

WATER

ACTIVITIES

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

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	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'08	FY'09	FY'10	FY'11	FY'11	FY'11	FY'12
	\$	\$	\$	\$	\$	\$	\$
Program Generated Resources	<u>8,992,289</u>	<u>9,579,657</u>	<u>9,540,688</u>	<u>7,942,058</u>	<u>7,942,058</u>	<u>7,942,058</u>	<u>6,623,390</u>
Total Resources	<u>8,992,289</u>	<u>9,579,657</u>	<u>9,540,688</u>	<u>7,942,058</u>	<u>7,942,058</u>	<u>7,942,058</u>	<u>6,623,390</u>
Requirements							
Water Treatment	1,221,583	1,326,618	1,476,079	1,483,931	1,478,081	1,478,081	1,547,892
Water Distribution	1,033,954	1,068,227	1,213,393	1,220,720	1,213,635	1,213,635	1,250,589
Customer Services	392,512	362,969	396,955	376,750	376,750	376,750	383,460
Debt Services	416,989	422,836	424,123	399,200	399,200	399,200	397,800
General Program Operations	1,956,731	2,278,192	2,226,221	1,997,760	2,010,695	2,010,695	1,818,203
Water Debt Reserve Fund	408,000	408,000	408,000	0	0	0	0
Capital Construction	<u>3,562,520</u>	<u>3,712,815</u>	<u>3,395,917</u>	<u>2,463,697</u>	<u>2,463,697</u>	<u>2,463,697</u>	<u>1,225,446</u>
Total Requirements	<u>8,992,289</u>	<u>9,579,657</u>	<u>9,540,688</u>	<u>7,942,058</u>	<u>7,942,058</u>	<u>7,942,058</u>	<u>6,623,390</u>

Program: Utilities/Water Program

Mission Statement:

The mission of the Water Program is to meet the expanding service area's current and future drinking water and fire flow needs.

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 a 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'11 Anticipated Accomplishments:

- Several small undersized water distribution mains are scheduled to be replaced with appropriate sized pipes to improve water delivery and increase fire flows.
- The roof on the Water Filtration Plant will be replaced to correct defects and eliminate leaks.
- Design of a necessary roof replacement on Reservoir #3 will be completed to follow-up on structural deficiencies which were observed during routine maintenance at the facility.
- The Water Distribution Master Plan update will be initiated following completion of the UGB expansion process.
- The Water Treatment Facility Plan update will be initiated following completion of the UGB expansion process.
- Elimination of a water transmission main through private property and extension of a new fire service line.
- Completion of lighting efficiency upgrades at the Water Filtration Plant with funding from the American Reinvestment and Recovery Act, the Oregon Energy Trust and the Oregon Department of Energy.

FY'10 Activity Review:

- The Hilltop Pump Station was modified to improve fire flow and provide standby power.
- Leonard Road waterline loop #2 was completed.
- Preliminary Design of Water Filtration Plant Solids Handling improvements to increase sedimentation basin performance and capacity were completed.
- Design of Starlight Pump Station improvements was initiated.
- A crane pad access was constructed at the Water Filtration Plant in conjunction with the creation of a demonstration water conservation landscaping project in compliance with the City's Water Conservation and Management Plan.
- Variable frequency drives were installed on two of the City's four water intake pumps improving operational efficiencies and reducing power consumption.
- The outfall at the solids pond was replaced to correct pond leakage and erosion issues

Program: Utilities/Water Program

Program Financial Summary

Resources	ACTUAL FY'08 \$	ACTUAL FY'09 \$	BUDGET FY'10 \$	MANAGER RECOMMEND FY'11 \$	COMMITTEE APPROVED FY'11 \$	COUNCIL ADOPTED FY'11 \$	PROJECTED FY'12 \$
Beginning Balance	<u>771,123</u>	<u>1,105,142</u>	<u>1,303,320</u>	<u>1,172,203</u>	<u>1,172,203</u>	<u>1,172,203</u>	<u>1,017,324</u>
Current Resources							
Activity Generated							
Property Taxes	1	2	0	0	0	0	0
Sale of Water	4,095,246	4,261,587	4,330,091	4,244,708	4,244,708	4,244,708	4,326,500
Direct Charges to:							
Solid Waste Operations	11,753	11,442	10,000	7,600	7,600	7,600	7,600
Interest	57,602	32,314	30,000	15,000	15,000	15,000	15,000
Other Revenue	86,044	48,355	63,360	31,350	31,350	31,350	31,520
Transfers In	0	0	0	7,500	7,500	7,500	0
Debt Service Reserve Fund	408,000	408,000	408,000	0	0	0	0
Capital Construction	<u>3,562,520</u>	<u>3,712,815</u>	<u>3,395,917</u>	<u>2,463,697</u>	<u>2,463,697</u>	<u>2,463,697</u>	<u>1,225,446</u>
Total Current Resources	<u>8,221,166</u>	<u>8,474,515</u>	<u>8,237,368</u>	<u>6,769,855</u>	<u>6,769,855</u>	<u>6,769,855</u>	<u>5,606,066</u>
Total Resources	<u>8,992,289</u>	<u>9,579,657</u>	<u>9,540,688</u>	<u>7,942,058</u>	<u>7,942,058</u>	<u>7,942,058</u>	<u>6,623,390</u>

