

WATER

ACTIVITIES

- *Water Treatment Services
- *Water Distribution Services
- *Water Customer Services
- *Water System Debt Service
- *Water General Program Operations
- *Water Capital Construction



Filtration Plant
Low Water Use Demonstration Garden

DESCRIPTION

This program includes the operation, planning, engineering, production, and delivery of water to each customer connection. Water services are made available for industrial, commercial, domestic, and fire protection uses.

	ACTUAL FY'11 \$	ACTUAL FY'12 \$	BUDGET FY'13 \$	MANAGER RECOMMEND FY'14 \$	COMMITTEE APPROVED FY'14 \$	COUNCIL ADOPTED FY'14 \$	PROJECTED FY'15 \$
Program Generated Resources	8,284,140	8,393,442	12,901,992	10,914,966	10,914,966	10,914,966	7,563,397
Total Resources	8,284,140	8,393,442	12,901,992	10,914,966	10,914,966	10,914,966	7,563,397
Requirements							
Water Treatment	1,405,166	1,432,233	1,649,406	1,636,499	1,636,499	1,636,499	1,713,711
Water Distribution	1,054,760	1,014,314	1,247,157	1,259,875	1,259,875	1,259,875	1,318,628
Customer Services	341,344	352,298	396,015	377,835	377,835	377,835	389,675
Debt Services	397,653	396,253	146,000	507,220	507,220	507,220	504,770
General Program Operations	2,236,251	2,280,210	1,844,165	2,750,479	2,750,479	2,750,479	2,309,270
Capital Construction	2,848,966	2,918,134	7,619,249	4,383,058	4,383,058	4,383,058	1,327,343
Total Requirements	8,284,140	8,393,442	12,901,992	10,914,966	10,914,966	10,914,966	7,563,397

Program: Utilities/Water Program

Mission Statement:

“The mission of the Water Program is to meet the expanding service area’s current and future potable water and fire flow needs, while meeting or exceeding all regulatory requirements.”

Services Delivered:

The municipal water system withdraws raw water from the Rogue River, removes suspended particulates, removes and inactivates pathogens, and produces, pumps and stores non-corrosive, palatable water according to Federal and State drinking water regulations. The water system includes the water filtration plant, reservoirs, booster pumping stations, distribution piping, and support service systems. The utility is an enterprise fund, with all costs of the system borne by ratepayers.

Major repairs and improvements to the water system are financed through capital expenditures. Minor repairs and ongoing operational needs are financed through the operating budgets. The budget is structured in seven (7) major activities:

Water Treatment	Water Distribution
Customer Service	Debt Service
General Program Operations	Debt Service Reserve
Capital Improvements	

This Program provides services to approximately 10,500 system accounts.

FY’14 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Maintain, Operate, and Expand our Infrastructure

Objective 1: Plan for utility infrastructure

- The Water Distribution Master Plan update will be initiated following completion of the UGB expansion process.
- The Water Treatment Facility Plan update has been initiated and a recommendation should be provided to Council this fiscal year.

Objective 2: Design and construct needed water facilities

- Small undersized water distribution mains are scheduled to be replaced with appropriate sized pipes to improve water delivery and increase fire flows.
- Construction of replacement of Reservoir #3 will be substantially completed. Demolition of the existing reservoir will have been completed during the last quarter of fiscal year 2013 with construction of the replacement reservoir to begin thereafter.
- Eliminate a water transmission main through private property and extend a new fire service line.
- Backup power generation facilities will be acquired and installed at the Water Filtration Plant.
- Work will begin on the exterior of the Water Filtration Plant, primarily consisting of minor repair work and painting.

FY’13 Activity Review:

- Responded to community concerns regarding hexavalent chromium in the water supply by continuing sampling and analysis for same as per EPA recommendations and compliance with the Unregulated Contaminants Monitoring Rule 3.
- Installed a redundant backwash pump at the Water Filtration Plant.
- Monitoring and compliance of disinfection byproducts reduction within the water system was achieved per EPA directives.

Program: Utilities/Water Program

Program Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'11	FY'12	FY'13	RECOMMEND	APPROVED	ADOPTED	FY'15
	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>1,375,614</u>	<u>1,280,617</u>	<u>1,021,804</u>	<u>1,606,908</u>	<u>1,606,908</u>	<u>1,606,908</u>	<u>1,054,554</u>
Current Resources							
Activity Generated							
Sale of Water	3,972,271	4,105,622	4,201,969	4,856,430	4,856,430	4,856,430	5,112,440
Direct Charges to:							
Solid Waste Operations	13,024	23,263	12,000	20,000	20,000	20,000	20,400
Interest	11,577	9,641	7,500	9,000	9,000	9,000	9,000
Revenue Other Agencies	1,080	0	0	0	0	0	0
Other Revenue	54,108	56,165	39,470	39,570	39,570	39,570	39,660
Transfers In	7,500	0	0	0	0	0	0
Capital Construction	<u>2,848,966</u>	<u>2,918,134</u>	<u>7,619,249</u>	<u>4,383,058</u>	<u>4,383,058</u>	<u>4,383,058</u>	<u>1,327,343</u>
Total Current Revenues	<u>6,908,526</u>	<u>7,112,825</u>	<u>11,880,188</u>	<u>9,308,058</u>	<u>9,308,058</u>	<u>9,308,058</u>	<u>6,508,843</u>
Total Resources	<u>8,284,140</u>	<u>8,393,442</u>	<u>12,901,992</u>	<u>10,914,966</u>	<u>10,914,966</u>	<u>10,914,966</u>	<u>7,563,397</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'11	FY'12	FY'13	RECOMMEND	APPROVED	ADOPTED	FY'15
	\$	\$	\$	\$	\$	\$	\$
Water Treatment	1,405,166	1,432,233	1,649,406	1,636,499	1,636,499	1,636,499	1,713,711
Water Distribution	1,054,760	1,014,314	1,247,157	1,259,875	1,259,875	1,259,875	1,318,628
Customer Services	341,344	352,298	396,015	377,835	377,835	377,835	389,675
General Program Operations	9,562	9,562	21,955	22,225	22,225	22,225	22,225
Capital Construction	2,688,966	2,718,134	7,619,249	4,383,058	4,383,058	4,383,058	1,327,343
Indirect Charges	290,541	288,766	334,200	340,700	340,700	340,700	355,500
Debt Service	397,653	396,253	146,000	507,220	507,220	507,220	504,770
Transfers Out	<u>815,531</u>	<u>752,801</u>	<u>524,327</u>	<u>1,333,000</u>	<u>1,333,000</u>	<u>1,333,000</u>	<u>818,000</u>
Subtotal Expenditures	<u>7,003,523</u>	<u>6,964,361</u>	<u>11,938,309</u>	<u>9,860,412</u>	<u>9,860,412</u>	<u>9,860,412</u>	<u>6,449,852</u>
Contingency	0	0	963,683	1,054,554	1,054,554	1,054,554	1,113,545
Ending Balance	<u>1,280,617</u>	<u>1,429,081</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>8,284,140</u>	<u>8,393,442</u>	<u>12,901,992</u>	<u>10,914,966</u>	<u>10,914,966</u>	<u>10,914,966</u>	<u>7,563,397</u>

