

WASTEWATER

ACTIVITIES

*Wastewater Collection Services

*Wastewater Treatment Services

*JO-GRO™

*Wastewater Customer Service

*Wastewater System Debt Service

*Wastewater – General Program

*Wastewater – Capital Construction

DESCRIPTION

This program includes the treatment plant, pumping stations, collection piping system, and support services systems that collectively provide wastewater services to the enterprise's customers.

| | ACTUAL FY'06 \$ | ACTUAL FY'07 \$ | BUDGET FY'08 \$ | MANAGER RECOMMEND FY'09 \$ | COMMITTEE APPROVED FY'09 \$ | COUNCIL ADOPTED FY'09 \$ | PROJECTED FY'10 \$ |
|-----------------------------|-------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------------------|-----------------------------------|--------------------------|
| Program Generated Resources | <u>9,905,082</u> | <u>12,478,978</u> | <u>12,784,001</u> | <u>8,837,489</u> | <u>8,837,489</u> | <u>8,837,489</u> | <u>8,641,470</u> |
| Total Resources | <u>9,905,082</u> | <u>12,478,978</u> | <u>12,784,001</u> | <u>8,837,489</u> | <u>8,837,489</u> | <u>8,837,489</u> | <u>8,641,470</u> |
| Requirements | | | | | | | |
| Wastewater Collection | 424,556 | 453,184 | 530,719 | 647,594 | 647,594 | 647,594 | 636,082 |
| Wastewater Treatment | 1,179,091 | 1,366,989 | 1,430,742 | 1,555,776 | 1,555,776 | 1,555,776 | 1,602,907 |
| Jo Gro | 455,272 | 451,598 | 509,467 | 723,828 | 723,828 | 723,828 | 580,149 |
| Customer Services | 244,968 | 260,595 | 257,869 | 269,688 | 269,688 | 269,688 | 279,607 |
| Debt Services | 492,306 | 492,206 | 495,250 | 495,250 | 495,250 | 495,250 | 495,250 |
| General Program Operations | 1,579,153 | 2,012,059 | 1,911,291 | 1,599,452 | 1,599,452 | 1,599,452 | 1,753,164 |
| SRF Debt Reserve | 500,899 | 500,899 | 500,899 | 500,899 | 500,899 | 500,899 | 500,899 |
| Capital Construction | <u>5,028,837</u> | <u>6,941,448</u> | <u>7,147,764</u> | <u>3,045,002</u> | <u>3,045,002</u> | <u>3,045,002</u> | <u>2,793,412</u> |
| Total Requirements | <u>9,905,082</u> | <u>12,478,978</u> | <u>12,784,001</u> | <u>8,837,489</u> | <u>8,837,489</u> | <u>8,837,489</u> | <u>8,641,470</u> |

Program: Utilities/Wastewater Program

Mission:

The mission of the Wastewater Program is to meet the area's current and future wastewater collection and treatment needs, protecting human health, welfare and the environment.

Services Delivered:

The process of collection, treatment and disposal of wastewater is one of the basic functions of our City. With primary focus on public safety and the environment, this utility collects wastewater from customers, conveys to the City's Water Restoration Plant for treatment, and ultimately discharges a treated effluent to the Rogue River. Solids removed during the treatment phase are trucked to JO-GRO™ and composted with greenwaste to create a co-compost material for sale to the public.

System goals are to protect the river, assure a healthy and safe community environment, and provide capacity for community growth and economic prosperity. At the Water Restoration Plant, the wastewater of our community is treated to a level that is compatible with the Rogue River into which it discharges. The wastewater program works within strict environmental standards established by the Federal Water Quality Act through the National Pollutant Discharge Elimination System (NPDES), with oversight by the Oregon Department of Environmental Quality (DEQ).

The wastewater system includes the treatment plant, co-composting facility, pumping stations, collection system piping, and support service systems. The utility is an enterprise fund, with all costs of the system borne by ratepayers. The budget is structured in eight (8) major activities:

| | |
|--------------------------------|----------------------------|
| Wastewater Collection Services | Debt Service |
| Wastewater Treatment | Debt Service Reserve |
| JO-GRO™ Co-composting | General Program Operations |
| Customer Service | Capital Improvements |

This program will provide services to approximately 10,650 system accounts.

FY'08 Activity Review:

The influent pumping system and a second mechanical bar screen in the primary treatment system was completed in FY'08.

The Pine/Booth Street sewer rehabilitation project was completed in FY'08.

JO-GRO™ site improvements were completed in FY'08. These included site improvements to meet storm water discharge permit requirements and installed a septic system for the employee's office.

FY'09 Anticipated Accomplishments:

Bridge Street Pump station improvements to increase pumping capacity expected to be completed.

Design of the 2nd Street sewer rehabilitation project will be completed with construction to follow.

Program: Utilities/Wastewater Program

Program Financial Summary

| Resources | ACTUAL | ACTUAL | BUDGET | MANAGER RECOMMEND | COMMITTEE APPROVED | COUNCIL ADOPTED | PROJECTED |
|-----------------------------|-------------------------|--------------------------|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | FY'06 | FY'07 | FY'08 | FY'09 | FY'09 | FY'09 | FY'10 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Beginning Balance | <u>157,783</u> | <u>292,035</u> | <u>343,018</u> | <u>425,493</u> | <u>425,493</u> | <u>425,493</u> | <u>357,149</u> |
| Current Resources | | | | | | | |
| Activity Generated | | | | | | | |
| Sewage Fees | 3,899,079 | 4,393,594 | 4,462,750 | 4,569,180 | 4,569,180 | 4,569,180 | 4,677,395 |
| Redwood Sewer District | 233,296 | 232,982 | 227,000 | 237,000 | 237,000 | 237,000 | 255,000 |
| Solid Waste Agency | 0 | 11,330 | 0 | 0 | 0 | 0 | 0 |
| Direct Charges | 0 | 0 | 0 | 11,540 | 11,540 | 11,540 | 11,540 |
| Revenue from Other Agencies | 8,445 | 12,107 | 12,600 | 12,200 | 12,200 | 12,200 | 11,000 |
| Interest | 13,074 | 20,863 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| Other Revenue | 63,669 | 73,720 | 81,970 | 28,175 | 28,175 | 28,175 | 27,075 |
| Debt Service Reserve | 500,899 | 500,899 | 500,899 | 500,899 | 500,899 | 500,899 | 500,899 |
| Capital Construction | <u>5,028,837</u> | <u>6,941,448</u> | <u>7,147,764</u> | <u>3,045,002</u> | <u>3,045,002</u> | <u>3,045,002</u> | <u>2,793,412</u> |
| Total Current Resources | <u>9,747,299</u> | <u>12,186,943</u> | <u>12,440,983</u> | <u>8,411,996</u> | <u>8,411,996</u> | <u>8,411,996</u> | <u>8,284,321</u> |
| Total Resources | <u>9,905,082</u> | <u>12,478,978</u> | <u>12,784,001</u> | <u>8,837,489</u> | <u>8,837,489</u> | <u>8,837,489</u> | <u>8,641,470</u> |