Requirements	ACTUAL FY'08 \$	ACTUAL FY'09 \$	BUDGET FY'10 \$	MANAGER RECOMMEND FY'11 \$	COMMITTEE APPROVED FY'11 \$	COUNCIL ADOPTED FY'11 \$	PROJECTED FY'12 \$
Water Treatment	1,206,583	1,326,618	1,476,079	1,483,931	1,478,081	1,478,081	1,547,892
Water Distribution	1,022,954	1,068,227	1,213,393	1,220,720	1,213,635	1,213,635	1,250,589
Customer Services	392,512	362,969	396,955	376,750	376,750	376,750	383,460
General Program Operations	400	2,046	20,500	19,840	19,840	19,840	19,840
Capital Construction	3,562,520	3,712,815	3,395,917	2,463,697	2,463,697	2,463,697	1,225,446
Contingency	0	0	323,198	1,004,389	1,017,324	1,017,324	1,088,261
Indirect Charges	301,189	280,218	309,799	318,000	318,000	318,000	325,000
Debt Service	416,989	422,836	424,123	399,200	399,200	399,200	397,800
Transfers Out	576,000	723,725	605,166	655,531	655,531	655,531	385,102
Ending Balance	1,105,142	1,272,203	967,558	0	0	0	0
Water Debt Reserve Fund	<u>408,000</u>	<u>408,000</u>	<u>408,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>8,992,289</u>	<u>9,579,657</u>	<u>9,540,688</u>	<u>7,942,058</u>	<u>7,942,058</u>	<u>7,942,058</u>	<u>6,623,390</u>

Program: Utilities/Water – Water Treatment Services

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.

FY’11 Anticipated Accomplishments:

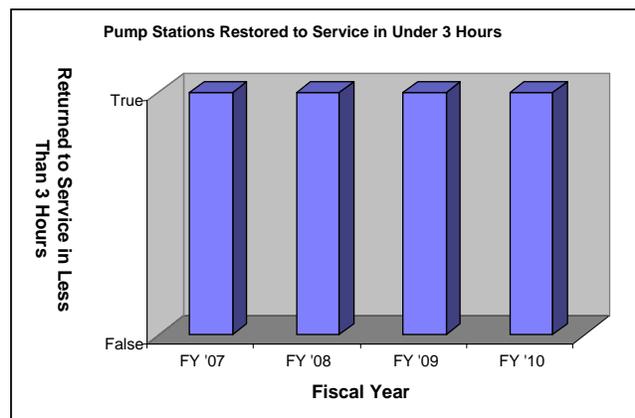
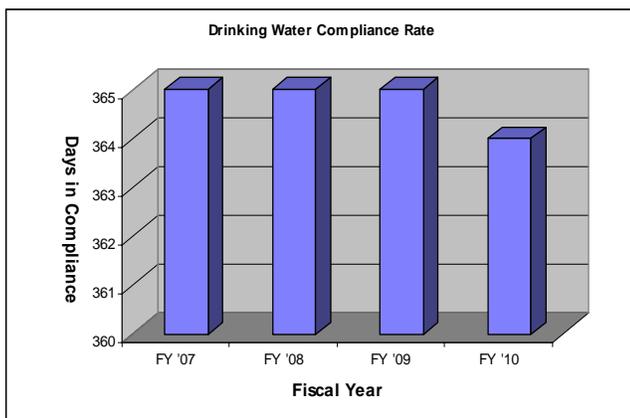
One “high-head” discharge pump will be rebuilt to near new condition. Staff will update and distribute the Consumer Confidence Report. Staff will continue to remove solids from the log pond. Additional security measures will be implemented to comply with the Treatment Plants Vulnerability Assessment. Minor upgrades will be made to the treatment plant SCADA system that will improve system redundancy and disaster recovery capabilities.

FY’11 Performance Measurements:

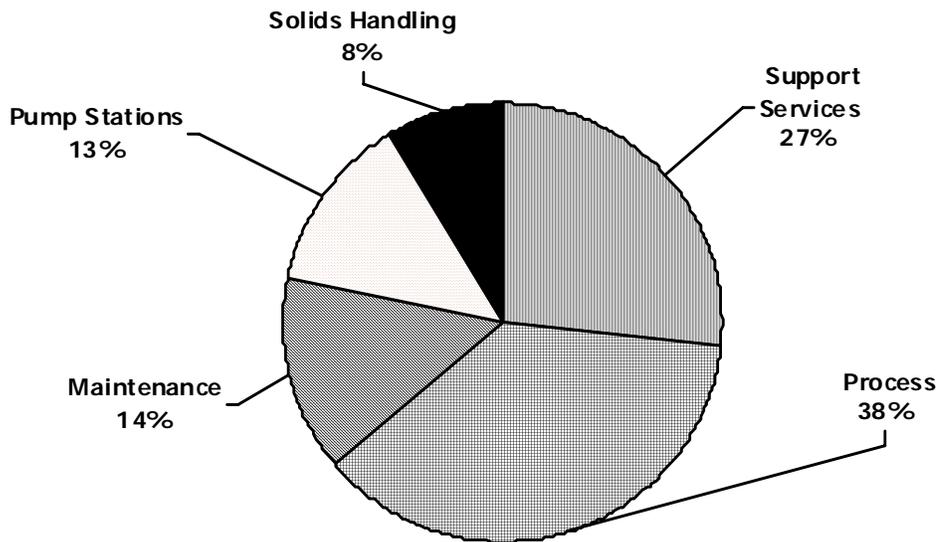
- Drinking Water Compliance Rate will be 100%.
- Water Booster Station outages will be repaired and placed back into service in less than three hours.

