

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'13 \$	ACTUAL FY'14 \$	BUDGET FY'15 \$	MANAGER RECOMMEND FY'16 \$	COMMITTEE APPROVED FY'16 \$	COUNCIL ADOPTED FY'16 \$	PROJECTED FY'17 \$
Program Generated Resources	<u>14,279,301</u>	<u>14,409,194</u>	<u>11,452,748</u>	<u>15,924,508</u>	<u>15,924,508</u>	<u>15,924,508</u>	<u>11,192,950</u>
Total Resources	<u>14,279,301</u>	<u>14,409,194</u>	<u>11,452,748</u>	<u>15,924,508</u>	<u>15,924,508</u>	<u>15,924,508</u>	<u>11,192,950</u>
Requirements							
Water Treatment	1,529,965	1,559,211	1,695,164	1,698,880	1,698,880	1,698,880	1,743,486
Water Distribution	1,045,378	1,057,045	1,310,484	1,357,191	1,357,191	1,357,191	1,407,628
Customer Services	391,059	369,228	366,960	367,361	367,361	367,361	374,151
Debt Service	36,404	506,624	504,770	507,170	507,170	507,170	504,420
General Program Operations	3,306,097	4,629,028	3,702,802	4,940,438	4,940,438	4,940,438	3,987,668
Capital Construction	<u>7,970,398</u>	<u>6,288,058</u>	<u>3,872,568</u>	<u>7,053,468</u>	<u>7,053,468</u>	<u>7,053,468</u>	<u>3,175,597</u>
Total Requirements	<u>14,279,301</u>	<u>14,409,194</u>	<u>11,452,748</u>	<u>15,924,508</u>	<u>15,924,508</u>	<u>15,924,508</u>	<u>11,192,950</u>

Program: Utilities/Water Program

Services Delivered:

The Water Program strives to meet the expanding service area's current and future potable water and fire flow needs, while meeting or exceeding all regulatory requirements.

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 the following major activities:

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

This Program provides services to approximately 10,600 system accounts.

FY'16 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Maintain, Operate, and Expand our Infrastructure

Objective 1: Plan and develop infrastructure

Action 1: Complete Water Master Plan.

- The Water Distribution Master Plan update has been initiated and should be completed in FY'16.

Objective 2: Ensure water infrastructure needs are met

Action 1: Acquire a portable generator for remote pump stations that do not have a stationary generator onsite.

Action 2: Complete projects as part of small main replacement.

- Small undersized water distribution mains are scheduled to be replaced with appropriate sized pipes to improve water delivery and increase fire flows.

Action 3: Initiate the process to replace the Water Treatment Plant.

- The process to replace the plant will begin following the completion of the Strategic Plan.

Program: Utilities/Water Program

FY'16 Anticipated Accomplishments & Corresponding Council Goal – Cont'd:

Objective 2: Ensure water infrastructure needs are met

Action 4: Complete the update to the Water Emergency Operations Plan.

Action 5: Initiate the process of acquiring property for a new Water Treatment Plant. Development of a property acquisition process is underway. Acquisition alternatives will be evaluated and pursued.

Action 6: Complete a flow analysis of the Rogue River adjacent to the Water Treatment intake structure.

- The analysis will be completed in FY'16.

FY'15 Activity Review:

- Completed the Water Treatment Plant Facility Plan Update.
- Monitoring of Phase 3 of unregulated contaminants within the water system was initiated per EPA directives.
- Reservoir No. 3 was replaced with a new five million gallon reservoir.
- The Water Management and Conservation Plan was approved by the Oregon Water Resources Department.