Program: Utilities/Water – Water Treatment Services

Mission Statement:

“The mission of the Water Treatment Program is to meet the expanding service area’s current and future potable water and fire flow needs, while meeting or exceeding all regulatory requirements.”

Services Delivered:

This activity is responsible for the operations and maintenance of the City’s Water Filtration Plant and thirteen remote pumping stations including their radio telemetry systems. Water is pumped from the Rogue River and treated at the Water Filtration Plant. After treatment, water is pumped through the distribution system into a network of reservoirs located at various elevations throughout our community. This activity also supplies water to the North Valley Industrial Park and the area surrounding the Merlin Landfill through a pump station and reservoir dedicated for that purpose. All water produced in this activity will meet or exceed all State and Federal standards for drinking water quality.

Performance Measurements:

Water Treatment Performance Measures

Indicator	2010-11		2011-12		2012-13	2013-14	2014-15
	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Outputs							
Gallons of water produced (in Billions)	1.87	1.90	1.91	1.92	1.91	1.93	1.93
Effectiveness							
Percentage of water utilized for filter backwashing	4.0%	<3%	4.0%	<3%	<3%	<3%	<3%
Average hours to place booster stations back into service upon notice of failure	1.1	<3	1.3	<3	<3	<3	<3
Percentage of time all compliance standards met	100%	100%	100%	100%	100%	100%	100%
Efficiency							
Operations and Maintenance Costs Per Million Gallons Treated	638	650	646	650	650	650	650

FY’14 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Provide Cooperative, Shared Leadership Involving Council, Staff and Community

Objective 4: Ensure efficiency and effectiveness in City operations

- Staff will update and distribute the Consumer Confidence Report per EPA Rules.
- Staff will continue to work with new treatment plant chemicals to lower chemical costs, minimize the amount of chemicals added to the drinking water and reduce solids residual production.

Maintain, Operate, and Expand our Infrastructure

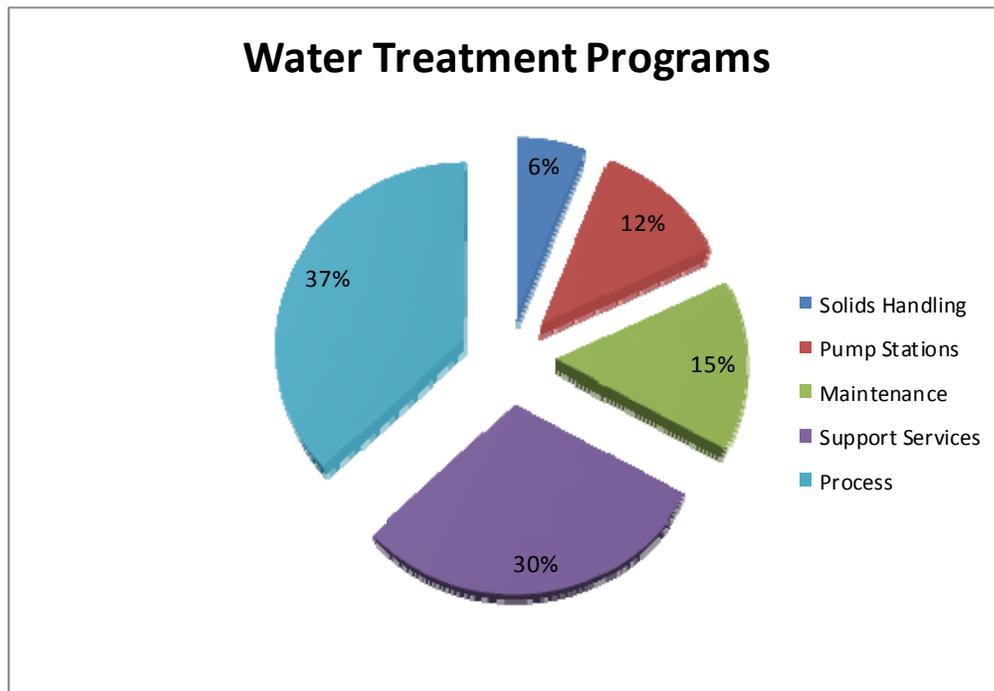
Objective 2: Design and construct needed water facilities

- One finished water pump will be rebuilt to near new condition.
- Staff will continue to remove solids from the log pond.
- Improvements will be made to the Intake Structure to help minimize the impacts of sand accumulation on the cleaning mechanism.
- An additional chemical feed pump will be added, increasing reliability and redundancy.