| Requirements | ACTUAL | ACTUAL | BUDGET | MANAGER RECOMMEND | COMMITTEE APPROVED | COUNCIL ADOPTED | PROJECTED |
|----------------------------|-------------------------|--------------------------|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | FY'06 | FY'07 | FY'08 | FY'09 | FY'09 | FY'09 | FY'10 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Wastewater Collection | 424,556 | 453,184 | 530,719 | 617,594 | 617,594 | 617,594 | 606,082 |
| Wastewater Treatment | 1,179,091 | 1,366,989 | 1,410,742 | 1,555,776 | 1,555,776 | 1,555,776 | 1,567,907 |
| Customer Services | 244,968 | 260,595 | 257,869 | 269,688 | 269,688 | 269,688 | 279,607 |
| Jo Gro | 455,272 | 451,598 | 509,467 | 563,828 | 563,828 | 563,828 | 580,149 |
| General Program Operations | 34,999 | 33,712 | 52,381 | 51,003 | 51,003 | 51,003 | 49,579 |
| Capital Construction | <u>5,028,837</u> | <u>6,941,448</u> | <u>7,147,764</u> | <u>3,045,002</u> | <u>3,045,002</u> | <u>3,045,002</u> | <u>2,793,412</u> |
| Contingency | 0 | 0 | 230,000 | 305,058 | 305,058 | 305,058 | 368,902 |
| Indirect Charges | 283,119 | 305,829 | 323,417 | 324,656 | 324,656 | 324,656 | 314,701 |
| Debt Service | 492,306 | 492,206 | 495,250 | 495,250 | 495,250 | 495,250 | 495,250 |
| Transfers Out | 969,000 | 1,329,500 | 1,150,000 | 1,056,644 | 1,056,644 | 1,056,644 | 1,052,834 |
| Ending Balance | 292,035 | 343,018 | 175,493 | 52,091 | 52,091 | 52,091 | 32,148 |
| Debt Service Reserve | <u>500,899</u> | <u>500,899</u> | <u>500,899</u> | <u>500,899</u> | <u>500,899</u> | <u>500,899</u> | <u>500,899</u> |
| Total Expenses | <u>9,905,082</u> | <u>12,478,978</u> | <u>12,784,001</u> | <u>8,837,489</u> | <u>8,837,489</u> | <u>8,837,489</u> | <u>8,641,470</u> |

Program: Utilities/Wastewater – Wastewater Collection

Services Delivered:

This activity is responsible for ensuring the safe, uninterrupted operation of sanitary sewer lines within the community, meeting state and federal standards. The services delivered are administered through distinct programs: customer service, inspection services, system maintenance and general operations. The duties encompassed in these programs include sewer main repair and cleaning, manhole repair, clean-out repair, TV inspection of new and existing sewer lines, easement maintenance, and emergency service calls. The collection division provides support to both contractors involved in new construction and water distribution division during their normal course of business. In addition, this activity provides contract services to the Redwood Sanitary Sewer Service District (RSSSD) in the areas of sewer line cleaning, forced main maintenance, utility location, and collection record management.

FY'09 - '10 Anticipated Accomplishments:

The safe uninterrupted operation of sanitary sewer lines within the community shall continue to remain the primary goal of this activity. Cleaning of areas containing root and grease problems shall continue every six months. Routine cleaning of other segments of the sewer system shall continue on a rotating four-year basis. All new sewer lines, manholes, and clean-outs will continue to be inspected prior to system inclusion. Sewer line failures shall be promptly repaired with minimum impact to the public. Increased attention shall be devoted to the re-inspection of existing public sewer lines utilizing “tilt and pan” camera technology to improve departmental records and monitor system defects. Focused dye testing, manhole replacement, and mainline repairs shall also continue. Contract services to the RSSSD system shall continue with an increased focus in the areas of TV inspection and routine cleaning.

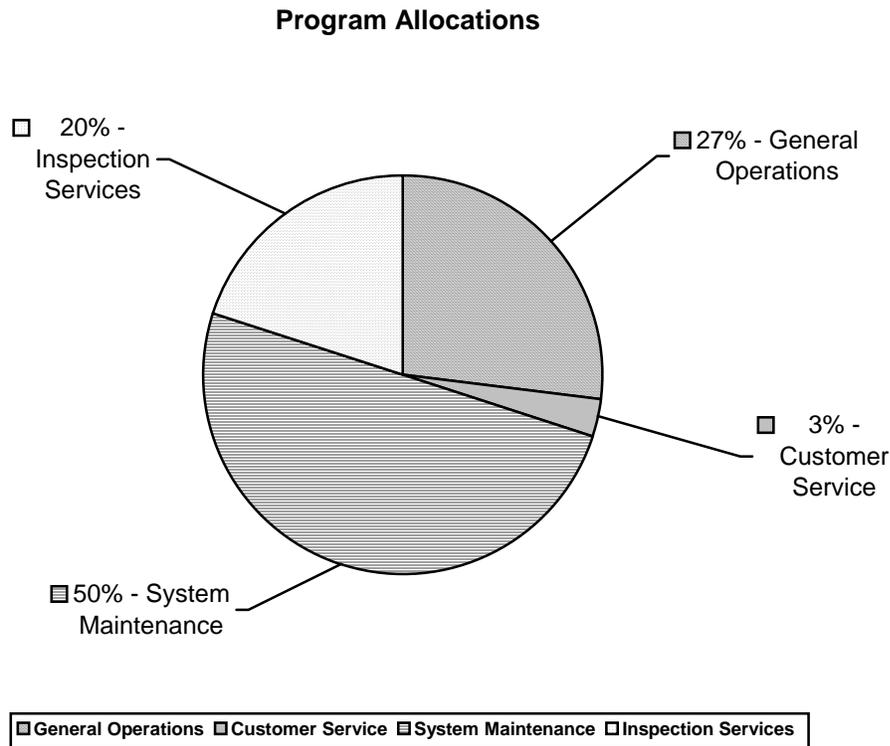
FY'09 Performance Measurements:

