Treasurer's Report for October

- P&L for the month came in at ($3,784) bringing the year to date in at ($4,944). Spreadsheets are attached.
- Current month P&L is expected to be negative as well due to schedule leak repairs on Avery Street and 115th St.
- The AWSE-6 grant was closed out with the purchase of two fire hydrants. Installation costs estimates are pending as is the selection of their locations. Should we discuss at this point? We did overspend on the grant, however the interest earned on the money left us with a net positive of $25.61.
- Hot patch repair on Avery Street is to be discussed tonight.
- BBWD was contacted by markshadrin@bhhsnwrep.com regarding the development potential of 11752 NE Beverly Dr. This parcel is 1.71 acres and currently owned by John McBride and I believe it to have a manufactured home on site. This person is exploring developing it into 3 or 4 lots and wants to know if BBWD can supply water to this number of homes. Am I authorized to provide a positive answer?
- In regard to Wayne Thompson who came last month to our meeting, his property is part of the Carmel Water District and from what I read, the county commissioners would have to annex his property into Beverly Beach Water District and we would have to be amiable to that process. Also, I believe it would require him (and possible other parties that could join him) to pay for the full cost of water main extension.
- We can probably expect another request for water service for the 10 acres of the previously owned "Rink's Property" which is at the south end of Benton Street. After talking with a resident real estate broker, it is believed that development of that property would require dedication of roads to service any developed parcels and of course he must bear the full cost of water main extension from the end of Benton Street.
- Finally, our SIPP proposal appears to be on the accepted list as the comment period ends on 11/11. We should expect to hear about our funding in the coming days.

BUDGET 2027 HIGH LEVEL OVERVIEW

		FISCAL YEAR 2026	FISCAL YEAR 2027		
		ACTUAL	BUDGET	ACTUAL to DATE	Variance from Plan
OPERATIONS	TOTAL OPERATING INCOME	$ 124,716	$ 140,332	$ 39,380	$ (7,397)
	PROPERTY TAX INCOME	$ 15,464	$ 71,128	$ 1,159	$ 744
	TOTAL INCOME	**$ 192,456**	**$ 211,459**	**$ 40,539**	**$ (6,653)**
	TOTAL PLANT EXPENSE	$ 144,382	$ 101,180	$ 36,466	$ (2,740)
	TOTAL OFFICE EXPENSE	$ 10,541	$ 11,171	$ 4,370	$ 165
	TOTAL INSURANCE	$ 11,519	$ 13,095	$ 950	$ (950)
	TOTAL ACCOUNTING	$ 12,373	$ 13,000	$ 3,398	$ 2,603
	TOTAL BANK CHARGES	$ 882	$ 1,000	$ 299	$ 34
	CONTINGENCY	$ -	$ 19,736		
	TOTAL EXPENSES	**$ 179,697**	**$ 159,182**	**$ 45,483**	**$ (889)**
DEBT	USDA BOND LOAN - Principal	$ 19,490	$ 20,221	$ -	
	USDA SUPPLEMENTAL LOAN - Principal	$ 8,456	$ 8,773	$ -	
	TOTAL USDA LOAN INTEREST	$ 24,331	$ 23,283	$ -	
	TOTAL DEBT EXPENSE	**$ 52,277**	**$ 52,277**	**$ -**	
	NET INCOME less CAPITAL OUTLAY	**$ (39,517)**	**$ -**	**$ (4,944)**	

CAPITAL	RE-ROOF WATER PLANT BUILDING	$ 33,950	
	RE-ROOF OFFICE BUILDING	$ 17,350	
	TOTAL CAPITAL EXPENSE	**$ 51,300**	$ -

BBWD BANK ACCOUNTS	7/1/26	9/30/26	EO FY27
USDA LOAN RESERVES	$ 16,264	$ 16,305	Bond Reserve Account x
SYSTEM DEVELOPMENT RESERVES	$ 66,250	$ 66,418	SDC Account xxx4499
OPERATING RESERVES	$ 174,080	$ 175,549	Reserve Account xxx642
CHECKING ACCOUNT	$ 26,808	$ 16,430	Account xxx6019
BANK TOTALS	$ 283,402	$ 274,702	