Program: Utilities/Water – Water Treatment Services

Budget Highlights:

This activity will continue to supplement personnel services through the use of part-time temporary and contract employees. This strategy enables the plant to run twenty-four hours a day during the peak summer months and assists plant staff with completing specific projects such as log pond dredging operations, blackberry abatement, painting, filter maintenance, and basin cleaning. Staff will continue to look for ways to streamline plant processes and reduce the overall cost to produce its final product.



FY'13 Activity Review:

Plant staff completed a tracer study at the treatment plant and successfully submitted the results of those tests to the Oregon Health Authority. The Study allows staff to accurately calculate and substantiate disinfection effectiveness through the treatment process. Plant staff completed a project which involved the relining of the 3 hypochlorite storage tanks and re-plumbing of the majority of the tank feed lines. This project will greatly increase the life span of the existing hypochlorite storage system. Staff continues to monitor the Disinfection Byproducts (DBP) levels in the North Valley area to ensure that DBP levels remain below the compliance rate of 0.080 mg/L.

Program: Utilities/Water – Water Treatment Services

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'11	FY'12	FY'13	FY'14	FY'14	FY'14	FY'15
	\$	\$	\$	\$	\$	\$	\$
Personnel Services	601,280	632,611	676,616	699,217	699,217	699,217	733,205
Materials & Supplies	249,102	274,317	299,450	295,400	295,400	295,400	304,350
Contractual/Prof Services	516,039	502,987	621,047	621,511	621,511	621,511	637,785
Direct Charges	19,815	20,154	20,793	7,871	7,871	7,871	7,871
Capital Outlay	<u>18,930</u>	<u>2,164</u>	<u>31,500</u>	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>	<u>30,500</u>
Total Requirements	<u>1,405,166</u>	<u>1,432,233</u>	<u>1,649,406</u>	<u>1,636,499</u>	<u>1,636,499</u>	<u>1,636,499</u>	<u>1,713,711</u>

Program: Utilities/Water – Water Treatment Services

Personnel

	BUDGET	BUDGET	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'11	FY'12	FY'13	FY'14	FY'14	FY'14	FY'15
	#	#	#	#	#	#	#
Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Plant Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Treatment Plant Specialist	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Department Support Technician	<u>1.00</u>						
<i>Subtotal</i>	<i>8.00</i>						
Public Works Director							
TO: Water Distribution	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)
TO: Wastewater Collection	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
TO: Wastewater Treatment	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)
TO: Streets	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)
TO: Jo-Gro™	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
TO: Solid Waste Field Operations	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
Treatment Plant Spec - Operations							
FROM: Wastewater Treatment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Department Support Technician							
TO: Water Distribution	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)
TO: Wastewater Collection	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
TO: Wastewater Treatment	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)
TO: Streets	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)
TO: Solid Waste Field Operations	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
TO: Jo-Gro™	<u>(0.03)</u>						
<i>Subtotal Distributed</i>	<i>(1.54)</i>						
Total Positions	<u>6.46</u>						
Temporary/Seasonal Hours	<u>5,450</u>	<u>5,415</u>	<u>4,100</u>	<u>4,100</u>	<u>4,100</u>	<u>4,100</u>	<u>4,100</u>

Capital Outlay/By Item

Streaming Current Monitor	0	12,500	12,500	12,500	0
Water Quality Monitoring Stations	0	0	0	0	8,500
Field Water Test Kit	0	0	0	0	5,000
Sewage Ejection Pump & Controls	0	0	0	0	8,500
Chemical Feed Pump	6,500	0	0	0	8,500
Pilot Filters	11,000	0	0	0	0
Plant Drain Sump	<u>14,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Outlay		<u>31,500</u>	<u>12,500</u>	<u>12,500</u>	<u>30,500</u>

Program: Utilities/Water – Water Distribution Services

Mission Statement:

“Providing excellence in customer service and the highest levels of water quality to serve our community.”

Services Delivered:

Water Distribution is responsible for ensuring a consistently dependable supply of quality water for both domestic consumption and fire service protection. The services delivered in this activity are administered through the performance of distinct programs consisting of customer service, water quality, service installation and maintenance, system maintenance, main and hydrant installation, and general operations.

The duties encompassed in these programs include water sampling, water system flushing, meter replacement, water service installation and repair, fire hydrant repair and inspection, backflow prevention inspection, water main repair, and responding to customer concerns and requests. In addition, this activity provides support to both contractors involved in new construction and other City departments during their normal course of business.

Performance Measurements:

Water Distribution Performance Measures

Indicator	2010-11		2011-12		2012-13	2013-14	2014-15
	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Outputs							
Number of residential water meters replaced	731	800	642	800	800	886	710
Effectiveness							
Number of water quality complaints	13	N/A	26	N/A	<10	<10	<10
Percentage of routine bacteria samples conforming to State and local standards	100%	100%	100%	100%	100%	100%	100%
Average time to restore water service in emergency repair situations in hours	N/A	<1	N/A	<1	<1	<1	<1
Efficiency							
Percentage of Metered Water Use	N/A	N/A	N/A	N/A	N/A	>92%	>92%

FY'14 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Provide Cooperative, Shared Leadership Involving Council, Staff and Community

Objective 4: Ensure efficiency and effectiveness in City operations

- Excellence in customer service and water quality shall remain the highest priorities in this activity.
- Continue utility administered contract for the testing and minor repair of single-family residential backflow devices.
- Continue meter replacement program.

Program: Utilities/Water – Water Distribution Services

FY'14 Anticipated Accomplishments Cont'd:

Maintain, Operate, and Expand our Infrastructure

Objective 2: Design and construct needed water facilities

- Continue fire hydrant maintenance program.
- Continue contract cleaning of water reservoirs.
- Continue the installation of new water services as requested.
- Continue to adjust, and/or relocate existing water services, fire hydrants, and valve boxes during public road and sidewalk projects.
- Provide focused water system flushing in various levels of the distribution system.
- Replace substandard galvanized and low flow copper water services when encountered.