Program: Utilities/Water Program

Program Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'13	FY'14	FY'15	FY'16	FY'16	FY'16	FY'17
	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>1,429,081</u>	<u>2,465,633</u>	<u>1,913,280</u>	<u>2,136,390</u>	<u>2,136,390</u>	<u>2,136,390</u>	<u>1,150,503</u>
Current Resources							
Activity Generated							
Sale of Water	4,826,670	5,570,929	5,597,750	6,674,750	6,674,750	6,674,750	6,806,750
Direct Charges to:							
Solid Waste Operations	14,180	11,025	20,400	11,000	11,000	11,000	11,000
Interest	10,109	15,270	12,000	12,000	12,000	12,000	12,000
Other Revenue	28,863	58,074	36,750	36,900	36,900	36,900	37,100
Transfers In	0	205	0	0	0	0	0
Capital Construction	<u>7,970,398</u>	<u>6,288,058</u>	<u>3,872,568</u>	<u>7,053,468</u>	<u>7,053,468</u>	<u>7,053,468</u>	<u>3,175,597</u>
Total Current Revenues	<u>12,850,220</u>	<u>11,943,561</u>	<u>9,539,468</u>	<u>13,788,118</u>	<u>13,788,118</u>	<u>13,788,118</u>	<u>10,042,447</u>
Total Resources	<u>14,279,301</u>	<u>14,409,194</u>	<u>11,452,748</u>	<u>15,924,508</u>	<u>15,924,508</u>	<u>15,924,508</u>	<u>11,192,950</u>
Requirements							
Water Treatment	1,529,965	1,559,211	1,695,164	1,698,880	1,698,880	1,698,880	1,743,486
Water Distribution	1,045,378	1,057,045	1,310,484	1,357,191	1,357,191	1,357,191	1,407,628
Customer Services	391,059	369,228	366,960	367,361	367,361	367,361	374,151
General Program Operations	17,269	8,443	22,225	22,225	22,225	22,225	22,700
Capital Construction	<u>7,970,398</u>	<u>6,288,058</u>	<u>3,872,568</u>	<u>7,053,468</u>	<u>7,053,468</u>	<u>7,053,468</u>	<u>3,175,597</u>
Indirect Charges	298,868	309,115	349,130	354,710	354,710	354,710	364,890
Debt Service	36,404	506,624	504,770	507,170	507,170	507,170	504,420
Transfers Out	<u>524,327</u>	<u>1,333,000</u>	<u>2,224,177</u>	<u>3,413,000</u>	<u>3,413,000</u>	<u>3,413,000</u>	<u>2,460,000</u>
Subtotal Expenditures	<u>11,813,668</u>	<u>11,430,724</u>	<u>10,345,478</u>	<u>14,774,005</u>	<u>14,774,005</u>	<u>14,774,005</u>	<u>10,052,872</u>
Contingency	0	0	1,107,270	1,150,503	1,150,503	1,150,503	1,140,078
Ending Balance	<u>2,465,633</u>	<u>2,978,470</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>14,279,301</u>	<u>14,409,194</u>	<u>11,452,748</u>	<u>15,924,508</u>	<u>15,924,508</u>	<u>15,924,508</u>	<u>11,192,950</u>

Program: Utilities/Water Program



The City's Water Treatment Plant located along the Rogue River. The recently adopted Water Treatment Facility Plan calls for the construction of a replacement facility.

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.

Performance Measurements:

Water Treatment Performance Measures

Indicator	2012-13		2013-14		2014-15	2015-16	2016-17
	Actual	Est	Actual	Est	Est	Est	Est
Outputs							
Gallons of water produced (in Billions)	2.00	1.91	1.91	1.98	1.92	1.95	1.97
Effectiveness	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Percentage of water utilized for filter backwashing	3.54%	<3%	3.82%	<3%	<3%	<3%	<3%
Average hours to place booster stations back into service upon notice of failure	1.0	<3	<1.0	<3	<3	<3	<3
Percentage of time all compliance standards met	100%	100%	100%	100%	100%	100%	100%
Efficiency	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Operations and Maintenance Costs Per Million Gallons Treated	660	650	670	650	650	650	650

FY’16 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Provide Cooperative, Shared Leadership Involving Council, Staff and Community

Objective 3: Ensure efficiency and effectiveness in City operations

- Staff will update and distribute the Consumer Confidence Report per EPA Rules.
- Staff will purchase and install water quality monitors to optimize re-chlorination dosage and monitor water quality across the City.

Maintain, Operate, and Expand our Infrastructure

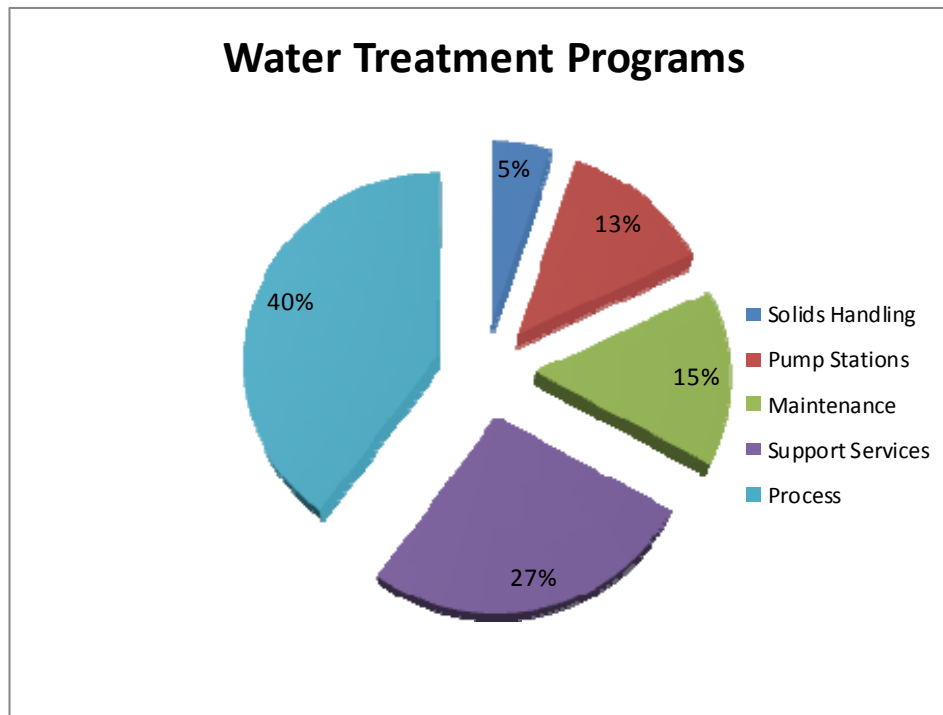
Objective 2: Ensure water infrastructure needs are met

- One submersible raw water pump will be rebuilt to near new condition.
- Staff will continue to operate a pilot testing program to assist in the creation of design parameters relating to the potential construction of a new water treatment facility.
- Staff will continue to remove solids from the log pond.

