

Water System Operating Budget Assumptions

1. To balance the Water System FY 2019-2020 budget, there will be a rate change of \$3 increase to \$30/month base rate for each metered full lot, \$1 increase to \$16/month for each non-metered lot or locked-out meter lot and \$0.50 increase to \$8 for each non-metered half lot. Excess water usage will continue to be charged at \$2 per 1,000 gallons over the initial 10,000 gallons.
2. Each full lot water bill will include reserve payments of \$5 to the Mainline Replacement Reserve account and \$3 to the Water Capacity Reserve account. Each half lot water bill will include reserve payments of \$2.50 to the Mainline Replacement Reserve account and \$1.50 to the Water Capacity Reserve account.
3. Estimated revenue is based on the following number of lots being billed:
 - a. Metered lots: 1131
 - b. Non-metered lots: 168
 - c. Locked, metered lots: 50
 - d. Non-metered, half lots: 19
4. Northwest Water Systems (NWS) will continue to be contracted to be Lake Limerick Water System's Satellite Management Agency to assist with the management and operations of the water system. NWS will also be updating the Water System Plan (WSP), which is required in 2020, and use the WSP results to perform a water rate study.
5. Because of the age of the water system being over 50 years old, more repairs and maintenance are required each year. In addition, stricter rules and policies from the Department of Health (DOH) and OSHA require continual improvements to the water system infrastructure and management.
6. As work is done more on the asbestos/cement (AC) pipes because of age there will be increased expense for protective clothing and masks as well as required testing.
7. Labor expenses are mainly for Joe Castelluccio, Water Manager and Rhonda Hunt, Accounts Receivable plus hiring an entry level water system employee to assist with the increasing work load. New hire subject to Board approval.
8. Water System portion of the HOA liability insurance premium will be estimated at 25% of the total premium.
9. The Public Utility Taxes will increase some because of the increased water revenue.
10. With the increased use of Payment Service Network for paying water bills, the postage charge should be reduced.
11. The Well #6 loan payment principal and interest are estimated at about \$19,600.