

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'12 \$	ACTUAL FY'13 \$	BUDGET FY'14 \$	MANAGER RECOMMEND FY'15 \$	COMMITTEE APPROVED FY'15 \$	COUNCIL ADOPTED FY'15 \$	PROJECTED FY'16 \$
Program Generated Resources	<u>8,393,442</u>	<u>14,279,300</u>	<u>12,691,170</u>	<u>11,452,748</u>	<u>11,452,748</u>	<u>11,452,748</u>	<u>8,731,811</u>
Total Resources	<u>8,393,442</u>	<u>14,279,300</u>	<u>12,691,170</u>	<u>11,452,748</u>	<u>11,452,748</u>	<u>11,452,748</u>	<u>8,731,811</u>
Requirements							
Water Treatment	1,432,233	1,529,966	1,636,499	1,695,164	1,695,164	1,695,164	1,702,488
Water Distribution	1,014,314	1,045,376	1,259,875	1,310,484	1,310,484	1,310,484	1,371,103
Customer Services	352,298	391,059	377,835	366,960	366,960	366,960	380,346
Debt Service	396,253	36,404	507,220	504,770	504,770	504,770	507,170
General Program Operations	2,280,210	3,306,098	2,750,479	3,702,802	3,702,802	3,702,802	2,867,353
Capital Construction	<u>2,918,134</u>	<u>7,970,397</u>	<u>6,159,262</u>	<u>3,872,568</u>	<u>3,872,568</u>	<u>3,872,568</u>	<u>1,903,351</u>
Total Requirements	<u>8,393,442</u>	<u>14,279,300</u>	<u>12,691,170</u>	<u>11,452,748</u>	<u>11,452,748</u>	<u>11,452,748</u>	<u>8,731,811</u>

Program: Utilities/Water Program

Mission Statement:

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

Services Delivered:

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

Major repairs and improvements to the water system are financed through capital expenditures. Minor repairs and ongoing operational needs are financed through the operating budgets. The budget is structured in 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’15 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Maintain, Operate, and Expand our Infrastructure

Objective 1: Plan for utility infrastructure

Action 1: Develop 20-year infrastructure master plans and combined utilities plan.

- The Water Distribution Master Plan update will be initiated following completion of the UGB expansion process.

Action 5: Water Treatment - Acquire portable water treatment equipment to provide drinking water if WTP (Water Treatment Plant) is damaged and unable to produce water.

Action 6: Water Distribution and Wastewater Collection - Evaluate relocation or abandonment of old water mains that could cause considerable damage to private property if they failed.

Action 8: Water Distribution and Wastewater Collection - Continue pursuit of property acquisition for future reservoir and pump station sites.

Program: Utilities/Water Program

FY'15 Anticipated Accomplishments & Corresponding Council Goal – Cont'd:

Objective 2: Ensure water infrastructure needs are met

Action 1: Replace Reservoir No. 3.

- Replacement construction will be substantially complete.

Action 2: Acquire a portable generator for remote pump stations that do not have a stationary generator onsite.

Action 3: 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 4: Complete design of Water Treatment Plant backup power.

- Backup power system will be made operational.

Action 5: Initiate the process to replace the Water Treatment Plant.

FY'14 Activity Review:

- Responded to community concerns regarding hexavalent chromium in the water supply by continuing sampling and analysis for same as per EPA recommendations and compliance with the Unregulated Contaminants Monitoring Rule 3.
- Completed the Water Treatment Plant Facility Plan Update.
- Monitoring and compliance of disinfection byproducts reduction within the water system was achieved per EPA directives.
- Decommissioned the existing Reservoir No. 3 and initiated construction of the replacement reservoir.
- Completed an update to the Water management and Conservation Plan and submitted same to Oregon Water Resources Department for approval.