- No public sewer system overflows. **Goal #IV**
- 410 feet of sewer line cleaned per labor hour. **Goal #IV**
- 240 feet of sewer line TV inspected per hour. **Goal #IV**
- 1 hour average response time for sewer blockages. **Goal #IV**

Budget Highlights:

Growth of the collection system's service area is anticipated to slow during FY'09. However, the slowing of new development shall provide the department with the opportunity to focus on existing system maintenance. The FY'09 budget contains increased funding for emergency contract sewer line repairs. The capital budget contains funding for the replacement of the sewer TV tractor camera unit. The transfer of funds to fleet also occurs during FY'09 for the eventual replacement of the departments aging TV van in FY'10.

Program: Utilities/Wastewater – Wastewater Collection



FY'08 Activity Review:

The addition of two new collection system workers improved departmental efficiency in areas of inspection and maintenance. While cleaning and TV inspection services of new sewer lines and manholes slowed during FY'08, routine cleaning of the existing collection system increased during the period. Re-inspection of sewer lines, with known defects to monitor changes in pipeline condition, continued at an increased pace, utilizing "tilt-and-pan camera technology". The addition of a DVD recorder to the TV van system eliminated the need for VCR to DVD transfers in the office. Contract routine cleaning for the RSSSD system also increased during FY'08. Other services for the district, such as utility locates and forced sewer line maintenance, continued during the period.

FY'08 Performance Indicators:

- No public sewer system overflows: **Goal #IV Target met.**
- 410 feet of sewer line cleaned per labor hour: **Goal #IV Target not met.** *226 feet of sewer line cleaned per labor hour.*
- 240 feet of sewer line TV inspected per hour: **Goal #IV Target not met.** *162 feet of sewer TV inspected per hour.*
- 1 hour average response time for sewer blockages: **Goal #IV Target met.**

Program: Utilities/Wastewater – Wastewater Collection

Financial Summary

| Requirements | ACTUAL | ACTUAL | BUDGET | MANAGER RECOMMEND | COMMITTEE APPROVED | COUNCIL ADOPTED | PROJECTED |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | FY'06 | FY'07 | FY'08 | FY'09 | FY'09 | FY'09 | FY'10 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Personal Services | 260,257 | 305,527 | 376,204 | 398,575 | 398,575 | 398,575 | 415,191 |
| Materials & Supplies | 15,797 | 9,566 | 15,250 | 17,728 | 17,728 | 17,728 | 18,194 |
| Contractual/Prof Services | 82,133 | 80,811 | 78,677 | 108,177 | 108,177 | 108,177 | 108,560 |
| Direct Charges | 46,595 | 48,685 | 51,588 | 51,778 | 51,778 | 51,778 | 52,381 |
| Capital Outlay | 19,774 | 8,595 | 9,000 | 41,336 | 41,336 | 41,336 | 11,756 |
| Transfers Out | <u>0</u> | <u>0</u> | <u>0</u> | <u>30,000</u> | <u>30,000</u> | <u>30,000</u> | <u>30,000</u> |
| Total Expenses | <u>424,556</u> | <u>453,184</u> | <u>530,719</u> | <u>647,594</u> | <u>647,594</u> | <u>647,594</u> | <u>636,082</u> |

Program: Utilities/Wastewater – Wastewater Collection

Personnel

| | ACTUAL | ACTUAL | BUDGET | MANAGER | COMMITTEE | COUNCIL | PROJECTED |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | FY'06 | FY'07 | FY'08 | RECOMMEND | APPROVED | ADOPTED | FY'10 |
| | # | # | # | # | # | # | # |
| Municipal Service Worker | <u>3.00</u> | <u>4.00</u> | <u>4.00</u> | <u>4.00</u> | <u>4.00</u> | <u>4.00</u> | <u>4.00</u> |
| Subtotal | 3.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Public Works Director | | | | | | | |
| From: Water Treatment | 0.19 | 0.23 | 0.23 | 0.08 | 0.08 | 0.08 | 0.08 |
| Utility Field Supervisor | | | | | | | |
| From: Water Distribution | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Municipal Service Worker | | | | | | | |
| From: Water Distribution | 0.00 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Office Assistant I | | | | | | | |
| From: Water Distribution | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Office Assistant I | | | | | | | |
| From: Water Treatment | <u>0.25</u> | <u>0.25</u> | <u>0.20</u> | <u>0.08</u> | <u>0.08</u> | <u>0.08</u> | <u>0.08</u> |
| Subtotal | 1.44 | 1.98 | 1.93 | 1.66 | 1.66 | 1.66 | 1.66 |
| Total Full Time Positions | <u>4.44</u> | <u>5.98</u> | <u>5.93</u> | <u>5.66</u> | <u>5.66</u> | <u>5.66</u> | <u>5.66</u> |

Capital Outlay/By Item:

| | | | | | |
|-------------------------------------|--------------|---------------------|----------------------|----------------------|----------------------|
| Replacement Jet Rodder Tubes | 0 | 1,000 | 1,000 | 1,000 | 0 |
| Sewer TV & Tractor Transport System | 0 | 25,000 | 25,000 | 25,000 | 0 |
| Manholes | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| Computers | <u>1,500</u> | <u>7,836</u> | <u>7,836</u> | <u>7,836</u> | <u>4,256</u> |
| Total Capital Outlay | | <u>9,000</u> | <u>41,336</u> | <u>41,336</u> | <u>11,756</u> |

Program: Utilities/Wastewater – Wastewater Treatment

Services Delivered:

This activity provides for the processing and safe disposal of collected wastewater as required to meet State and Federal standards, ensuring no harmful effects on the community or the environment. These services are delivered through six programs: support services, operations, maintenance, solids disposal, lift stations and pretreatment. In addition, this activity provides contract services to the Redwood Sanitary Sewer Service District and the Merlin Landfill for operation and maintenance services.

FY'09-'10 Anticipated Accomplishments:

Treating the community's wastewater to meet State and Federal standards will remain the main objective of this activity. Assist DEQ with the completion of the Rogue River TMDL. Update the Pretreatment Program manual and Sewer Use Ordinance to comply with the new EPA regulations.