2027 **BBWD Budget for FY27 (July 1, 2026 to June 30, 2027)** ***FY 2027***

ACCT #		FY 2026	BUDGET
	INCOME		
	INCOME from OPERATIONS		
1-0401	Water Sales	$ 122,130	$ 133,233
1-0402	Water Sales Late Fees	$ 130	$ 300
1-0403	Transfer of Service	$ -	$ 100
1-0404	Service Disconnects	$ -	$ 100
1-0405	Hookups	$ -	$ 600
1-0406	SDC Account Allocation	$ -	$ -
1-0410	**INTEREST INCOME**		$ 2,874
	1731025 AWSE-6 Grant Account	$ 258	*$ 50*
	1912229 Bond Reserve Account	$ 165	*$ 180*
	1904499 SDC	$ 672	*$ 733*
	2906428 District Fund Reserves	$ 413	*$ 50*
	2907053 Bond Account	$ 1,711	*$ 1,711*
	1706019 General Account	$ 242	*$ 150*
	OTHER INCOME and ADJUSTMENTS		
5010	Credit Card Fees	$ 158	$ 250
5009	Returned check charges	$ -	$ -
Unapplied	Unapplied cash income	$ -	$ -
1-0112	Accounts Receivable	$ 1,219	$ -
1499	Undeposited Funds	$ -	$ -
4999	Uncategorized Income	$ 54	$ -
	TOTAL OPERATING INCOME	**$ 124,716**	**$ 140,332**
	OTHER INCOME SOURCES & DEBT SERVICING		
1-0450	Property Tax Income from Bond + Permanent Tax Rate	$ 67,741	$ 71,128
1-0306	Loan 91-07 Principal Debt Servicing	$ (19,490)	$ (20,221)
1-0305	Loan 91-09 Principal Debt Servicing	$ (8,456)	$ (8,773)
1-0788	Loans 91-07 & 91-09 Interest Payments	$ (24,331)	$ (23,283)
	Forgiven Grants		
	TOTAL OTHER INCOME	**$ 15,464**	**$ 18,851**
	TOTAL INCOME	**$ 140,179**	**$ 159,182**
	OPERATING EXPENSES		
	WATER PLANT & DISTRIBUTION EXPENSE		
0700.1	Water Plant Maintenance & Repairs	*$ 26,446*	*$ 4,500*
0700.4	Tank Maintenance and Repairs	*$ 17,915*	*$ 2,500*
0700.6	Dock Repair	*$ 2,427*	
0700.11	Customer/Distribution Maintenance & Repairs	*$ 19,359*	*$ 5,500*
1-0763	Electricity (Plant)	$ 4,485	$ 5,138
1-0764	Propane (Plant)	$ -	$ 250
0700.20	Tools/Equipment	*$ 6,427*	*$ 2,500*
new	The Automation Group Support	*$ -*	*$ 5,000*
1-0762B	Telephone & Internet	*$ -*	*$ 1,500*