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. Staff will conduct multiple emergency operation exercises in the upcoming fiscal year to ensure they are able to utilize the new generator purchased in the previous fiscal year.



FY'15 Activity Review:

Plant staff embarked on a yearlong pilot study to prove the efficacy of treatment technologies that are proposed for a new filtration plant. The study will enable the City to construct a smaller more compact plant saving money on construction costs and enabling the plant to be built on a smaller parcel of property. Plant staff installed initial water quality monitors in the distribution system. The data collected has shown that more monitors need to be installed for both monitoring of water quality, as well as the reduction of chlorine that is dosed at remote stations.

Program: Utilities/Water – Water Treatment Services

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'13	FY'14	FY'15	FY'16	FY'16	FY'16	FY'17
	\$	\$	\$	\$	\$	\$	\$
Personnel Services	648,211	629,494	706,736	741,752	741,752	741,752	751,004
Materials & Supplies	296,049	297,599	318,850	304,150	304,150	304,150	309,500
Contractual/Prof Services	538,432	611,501	638,784	639,434	639,434	639,434	659,777
Direct Charges	20,793	7,871	8,044	8,044	8,044	8,044	8,205
Capital Outlay	<u>26,480</u>	<u>12,746</u>	<u>22,750</u>	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>	<u>15,000</u>
Total Requirements	<u>1,529,965</u>	<u>1,559,211</u>	<u>1,695,164</u>	<u>1,698,880</u>	<u>1,698,880</u>	<u>1,698,880</u>	<u>1,743,486</u>

Program: Utilities/Water – Water Treatment Services

Personnel

	BUDGET	BUDGET	BUDGET	MANAGER	COMMITTEE	COUNCIL	
	FY'13	FY'14	FY'15	RECOMMEND	APPROVED	ADOPTED	PROJECTED
	#	#	#	FY'16	FY'16	FY'16	FY'17
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>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
<i>Subtotal</i>	<i>8.00</i>	<i>8.00</i>	<i>8.00</i>	<i>8.00</i>	<i>8.00</i>	<i>8.00</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)	(0.00)	(0.00)	(0.00)	(0.00)
To: Solid Waste Field Operations	(0.05)	(0.05)	(0.05)	(0.08)	(0.08)	(0.08)	(0.08)
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)	(0.08)	(0.08)	(0.08)	(0.08)
To: Jo-Gro™	<u>(0.03)</u>	<u>(0.03)</u>	<u>(0.03)</u>	<u>(0.00)</u>	<u>(0.00)</u>	<u>(0.00)</u>	<u>(0.00)</u>
<i>Subtotal Distributed</i>	<i>(1.54)</i>	<i>(1.54)</i>	<i>(1.54)</i>	<i>(1.54)</i>	<i>(1.54)</i>	<i>(1.54)</i>	<i>(1.54)</i>
Total Positions	<u>6.46</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>4,100</u>	<u>4,100</u>	<u>4,100</u>	<u>4,250</u>	<u>4,250</u>	<u>4,250</u>	<u>4,250</u>

Capital Outlay/By Item

Water Quality Monitoring Stations	14,250	5,500	5,500	5,500	7,500
Sewage Ejection Pump & Controls	8,500	0	0	0	0
UV/VIS Spectrophotometer	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,500</u>
Total Capital Outlay		<u>22,750</u>	<u>5,500</u>	<u>5,500</u>	<u>15,000</u>

Program: Utilities/Water – Water Distribution Services

Services Delivered:

This program seeks to provide excellence in customer service and the highest levels of water quality to serve our community.

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	2012-13		2013-14		2014-15	2015-16	2016-17
	Actual	Est	Actual	Est	Est	Est	Est
Outputs							
Number of residential water meters replaced	948	800	902	800	710	600	600
Effectiveness	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Number of water quality complaints	7	<10	8	<10	<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	<1	<1	<1	<1	<1	<1	<1
Efficiency	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Percentage of Metered Water Use	N/A	N/A	N/A	N/A	>92%	>92%	>92%

FY'16 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Provide Cooperative, Shared Leadership Involving Council, Staff and Community

Objective 3: 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'16 Anticipated Accomplishments & Corresponding Council Goal – Cont'd:

Maintain, Operate, and Expand our Infrastructure

Objective 2: Ensure water infrastructure needs are met

- 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 contract testing and minor repairs of single-family residential backflow devices. Funding for the replacement of residential and commercial water meters continue in the Customer Service Program. The Water Quality Program contains continuing funding for water sample testing and contract residential backflow device testing. The System Maintenance Program contains funding for water main and fire hydrant repairs and maintenance. Funds are also allocated for purchase of a guillotine pipe saw for water main repairs and a replacement power driver for the water tapping machine.