FY'09 Performance Measurements:

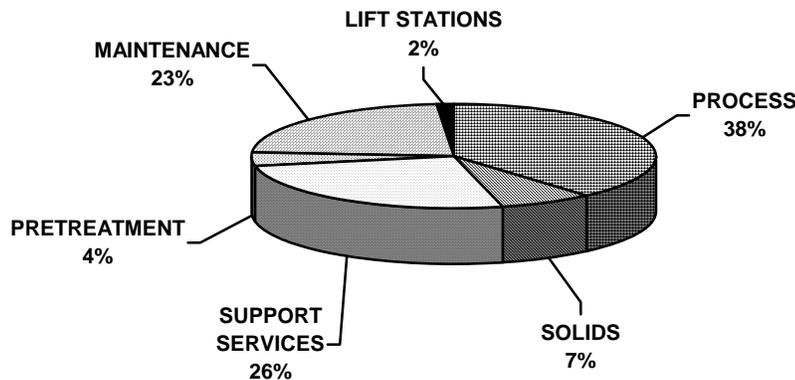
- Treated wastewater will meet or exceed State and Federal standards. **Goal #III**
- Target operating and maintenance costs will be \$715 per million gallons treated. This was the median cost established in the 2005 AWWA Benchmarking and Performance Measurement Report. **Goal #III**
- Target operating and maintenance costs will be 47 cents per pound of BOD treated. **Goal #III**
- Target operating and maintenance costs for Biosolids disposal will be 10 cents per pound. **Goal #III**

Budget Highlights:

Currently the Wastewater plant shares a Treatment Plant Specialist/Operations position with the Water Treatment Plant. Currently the allocation for this position is 50 percent to the Wastewater Treatment Plant and 50 percent to the Water Treatment Plant. The FY'09 operations budget includes funds to increase this position to 100 percent in Wastewater Treatment. The additional allocation is necessary to meet the workload increase due to additional wastewater sampling and laboratory analysis required by EPA and DEQ to meet the conditions of our wastewater discharge permit. The FY'09 budget also reflects a significant increase in Contractual Laboratory costs to perform wastewater analysis that cannot be conducted in-house.

Program: Utilities/Wastewater – Wastewater Treatment

PERCENT OF TOTAL BUDGET



FY'08 Activity Review:

During the 2008 budget year, this activity will treat an estimated 2.2 billion gallons of wastewater and transport an estimated 1.6 million pounds of Biosolids to the JO-GRO™ Co-Composting facility.

FY'08 Performance Indicators:

- Treated wastewater will meet or exceed State and Federal effluent standards 100 percent of the time.
Goal #III Target not met. *One effluent permit for e-coli exceeded standards.*
- Operation and maintenance costs per million gallons of wastewater treated will be 580 dollars.
Goal #III Target not met. *Actual costs are estimated to be 615 dollars per million gallons.*
- Operation and maintenance costs per pound of BOD treated will be 38 cents.
Goal #III Target not met. *Actual costs are estimated to be 45 cents.*
- Operation and maintenance costs for Biosolids disposal will be 10 cents per pound.
Goal #III Target met. *Actual costs are estimated to be eight cents per pound.*

Program: Utilities/Wastewater – Wastewater Treatment

Financial Summary

| Requirements | ACTUAL | ACTUAL | BUDGET | MANAGER | COMMITTEE | COUNCIL | PROJECTED |
|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | FY'06 | FY'07 | FY'08 | RECOMMEND | APPROVED | ADOPTED | FY'10 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Personal Services | 525,952 | 591,381 | 630,501 | 695,797 | 695,797 | 695,797 | 720,984 |
| Materials & Supplies | 161,000 | 199,192 | 189,700 | 208,080 | 208,080 | 208,080 | 212,200 |
| Contractual/Prof Services | 461,760 | 553,898 | 554,868 | 613,959 | 613,959 | 613,959 | 618,500 |
| Direct Charges | 14,463 | 15,268 | 18,173 | 15,240 | 15,240 | 15,240 | 15,723 |
| Capital Outlay | 15,916 | 7,250 | 17,500 | 22,700 | 22,700 | 22,700 | 500 |
| Transfers Out | <u>0</u> | <u>0</u> | <u>20,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>35,000</u> |
| Total Expenses | <u>1,179,091</u> | <u>1,366,989</u> | <u>1,430,742</u> | <u>1,555,776</u> | <u>1,555,776</u> | <u>1,555,776</u> | <u>1,602,907</u> |

Program: Utilities/Wastewater – Wastewater Treatment

Personnel

| | ACTUAL | ACTUAL | BUDGET | MANAGER RECOMMEND | COMMITTEE APPROVED | COUNCIL ADOPTED | PROJECTED |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | FY'06 | FY'07 | FY'08 | FY'09 | FY'09 | FY'09 | FY'10 |
| | # | # | # | # | # | # | # |
| Utility Plant Supervisor | 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 |
| Municipal Specialist | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Municipal Service Worker | <u>3.00</u> |
| Subtotal | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Public Works Director | | | | | | | |
| From: Water Treatment | 0.19 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 |
| Utility Plants Supervisor | | | | | | | |
| To: JO-GRO™ | (0.25) | (0.25) | (0.25) | (0.25) | (0.25) | (0.25) | (0.25) |
| Trmt. Plant Spec - Operations | | | | | | | |
| From/To: Water Treatment | (0.35) | (0.50) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Trmt. Plant Spec - Operations | | | | | | | |
| From/To: Jo Gro | 0.00 | 0.00 | (0.30) | (0.30) | (0.30) | (0.30) | (0.30) |
| Trmt. Plant Spec – Maintenance | | | | | | | |
| To: JO-GRO™ | (0.10) | (0.10) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| To: Water Treatment | (0.40) | (0.40) | (0.50) | 0.00 | 0.00 | 0.00 | 0.00 |
| Municipal Service Worker | | | | | | | |
| To: JO-GRO™ | (0.50) | (0.50) | (0.50) | (0.50) | (0.50) | (0.50) | (0.50) |
| Office Assistant I | | | | | | | |
| From: Water Treatment | <u>0.25</u> | <u>0.25</u> | <u>0.20</u> | <u>0.23</u> | <u>0.23</u> | <u>0.23</u> | <u>0.23</u> |
| Subtotal | (1.16) | (1.27) | (1.12) | (0.59) | (0.59) | (0.59) | (0.59) |
| Total Full Time Positions | <u>8.84</u> | <u>8.73</u> | <u>8.88</u> | <u>9.41</u> | <u>9.41</u> | <u>9.41</u> | <u>9.41</u> |