2027 **BBWD Budget for FY27 (July 1, 2026 to June 30, 2027)** ***FY 2027***

		FY 2026	BUDGET
1-0796	Chemicals	$ 411	$ 493
1-0797	Testing	$ 3,599	$ 4,319
1-0701	NW Natural Water Services Operational Costs	$ 63,313	$ 69,480
	TOTAL WATER PLANT AND DISTRIBUTION EXPENSE	**$ 144,382**	**$ 101,180**
	OFFICE EXPENSE		
new	District Office Maintenance & Repairs	*$ 1,461*	*$ 1,000*
1-0706	Licenses & Fees	$ 574	$ 750
1-0761	Electricity (office)	$ 759	$ 800
1-0762A	Telephone	$ 4,049	$ 4,638
1-0766	TCB Answering Service	$ -	$ -
1-0765	Garbage & Recycling Service	$ 274	$ 360
1-0707	Membership Fees	$ 920	$ 1,000
1-0709	USPS	$ 673	$ 808
1-0711	Office Supplies	$ 47	$ 100
1-0712	Office Equipment	$ -	$ -
1-0714	District Events	$ 224	
1-0716	Streamline (web page)	$ 1,560	$ 1,716
	TOTAL OFFICE EXPENSE	**$ 10,541**	**$ 11,171**
	INSURANCE		
1-0752	Property & Liability	$ 11,519	$ 12,095
1-0753	Bonding (Pres / Treas / Clerk)	$ -	$ 1,000
	TOTAL INSURANCE	**$ 11,519**	**$ 13,095**
	ACCOUNTING		
1-0772	Grimstad (Audit)	$ 2,000	$ 2,500
1-0773	Accounting	$ 10,373	$ 10,500
	TOTAL ACCOUNTING	**$ 12,373**	**$ 13,000**
	BANK CHARGES		
1-0786	NSF/ACH Returned Check	$ 74	$ 100
1-0787	Other Charges	$ 88	$ 100
1-0789	Bank ACH Fees	$ 200	$ 200
1-0790	Credit Card Fees	$ 521	$ 600
QuickBooks	QuickBooks Fees		$ -
	TOTAL BANK CHARGES	**$ 882**	**$ 1,000**
	TOTAL BUDGETED EXPENSES	**$ 179,697**	**$ 139,446**
	Contingency		**$ 19,736**
	TOTAL EXPENSE	**$ 179,697**	**$ 159,182**
	OPERATING PROFIT / (LOSS)	**$ (39,517)**	**$ -**

FY 2026 BBWD Bank Balances

Acct #	Account Type	Purpose	BALANCES AT END OF MONTH											
			July		August		September		October		November		December	
			Balance	Interest	Balance	Interest	Balance	Interest	Balance	Interest	Balance	Interest	Balance	Interest
1731025	Rewards Checking	AWSE-6 Grant Account	$ 15,973.28	$ 9.63	$ 15,982.78	$ 9.50	$ 9,070.75	$ 6.14	$ 9,076.15	$ 5.40				
1912229	Business Advantage MMA	Bond Reserve Account	$ 16,277.54	$ 13.82	$ 16,286.36	$ 13.82	$ 16,304.75	$ 18.39	$ 16,318.60	$ 13.85				
1904499	Business Advantage Checking	SDC	$ 66,306.66	$ 56.27	$ 66,362.97	$ 56.31	$ 66,417.52	$ 54.55	$ 66,473.93	$ 56.41				
2906428	Advantage Savings	District Fund Reserves	$ 6,714.45	$ 5.69	$ 6,720.16	$ 5.71	$ 6,725.68	$ 5.52	$ 6,731.39	$ 5.71				
2907053	Advantage Savings	Bond Account	$ 167,966.29	$ 142.38	$ 168,477.93	$ 142.87	$ 168,829.20	$ 138.60	$ 159,089.27	$ 136.06				
1706019	Rewards Checking	General Account	$ 20,769.56	$ 17.99	$ 16,050.92	$ 11.39	$ 16,430.17	$ 9.60	$ 14,734.54	$ 10.67				
		BANK TOTAL	$ 278,034.50	$ 245.78	$ 273,898.34	$ 239.60	$ 274,707.32	$ 232.80	$ 263,347.73	$ 228.10	$ -	$ -	$ -	$ -
		x6019 Uncleared Checks (agree with reconciliation)	$ (15,362.49)		$ (10,888.46)		$ (15,326.00)		$ (9,148.04)		$ -		$ -	
		x6019 Unreimbursed Spend for AWSE-6 Grant	$ (3,915.75)		$ (4,552.35)		$ (90.00)		$ (9,050.54)					
		Pending Balance (QuickBooks Register) from reconciliation report	$ 5,407.07		$ 5,162.46		$ 1,104.17		$ 5,586.50					
		PENDING TOTAL	$ 266,855.55		$ 267,839.52		$ 259,754.75		$ 263,539.06		$ -		$ -	
		CHANGE IN PENDING (QUICKBOOKS REGISTER)	$ (1,627.69)		$ 983.97		$ (8,084.77)		$ 3,784.31		$ -		$ -	
		MONTH END NET INCOME (FROM BUDGET SHEET)	$ (1,627.69)	✓	$ 983.97	✓	$ (8,084.77)	✓	$ 3,784.31	✓	$ -		$ -	
		Delta	$ -		$ -		$ -		$ -		$ -		$ -	