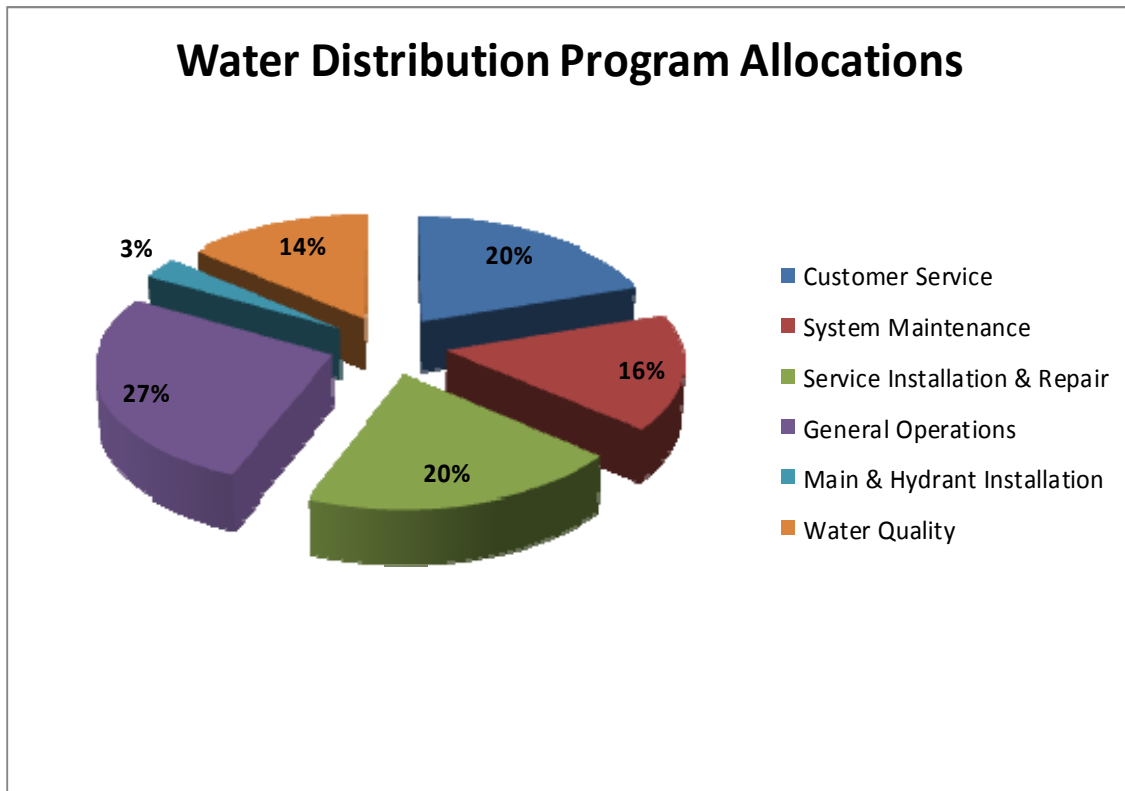
FY'15 Activity Review:

Distribution crews remained busy with the work related to various public improvement projects. The relocation and adjustment of water services was successfully completed in conjunction with Phase 2 of the NE D Street Sidewalk Project. Distribution crews were also actively involved with the installation of a new pipe line tie-in and the abandonment of an old 2 inch pipeline during the SW J Street Water Main Replacement 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 9 as of March 1, 2015. Water main repairs totaled 2 for the same period.

Program: Utilities/Water – Water Distribution Services

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'13	FY'14	FY'15	FY'16	FY'16	FY'16	FY'17
	\$	\$	\$	\$	\$	\$	\$
Personnel Services	624,802	597,694	766,624	795,832	795,832	795,832	794,425
Materials & Supplies	121,239	134,563	163,677	178,977	178,977	178,977	195,877
Contractual/Prof Services	212,431	245,120	279,159	285,696	285,696	285,696	319,826
Direct Charges	50,877	39,189	41,524	40,686	40,686	40,686	41,500
Capital Outlay	<u>36,029</u>	<u>40,479</u>	<u>59,500</u>	<u>56,000</u>	<u>56,000</u>	<u>56,000</u>	<u>56,000</u>
Total Requirements	<u>1,045,378</u>	<u>1,057,045</u>	<u>1,310,484</u>	<u>1,357,191</u>	<u>1,357,191</u>	<u>1,357,191</u>	<u>1,407,628</u>



Program: Utilities/Water – Water Distribution Services

Personnel

	BUDGET FY'13 #	BUDGET FY'14 #	BUDGET FY'15 #	MANAGER RECOMMEND FY'16 #	COMMITTEE APPROVED FY'16 #	COUNCIL ADOPTED FY'16 #	PROJECTED FY'17 #
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>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
<i>Subtotal</i>	<i>10.00</i>	<i>10.00</i>	<i>10.00</i>	<i>10.00</i>	<i>10.00</i>	<i>10.00</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>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>
<i>Subtotal Distributed</i>	<i>(1.20)</i>	<i>(1.20)</i>	<i>(1.20)</i>	<i>(1.20)</i>	<i>(1.20)</i>	<i>(1.20)</i>	<i>(1.20)</i>
Total Positions	<u>8.80</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>2,100</u>	<u>2,400</u>	<u>2,400</u>	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>