Capital Outlay/By Item:

| | | | | | |
|-----------------------------|--------------|----------------------|----------------------|----------------------|-------------------|
| Replace Lab Scales | 0 | 10,000 | 10,000 | 10,000 | 0 |
| Two Portable Samplers | 0 | 10,000 | 10,000 | 10,000 | 0 |
| Repair/Upgrade Equipment | 16,000 | 0 | 0 | 0 | 0 |
| Computers | <u>1,500</u> | <u>2,700</u> | <u>2,700</u> | <u>2,700</u> | <u>500</u> |
| Total Capital Outlay | | <u>17,500</u> | <u>22,700</u> | <u>22,700</u> | <u>500</u> |

Program: Utilities/Wastewater – JO-GRO™

Services Delivered:

This activity accepts greenwaste from the community and grinds the greenwaste to create a product that can be composted with wastewater biosolids from the City's Water Restoration Plant. The Co-Compost material is screened after 6-8 weeks of curing to produce an "Exceptional quality class A" Co-Compost for resale to the public. This activity also collects construction wood waste material from the community that is recycled by BioMass One for energy production.

FY'09 - '10 Anticipated Accomplishments:

Processing the City's wastewater biosolids with greenwaste to produce an "Exceptional quality" Co-Compost will continue to be the primary goal of this activity. This activity will continue to seek ways to increase sales of finished compost.

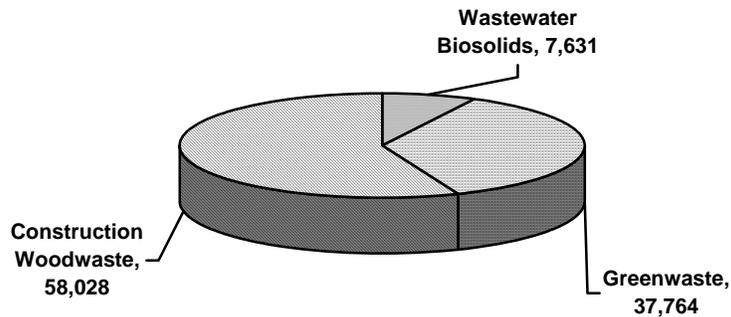
FY'09 Performance Measurements:

- The JO-GRO™ facility will process the City's wastewater biosolids 100 percent of the time. **Goal #III**
- The finished Co-Compost will meet or exceed State and Federal standards for an "Exceptional quality class A" product 100 percent of the time. **Goal #III**
- Greenwaste received will be processed into compost 100 percent of the time. **Goal #III**
- Sell 100 percent of the finished Co-Compost material produced. **Goal #VI**

Budget Highlights:

The FY'09 budget includes \$160,000 to replace an existing 18 year old articulated loader. One existing Municipal Service Worker position will be upgraded to a Municipal Specialist position.

**CUBIC YARDS OF MATERIALS
RECEIVED FY'07**



FY'08 Activity Review:

This activity will process an estimated 37,000 cubic yards of loose greenwaste material, 7,000 cubic yards of wastewater biosolids and sell an estimated 5,800 cubic yards of finished compost during the FY'08 budget year. In addition, an estimated 50,000 cubic yards of construction wood waste will be recycled by BioMass One.

FY'08 Performance Indicators:

- The JO-GRO™ facility will process 100 percent of the City's wastewater solids.
Goal #III Target met.
- The finished co-compost will meet or exceed State and Federal standards 100 percent of the time.
Goal #III Target met
- Market 100 percent of the finished compost material produced. **Goal #VI Target met.**
- Greenwaste received will be processed into compost 100 percent of the time.
Goal #III Target met.

Program: Utilities/Wastewater – JO-GRO™

Financial Summary

| Requirements | ACTUAL | ACTUAL | BUDGET | MANAGER | COMMITTEE | COUNCIL | PROJECTED |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | FY'06 | FY'07 | FY'08 | RECOMMEND | APPROVED | ADOPTED | FY'10 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Personal Services | 227,211 | 221,943 | 262,650 | 274,110 | 274,110 | 274,110 | 285,922 |
| Materials & Supplies | 57,107 | 57,557 | 55,500 | 73,450 | 73,450 | 73,450 | 77,450 |
| Contractual/Prof Services | 163,688 | 170,052 | 185,868 | 215,929 | 215,929 | 215,929 | 216,438 |
| Direct Charges | 0 | 949 | 949 | 339 | 339 | 339 | 339 |
| Capital Outlay | 7,266 | 1,097 | 4,500 | 0 | 0 | 0 | 0 |
| Transfers Out | <u>0</u> | <u>0</u> | <u>0</u> | <u>160,000</u> | <u>160,000</u> | <u>160,000</u> | <u>0</u> |
| Total | <u>455,272</u> | <u>451,598</u> | <u>509,467</u> | <u>723,828</u> | <u>723,828</u> | <u>723,828</u> | <u>580,149</u> |

Program: Utilities/Wastewater – JO-GRO™

Personnel

| | ACTUAL | ACTUAL | BUDGET | MANAGER | COMMITTEE | COUNCIL | |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | FY'06 | FY'07 | FY'08 | RECOMMEND | APPROVED | ADOPTED | PROJECTED |
| | # | # | # | FY'09 | FY'09 | FY'09 | FY'10 |
| | # | # | # | # | # | # | # |
| Municipal Services Specialist | 0 | 0 | 0 | 1.00 | 1.00 | 1.00 | 1.00 |
| Municipal Services Worker | 2.00 | 2.00 | 2.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Municipal Services Aide | <u>1.00</u> |
| Subtotal | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Public Works Director | | | | | | | |
| From: Water Treatment | 0.06 | 0.06 | 0.00 | 0.03 | 0.03 | 0.03 | 0.03 |
| Utility Plant Supervisor | | | | | | | |
| From: Wastewater Treatment | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| Municipal Services Worker | | | | | | | |
| From: Wastewater Treatment | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Trmt. Plant Spec. – Maintenance | | | | | | | |
| From: Wastewater Treatment | 0.10 | 0.10 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| Office Assistant | | | | | | | |
| From: Water Treatment | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.03</u> | <u>0.03</u> | <u>0.03</u> | <u>0.03</u> |
| Subtotal | 0.91 | 0.91 | 1.05 | 1.11 | 1.11 | 1.11 | 1.11 |
| Total Full Time Positions | <u>3.91</u> | <u>3.91</u> | <u>4.05</u> | <u>4.11</u> | <u>4.11</u> | <u>4.11</u> | <u>4.11</u> |

Capital Outlay/By Item:

| | | | | | |
|-----------------------------|---------------------|-----------------|-----------------|-----------------|-----------------|
| Loader Bucket | 4,500 | 0 | 0 | 0 | 0 |
| Total Capital Outlay | <u>4,500</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |

Program: Utilities/Wastewater – Customer Service

Services Delivered:

Customer Service provides for the billing and collections of customer charges, legal services and engineering required for wastewater activities.