Program: Utilities/Water Program

Program Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'12	FY'13	FY'14	FY'15	FY'15	FY'15	FY'16
	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>1,280,617</u>	<u>1,429,081</u>	<u>1,606,908</u>	<u>1,913,280</u>	<u>1,913,280</u>	<u>1,913,280</u>	<u>1,107,270</u>
Current Resources							
Activity Generated							
Sale of Water	4,105,622	4,826,670	4,856,430	5,597,750	5,597,750	5,597,750	5,651,750
Direct Charges to:							
Solid Waste Operations	23,263	14,180	20,000	20,400	20,400	20,400	20,600
Interest	9,641	10,109	9,000	12,000	12,000	12,000	12,000
Other Revenue	56,165	28,863	39,570	36,750	36,750	36,750	36,840
Capital Construction	<u>2,918,134</u>	<u>7,970,397</u>	<u>6,159,262</u>	<u>3,872,568</u>	<u>3,872,568</u>	<u>3,872,568</u>	<u>1,903,351</u>
Total Current Revenues	<u>7,112,825</u>	<u>12,850,219</u>	<u>11,084,262</u>	<u>9,539,468</u>	<u>9,539,468</u>	<u>9,539,468</u>	<u>7,624,541</u>
Total Resources	<u>8,393,442</u>	<u>14,279,300</u>	<u>12,691,170</u>	<u>11,452,748</u>	<u>11,452,748</u>	<u>11,452,748</u>	<u>8,731,811</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'12	FY'13	FY'14	FY'15	FY'15	FY'15	FY'16
	\$	\$	\$	\$	\$	\$	\$
Water Treatment	1,432,233	1,529,966	1,636,499	1,695,164	1,695,164	1,695,164	1,702,488
Water Distribution	1,014,314	1,045,376	1,259,875	1,310,484	1,310,484	1,310,484	1,371,103
Customer Services	352,298	391,059	377,835	366,960	366,960	366,960	380,346
General Program Operations	9,562	17,270	22,225	22,225	22,225	22,225	22,225
Capital Construction	<u>2,718,134</u>	<u>7,970,397</u>	<u>6,159,262</u>	<u>3,872,568</u>	<u>3,872,568</u>	<u>3,872,568</u>	<u>1,903,351</u>
Indirect Charges	288,766	298,868	340,700	349,130	349,130	349,130	357,980
Debt Service	396,253	36,404	507,220	504,770	504,770	504,770	507,170
Transfers Out	<u>752,801</u>	<u>524,327</u>	<u>1,333,000</u>	<u>2,224,177</u>	<u>2,224,177</u>	<u>2,224,177</u>	<u>1,312,178</u>
Subtotal Expenditures	<u>6,964,361</u>	<u>11,813,667</u>	<u>11,636,616</u>	<u>10,345,478</u>	<u>10,345,478</u>	<u>10,345,478</u>	<u>7,556,841</u>
Contingency	0	0	1,054,554	1,107,270	1,107,270	1,107,270	1,174,970
Ending Balance	<u>1,429,081</u>	<u>2,465,633</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>8,393,442</u>	<u>14,279,300</u>	<u>12,691,170</u>	<u>11,452,748</u>	<u>11,452,748</u>	<u>11,452,748</u>	<u>8,731,811</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

Mission Statement:

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

Services Delivered:

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

Performance Measurements:

Water Treatment Performance Measures

Indicator	2011-12		2012-13		2013-14	2014-15	2015-16
	Actual	Est	Actual	Est	Est	Est	Est
Outputs							
Gallons of water produced (in Billions)	1.91	1.92	2.00	1.91	1.91	1.93	1.93
Effectiveness	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Percentage of water utilized for filter backwashing	4.0%	<3%	3.9%	<3%	<3%	<3%	<3%
Average hours to place booster stations back into service upon notice of failure	1.1	<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	646	650	652	650	650	650	650

FY’15 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Provide Cooperative, Shared Leadership Involving Council, Staff and Community

Objective 4: Ensure efficiency and effectiveness in City operations

- Staff will update and distribute the Consumer Confidence Report per EPA Rules.
- Staff will operate a pilot test facility program to begin activities relating to the potential construction of a new water treatment facility.
- Staff will purchase and install new Anthracite to keep filters working in optimal condition.