Capital Outlay/By Item

New Water Services	43,000	45,000	45,000	45,000	50,000
Smooth Edge Implement Bucket	4,500	0	0	0	0
Dechlorination Flushing Device	6,000	0	0	0	0
Pipe Cutting Equipment	6,000	0	0	0	0
Guillotine Pipe Saw	0	11,000	11,000	11,000	0
Pipe threading machine	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,000</u>
Total Capital Outlay	<u>59,500</u>	<u>56,000</u>	<u>56,000</u>	<u>56,000</u>	<u>56,000</u>

Program: Utilities/Water – Customer Services

Services Delivered:

The Customer Service Department’s goal is to provide support to the individual utilities, including billing, collection, and timely courteous responses to the needs of individual customers regarding their City utility account.

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	2012-13		2013-14		2014-15	2015-16	2016-17
	Actual	Est	Actual	Est	Est	Est	Est
Outputs							
Number of water services	10,670	10,700	10,800	10,700	10,800	10,800	10,800
Effectiveness	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Uncollectable accounts by % of revenue	0.01%	>1%	0.00%	<1%	<1%	<1%	<1%
Efficiency	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Finance Direct Charges per Water Cust.	\$2.21	<\$2.50	\$1.91	<\$2.50	<\$2.50	<\$2.50	<2.50

FY’16 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Provide Cooperative, Shared Leadership Involving Council, Staff and Community

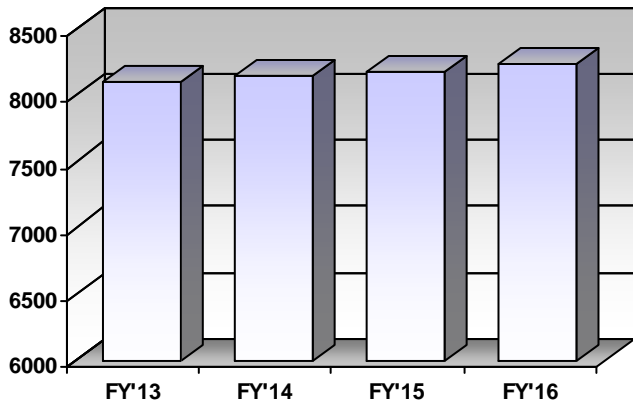
Ensure efficiency and effectiveness in City operations

- Bill over 10,800 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.

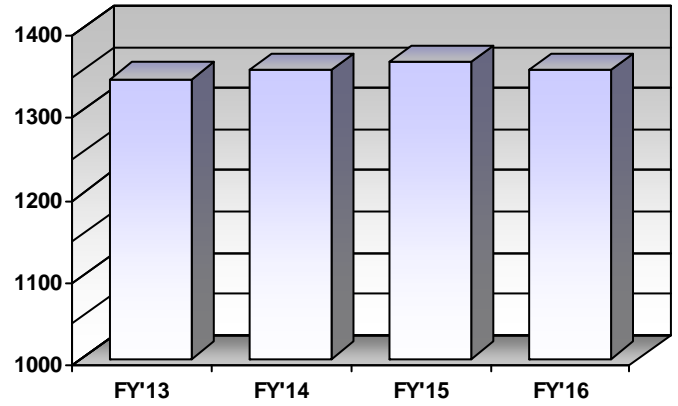
The City of Grants Pass Utility Customer Service Department serves approximately 10,800 water utility customers. The goal of the department is to provide excellent customer service to the citizens of Grants Pass. Cost per account for the water utility includes costs associated with direct salaries, employee 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

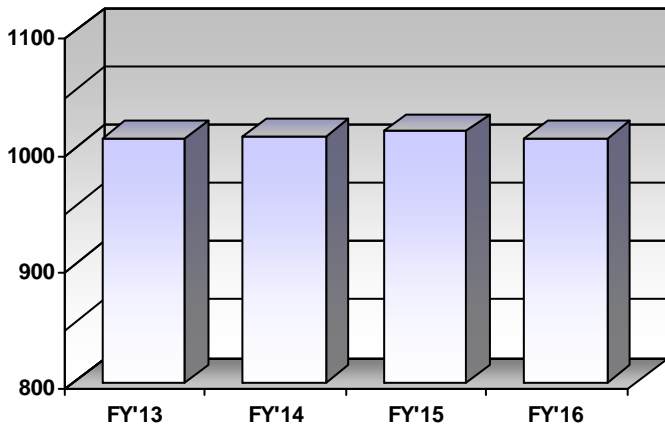
Number of RESIDENTIAL Customers



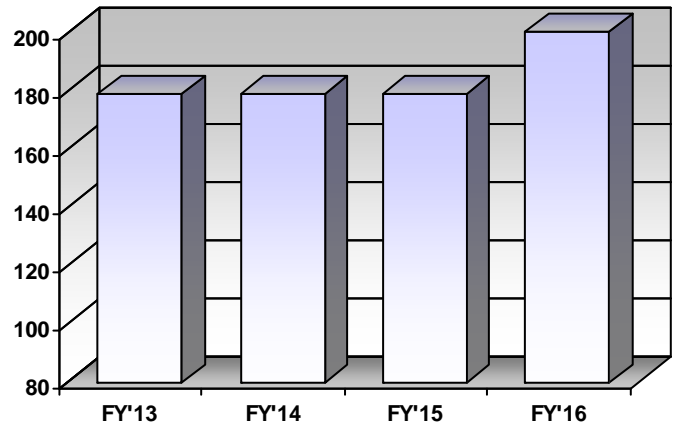
Number of COMMERCIAL Customers



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 with delivery via email or first class mail. In addition, the staff will participate in the implementation of the Munis utility billing software with the goal of improving service delivery and efficiency.