Budget Highlights:

This activity will continue to supplement personnel services through the use of part-time, temporary and contract employees. This enables the plant to run twenty-four hours a day during the peak summer months and assists plant staff with completing specific projects like 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. Staff will take additional samples in the North Valley area in an effort to determine compliance with the Stage 2 Disinfection and Disinfectants By-Products Rule (Stage 2 DDBP).



Water Treatment Programs



FY'10 Activity Review:

During FY'09, 1.97 billion gallons of water was pumped into the distribution system by this activity; it is projected that just over 2.03 billion will be pumped in FY'10. Plant staff has implemented improvements at the log pond that will allow for more effective utilization of their time while operating this labor intensive process. Plant staff further developed laboratory procedures designed to aid in understanding the production of solids at the treatment plant as well as improving treatment throughout the entire treatment train.

FY'10 Performance Indicators:

- Drinking Water Compliance Rate will be 100%. **Goal #I Target not met.** *Drinking Water Compliance Rate = 99.8%. The Plant failed to meet CxT for 1 day. This means that water was pumped from the plant before achieving required levels of disinfection. It was determined that the only customer affected was the Treatment Plant itself and only plant staff were exposed. By the time the water reached the first metered customer the water had been sufficiently disinfected.*
- Water Booster Station outages will be repaired and placed back into service in less than three hours. **Goal#III Target met.**

Program: Utilities/Water – Water Treatment Services

Financial Summary

Requirements	ACTUAL FY'08 \$	ACTUAL FY'09 \$	BUDGET FY'10 \$	MANAGER RECOMMEND FY'11 \$	COMMITTEE APPROVED FY'11 \$	COUNCIL ADOPTED FY'11 \$	PROJECTED FY'12 \$
Personal Services	522,357	575,833	652,340	662,303	656,453	656,453	681,825
Materials & Supplies	234,691	256,116	257,700	269,300	269,300	269,300	290,800
Contractual/Prof Services	419,269	468,636	516,717	518,026	518,026	518,026	551,237
Direct Charges	15,853	15,347	16,072	21,177	21,177	21,177	21,780
Capital Outlay	14,413	10,686	33,250	13,125	13,125	13,125	2,250
Transfers Out	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>1,221,583</u>	<u>1,326,618</u>	<u>1,476,079</u>	<u>1,483,931</u>	<u>1,478,081</u>	<u>1,478,081</u>	<u>1,547,892</u>

Program: Utilities/Water – Water Treatment Services

Personnel

	BUDGET	BUDGET	BUDGET	MANAGER	COMMITTEE	COUNCIL	
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	PROJECTED
	#	#	#	#	#	#	#
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	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Office Assistant I	<u>1.00</u>						
Subtotal	7.00	8.00	8.00	8.00	8.00	8.00	8.00
Public Works Director							
TO: Water Distribution	(0.23)	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)
TO: Wastewater Collection	(0.24)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
TO: Wastewater Treatment	(0.24)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)
TO: Streets	(0.06)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)
TO: Jo-Gro™	0.00	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
TO: Solid Waste Field Operations	0.00	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
Treatment Plant Spec - Operations							
FROM: Wastewater Treatment	0.50	0.00	0.00	0.00	0.00	0.00	0.00
Office Assistant I							
TO: Water Distribution	(0.20)	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)
TO: Wastewater Collection	(0.20)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
TO: Wastewater Treatment	(0.20)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)
TO: Streets	(0.20)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)
TO: Solid Waste Field Operations	0.00	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
TO: Jo-Gro™	<u>0.00</u>	<u>(0.03)</u>	<u>(0.03)</u>	<u>(0.03)</u>	<u>(0.03)</u>	<u>(0.03)</u>	<u>(0.03)</u>
Subtotal	(1.07)	(1.54)	(1.54)	(1.54)	(1.54)	(1.54)	(1.54)
Total Positions	<u>5.93</u>	<u>6.46</u>	<u>6.46</u>	<u>6.46</u>	<u>6.46</u>	<u>6.46</u>	<u>6.46</u>
Temporary/Seasonal Hours	<u>1,300</u>	<u>5,415</u>	<u>5,415</u>	<u>5,450</u>	<u>5,450</u>	<u>5,450</u>	<u>5,450</u>

Capital Outlay/By Item

Computers/Software/Office/Lab	15,750	5,625	5,625	5,625	2,250
Electric Crane Hoist	9,000	0	0	0	0
Improvements to Plant Drain Sump	3,500	0	0	0	0
Equip. Replace/Upgrades	<u>5,000</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>0</u>
Total Capital Outlay	<u>33,250</u>	<u>13,125</u>	<u>13,125</u>	<u>13,125</u>	<u>2,250</u>

Program: Utilities/Water – Water Distribution Services

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 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.

FY'11 Anticipated Accomplishments:

Excellence in customer service and water quality shall remain the highest priorities in this activity. The annexation of one additional private water system in the Redwood area is planned to occur during the period. The fire hydrant maintenance program shall continue. The meter replacement program shall also continue during the period. The installation of new water services combined with the replacement, adjustment and relocation of existing water services, fire hydrants, and valve boxes during public road and sidewalk projects shall also continue.