FY'09 - '10 Anticipated Accomplishments:

The activity provides for direct customer services and engineering support for developers. This activity focuses on the City Council goals of **Positive Communication** and **Growth Management**, with extensive work with individual customers paying bills, establishing accounts and assisting with or planning for service modifications to their property. The engineering costs are those associated with customer service for developers, real estate agents and property owners in Community Development.

The Customer Service activity will bill about 10,650 customers monthly and maintain timely records on all accounts. Information regarding sewer 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'09 Performance Measurements:

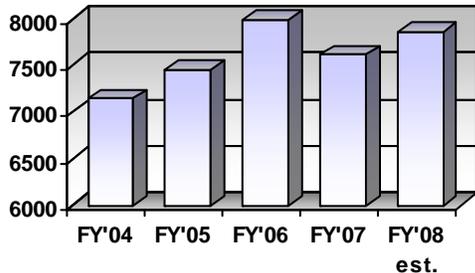
- Review and update the delinquency processing procedures to ensure accurate and timely notification of property owners. **Goal #VI**
- An audit of all sewer permits will be performed in order to ensure proper billing of all City sewer services. **Goal #VI**
- Delinquent sewer only accounts will be turned over to the County Assessor for processing as liens through property tax collection. **Goal #VI**

Budget Highlights:

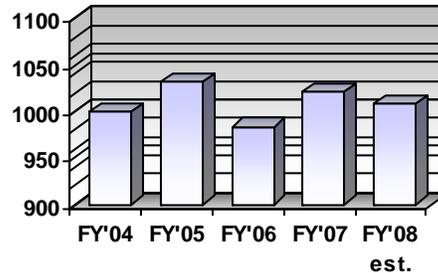
The FY'09 budget increases are a reflection of the increased costs associated with postage and utility billing and collection services.

Program: Utilities/Wastewater – Customer Service

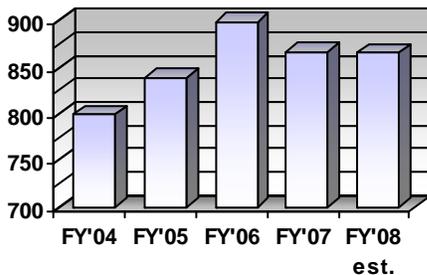
Number of RESIDENTIAL Customers



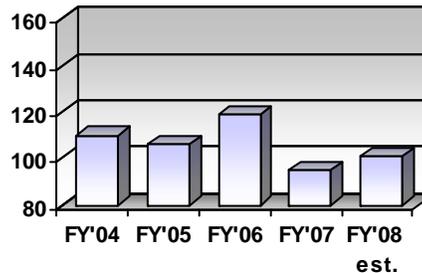
Number of COMMERCIAL Customers



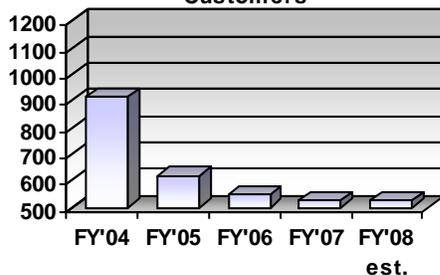
Number of MULTIFAMILY Customers



Number of PUBLIC AGENCY Customers



Number of HARBECK-FRUITDALE Customers



Note: (1.) Harbeck-Fruitdale numbers decline as properties are annexed and moved into appropriate class groups.

FY'08 Performance Indicators:

- All customer accounts will be updated daily. **Goal #VI Target met.**
- Delinquent sewer only accounts will be turned over to the County Assessor for processing as liens through property tax collection. **Goal #VI Target met.**

Program: Utilities/Wastewater – Customer Service

Financial Summary

| Requirements | ACTUAL FY'06 \$ | ACTUAL FY'07 \$ | BUDGET FY'08 \$ | MANAGER RECOMMEND FY'09 \$ | COMMITTEE APPROVED FY'09 \$ | COUNCIL ADOPTED FY'09 \$ | PROJECTED FY'10 \$ |
|---------------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|--------------------------------------|-----------------------------------|--------------------------|
| Contractual/Prof Services | 32,479 | 33,672 | 33,905 | 34,500 | 34,500 | 34,500 | 35,660 |
| Direct Charges | <u>212,489</u> | <u>226,923</u> | <u>223,964</u> | <u>235,188</u> | <u>235,188</u> | <u>235,188</u> | <u>243,947</u> |
| Total Expenses | <u>244,968</u> | <u>260,595</u> | <u>257,869</u> | <u>269,688</u> | <u>269,688</u> | <u>269,688</u> | <u>279,607</u> |

Program: Utilities/Wastewater – Customer Service

Program: Utilities/Wastewater – Debt Service

Services Delivered:

This activity accounts for the repayment of debt incurred by the Wastewater Utility. A total of \$7,000,000 of State Revolving Loan Fund (SRF) monies were made available to the City for expansion of the Wastewater Treatment Plant and related projects. The City's commitment for these monies was made in the fall of 2001 with the first draw occurring in the fall of 2002, commensurate with construction.

FY'09 - '10 Anticipated Accomplishments:

With the final draw of SRF monies in July of 2004 and the formal acceptance by SRF, semi-annual interest payments began in March of FY'05.

Budget Highlights:

The new SRF loan will be payable over twenty years at an interest rate of 3.43%. Payment of principle began in FY'06.

The Debt Service schedule is in Appendix P.