Budget Highlights:

Funding continues for a utility administered contract for single-family residential backflow testing and minor repair. Funds for the replacement of residential and commercial water meters continue in the Customer Service Program. The Water Quality Program contains continuing funding for contract reservoir cleaning and water sample testing. The System Maintenance Program contains funding for water main and fire hydrant repairs and maintenance. The FY'14 capital budget contains continued funding for new water services.

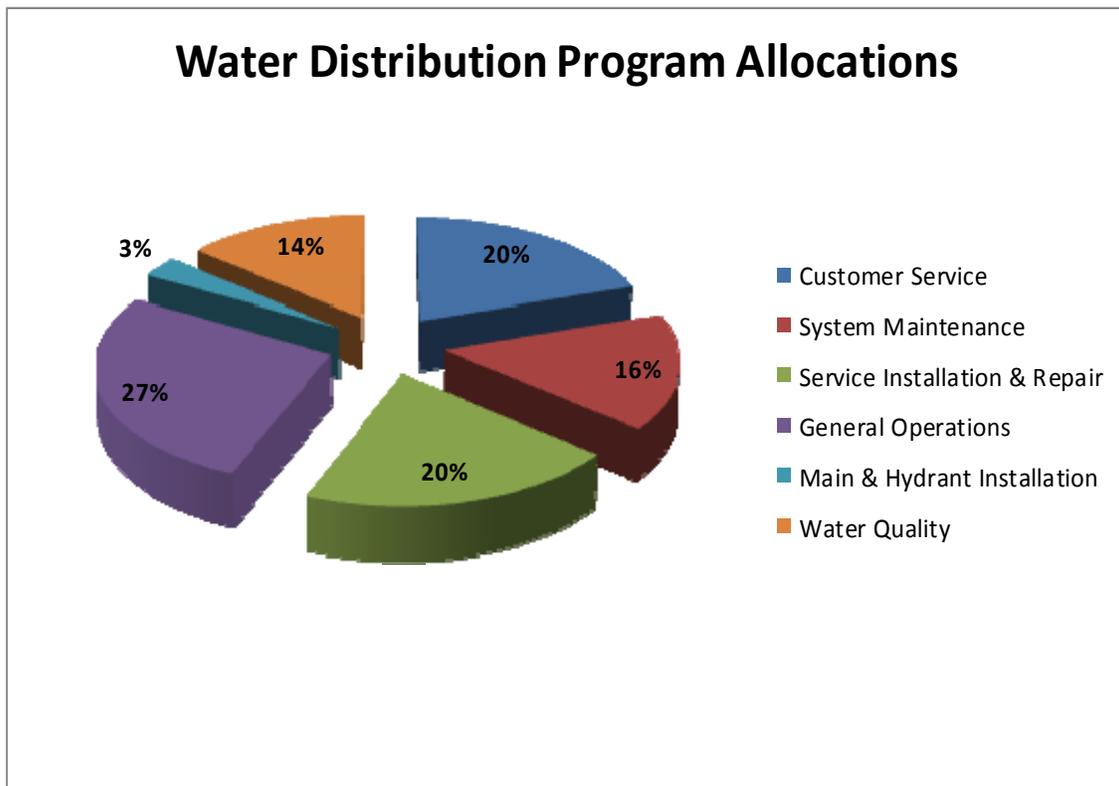
FY'13 Activity Review:

The installation of new water services remained slow during the period due to a downturn in the housing market. Distribution crews, however, remained busy with the installation of 10 new one inch water services on NW D Street, NW E Street and NW Fry Street to enable the abandonment of aging 16 inch cast iron water main located within an easement between NW D Street and NW E Street west of Dimmick Street. The relocation and adjustment of water services and a fire hydrant were successfully completed in conjunction with the Fair Grounds Signal Replacement Project. Distribution crews were also actively involved with the installation of 10 new water services during the Hubbard Lane Widening Project. Goals related to the replacement of residential water meters were met for the period. The residential backflow testing program successfully continued. Water service replacements totaled 24 as of March 1, 2013. Water main repairs totaled 6 for the same period.

Program: Utilities/Water – Water Distribution Services

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'11	FY'12	FY'13	FY'14	FY'14	FY'14	FY'15
	\$	\$	\$	\$	\$	\$	\$
Personnel Services	632,851	649,135	737,672	751,243	751,243	751,243	784,555
Materials & Supplies	109,191	109,313	150,177	148,277	148,277	148,277	161,577
Contractual/Prof Services	229,862	188,212	257,431	278,166	278,166	278,166	286,307
Direct Charges	49,799	50,177	50,877	39,189	39,189	39,189	39,189
Capital Outlay	<u>33,057</u>	<u>17,477</u>	<u>51,000</u>	<u>43,000</u>	<u>43,000</u>	<u>43,000</u>	<u>47,000</u>
Total Requirements	<u>1,054,760</u>	<u>1,014,314</u>	<u>1,247,157</u>	<u>1,259,875</u>	<u>1,259,875</u>	<u>1,259,875</u>	<u>1,318,628</u>



Program: Utilities/Water – Water Distribution Services

Personnel

	BUDGET		MANAGER COMMITTEE		COUNCIL		PROJECTED
	BUDGET	BUDGET	BUDGET	RECOMMEND	APPROVED	ADOPTED	
	FY' 11	FY' 12	FY' 13	FY' 14	FY' 14	FY' 14	
	#	#	#	#	#	#	#
Utility Field Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Worker	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Office Assistant I	<u>1.00</u>						
<i>Subtotal</i>	<i>10.00</i>						
Public Works Director							
FROM: Water Treatment	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Utility Field Superintendent							
TO: Wastewater Collection	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)
Utility Worker							
TO: Wastewater Collection	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)
Office Assistant I							
TO: Waste Water Collection	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)
Department Support Technician							
FROM: Water Treatment	<u>0.15</u>						
<i>Subtotal Distributed</i>	<i>(1.20)</i>						
Total Positions	<u>8.80</u>						
Temporary/Seasonal Hours	<u>2,400</u>	<u>2,400</u>	<u>2,100</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>