FY'15 Activity Review:

The Customer Service office generated approximately 148,355 utility billings during FY'15 and receipted approximately 145,094 utility payments through a variety of collection methods including: in person, online from individual financial institutions, via mail (including payments forwarded from community drop boxes), online via the City website or drafted from individual bank accounts per customer request. 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'13	FY'14	FY'15	FY'16	FY'16	FY'16	FY'17
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	29,383	30,728	30,385	31,044	31,044	31,044	32,396
Direct Charges	<u>361,676</u>	<u>338,500</u>	<u>336,575</u>	<u>336,317</u>	<u>336,317</u>	<u>336,317</u>	<u>341,755</u>
Total Requirements	<u>391,059</u>	<u>369,228</u>	<u>366,960</u>	<u>367,361</u>	<u>367,361</u>	<u>367,361</u>	<u>374,151</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 No. 3. The bonds are scheduled to be paid in full in FY'24.

FY'16 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Provide Cooperative, Shared Leadership Involving Council, Staff and Community

Objective 3: Ensure efficiency and effectiveness in City operations

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

Budget Highlights:

A debt service schedule for the budgetary period is included below. A full debt service schedule can be found in Appendix P.

	FY'13*	FY'14	FY'15	FY'16	FY'17
Principal	\$390,000	0	\$370,000	\$375,000	\$385,000
Interest	<u>7,800</u>	<u>36,404</u>	<u>137,220</u>	<u>129,770</u>	<u>122,170</u>
Total	<u>\$397,800</u>	<u>\$36,404</u>	<u>\$507,220</u>	<u>\$504,770</u>	<u>\$507,170</u>

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

* 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'13	FY'14	FY'15	RECOMMEND	APPROVED		ADOPTED
	\$	\$	\$	FY'16	FY'16	FY'16	FY'17
Debt Service	<u>36,404</u>	<u>506,624</u>	<u>504,770</u>	<u>507,170</u>	<u>507,170</u>	<u>507,170</u>	<u>504,420</u>
Total Requirements	<u>36,404</u>	<u>506,624</u>	<u>504,770</u>	<u>507,170</u>	<u>507,170</u>	<u>507,170</u>	<u>504,420</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'16 budget provides for \$3,413,000 in transfers to capital. This includes \$200,000 for water main relocations, \$50,000 for Master Plan Updates, \$65,000 for potential reservoir and pump station site purchases, \$3,200,000 for the Water Treatment Plant replacement project, and \$350,000 for small main replacements.

FY'15 Activity Review:

The Water General Fund was able to transfer the full amount of Capital Transfers for FY'14 of \$2,224,177.

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'13	FY'14	FY'15	RECOMMEND	APPROVED	ADOPTED	
	\$	\$	\$	FY'16	FY'16	FY'16	FY'17
				\$	\$	\$	\$
Contractual/Prof Services	5,394	1,612	10,350	10,350	10,350	10,350	10,350
Direct Charges	11,875	6,831	11,875	11,875	11,875	11,875	12,350
Indirect Charges	298,868	309,115	349,130	354,710	354,710	354,710	364,890
Transfers Out	<u>524,327</u>	<u>1,333,000</u>	<u>2,224,177</u>	<u>3,413,000</u>	<u>3,413,000</u>	<u>3,413,000</u>	<u>2,460,000</u>
<i>Subtotal Expenditures</i>	<u>840,464</u>	<u>1,650,558</u>	<u>2,595,532</u>	<u>3,789,935</u>	<u>3,789,935</u>	<u>3,789,935</u>	<u>2,847,590</u>
Contingencies	0	0	1,107,270	1,150,503	1,150,503	1,150,503	1,140,078
Ending Balance	<u>2,465,633</u>	<u>2,978,470</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>3,306,097</u>	<u>4,629,028</u>	<u>3,702,802</u>	<u>4,940,438</u>	<u>4,940,438</u>	<u>4,940,438</u>	<u>3,987,668</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'16 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Maintain, Operate, and Expand our Infrastructure

Objective 1: Plan and develop infrastructure

Action 3: Complete water master plan.

- The Water Distribution Master Plan work has been initiated and should be completed in FY'16.

Action 8: Water Distribution and Wastewater Collection - Complete relocation or abandonment of old water mains that could cause considerable damage to private property if they failed.

- Several small projects will be undertaken to abandon water mains located under private property.

Action 7: Water Distribution and Wastewater Collection - Continue pursuit of property acquisition for future reservoir and pump station sites.

