive management, APWA Accreditation, Board and Alliance support.

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

Business Services includes Human Resources, Risk Management, IT network support and Facilities.

Note

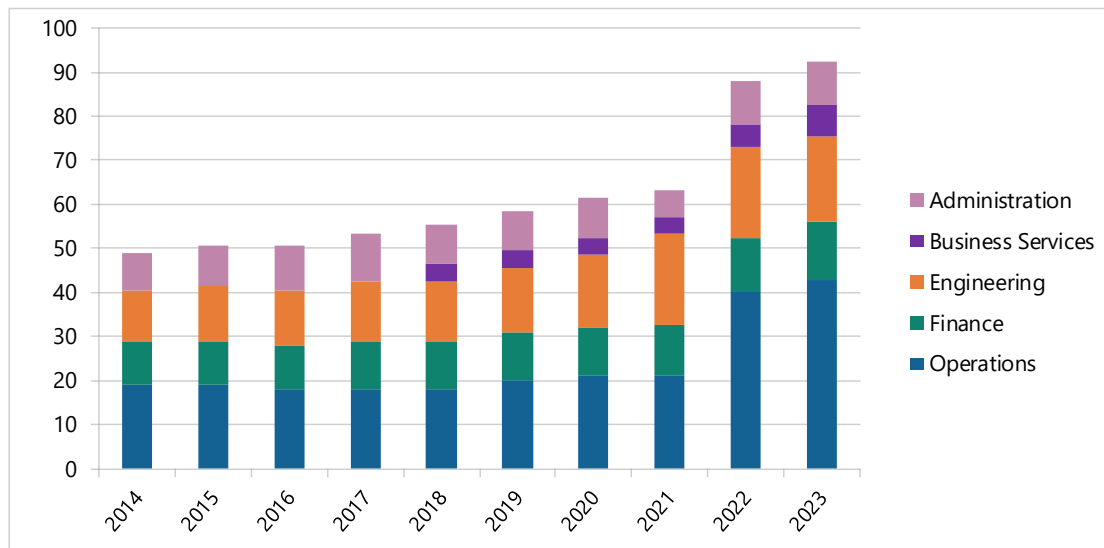
In 2019, the budget increased by 3 FTEs. The District added 2 Wastewater Treatment Plant Operators when they assumed the role of Contract Operator of the Ridgefield Wastewater Treatment Plant on July 1, 2018. The District also added the position of Alliance Capital Program Manager in the Engineering 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 FTEs primarily due to 18 FTEs to operate the Salmon Creek Treatment Plant beginning July 1, 2022. The District also added two limited-term Construction Managers and a Project Manager to support the Alliance Capital Program. Also included is an Engineering Technician, Maintenance Specialist, Human Resources Specialist, 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.