FY'11 activities shall include the water system flushing in various levels of the distribution system. A utility administered contract for the testing and minor repair of single-family residential backflow devices shall continue in FY'11. Substandard galvanized and low flow copper water services shall be replaced when encountered. Contract cleaning of water reservoirs will continue in FY'11.

FY'11 Performance Measurements:

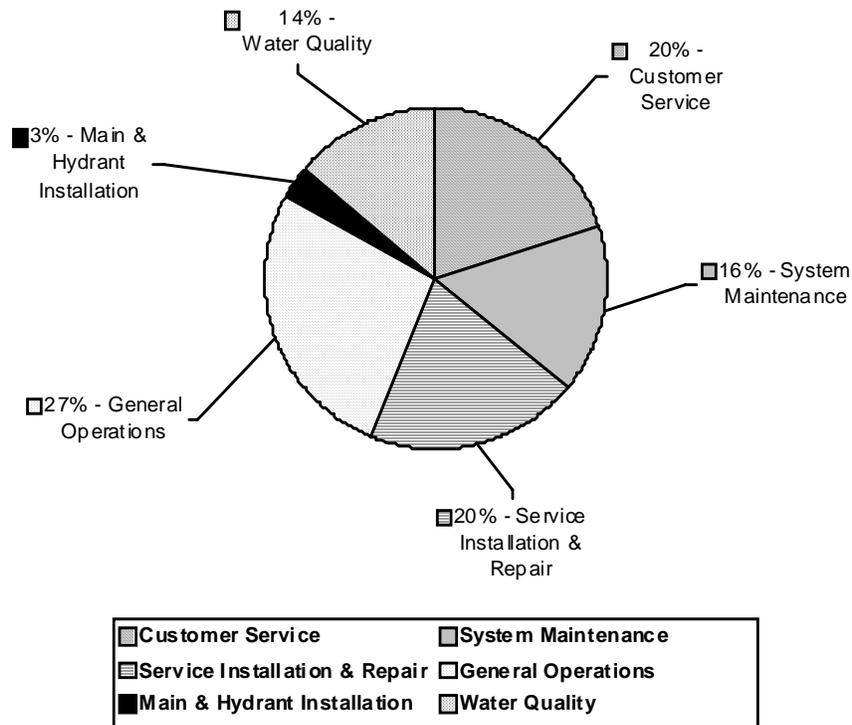
- All routine bacteria samples shall conform to state and local standards.
- Average time for water service outage during emergency repairs – 1 hour.

Budget Highlights:

Funding continues for a utility administered contract for single-family residential backflow testing and minor repair. Financial aid for backflow device and pressure regulator installations for homeowners within newly acquired systems shall continue. Funds for the replacement of residential and commercial water meters continue in the Customer Service Program. The Water Quality Program contains continued funding for contract reservoir cleaning and water sample testing. The System Maintenance Program contains funding for contract fire hydrant painting. The FY'11 capital budget contains continued funding for new water services and a replacement boring machine.

Program: Utilities/Water – Water Distribution Services

Program Allocations



FY'10 Activity Review:

The installation of new water services significantly slowed during the period due to a downturn in the housing market. Distribution crews however remained busy adjusting existing water services, fire hydrants and public mainlines during the West Park Street Widening Project. The relocation and adjustment of water services were also completed within City sponsored sidewalk projects on Washington Blvd., Hawthorne Avenue, Foothill Blvd and Wildwood Avenue. Goals related to the replacement of residential water meters were met for the period. The residential backflow testing program successfully continued. New water services as of March 19, 2010 totaled 56, with 20 being installed by City crews. Water service replacements for the same period totaled 21. Water main repairs totaled 11 for the same period.

FY'10 Performance Indicators:

- Percentage of unaccounted water projected at 8 %: **Target met.**
- 1000 feet of pipeline flushed per labor hour: **Target not met. (Flushing did not occur)**
- 1 hour average time for service outage during emergency repairs: **Target met.**

Program: Utilities/Water – Water Distribution Services

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	\$	\$	\$	\$	\$	\$	\$
Personal Services	598,859	612,749	699,522	723,020	715,935	715,935	749,007
Materials & Supplies	106,736	118,168	121,247	127,177	127,177	127,177	127,177
Contractual/Prof Services	240,732	225,714	284,773	264,031	264,031	264,031	269,158
Direct Charges	37,099	40,953	42,851	51,492	51,492	51,492	52,247
Capital Outlay	39,528	70,643	65,000	55,000	55,000	55,000	53,000
Transfers Out	<u>11,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>1,033,954</u>	<u>1,068,227</u>	<u>1,213,393</u>	<u>1,220,720</u>	<u>1,213,635</u>	<u>1,213,635</u>	<u>1,250,589</u>

Program: Utilities/Water – Water Distribution Services

Personnel

	BUDGET	BUDGET	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	#	#	#	#	#	#	#
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>						
Subtotal	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Public Works Director							
FROM: Water Treatment	0.23	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)
Municipal Service 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)
Office Assistant I							
FROM: Water Treatment	<u>0.20</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>
Subtotal	(1.07)	(1.20)	(1.20)	(1.20)	(1.20)	(1.20)	(1.20)
Total Positions	<u>8.93</u>	<u>8.80</u>	<u>8.80</u>	<u>8.80</u>	<u>8.80</u>	<u>8.80</u>	<u>8.80</u>
Temporary/Seasonal Hours	<u>2,400</u>						

* Utility Specialist replaced the title Municipal Specialist and Utility Worker replaced the title Municipal Service Worker upon ratification of the Teamsters contract during FY'10.