Capital Outlay/By Item

Reservoir #7 Land Payment		1,000	0	0	0	0
New Water Services		43,000	43,000	43,000	43,000	43,000
Boring Machine		7,000	0	0	0	0
Smooth Edge Implement Bucket		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,000</u>
Total Capital Outlay		<u>51,000</u>	<u>43,000</u>	<u>43,000</u>	<u>43,000</u>	<u>47,000</u>

Program: Utilities/Water – Customer Services

Mission Statement:

“The mission of the Customer Service Department is to provide support to the individual utilities to include billing, collection, and timely courteous responses to the needs of individual customers regarding their City utility account.”

Services Delivered:

This activity includes billing services provided by the Finance Department and Engineering Services from the Community Development Department.

Performance Measurements:

Water Customer Service Performance Measures

Indicator	2010-11		2011-12		2012-13	2013-14	2014-15
	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Outputs							
Number of water services	10,569	N/A	10,670	N/A	10,670	10,695	10,695
Effectiveness							
Uncollectable accounts by % of revenue	.05%	>1%	.01%	>1%	>1%	>1%	>1%
Efficiency							
Finance Direct Charges per Water Cust.*	\$2.38	<\$2.50	\$2.21	<\$2.50	<\$2.50	<\$2.50	<2.50

FY'14 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Provide Cooperative, Shared Leadership Involving Council, Staff and Community

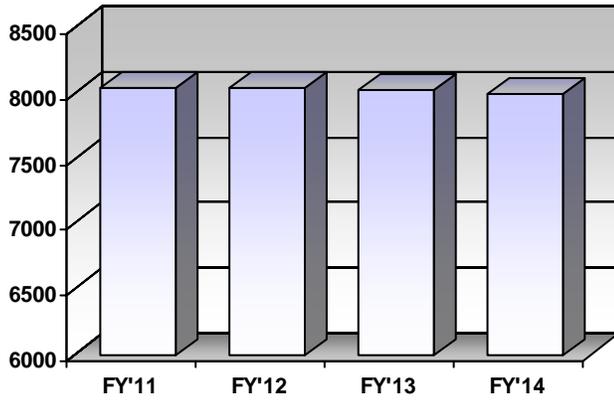
Ensure efficiency and effectiveness in City operations

- Bill over 10,600 customers monthly while maintaining timely records on all accounts.
- Provide information regarding water line locations, new service requests, local improvement district financing, and other data regarding the overall system.

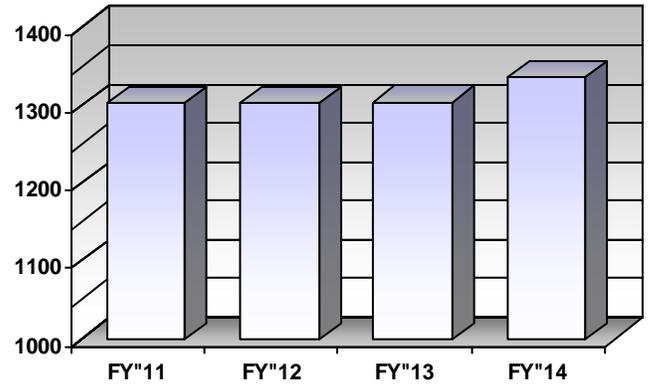
The City of Grants Pass Utility Customer Service Department serves approximately 10,670 water utility customers. The goal of the department is to provide excellent customer service to the citizens of Grants Pass. Cost per account for the water utility includes costs associated with direct salaries, employee benefits, contracts (such as meter reading), account activation, account maintenance, bill preparation, bill delivery, receipt and processing of payments, collection of delinquent accounts, account write-offs for uncollectable debt, work order generation, and dispatching of field crew worker assigned to customer service to individual customers for various assistance needs. The Customer Service Department strives to provide these services at less than \$2.50 per customer per month. In addition with the use of effective communication and the enforcement of municipal code far less than 1% of accounts are turned over to collections in final delinquency.

Program: Utilities/Water – Customer Services

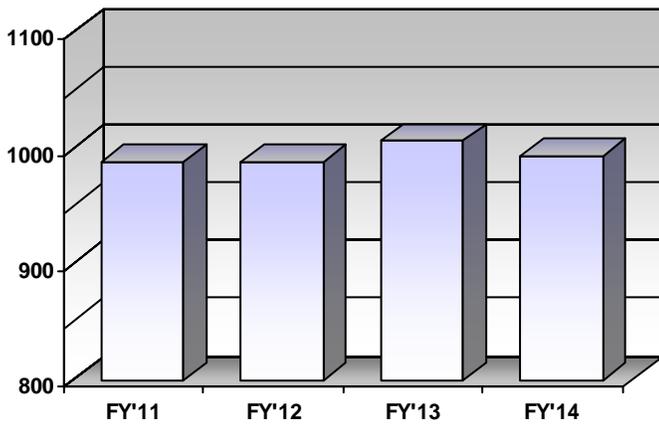
Number of RESIDENTIAL Customers



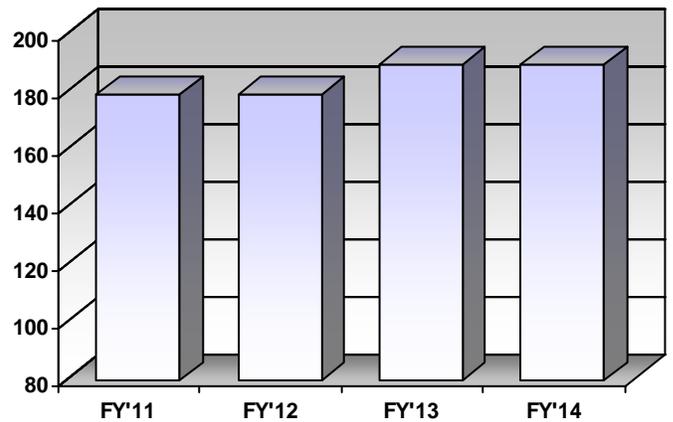
Number of COMMERCIAL Customers



Number of MULTIFAMILY Customers



Number of PUBLIC AGENCY Customers



Program: Utilities/Water – Customer Services

Budget Highlights:

This budget includes continued use of contracts for meter reading and bill stuffing services while maintaining current staffing for the office. Customers will continue to receive the same level of service from the customer service office including multiple payment acceptance methods, availability of customer service staff to answer questions regarding service and billing, and timely bill generation and deliver via either email or first class mail. In addition several of the staff will participate in the research and selection of new utility billing software with the goal of improving service delivery and efficiency.

FY'13 Activity Review:

The Customer Service office generated approximately 133,600 utility billings during FY'13 and receipted approximately 143,400 utility payments through a variety of collection methods including in person, via community drop boxes, online from individual financial institutions, via mail, online via the City website or drafted from individual bank accounts per customer request. As most payments come into the office in the form of check or money order the customer service office has worked to reduce the costs associated with transport of checks to the bank via armored car. The customer service office converted to complete check submission via a customer cash letter to the bank eliminating the need for daily pick up of utility deposits. An important statistic which highlights the level of customer interaction by the office is that approximately 20% of the City utility accounts transfer to a new account holder on an annual basis. All new accounts require individual customer information, account activation, and accuracy review to ensure accurate billing information.

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'11	FY'12	FY'13	FY'14	FY'14	FY'14	FY'15
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	28,586	30,312	34,339	34,700	34,700	34,700	35,350
Direct Charges	<u>312,758</u>	<u>321,986</u>	<u>361,676</u>	<u>343,135</u>	<u>343,135</u>	<u>343,135</u>	<u>354,325</u>
Total Requirements	<u>341,344</u>	<u>352,298</u>	<u>396,015</u>	<u>377,835</u>	<u>377,835</u>	<u>377,835</u>	<u>389,675</u>

Program: Utilities/Water – Debt Service

Services Delivered:

This activity accounts for the repayment of Water Bonds that were sold. As of FY'13 those bonds are limited to the Series 2013 Full Faith and Credit bonds that had a principal amount of \$4,620,000. The majority of these bonds were used to construct a new Reservoir #3. The bonds are scheduled to be paid in full in FY'24.

FY'14 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Provide Cooperative, Shared Leadership Involving Council, Staff and Community

Ensure efficiency and effectiveness in City operations

- Make timely debt service payments to avoid late fees or penalties and ensuring City's credit rating and ability to borrow in the future.

Budget Highlights:

A debt service schedule for the budgetary period is included here. A full Debt Service schedule can be found in Appendix O.

	FY'11*	FY'12*	FY'13	FY'14	FY'15
Principal	\$380,000	\$390,000	0	\$370,000	\$375,000
Interest	<u>19,200</u>	<u>7,800</u>	<u>25,052</u>	<u>137,220</u>	<u>129,770</u>
Total	<u>\$399,200</u>	<u>\$397,800</u>	<u>\$25,052</u>	<u>\$507,220</u>	<u>\$504,770</u>

The budget debt service differs from this schedule due to accruals.

*FY'11 and FY'12 actuals are from the 2009 refunding bonds. Those bonds were paid in full during FY'12.

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'11	FY'12	FY'13	RECOMMEND	APPROVED	ADOPTED	
	\$	\$	\$	FY'14	FY'14	FY'14	FY'15
				\$	\$	\$	\$
Debt Service	<u>397,653</u>	<u>396,253</u>	<u>146,000</u>	<u>507,220</u>	<u>507,220</u>	<u>507,220</u>	<u>504,770</u>
Total Requirements	<u>397,653</u>	<u>396,253</u>	<u>146,000</u>	<u>507,220</u>	<u>507,220</u>	<u>507,220</u>	<u>504,770</u>

Program: Utilities/Water – General Program Operations

Services Delivered:

This activity accounts for expenses not associated specifically with any single water activity. It includes administrative overhead, transfers to capital projects, and a contingency.

Budget Highlights:

The contingency funds available in General Program Operations are utilized only with direct City Council authorization. The appropriated funds for capital projects are transferred as soon as they are available. The FY'14 budget provides for \$1,333,000 in transfers to capital. This includes \$715,000 to various Water Treatment Plant Repair and Upgrade projects as well as, \$140,000 for Master Plan Updates, \$70,000 for Water SDCs Study, and \$50,000 for small main replacements.

FY'13 Activity Review:

The Water General Fund was able to transfer the full amount of Capital Transfers for FY'13 of \$524,327.

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'11	FY'12	FY'13	FY'14	FY'14	FY'14	FY'15
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	58	58	10,080	10,350	10,350	10,350	10,350
Direct Charges	9,504	9,504	11,875	11,875	11,875	11,875	11,875
Indirect Charges	290,541	288,766	334,200	340,700	340,700	340,700	355,500
Transfers Out	<u>655,531</u>	<u>552,801</u>	<u>524,327</u>	<u>1,333,000</u>	<u>1,333,000</u>	<u>1,333,000</u>	<u>818,000</u>
<i>Subtotal Expenditures</i>	<i>955,634</i>	<i>851,129</i>	<i>880,482</i>	<i>1,695,925</i>	<i>1,695,925</i>	<i>1,695,925</i>	<i>1,195,725</i>
Contingencies	0	0	963,683	1,054,554	1,054,554	1,054,554	1,113,545
Ending Balance	<u>1,280,617</u>	<u>1,429,081</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>2,236,251</u>	<u>2,280,210</u>	<u>1,844,165</u>	<u>2,750,479</u>	<u>2,750,479</u>	<u>2,750,479</u>	<u>2,309,270</u>

Program: Utilities/Water – Capital Construction

Services Delivered:

This activity includes planning, engineering, and all construction of major water system improvements. The water system includes the treatment plant, eight reservoirs, thirteen pump stations, and 180 miles of water mains. Major repairs and improvements to the water system are financed through this capital budget. The minor repairs to the system are financed through the operating activities.