2023 Clark Regional Wastewater District Adopted Budget

Appendix 9 – Salary Range and Positions

CLARK REGIONAL WASTEWATER DISTRICT SALARY GRADES & POSITIONS 2023 BUDGET

Salary Grades			Operations	Finance	Administration	Engineering	Business Services
11,991	20	15,676					
11,103	19	14,515			General Manager*		
10,280	18	13,440		Finance Director/Treasurer		Engineering Director	Business Services Director
9,519	17	12,444	Wastewater Operations Manager (Treatment)		Principal Engineer	Construction Program Manager	
8,814	16	11,522	Wastewater Operations Manager (Collection)			Planning & Development Program Manager Senior Construction Manager (2) Capital Program Manager	
8,161	15	11,522		Finance Manager		Senior Project Manager (2) Construction Manager	
7,556	14	9,879	Maintenance & Asset Management Supervisor Operations Supervisor		Board Clerk/Administrative Services Manager		Human Resources Manager Project Manager (LT)
6,997	13	9,147	Control Systems Technician Control Systems Administrator	Senior Accountant	Regulatory Compliance Manager		Safety & Health Coordinator
6,478	12	8,469	Maintenance Supervisor (2) Maintenance Electrician WWTP Laboratory Coordinator				
5,998	11	7,842	WWTP Operator III (2) Operations & Maintenance Technician III WWTP Maintenance Technician III (2)	Customer Account Supervisor		Senior Engineering Technician (2)	Human Resources Specialist
5,554	10	7,261	WWTP Operator II (4) Maintenance Specialist III/Lead (4) WWTP Maintenance Technician II	Accountant	Senior Administrative Assistant Pretreatment Specialist	Engineering Technician (5)	
5,143	9	6,723	Administrative Assistant IV WWTP Operator I (2) WWTP Maintenance Technician I	Senior Account Specialist (2)			Facilities/IT Technician
4,762	8	6,225	Maintenance Specialist II (8) Operations & Maintenance Technician In-Training Administrative Assistant III	Account Specialist (2) Accounting Technician (2)	Administrative Assistant III	Administrative Assistant III (2)	
4,409	7	5,764	Maintenance Specialist I (3)				
4,082	6	5,337	Maintenance Specialist Apprentice	Assistant Account Specialist (2)	Administrative Assistant II (2)		
3,780	5	4,942					
3,500	4	4,576	WWTP Facilities Caretaker		Administrative Assistant I	Engineering Intern (.5)	
Total Budgeted FTEs			43.00	13.00	10.00	19.50	7.00
Notes Total FTE count for 2022 is 92.5. In addition to 92.5 FTEs, the District has a 3 member elected Board of Commissioners. The 2023 budget reflects a 5% 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 ***
2013	207,710	41,524	8,624,950,040	9.7%
2014	210,140	44,207	9,289,658,980	7.4%
2015	214,585	46,207	9,915,329,095	7.1%
2016	218,750	47,987	10,497,156,250	6.1%
2017	223,160	49,966	11,150,412,560	5.9%
2018	222,420	53,180	11,828,295,600	5.1%
2019	226,890	54,930	12,463,067,700	5.3%
2020	233,048	57,863	13,484,856,424	4.3%
2021	236,200	59,819	14,129,271,159	6.8%
2022	237,650	61,841	14,696,590,904	5.0%

Note

Demographic information is from the following sources:

* Washington State Office of Financial Management

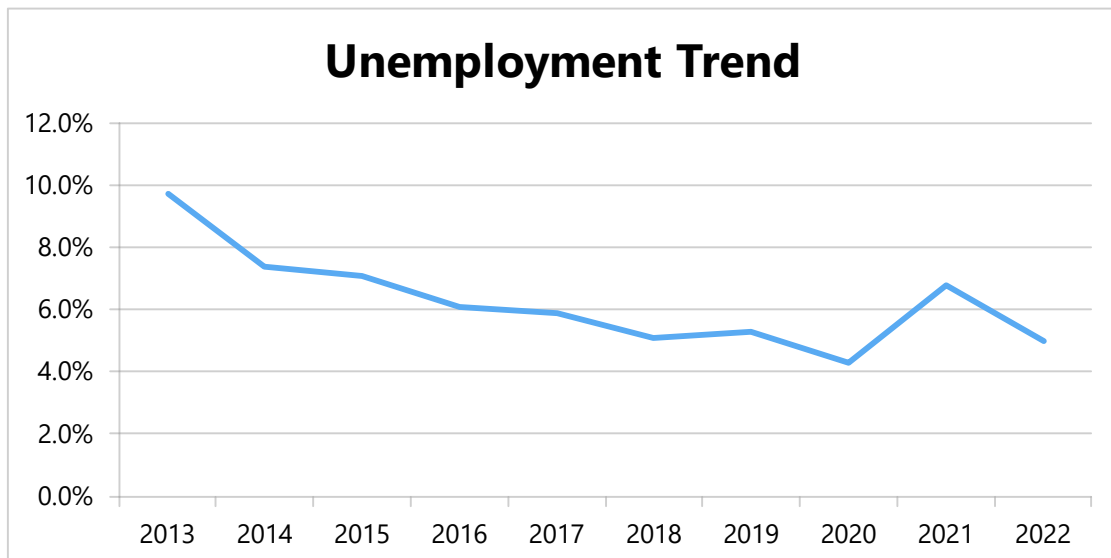
** Federal Reserve Economic Data

2019 and 2020 were inflated by 3.4% to arrive at the 2021 and 2022 numbers, respectively, as 2021 and 2022 data is not available at time of budget adoption. The 3.4% represents the average increase per year from 2013 to 2020.