Capital Outlay/By Item

Boring Machine	0	5,000	5,000	5,000	0
Reservoir #7 Land Payment	1,000	1,000	1,000	1,000	1,000
New Water Services	60,000	45,000	45,000	45,000	48,000
Computers	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
Total Capital Outlay		<u>65,000</u>	<u>55,000</u>	<u>55,000</u>	<u>53,000</u>

Program: Utilities/Water – Customer Services

Services Delivered:

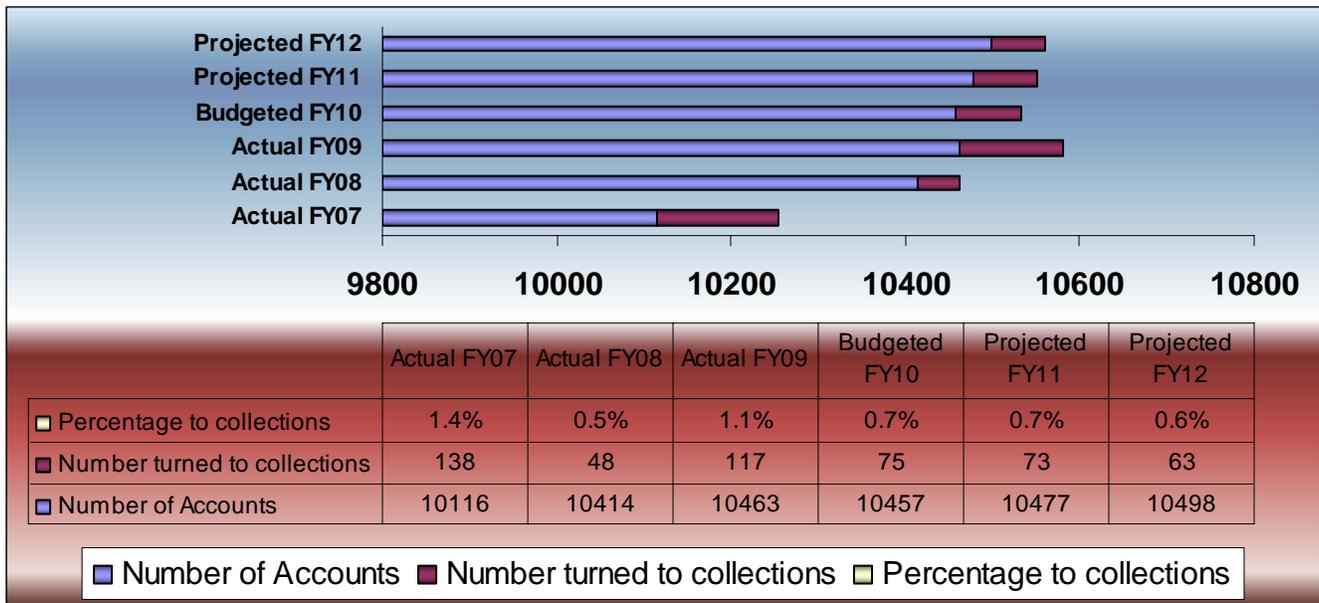
This activity includes billing services provided by the Finance Department and Engineering Services from the Community Development Department.

FY'11 Anticipated Accomplishments:

The Customer Services activity will bill about 10,457 customers monthly in FY'11 and maintain timely records on all accounts. Information regarding water line locations, new service requests, local improvement district financing and other data regarding the overall system will be provided to customers through this activity.

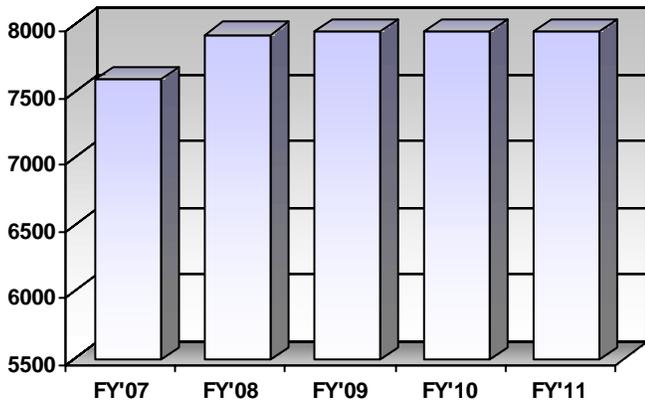
FY'11 Performance Measurements:

In an effort to decrease costs and increase efficiencies the Customer Service Department seeks to collect all costs associated with the utility from the individual responsible for the account. Turning accounts over to collections often results in a revenue loss for the utility. The Customer Service Department strives to turn over less than 1% of overall accounts to collections. The chart below details past, current, and future projected collections statistics for City billed water utility accounts.