The SRF loan payment schedule is:

| | FY'06 | FY'07 | FY'08 | FY'09 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Loan Agreement R38671 December 31, 2004 | | | | |
| Principal | 257,345 | 266,249 | 275,460 | 284,989 |
| Interest | <u>234,961</u> | <u>229,001</u> | <u>219,790</u> | <u>210,261</u> |
| Total | <u>492,306</u> | <u>495,250</u> | <u>495,250</u> | <u>495,250</u> |

Program: Utilities/Wastewater – Debt Service

Financial Summary

| Requirements | ACTUAL FY'06 \$ | ACTUAL FY'07 \$ | BUDGET FY'08 \$ | MANAGER RECOMMEND FY'09 \$ | COMMITTEE APPROVED FY'09 \$ | COUNCIL ADOPTED FY'09 \$ | PROJECTED FY'10 \$ |
|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|--------------------------------------|-----------------------------------|--------------------------|
| Debt Service | <u>492,306</u> | <u>492,206</u> | <u>495,250</u> | <u>495,250</u> | <u>495,250</u> | <u>495,250</u> | <u>495,250</u> |
| Total Expenses | <u>492,306</u> | <u>492,206</u> | <u>495,250</u> | <u>495,250</u> | <u>495,250</u> | <u>495,250</u> | <u>495,250</u> |

Program: Utilities/Wastewater – General Program Operations

Services Delivered:

This activity accounts for expense that is not directly allocated to any single wastewater activity. The contingency is appropriated in this activity, along with transfers to capital projects, payment of administrative overhead, ending fund balances and debt issuance costs.

FY'09 Anticipated Accomplishments:

The contingency funds available in General Program Operations are utilized only with direct City Council authorization. The ending fund balance appropriation may not be altered during the fiscal year. The appropriated funds for capital projects are transferred as soon as they are available.

Program: Utilities/Wastewater – General Program Operations

Financial Summary

| Requirements | ACTUAL | ACTUAL | BUDGET | MANAGER RECOMMEND | COMMITTEE APPROVED | COUNCIL ADOPTED | PROJECTED |
|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | FY'06 | FY'07 | FY'08 | FY'09 | FY'09 | FY'09 | FY'10 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Contractual/Prof Services | 34,999 | 33,712 | 52,381 | 51,003 | 51,003 | 51,003 | 49,579 |
| Contingencies | 0 | 0 | 230,000 | 305,058 | 305,058 | 305,058 | 368,902 |
| Indirect Charges | 283,119 | 305,829 | 323,417 | 324,656 | 324,656 | 324,656 | 314,701 |
| Transfers Out | 969,000 | 1,329,500 | 1,130,000 | 866,644 | 866,644 | 866,644 | 987,834 |
| Ending Balance | <u>292,035</u> | <u>343,018</u> | <u>175,493</u> | <u>52,091</u> | <u>52,091</u> | <u>52,091</u> | <u>32,148</u> |
| Total Expenses | <u>1,579,153</u> | <u>2,012,059</u> | <u>1,911,291</u> | <u>1,599,452</u> | <u>1,599,452</u> | <u>1,599,452</u> | <u>1,753,164</u> |

Program: Utilities/Wastewater – Debt Service Reserve Fund

Services Delivered:

This activity accounts for the reserve requirement mandated by the covenants of the SRF loan accepted in 2001 for the expansion of the Wastewater Treatment Plant.

Budget Highlights:

The reserve will be held until September 2024 when the loan is fully paid thereby releasing these funds. Annual interest earnings on the reserve funds are credited to General Operations and available for annual debt service.

Program: Utilities/Wastewater – Debt Service Reserve Fund

Financial Summary

| Resources | ACTUAL | ACTUAL | BUDGET | MANAGER | COMMITTEE | COUNCIL | PROJECTED |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | FY'06 | FY'07 | FY'08 | RECOMMEND | APPROVED | ADOPTED | FY'10 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Beginning Balance | <u>500,899</u> |
| Total Resources | <u>500,899</u> |

| Requirements | ACTUAL | ACTUAL | BUDGET | MANAGER | COMMITTEE | COUNCIL | PROJECTED |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | FY'06 | FY'07 | FY'08 | RECOMMEND | APPROVED | ADOPTED | FY'10 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Ending Balance | <u>500,899</u> |
| Total Expenses | <u>500,899</u> |

Program: Utilities/Wastewater – Capital Construction

Basic Functions:

This activity provides for the planning, engineering and construction of sewer lines, pumping stations and treatment facilities for the Wastewater Program.

Budget Highlights:

This portion of the Wastewater system receives financing from System Development Charge revenues and transfers from wastewater operations. System Development Charge revenues comprise approximately 39% of the total financing for construction activities, representing a total revenue of about \$624,345 for this fiscal period.

We were able to save costs by providing our own personnel for project observation and coordination instead of contracting with consultants. The total cost for the full time person, allocated to specific projects based on actual inspection time, is \$84,000 for FY'09

A list of projects for FY'06, FY'07, FY'08, FY'09 & FY'10 is shown on the following page.

The History through FY'06 column shows project costs through June 30, 2006. The FY'06 Actual and FY'07 Actual columns show actual expenditures for the fiscal years July 1, 2005 through June 30, 2007. The Budget FY'08, Adopted FY'09 and Projected FY'10 columns reflect the total amount of resources available or expected to be available to the project during the respective fiscal years.