This budget sets aside funds to provide major rehabilitation of the water treatment plant, pump stations, water storage reservoirs, and the distribution system.

FY'14 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Maintain, Operate, and Expand our Infrastructure

Objective 1: Plan for utility infrastructure

- Complete master plans for 20-year utility infrastructure after UGB completion.
- Study life/capacity of Water Treatment Plant and research potential new sites.

Objective 2: Design and construct needed water facilities

- Replace Reservoir No. 3.
- Complete Starlite Pump Station upgrade.
- Pursue backup power for the Water Treatment Plant.
- Continue the Small Main Replacement program.

Budget Highlights:

The Active Capital Project list includes projects coming to a close in FY' 13, but which are not finalized at this time.

The project listing shows resources across the columns. Columns show the “Actual resources through FY' 12”; the re-assessed resource needs of projects using current data for the “Revised FY' 13” column, guiding our “Recommended FY' 14” and resources estimated “Through FY' 14”. We have “Future Years” and “Total Project” columns for each project. Refer to the Capital Budget Book for more information on individual projects.

The individual project pages describe the project, the need, future and ongoing costs, and the total project cost. The tables show when and where the money is budgeted to come from and the expenses incurred and budgeted to incur through completion.

FY'13 Activity Review:

- Completed the installation of a redundant backwash pump at the Water Treatment Plant.
- Completed design and began construction of replacement Reservoir No. 3.
- Continued work on the Small Main Replacement program.
- Continued work on the Water Treatment Plant Facility Plan.
- Began design work to install emergency power to the Water Treatment Plant.
- Began work on updating the Water Management and Conservation Plan.
- Began negotiations with ODFW and OWRD on time extensions for the development of the City's municipal water rights.

Program: Utilities/Water – Capital Construction

ACTIVE CAPITAL PROJECT RESOURCES

	Actual Through FY'12	Revised FY'13	Adopted FY'14	Total Through FY'14	Future Years	Total Project
WA0000 Miscellaneous Water Projects - SDC's (752)	473,212	4,000	(246,000)	231,212	(8,209,000)	(7,977,788)
WA0000 Miscellaneous Water Projects - AFD's (755)	34,684	(29,673)	(5,011)	0	0	0
WA0000 Miscellaneous Water Projects - General (758)	185,185	87,964	81,011	354,160	(19,714,000)	(19,359,840)
WA0000 Miscellaneous Water Projects - LID's (759)	13,545	(964)	0	12,581	0	12,581
WA4526 Starlite Pump Station Upgrade	245,000	0	0	245,000	0	245,000
WA4742 Meadow Wood Reservoir No. 16 - Site Purchase	110,000	0	150,000	260,000	90,000	350,000
WA4841 Small Main Replacement	266,324	50,000	50,000	366,324	3,100,000	3,466,324
WA4966 Water Conservation & Mgmt Plan Updt.	50,000	20,000	0	70,000	0	70,000
WA4971 Meadow Wood Reservoir No. 16	0	0	0	0	1,575,000	1,575,000
WA5028 Water Main on Private Property	50,000	0	0	50,000	0	50,000
WA5094 Water Distribution System Master Plan Update	120,000	20,000	0	140,000	0	140,000
WA5096 WTP Structural Repairs	300,000	50,000	75,000	425,000	345,000	770,000
WA6000 MSA Task Order #1	60,000	20,000	10,000	90,000	80,000	170,000
WA6001 Water Main Looping	55,000	0	0	55,000	670,000	725,000
WA6002 WTP Facility Plan Update	200,000	100,000	0	300,000	0	300,000
WA6052 Reservoir No. 3 Upgrades	623,000	5,220,000	200,000	6,043,000	0	6,043,000
WA6058 Water System Security Projects	40,000	10,000	10,000	60,000	70,000	130,000
WA6059 Pump Station Repairs	25,000	40,000	10,000	75,000	85,000	160,000
WA6122 WTP Emergency Generator	250,000	(50,000)	50,000	250,000	0	250,000
WA6168 WTP Exterior Repairs & Painting	0	55,000	105,000	160,000	0	160,000
NEW PROJECTS						
WA6204 Fall Protection at Reservoirs & Pump Stations	0	0	50,000	50,000	0	50,000
WA6205 New Hope Pump Station Fire Pump	0	0	150,000	150,000	0	150,000
WA6206 Reservoir No 4 Hatch Repairs	0	0	75,000	75,000	0	75,000
WA6207 WTP Upgrade	<u>0</u>	<u>0</u>	<u>685,000</u>	<u>685,000</u>	<u>23,815,000</u>	<u>24,500,000</u>
Total Projects	<u>3,100,950</u>	<u>5,596,327</u>	<u>1,450,000</u>	<u>10,147,277</u>	<u>1,907,000</u>	<u>12,054,277</u>

CLOSED OR CANCELLED CAPITAL PROJECT RESOURCES

WA4693 Booster Station Pump and Motor Rebuilds	105,000	(44,000)	0	61,000	0	61,000
WA4965 WTP Solids Handling	628,000	(50,000)	0	578,000	0	578,000
WA6057 Backwash Pump Redundancy	509,000	39,000	0	548,000	0	548,000
WA6167 D & E & Dimmick Water Main Abandonment	<u>0</u>	<u>155,000</u>	<u>0</u>	<u>155,000</u>	<u>0</u>	<u>155,000</u>
Total Closed Projects	<u>1,242,000</u>	<u>100,000</u>	<u>0</u>	<u>1,342,000</u>	<u>0</u>	<u>1,342,000</u>
Grand Total - All Projects	<u>4,342,950</u>	<u>5,696,327</u>	<u>1,450,000</u>	<u>11,489,277</u>	<u>1,907,000</u>	<u>13,396,277</u>

This is a summary sheet of all the Capital Projects that are discussed in detail in the Capital Budget Book.