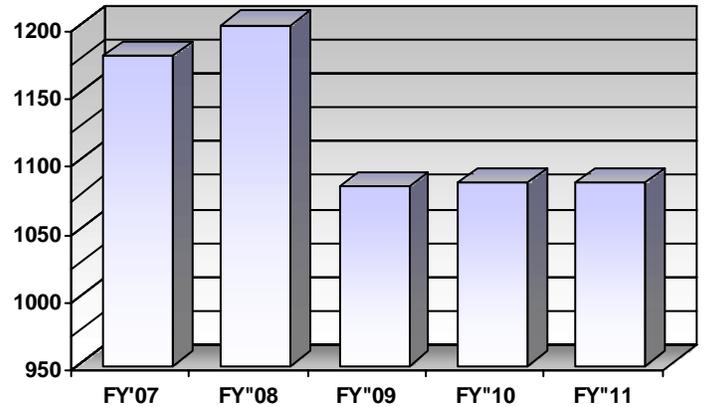


Program: Utilities/Water – Customer Services

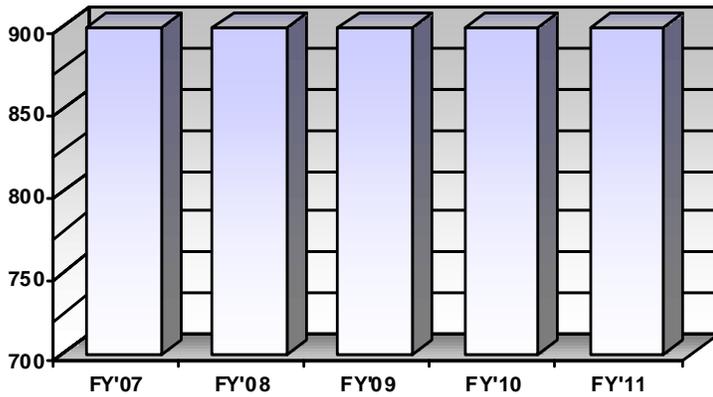
Number of RESIDENTIAL Customers



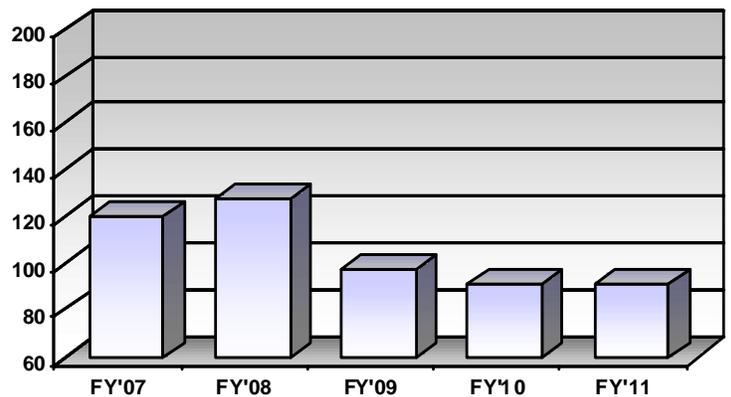
Number of COMMERCIAL Customers



Number of MULTIFAMILY Customers



Number of PUBLIC AGENCY Customers



Program: Utilities/Water – Customer Services

Budget Highlights:

The FY'11 budget includes a reduction in costs associated with personnel directly related to payment processing through the automation of accounts receivable payment processing procedures.

FY'10 Performance Indicators:

- A Water Quality Report will be issued to all water consumers. **Goal#IV Target met.**
- Ensure that customers receive timely and accurate information involving their water utility service during the construction phases of utility improvement projects. **Goal#I Target met.**
- Fees and charges applicable to delinquent accounts will be reviewed for recovery of cost and recommendations presented to Council. **Goal#VI Target not met.**

Program: Utilities/Water – Customer Services

Financial Summary

Requirements	ACTUAL FY'08 \$	ACTUAL FY'09 \$	BUDGET FY'10 \$	MANAGER RECOMMEND FY'11 \$	COMMITTEE APPROVED FY'11 \$	COUNCIL ADOPTED FY'11 \$	PROJECTED FY'12 \$
Contractual/Prof Services	37,064	27,628	29,210	33,330	33,330	33,330	34,520
Direct Charges	<u>355,448</u>	<u>335,341</u>	<u>367,745</u>	<u>343,420</u>	<u>343,420</u>	<u>343,420</u>	<u>348,940</u>
Total Requirements	<u>392,512</u>	<u>362,969</u>	<u>396,955</u>	<u>376,750</u>	<u>376,750</u>	<u>376,750</u>	<u>383,460</u>

Program: Utilities/Water – Debt Service

Services Delivered:

This activity accounts for the repayment of water bonds that were sold. In December of 2009 the Water Bonds were refinanced for a present value savings of \$68,419 over the life of the new bond.

Budget Highlights:

The Debt Service schedule is in Appendix P. The Water Utility's portion of the new refunding bond issue will be paid in full by FY'12.

The Water Bond and new Refunding Bond payment schedule is:

	FY'08*	FY'09*	FY'10*	FY'11	FY'12
Principal	320,000	340,000	360,000	380,000	390,000
Interest	<u>98,163</u>	<u>83,083</u>	<u>71,304</u>	<u>19,200</u>	<u>7,800</u>
Total	<u>\$418,163</u>	<u>\$423,083</u>	<u>\$431,304</u>	<u>\$399,200</u>	<u>\$397,800</u>

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

* Payments in FY'08 & FY'09 include interest and principal to 1998 Water Revenue Bonds; payments in FY'10 are a combination of the new bond schedule and the 1998 schedule. FY'10 does not include the debt reserve amount that was used to pay down principal of the debt in the bond offering of FY'10.