*** Federal Reserve Economic Data

Unemployment numbers are reported as of January 1 each year. For 2020, this is before the COVID-19 restrictions and shut downs took place.

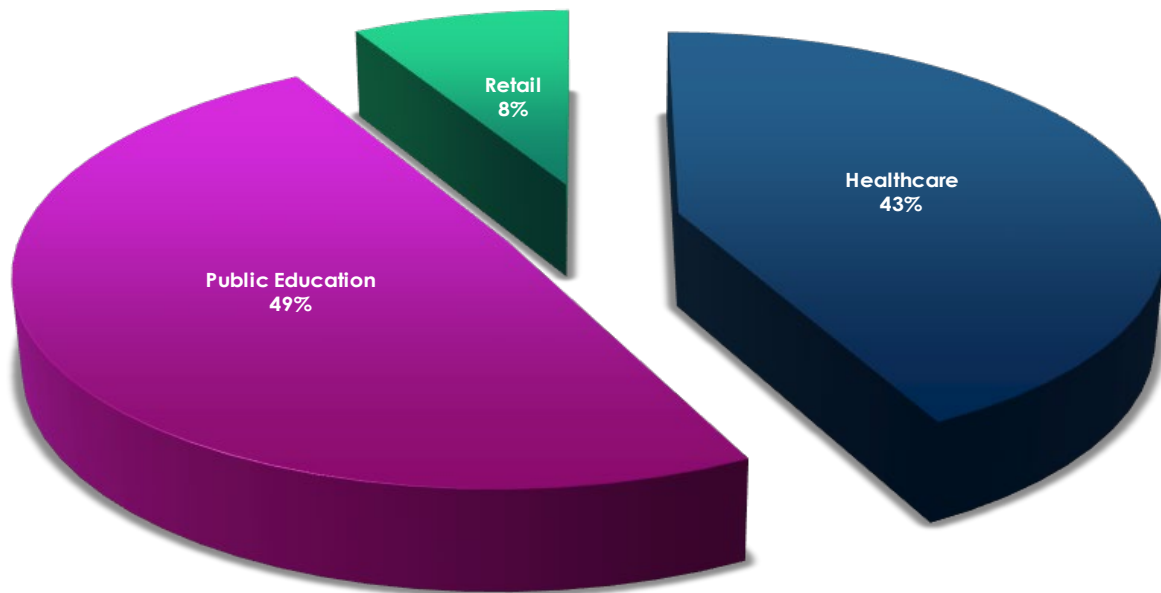
District demographics would be expected to closely follow overall Clark County.



Appendix 11 – Employees for Ten Principal Employers

Customer	Number of Employees									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Legacy Salmon Creek Hospital	1,587	2,023	1,924	1,890	1,852	1,778	1,680	1,460	1,349	1,263
Vancouver Public Schools	1,053	933	960	917	929	922	914	872	1,020	819
Fred Meyer	453	495	500	482	455	505	507	785	720	655
Battle Ground Public Schools	509	436	374	386	390	404	409	383	385	380
Washington State University Vancouvi	418	430	441	463	453	449	443	466	346	353
The Vancouver Clinic	429	382	392	339	287	324	308	-	-	-
Ridgefield Public Schools	446	380	346	325	324	232	230	241	-	-
UNFI	-	350	350	224	-	-	-	-	-	-
Kaiser Permanente	285	263	247	247	250	250	250	295	283	281
Evergreen Public Schools	229	245	-	-	-	-	-	-	201	174
Dollar Tree	260	-	260	249	222	229	-	200	-	-
Safeway	-	-	-	237	237	304	276	316	287	277
Wal-Mart	-	-	-	-	-	-	210	197	-	196
Home Depot	-	-	-	-	-	-	-	-	200	-
Hockinson Public Schools	-	-	-	-	-	-	-	-	206	167
Total	5,669	5,937	5,794	5,759	5,399	5,397	5,227	5,215	4,997	4,565