Program: Utilities/Water – Capital Construction

ACTIVE CAPITAL PROJECT SUMMARIES FOR FY'14

		Adopted FY'14 Beginning Fund Balance	Adopted FY'14 Revenue	Adopted FY'14 Capital Outlay	Adopted FY'14 Transfers	Adopted FY'14 Appropriated Fund Balance
WA0000	Miscellaneous Water Projects - SDC's (752)	272,212	(246,000)	0	0	26,212
WA0000	Miscellaneous Water Projects - AFD's (755)	5,011	(5,011)	0	0	0
WA0000	Miscellaneous Water Projects - General (758)	168,120	81,011	0	0	249,131
WA0000	Miscellaneous Water Projects - LID's (759)	0	0	0	0	0
WA4526	Starlite Pump Station Upgrade	43,940	0	43,940	0	0
WA4742	Meadow Wood Reservoir No. 16 - Site Purchase	2,996	150,000	152,996	0	0
WA4841	Small Main Replacement	13,037	50,000	63,037	0	0
WA4966	Water Conservation & Mgmt Plan Updt.	0	0	0	0	0
WA4971	Meadow Wood Reservoir No. 16	0	0	0	0	0
WA5028	Water Main on Private Property	0	0	0	0	0
WA5094	Water Distribution System Master Plan Update	83,613	0	83,613	0	0
WA5096	WTP Structural Repairs	15,415	75,000	90,415	0	0
WA6000	MSA Task Order #1	8,712	10,000	18,712	0	0
WA6001	Water Main Looping	30,000	0	30,000	0	0
WA6002	WTP Facility Plan Update	7,336	0	7,336	0	0
WA6052	Reservoir No. 3 Upgrades	2,208,342	200,000	2,408,342	0	0
WA6058	Water System Security Projects	0	10,000	10,000	0	0
WA6059	Pump Station Repairs	25,000	10,000	35,000	0	0
WA6122	WTP Emergency Generator	49,324	50,000	99,324	0	0
WA6168	WTP Exterior Repairs & Painting	0	105,000	105,000	0	0
NEW PROJECTS						
WA6204	Fall Protection at Reservoirs & Pump Stations	0	50,000	50,000	0	0
WA6205	New Hope Pump Station Fire Pump	0	150,000	150,000	0	0
WA6206	Reservoir No 4 Hatch Repairs	0	75,000	75,000	0	0
WA6207	WTP Upgrade	0	685,000	685,000	0	0
	Total Projects	<u>2,933,058</u>	<u>1,450,000</u>	<u>4,107,715</u>	<u>0</u>	<u>275,343</u>

Program: Utilities/Water – Capital Construction

Financial Summary

	ACTUAL FY'11 \$	ACTUAL FY'12 \$	BUDGET FY'13 \$	MANAGER RECOMMEND FY'14 \$	COMMITTEE APPROVED FY'14 \$	COUNCIL ADOPTED FY'14 \$	PROJECTED FY'15 \$
Beginning Fund Balance	<u>1,935,415</u>	<u>2,287,706</u>	<u>1,353,922</u>	<u>2,933,058</u>	<u>2,933,058</u>	<u>2,933,058</u>	<u>275,343</u>
Resources							
Development Charges	186,205	98,420	150,000	150,000	150,000	150,000	150,000
Investment Interest	17,136	14,909	14,000	14,000	14,000	14,000	14,000
Advance Finance Interest	601	0	0	0	0	0	0
SDC Loans	7,055	7,699	0	0	0	0	0
General Fund	0	0	150,000	100,000	100,000	100,000	50,000
Transportation Projects	127,000	0	0	0	0	0	0
Water Fund	522,531	502,801	394,327	1,168,000	1,168,000	1,168,000	818,000
Advance Financing	53,023	266	2,000	18,000	18,000	18,000	20,000
Miscellaneous Revenue	<u>0</u>	<u>6,333</u>	<u>5,555,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Current Revenues</i>	<u><i>913,551</i></u>	<u><i>630,428</i></u>	<u><i>6,265,327</i></u>	<u><i>1,450,000</i></u>	<u><i>1,450,000</i></u>	<u><i>1,450,000</i></u>	<u><i>1,052,000</i></u>
Total Resources	<u>2,848,966</u>	<u>2,918,134</u>	<u>7,619,249</u>	<u>4,383,058</u>	<u>4,383,058</u>	<u>4,383,058</u>	<u>1,327,343</u>
Requirements							
Capital Outlay	401,260	619,845	5,724,436	4,177,715	4,107,715	4,107,715	1,200,000
Transfers Out	<u>160,000</u>	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Subtotal Expenditures</i>	<u><i>561,260</i></u>	<u><i>819,845</i></u>	<u><i>5,724,436</i></u>	<u><i>4,177,715</i></u>	<u><i>4,107,715</i></u>	<u><i>4,107,715</i></u>	<u><i>1,200,000</i></u>
Appropriated Fund Balance	<u>2,287,706</u>	<u>2,098,289</u>	<u>1,894,813</u>	<u>205,343</u>	<u>275,343</u>	<u>275,343</u>	<u>127,343</u>
Total Requirements	<u>2,848,966</u>	<u>2,918,134</u>	<u>7,619,249</u>	<u>4,383,058</u>	<u>4,383,058</u>	<u>4,383,058</u>	<u>1,327,343</u>