Program: Utilities/Water – Debt Service

Financial Summary

Requirements	ACTUAL FY'08 \$	ACTUAL FY'09 \$	BUDGET FY'10 \$	MANAGER RECOMMEND FY'11 \$	COMMITTEE APPROVED FY'11 \$	COUNCIL ADOPTED FY'11 \$	PROJECTED FY'12 \$
Debt Service	<u>416,989</u>	<u>422,836</u>	<u>424,123</u>	<u>399,200</u>	<u>399,200</u>	<u>399,200</u>	<u>397,800</u>
Total Requirements	<u>416,989</u>	<u>422,836</u>	<u>424,123</u>	<u>399,200</u>	<u>399,200</u>	<u>399,200</u>	<u>397,800</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.

Program: Utilities/Water – General Program Operations

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	\$	\$	\$	\$	\$	\$	\$
Materials & Supplies	0	0	100	240	240	240	240
Contractual/Prof Services	400	2,046	20,400	10,100	10,100	10,100	10,100
Direct Charges	0	0	0	9,500	9,500	9,500	9,500
Contingencies	0	0	323,198	1,004,389	1,017,324	1,017,324	1,088,261
Indirect Charges	301,189	280,218	309,799	318,000	318,000	318,000	325,000
Transfers Out	550,000	723,725	605,166	655,531	655,531	655,531	385,102
Ending Balance	<u>1,105,142</u>	<u>1,272,203</u>	<u>967,558</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>1,956,731</u>	<u>2,278,192</u>	<u>2,226,221</u>	<u>1,997,760</u>	<u>2,010,695</u>	<u>2,010,695</u>	<u>1,818,203</u>

Program: Utilities/Water – Debt Service Reserve Fund

Services Delivered/ Budget Highlights:

This activity accounts for the reserve requirement mandated by the covenants of the General Revenue Bond sale completed August 1998. Ten percent of the bond sale proceeds, \$408,000, must be held in reserve for the life of the debt. Interest earnings on the reserved monies are available for general operations and will be applied to the semi-annual debt service payments.

As of December 2009, the 1998 General Revenue Bond was paid off as part of a bond refunding. This refunding refinanced debt at a lower interest rate and eliminated the debt reserve requirement.

Program: Utilities/Water – Debt Service Reserve Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	\$	\$	\$	FY'11	FY'11	FY'11	\$
Beginning Balance	<u>408,000</u>	<u>408,000</u>	<u>408,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Resources	<u>408,000</u>	<u>408,000</u>	<u>408,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	\$	\$	\$	FY'11	FY'11	FY'11	\$
Ending Balance	<u>408,000</u>	<u>408,000</u>	<u>408,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>408,000</u>	<u>408,000</u>	<u>408,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Program: Utilities/Water – Capital Construction

Basic Functions:

This activity includes planning, engineering and all construction of major water system improvements.

Activity Highlights:

The water system includes the treatment plant, eight reservoirs, thirteen pump stations and 105 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 City funding for extension and over-sizing of lines required by the water system in excess of individual development project needs, as well as major rehabilitation of the water treatment plant, pump stations, water storage reservoirs and the distribution system.

Budget Highlights:

New this year, we have separated the active projects from the projects that are completed or cancelled and currently being closed out. The Active Capital Project list includes projects coming to a close in FY'10 but which are not finalized at this time.

The project listing now shows resources across the columns. Columns show the Actual resources through FY'09, the re-assessed resource needs of projects using current data for the "Revised FY'10" column, guiding our "Recommended FY'11" and resources estimated "Through FY'11". We have added "Future Years" and "Total Project" columns. The "Future Years" column includes resources shown on the individual project narrative pages as "FY'12 Projected" and "Future".

Program: Utilities/Water – Capital Construction

ALL ACTIVE CAPITAL PROJECT RESOURCES

		Actual Through FY'09	Revised FY'10	Recommend FY'11	Total Through FY'11	Future Years	Total Project
WA4258	Fire Hydrant New Install	75,000	0	0	75,000	0	75,000
WA4526	Starlite Pump Station Upgrade	210,000	0	0	210,000	0	210,000
WA4693	Booster Station Pump and Motor Rebuilds	75,000	15,000	15,000	105,000	45,000	150,000
WA4742	Meadow Wood Reservoir #16-Site Purch.	50,000	0	63,000	113,000	37,000	150,000
WA4841	Small Main Replacement	150,000	10,000	100,000	260,000	200,000	460,000
WA4863	Hilltop Fire Pump Station Upgrade	476,000	230,000	0	706,000	0	706,000
WA4965	WTP Solids Handling	1,200,000	0	100,000	1,300,000	2,200,000	3,500,000
WA4966	Water Conservation & Mgmt Plan Updt	80,000	(30,000)	0	50,000	0	50,000
WA4967	Plant Landscaping	100,000	10,000	0	110,000	0	110,000
WA4968	Influent Pump VFD's	150,000	70,000	0	220,000	0	220,000
WA4971	Meadow Wood Reservoir No. 16	0	50,000	0	50,000	1,000,000	1,050,000
WA5027	Leonard Road Water Line Loop 2	145,000	(70,000)	0	75,000	0	75,000
WA5028	Water Main on Private Property	20,000	0	30,000	50,000	0	50,000
WA5094	Water Distrib. System Master Plan Update	25,000	75,000	20,000	120,000	0	120,000
WA5096	WTP Structural Repairs	90,000	70,000	0	160,000	288,000	448,000
WA5097	Feasibility of On-Site CHL2 Generation	0	10,000	0	10,000	40,000	50,000
WA5098	Air Scour in Filters	0	0	0	0	400,000	400,000
WA6000	MSA Task Order #1	40,000	20,000	20,000	80,000	60,000	140,000
WA6001	Water Main Looping	20,000	(5,000)	20,000	35,000	80,000	115,000
WA6002	WTP Facility Plan Update	0	10,000	90,000	100,000	0	100,000
WA6044	Meadow Wood #10 Elderberry/Windham	0	25,000	0	25,000	0	25,000
Fund 758	Miscellaneous Water Projects - General	348,709	126,035	15,531	490,275	(3,752,898)	(3,262,623)
Fund 759	Miscellaneous Water Projects - LID's	13,530	(949)	0	12,581	0	12,581
Fund 752	Miscellaneous Water Projects - SDC's	108,187	159,813	(31,560)	236,440	(442,064)	(205,624)
Fund 755	Miscellaneous Water Projects - AFD's	3,243	(443)	1,500	4,300	1,500	5,800
NEW PROJECTS							
WA6052	Reservoir No. 3 Upgrades	0	50,000	73,000	123,000	1,377,000	1,500,000
WA6057	Backwash Pump Redundancy	0	0	150,000	150,000	0	150,000
WA6058	Water System Security Projects	0	0	20,000	20,000	80,000	100,000
WA6059	Pump Station Repairs	0	0	25,000	25,000	75,000	100,000
WA6060	Solids Handling Pads WTP, Pond, & Jo-Gro	0	0	84,000	84,000	116,000	200,000
WA6061	WTP Roof Replacement	0	20,000	90,000	110,000	0	110,000
	Total Projects	<u>3,379,669</u>	<u>844,456</u>	<u>885,471</u>	<u>5,109,596</u>	<u>1,804,538</u>	<u>6,914,134</u>