2022 Top Ten Principal Employers by Business Type



Total employment for District'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

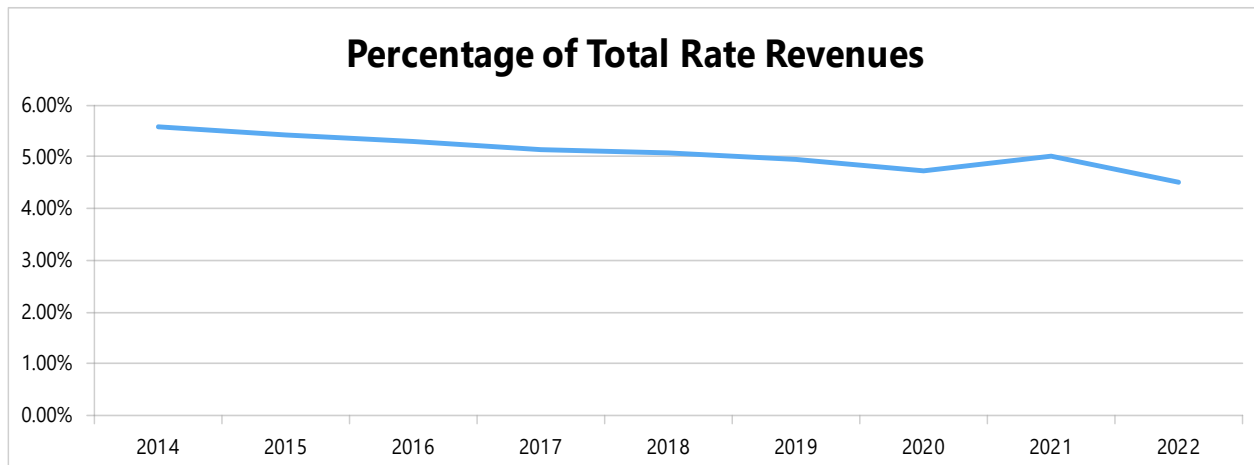
Current and Ten Fiscal Years Ago

Customer	2022*			2013		
	Rate Revenues	Rank	Percentage of Total Rate Revenues	Rate Revenues	Rank	Percentage of Total Rate Revenues
Acero Ridgefield	155,011	1	0.57%	-	-	-
Salmon Creek Estate Condominiums	142,128	2	0.52%	118,440	2	0.82%
Vancouver Public Schools	141,322	3	0.52%	127,974	1	0.89%
Highland Crossing LLC	134,366	4	0.49%	-	-	-
Highland Hills Apartments	129,982	5	0.48%	108,318	3	0.75%
Prairie View Association	114,408	6	0.42%	95,340	4	0.66%
Alderbrook LLC	110,578	7	0.40%	-	-	-
Acero 78th LLC	105,928	8	0.39%	87,780	5	0.61%
Parklane Apartments	105,336	9	0.36%	-	-	-
Reflections at the Park**	99,036	10	0.36%	82,530	6	0.57%
Bridge Creek Apartments***	-	-	-	70,980	7	0.49%
Crystal Creek Apartments	-	-	-	69,270	8	0.48%
North Glen Villas	-	-	-	68,292	9	0.47%
Willow Pointe Apartments	-	-	-	65,100	10	0.45%
Subtotal (ten largest)	1,238,094		4.50%	894,024		6.20%
Balance from other customers	26,120,597		95.47%	13,523,561		93.80%
Total	\$ 27,358,691		99.97%	\$ 14,417,585		100.00%

* Budgeted rate revenues for the 2022 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.