- Opportunities will be evaluated as they become available.

Objective 2: Ensure water infrastructure needs are met

Action 1: Acquire a portable generator for remote pump stations that do not have a stationary generator onsite.

- Acquisition of a portable generator is being pursued.

Action 2: Complete projects as part of small main replacement.

- Projects will be designed and constructed.

Action 3: Initiate the process to replace the Water Treatment Plant.

- The design of a new treatment facility will be initiated following the completion of the Strategic Plan.

Action 4: Complete the update to the Water Emergency Operations Plan.

- The plan will be completed.

Action 5: Initiate the process of acquiring property for a new Water Treatment Plant.

- A property acquisition process is being developed.

Action 6: Complete a flow analysis of the Rogue River adjacent to the Water Treatment intake structure.

- The flow analysis will be completed.

Program: Utilities/Water – Capital Construction

Budget Highlights:

The project listing shows resources across the columns. Columns show the “Actual resources through FY’ 14”; the re-assessed resource needs of projects using current data for the “Revised FY’ 15” column, guiding our “Adopted FY’ 16” and resources estimated “Through FY’ 16”. 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’15 Activity Review:

- Began work on water distribution system master plan.
- Completed construction of replacement of Reservoir No. 3.
- Continued work on the Small Main Replacement program.
- Completed work to install a backup power generator for the Water Treatment Plant.
- Completed negotiations with ODFW and OWRD on time extensions for the development of the City’s municipal water rights.
- Completed construction of Starlite PRV vault (Starlite pump station upgrade).
- Began work to obtain emergency water producing equipment.
- Began work to obtain a portable generator for pump stations.
- Began work to update the water emergency operations plan.

Program: Utilities/Water – Capital Construction

ACTIVE CAPITAL PROJECT RESOURCES

	Actual Through FY'14	Revised FY'15	Adopted FY'16	Total Through FY'16	Future Years	Total Project
WA0000 Miscellaneous Water Projects - SDC's (752)	553,585	179,000	(46,000)	686,585	(1,184,000)	(497,415)
WA0000 Miscellaneous Water Projects - AFD's (755)	2,226	(2,226)	0	0	0	0
WA0000 Miscellaneous Water Projects – Gen. (758)	591,138	39,903	(419,000)	212,041	(2,663,000)	(2,450,959)
WA0000 Miscellaneous Water Projects - LID's (759)	12,581	0	0	12,581	0	12,581
WA4742 Meadow Wood Reservoir No. 16 - Site Purchase	185,000	100,000	65,000	350,000	0	350,000
WA4971 Meadow Wood Reservoir No. 16	0	0	0	0	1,575,000	1,575,000
WA5094 Water Distribution System Master Plan Update	140,000	60,000	50,000	250,000	0	250,000
WA5096 WTP Structural Repairs	425,000	75,000	75,000	575,000	300,000	875,000
WA6000 MSA Task Order #1	90,000	20,000	70,000	180,000	80,000	260,000
WA6001 Water Main Looping	5,000	0	0	5,000	720,000	725,000
WA6058 Water System Security Projects	60,000	50,000	10,000	120,000	70,000	190,000
WA6059 Pump Station Repairs	75,000	25,000	25,000	125,000	100,000	225,000
WA6207 WTP Upgrade	660,000	1,800,000	3,200,000	5,660,000	50,540,000	56,200,000
WA6248 Purchase of Emergency Water Pump Stations	0	200,000	0	200,000	0	200,000
WA6249 Water Main Relocations	0	400,000	200,000	600,000	0	600,000
WA6250 Water Rate & SDC Study	0	70,000	0	70,000	0	70,000
WA6251 Purchase Portable Generator for Pump Station	0	75,000	0	75,000	0	75,000
WA6252 Arc Flash Study WA and SE	0	100,000	0	100,000	0	100,000
WA6253 Small Main Replacement	0	100,000	350,000	450,000	250,000	700,000
WA6254 Water Emergency Ops Plan Update	0	50,000	0	50,000	0	50,000
Total Projects	<u>2,799,530</u>	<u>3,341,677</u>	<u>3,580,000</u>	<u>9,721,207</u>	<u>49,788,000</u>	<u>59,509,207</u>

CLOSED OR CANCELLED CAPITAL PROJECT RESOURCES

WA4526 Starlite Pump Station Upgrade	245,000	(7,000)	0	238,000	0	238,000
WA4966 Water Conservation & Mgmt Plan Updt	70,000	0	0	70,000	0	70,000
WA5028 Water Main on Private Property	75,000	(4,000)	0	71,000	0	71,000
WA6052 Reservoir No. 3 Upgrades	6,231,565	(575,000)	0	5,656,565	0	5,656,565
WA6122 WTP Emergency Generator	275,000	20,000	0	295,000	0	295,000
WA6206 Reservoir No 4 Hatch Repairs	50,000	(50,000)	0	0	0	0
Total Closed Projects	<u>6,946,565</u>	<u>(616,000)</u>	<u>0</u>	<u>6,330,565</u>	<u>0</u>	<u>6,330,565</u>
Grand Total - All Projects	<u>9,746,095</u>	<u>2,725,677</u>	<u>3,580,000</u>	<u>16,051,772</u>	<u>49,788,000</u>	<u>65,839,772</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'16