ALL CLOSED OR CANCELLED CAPITAL PROJECT: RESOURCES

WA4739	Foothill Zone 2 Loop - Ament Road	69,087	(64,068)	0	5,019	0	5,019
WA4969	Reservoir #3 Valve House/Overflow Renov.	75,000	28,000	0	103,000	0	103,000
WA5026	Leonard Road Water Line Loop 1	280,020	(9,000)	0	271,020	0	271,020
WA5059	Williams Hwy. Waterline Fill In	630,000	(5,801)	0	624,199	0	624,199
WA5095	Source Water Protection Plan	0	0	0	0	0	0
WA6024	10th Street 2" Water Line	0	42,000	0	42,000	0	42,000
	Total Projects	<u>1,054,107</u>	<u>(8,869)</u>	<u>0</u>	<u>1,045,238</u>	<u>0</u>	<u>1,045,238</u>

Program: Utilities/Water – Capital Construction

Financial Summary

	ACTUAL FY'08 \$	ACTUAL FY'09 \$	BUDGET FY'10 \$	MANAGER RECOMMEND FY'11 \$	COMMITTEE APPROVED FY'11 \$	COUNCIL ADOPTED FY'11 \$	PROJECTED FY'12 \$
Beginning Fund Balance	<u>2,351,648</u>	<u>3,025,647</u>	<u>1,936,751</u>	<u>1,578,226</u>	<u>1,578,226</u>	<u>1,578,226</u>	<u>623,360</u>
Resources							
State Grant-Oregon Energy Trust	0	0	50,000	0	0	0	0
SDC - Revenues	20,668	10,368	35,250	170,440	170,440	170,440	187,484
SDC - Reimbursement Fee	263,038	139,531	350,000	0	0	0	0
SDC - Improvement Fee	207,766	115,730	305,000	0	0	0	0
SDC - Admin Fee	7,230	4,086	11,500	0	0	0	0
SDC - Various	26,590	20,209	12,750	0	0	0	0
Investment Interest	131,752	66,532	34,500	19,500	19,500	19,500	19,500
Transportation Capital Projects	0	0	0	163,000	163,000	163,000	0
Lands & Buildings Capital Projects	0	0	0	0	0	0	0
General Program - Water	429,000	314,557	605,166	522,531	522,531	522,531	385,102
Water Treatment	15,000	0	0	0	0	0	0
Sale of Assets (Land)	45,000	0	0	0	0	0	0
Advance Finance Revenues	64,828	16,077	55,000	10,000	10,000	10,000	10,000
Other	<u>0</u>	<u>78</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Resources	<u>1,210,872</u>	<u>687,168</u>	<u>1,459,166</u>	<u>885,471</u>	<u>885,471</u>	<u>885,471</u>	<u>602,086</u>
Total Resources	<u>3,562,520</u>	<u>3,712,815</u>	<u>3,395,917</u>	<u>2,463,697</u>	<u>2,463,697</u>	<u>2,463,697</u>	<u>1,225,446</u>
Requirements							
Capital Outlay	536,873	1,455,551	2,018,459	1,680,337	1,680,337	1,680,337	903,019
Transfer Out	0	0	72,000	160,000	160,000	160,000	200,000
Appropriated Fund Balance	<u>3,025,647</u>	<u>2,257,264</u>	<u>1,305,458</u>	<u>623,360</u>	<u>623,360</u>	<u>623,360</u>	<u>122,427</u>
Total Requirements	<u>3,562,520</u>	<u>3,712,815</u>	<u>3,395,917</u>	<u>2,463,697</u>	<u>2,463,697</u>	<u>2,463,697</u>	<u>1,225,446</u>