Maintain, Operate, and Expand our Infrastructure

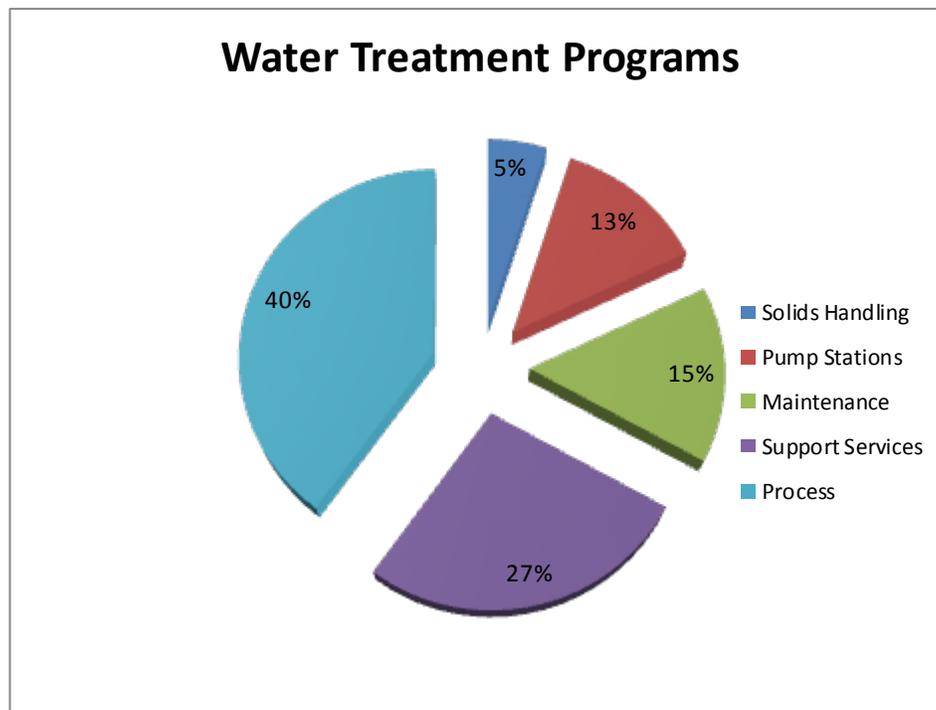
Objective 2: Ensure water infrastructure needs are met

- One raw water pump will be rebuilt to near new condition.
- Staff will continue to remove solids from the log pond.
- Staff will purchase and install a portable water quality monitoring station.

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'14 Activity Review:

Plant staff completed the Water Treatment Plant Facility Plant Update. The update allows Public Works staff to begin the planning process for constructing a new water treatment facility. Plant Staff rebuilt two High Head Discharge pumps which help to ensure continued operation at peak capacity through the summer high demand period. Staff purchased a new generator for the Water Treatment Plant which will allow for production of water during an extended power outage. Staff continues to monitor the Disinfection By-products (DBP) levels in the North Valley area to ensure that DBP levels remain below the compliance rate of 0.080 mg/L.

Program: Utilities/Water – Water Treatment Services

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'12	FY'13	FY'14	FY'15	FY'15	FY'15	FY'16
	\$	\$	\$	\$	\$	\$	\$
Personnel Services	632,611	648,214	699,217	706,736	706,736	706,736	727,729
Materials & Supplies	274,317	296,050	295,400	318,850	318,850	318,850	310,800
Contractual/Prof Services	502,987	538,430	621,511	638,784	638,784	638,784	645,415
Direct Charges	20,154	20,793	7,871	8,044	8,044	8,044	8,044
Capital Outlay	<u>2,164</u>	<u>26,479</u>	<u>12,500</u>	<u>22,750</u>	<u>22,750</u>	<u>22,750</u>	<u>10,500</u>
Total Requirements	<u>1,432,233</u>	<u>1,529,966</u>	<u>1,636,499</u>	<u>1,695,164</u>	<u>1,695,164</u>	<u>1,695,164</u>	<u>1,702,488</u>

Program: Utilities/Water – Water Treatment Services

Personnel

	BUDGET	BUDGET	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'12	FY'13	FY'14	FY'15	FY'15	FY'15	FY'16
	#	#	#	#	#	#	#
Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Plant Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Treatment Plant Specialist	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Department Support Technician	<u>1.00</u>						
<i>Subtotal</i>	<i>8.00</i>						
Public Works Director							
To: Water Distribution	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)
To: Wastewater Collection	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
To: Wastewater Treatment	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)
To: Streets	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)
To: Jo-Gro™	(0.03)	(0.03)	(0.03)	(0.03)	(0.00)	(0.00)	(0.00)
To: Solid Waste Field Operations	(0.05)	(0.05)	(0.05)	(0.05)	(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)	(0.05)	(0.08)	(0.08)	(0.08)
To: Jo-Gro™	<u>(0.03)</u>	<u>(0.03)</u>	<u>(0.03)</u>	<u>(0.03)</u>	<u>(0.00)</u>	<u>(0.00)</u>	<u>(0.00)</u>
<i>Subtotal Distributed</i>	<i>(1.54)</i>						
Total Positions	<u>6.46</u>						
Temporary/Seasonal Hours	<u>5,415</u>	<u>4,100</u>	<u>4,100</u>	<u>4,100</u>	<u>4,100</u>	<u>4,100</u>	<u>4,100</u>