	Adopted FY'16 Beginning Fund Balance	Adopted FY'16 Revenue	Adopted FY'16 Capital Outlay	Adopted FY'16 Transfers	Adopted FY'16 Appropriated Fund Balance
WA0000 Miscellaneous Water Projects - SDC's (752)	327,585	(46,000)	0	0	281,585
WA0000 Miscellaneous Water Projects - AFD's (755)	0	0	0	0	0
WA0000 Miscellaneous Water Projects - General (758)	526,012	(419,000)	0	0	107,012
WA0000 Miscellaneous Water Projects - LID's (759)	0	0	0	0	0
WA4742 Meadow Wood Reservoir No. 16 Site Purchase	166,647	65,000	231,647	0	0
WA4971 Meadow Wood Reservoir No. 16	0	0	0	0	0
WA5094 Water Distribution System Master Plan Update	58,613	50,000	108,613	0	0
WA5096 WTP Structural Repairs	68,752	75,000	143,752	0	0
WA6000 MSA Task Order #1	433	70,000	70,433	0	0
WA6001 Water Main Looping	4,000	0	4,000	0	0
WA6058 Water System Security Projects	7,792	10,000	17,792	0	0
WA6059 Pump Station Repairs	25,548	25,000	50,548	0	0
WA6207 WTP Upgrade	1,703,086	3,200,000	4,903,086	0	0
WA6248 Purchase of Emergency Water Pump Stations	150,000	0	150,000	0	0
WA6249 Water Main Relocations	300,000	200,000	500,000	0	0
WA6250 Water Rate & SDC Study	35,000	0	35,000	0	0
WA6251 Purchase Portable Generator for Pump Station	10,000	0	10,000	0	0
WA6252 Arc Flash Study WA and SE	90,000	0	90,000	0	0
WA6253 Small Main Replacement	0	350,000	350,000	0	0
WA6254 Water Emergency Ops Plan Update	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Projects	<u>3,473,468</u>	<u>3,580,000</u>	<u>6,664,871</u>	<u>0</u>	<u>388,597</u>

Program: Utilities/Water – Capital Construction

Financial Summary

	ACTUAL FY'13 \$	ACTUAL FY'14 \$	BUDGET FY'15 \$	MANAGER RECOMMEND FY'16 \$	COMMITTEE APPROVED FY'16 \$	COUNCIL ADOPTED FY'16 \$	PROJECTED FY'17 \$
Beginning Fund Balance	<u>2,100,129</u>	<u>4,709,261</u>	<u>1,229,391</u>	<u>3,473,468</u>	<u>3,473,468</u>	<u>3,473,468</u>	<u>388,597</u>
Resources							
Development Charges	246,079	269,756	150,000	150,000	150,000	150,000	150,000
Investment Interest	18,641	23,282	14,000	14,000	14,000	14,000	14,000
Advance Finance Interest	1	250	0	0	0	0	0
SDC Loans	6,559	7,256	0	0	0	0	0
General Fund	150,000	100,000	150,000	100,000	100,000	100,000	160,000
Sewer/Transport. Projects	0	0	135,000	0	0	0	0
Water Fund	394,327	1,168,000	2,174,177	3,313,000	3,313,000	3,313,000	2,460,000
Advance Financing	18,984	10,253	20,000	3,000	3,000	3,000	3,000
Other Revenue	<u>5,035,678</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Current Revenues</i>	<u><i>5,870,269</i></u>	<u><i>1,578,797</i></u>	<u><i>2,643,177</i></u>	<u><i>3,580,000</i></u>	<u><i>3,580,000</i></u>	<u><i>3,580,000</i></u>	<u><i>2,787,000</i></u>
Total Resources	<u>7,970,398</u>	<u>6,288,058</u>	<u>3,872,568</u>	<u>7,053,468</u>	<u>7,053,468</u>	<u>7,053,468</u>	<u>3,175,597</u>
Requirements							
Capital Outlay	<u>3,261,137</u>	<u>3,683,168</u>	<u>3,606,395</u>	<u>6,664,871</u>	<u>6,664,871</u>	<u>6,664,871</u>	<u>2,770,000</u>
<i>Subtotal Expenditures</i>	<u><i>3,261,137</i></u>	<u><i>3,683,168</i></u>	<u><i>3,606,395</i></u>	<u><i>6,664,871</i></u>	<u><i>6,664,871</i></u>	<u><i>6,664,871</i></u>	<u><i>2,770,000</i></u>
Appropriated Fund Balance	<u>4,709,261</u>	<u>2,604,890</u>	<u>266,173</u>	<u>388,597</u>	<u>388,597</u>	<u>388,597</u>	<u>405,597</u>
Total Requirements	<u>7,970,398</u>	<u>6,288,058</u>	<u>3,872,568</u>	<u>7,053,468</u>	<u>7,053,468</u>	<u>7,053,468</u>	<u>3,175,597</u>

WHERE THE ROGUE RIVER RUNS



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