Acct #	Account Type	Purpose	BALANCES AT END OF MONTH											
			January		February		March		April		May		June	
			Balance	Interest	Balance	Interest	Balance	Interest	Balance	Interest	Balance	Interest	Balance	Interest
1731025	Rewards Checking	AWSE-6 Grant Account												
1912229	Business Advantage MMA	Bond Reserve Account												
1904499	Business Advantage Checking	SDC												
2906428	Advantage Savings	District Fund Reserves												
2907053	Advantage Savings	Bond Account												
1706019	Rewards Checking	General Account												
		BANK TOTAL	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		x6019 Uncleared Checks	$ -		$ -		$ -		$ -		$ -		$ -	
		x6019 Unreimbursed Spend for AWSE-6 Grant												
		Pending Balance (QuickBooks Register) from reconciliation report												
		PENDING TOTAL	$ -		$ -		$ -		$ -		$ -		$ -	
		CHANGE IN PENDING (QUICKBOOKS REGISTER)	$ -		$ -		$ -		$ -		$ -		$ -	
		MONTH END NET INCOME (FROM BUDGET SHEET)	$ -		$ -		$ -		$ -		$ -		$ -	
		Delta	$ -		$ -		$ -		$ -		$ -		$ -	

Fund Transfers between Bank Accounts

Date	FROM	TO	AMT	PURPOSE
7/2/26	1731025 - AWSE-6	1706019 - Checking	$ 7,559.87	Reimburse for AWSE Spends
9/7/26	1731025 - AWSE-6	1706019 - Checking	$ 6,918.17	Reimburse for AWSE Spends
10/5/26	2907053 - Bond Account	1706019 - Checking	$ 10,000.00	Transfer for Operational Needs
11/10/26	1731025 - AWSE-6	1706019 - Checking	$ 9,076.15	Close out AWSE-6 Account w/ net interest of $25.61

Proposal for Monthly Water Rate Change

Background:

The last rate change from $58.80 per month to $73.50 per month took effect on July 1, 2022. That basically coincided with the change an employee run water plant to our contract with NWNWS (Hiland) and represented a 25% rate increase.

Historical Financial Performance:

	FY21	FY22	FY23	FY24	FY25	FY26
Income - Sales	$ 100,834.41	$ 101,322.92	$ 137,590.58	$ 128,869.58	$ 127,079.57	$ 123,048.07
Income - Property Tax	$ 62,564.03	$ 64,312.23	$ 64,185.46	$ 65,804.56	$ 59,406.21	$ 67,740.52
Expenses	$ 100,363.36	$ 174,734.49	$ 163,270.44	$ 171,427.00	$ 163,474.01	$ 203,910.77
Net Income (P&L)	$ 63,035.08	$ (9,099.34)	$ 38,505.60	$ 23,247.14	$ 23,011.77	$ (13,122.18)

The jump in revenue in FY23 was due to the 25% rate hike in July of 2022. Of course, last fiscal year saw the major failure of two main water pumps that significantly increase the expenses. We continue to see a fairly steady rate of water leaks which significantly impacts our unplanned expenses.

The district has not adopted a formal reserve policy to set aside money systematically over time to pay for the future replacement or major renovation of district assets, such as building repair, major equipment replacement, or infrequent service events such as water reservoir cleaning.

NWNWS, like all of our major expenses, are constantly increasing their costs to us and to keep the district in a solid financial position, I would like to propose a rate increase from $73.50 to $80.00 (8.84% hike) effective 7/1/2027 and then adopt a rate increase strategy on an annual basis on July 1 each year (our fiscal year start) that matches the Federal Government COLA increase for Social Security payments. For 2027, the Social Security Administration COLA will be 3.6%. So, effective 7/1/2028, the rate will move to $82.88.

Comments on Rules and Regulations

1. Why the strategy for a commercial monthly water fee? Other districts don't have that do they?
2. Regarding the stop valve for the water meter, we should encourage NWNWS to install a secondary valve on the meter output that the customer would be allowed to shut off.
3. I really think the land-owner should be responsible for the water line from the meter or the water district shut off valve to their home and not make a distinction at the property line.