Program: Utilities/Wastewater – Capital Construction

FY'06, FY'07, FY'08, FY'09 & FY'10 PROJECTS

| | Expense Actual FY'06 | Expense Through FY'06 | Expense Actual FY'07 | Resource Budget FY'08 | Resource Adopted FY'09 | Resource Projected FY'10 |
|---|----------------------------|-----------------------------|----------------------------|-----------------------------|------------------------------|--------------------------------|
| SE4161 Accelerated Maintenance | 6,382 | 147,842 | 0 | 93,799 | 133,799 | 83,799 |
| SE4344 Secondary Treatment - Phase I | 226,209 | 10,811,035 | 17,712 | 11,079 | (3,921) | (3,921) |
| SE4351 Pine/Booth Sewer Rehab | 60,676 | 316,002 | 1,217,820 | 3,404,178 | 178 | 178 |
| SE4451 Update Collection System Master Plan | 70,065 | 381,199 | 14,924 | 11 | 11 | 11 |
| SE4745 WRP Equipment Improvement | 0 | 0 | 0 | 150,000 | 150,000 | 100,000 |
| SE4747 WRP Second Mechanical Bar Screen | 13,350 | 16,492 | 710,970 | 1,746,538 | 538 | 538 |
| SE4835 I to J Alley Sewer Relocation | 0 | 0 | 1,838 | 209,162 | 249,162 | 0 |
| SE4913 JO-GRO Storm Water Improvements | 1,735 | 1,735 | 33,926 | 74,339 | 70,339 | 0 |
| SE4960 JO-GRO Miscellaneous Upgrades | 0 | 0 | 9,554 | 40,446 | 100,000 | 100,000 |
| SE4961 WRP Master Services Agreement | 0 | 0 | 0 | 10,000 | 0 | 0 |
| SE4962 Bridge Street Pump Station Improvement | 0 | 0 | 79,993 | 157,007 | 257,007 | 0 |
| SE4963 Update WRP Facility Plan | 0 | 0 | 0 | 250,000 | 150,000 | 0 |
| SE4964 WRP Phase 2 Expansion | 0 | 0 | 0 | 0 | 416,000 | 1,072,000 |
| SE4998 Pretreatment Program Update | 0 | 0 | 44,739 | 130,261 | 65,261 | 0 |
| SE5004 8TH & A Sanitary Sewer | 0 | 0 | 11,695 | 42,305 | 0 | 0 |
| SE5048 Gilbert Creek SS Crossing Repair | 0 | 0 | 0 | 25,000 | 15,000 | 50,000 |
| SE5060 Update Coll. Sys Master Plan | 0 | 0 | 0 | 15,000 | 15,000 | 15,000 |
| SE5061 Update EJCDC Documents PMX Task | 0 | 0 | 0 | 30,000 | 0 | 0 |
| SE5066 Judson Sewer LID | 0 | 0 | 0 | 10,000 | 45,000 | 0 |
| SE5071 Grit Disposal Pad | 0 | 0 | 0 | 20,000 | 0 | 0 |
| SE5079 2nd Street Sewer Replacement | 0 | 0 | 0 | 0 | 700,000 | 0 |
| SE5080 WRP Structural Repairs | 0 | 0 | 0 | 0 | 50,000 | 50,000 |
| SE5081 Collection System Master Plan Update | 0 | 0 | 0 | 0 | 0 | 20,000 |
| SE5082 Plant Drain Pump Evaluation | 0 | 0 | 0 | 0 | 0 | 20,000 |
| Fund 728 Miscellaneous Projects - General | 47,086 | 1,700,746 | 1,258 | 409,654 | 415,298 | 847,132 |
| Fund 722 Collection SDC to projects from 722 | 0 | 0 | 0 | 318,984 | 216,329 | 438,674 |
| Fund 725 Miscellaneous Projects - AFD Funds | 0 | 80,940 | 0 | 0 | 0 | 0 |
| Total Projects | <u>425,503</u> | <u>13,455,991</u> | <u>2,144,429</u> | <u>7,147,763</u> | <u>3,045,001</u> | <u>2,793,411</u> |

Program: Utilities/Wastewater – Capital Construction

Financial Summary

| | <u>Actual FY'06</u> | <u>Through FY'06</u> | <u>Actual FY'07</u> | <u>Budget FY'08</u> | <u>Adopted FY'09</u> | <u>Projected FY'10</u> |
|-------------------------------------|-------------------------|--------------------------|-------------------------|-------------------------|--------------------------|----------------------------|
| Beginning Fund Balance | <u>3,218,290</u> | | <u>4,603,333</u> | <u>4,797,018</u> | <u>1,466,012</u> | <u>1,118,232</u> |
| Revenues | | | | | | |
| System Development Charges | 217,588 | 2,727,118 | 10,260 | 0 | 0 | 0 |
| SDC Reimbursement Fee | 40,723 | 40,723 | 74,598 | 69,300 | 69,300 | 69,300 |
| SDC Improvement Fee | 292,713 | 292,713 | 580,311 | 535,500 | 535,500 | 535,500 |
| SDC Admin Fee | 9,286 | 9,286 | 20,712 | 19,545 | 19,545 | 19,545 |
| SDC from Redwood SSS District's | 164,373 | 790,372 | 0 | 1,400 | 0 | 0 |
| Sewer Surcharges | 0 | 828,057 | 0 | 0 | 0 | 0 |
| Investment Interest | 134,158 | 1,914,708 | 233,460 | 93,000 | 41,000 | 41,000 |
| SDC Loan Interest | 1,341 | 10,165 | 8,859 | 7,000 | 7,000 | 7,000 |
| Redwood SSS District | 0 | 7,057 | 0 | 0 | 0 | 0 |
| SRLF Loan | 0 | 6,999,748 | 0 | 0 | 0 | 0 |
| Other Revenue | 7,864 | 355,952.00 | 12,914 | 5,000 | 5,000 | 5,000 |
| Street Utility Fee (From fund 230) | 0 | 0 | 225,000 | 440,000 | 0 | 0 |
| General Program - Sewer | 942,500 | 4,083,425 | 1,172,000 | 1,130,000 | 866,644 | 987,834 |
| Special Assessment | 0 | 0 | 0 | 0 | 35,000 | 0 |
| Redwood Capital Projects-Transfer | | | | 0 | 0 | 10,000 |
| Water Utility - General Program Ops | <u>0</u> | <u>0</u> | <u>0</u> | <u>50,000</u> | <u>0</u> | <u>0</u> |
| Total Current Resources | 1,810,546 | 18,059,324 | 2,338,114 | 2,350,745 | 1,578,989 | 1,675,179 |
| Total Resources | <u>5,028,836</u> | <u>18,059,324</u> | <u>6,941,447</u> | <u>7,147,763</u> | <u>3,045,001</u> | <u>2,793,411</u> |
| Requirements | | | | | | |
| Capital Outlay | 425,503 | 12,931,100 | 2,144,429 | 5,681,751 | 1,926,769 | 630,000 |
| Transfer Out | 0 | 524,891 | 0 | 0 | 0 | 0 |
| Ending Fund Balance | <u>4,603,333</u> | <u>4,603,333</u> | <u>4,797,018</u> | <u>1,466,012</u> | <u>1,118,232</u> | <u>2,163,411</u> |
| Total Requirements | <u>5,028,836</u> | <u>18,059,324</u> | <u>6,941,447</u> | <u>7,147,763</u> | <u>3,045,001</u> | <u>2,793,411</u> |

WHERE THE ROGUE RIVER RUNS



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