Capital Outlay/By Item

Streaming Current Monitor	12,500	0	0	0	0
Water Quality Monitoring Stations	0	14,250	14,250	14,250	0
Sewage Ejection Pump & Controls	0	8,500	8,500	8,500	0
SCADA Software	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,500</u>
Total Capital Outlay		<u>12,500</u>	<u>22,750</u>	<u>22,750</u>	<u>10,500</u>

Program: Utilities/Water – Water Distribution Services

Mission Statement:

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

Services Delivered:

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

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

Performance Measurements:

Water Distribution Performance Measures

Indicator	2011-12		2012-13		2013-14	2014-15	2015-16
	Actual	Est	Actual	Est	Est	Est	Est
Outputs							
Number of residential water meters replaced	642	800	948	800	886	710	600
Effectiveness	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Number of water quality complaints	26	N/A	7	<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	N/A	<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'15 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Provide Cooperative, Shared Leadership Involving Council, Staff and Community

Objective 4: Ensure efficiency and effectiveness in City operations

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

Program: Utilities/Water – Water Distribution Services

FY'15 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. Funds for the replacement of residential and commercial water meters continue in the Customer Service Program. The Water Quality Program contains continuing funding for contract reservoir cleaning and water sample testing. The System Maintenance Program contains funding for water main and fire hydrant repairs and maintenance. The FY'15 capital budget contains continued funding for new water services. Funds are also allocated for purchase of de-chlorination equipment for system flushing, a hydraulic pipe cutter for water main repairs, and a wide flat edged backhoe bucket for trench repairs.

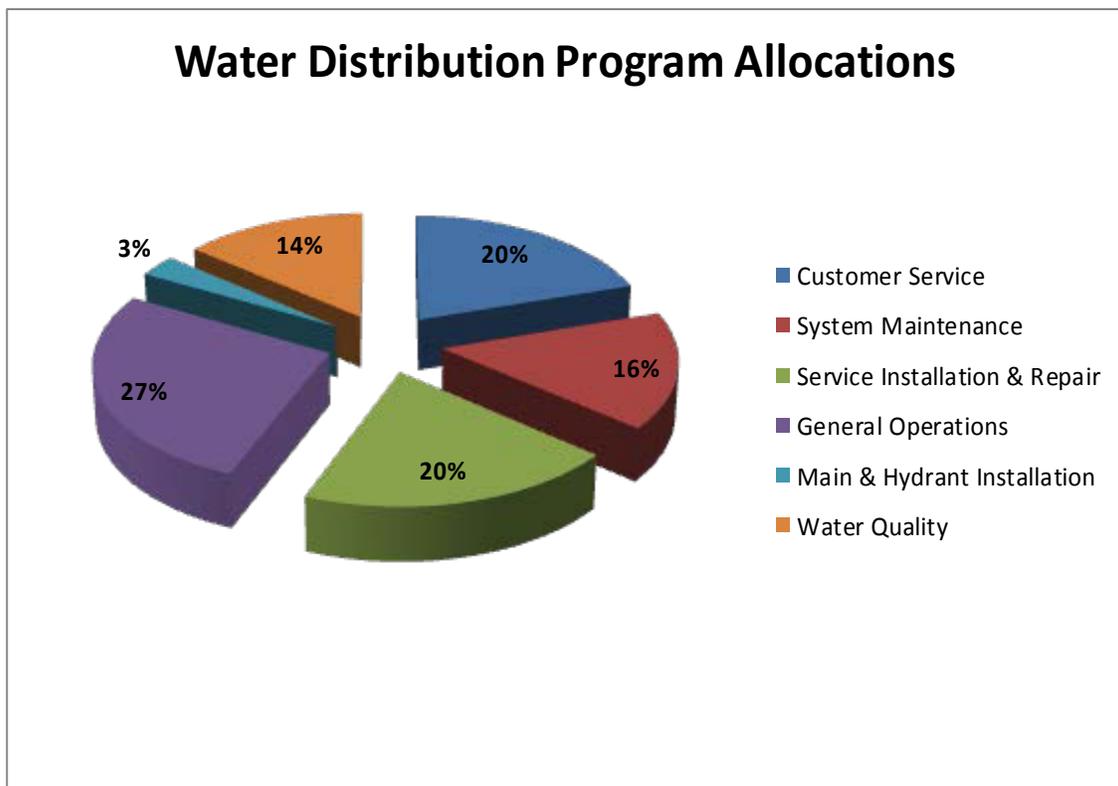
FY'14 Activity Review:

Despite the continued reduction of new construction projects, Distribution crews remained busy with the work related to various public improvement projects. The relocation and adjustment of water services and two fire hydrants were successfully completed in conjunction with the SE L Street and NE Josephine Street Reconstruction Projects. Distribution crews were also actively involved with the installation of new pipe tie-ins and old pipe line abandonments during both the NE C Street and SE Oak & River Oaks 2 Inch Main Replacement Projects. 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 17 as of March 1, 2013. Water main repairs totaled 8 for the same period.

Program: Utilities/Water – Water Distribution Services

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'12	FY'13	FY'14	FY'15	FY'15	FY'15	FY'16
	\$	\$	\$	\$	\$	\$	\$
Personnel Services	649,135	624,800	751,243	766,624	766,624	766,624	813,312
Materials & Supplies	109,313	121,239	148,277	163,677	163,677	163,677	169,777
Contractual/Prof Services	188,212	212,431	278,166	279,159	279,159	279,159	295,490
Direct Charges	50,177	50,877	39,189	41,524	41,524	41,524	41,524
Capital Outlay	<u>17,477</u>	<u>36,029</u>	<u>43,000</u>	<u>59,500</u>	<u>59,500</u>	<u>59,500</u>	<u>51,000</u>
Total Requirements	<u>1,014,314</u>	<u>1,045,376</u>	<u>1,259,875</u>	<u>1,310,484</u>	<u>1,310,484</u>	<u>1,310,484</u>	<u>1,371,103</u>



Program: Utilities/Water – Water Distribution Services

Personnel

	BUDGET	BUDGET	BUDGET	MANAGER	COMMITTEE	COUNCIL	
	RECOMMEND	APPROVED	ADOPTED	PROJECTED			
	FY'12	FY'13	FY'14	FY'15	FY'15	FY'15	FY'16
	#	#	#	#	#	#	#
Utility Field Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Worker	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Office Assistant I	<u>1.00</u>						
<i>Subtotal</i>	<i>10.00</i>						
Public Works Director							
From: Water Treatment	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Utility Field Superintendent							
To: Wastewater Collection	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)
Utility Worker							
To: Wastewater Collection	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)
Office Assistant I							
To: Waste Water Collection	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)
Department Support Technician							
From: Water Treatment	<u>0.15</u>						
<i>Subtotal Distributed</i>	<i>(1.20)</i>						
Total Positions	<u>8.80</u>						
Temporary/Seasonal Hours	<u>2,400</u>	<u>2,100</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>

Capital Outlay/By Item

New Water Services	43,000	43,000	43,000	43,000	45,000
Smooth Edge Implement Bucket	0	4,500	4,500	4,500	0
Dechlorination Flushing Device	0	6,000	6,000	6,000	0
Pipe Cutting Equipment	0	6,000	6,000	6,000	0
Utility Locater Upgrade	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,000</u>
Total Capital Outlay	<u>43,000</u>	<u>59,500</u>	<u>59,500</u>	<u>59,500</u>	<u>51,000</u>

Program: Utilities/Water – Customer Services

Mission Statement:

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

Services Delivered:

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

Performance Measurements:

Water Customer Service Performance Measures

Indicator	2011-12		2012-13		2013-14	2014-15	2015-16
	Actual	Est	Actual	Est	Est	Est	Est
Outputs							
Number of water services	10,670	N/A	10,670	N/A	10,700	10,700	10,700
Effectiveness	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Uncollectable accounts by % of revenue	.05%	>1%	.01%	<1%	<1%	<1%	<1%
Efficiency	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Finance Direct Charges per Water Cust.	\$2.38	<\$2.50	\$2.21	<\$2.50	<\$2.50	<\$2.50	<2.50

FY’15 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Provide Cooperative, Shared Leadership Involving Council, Staff and Community

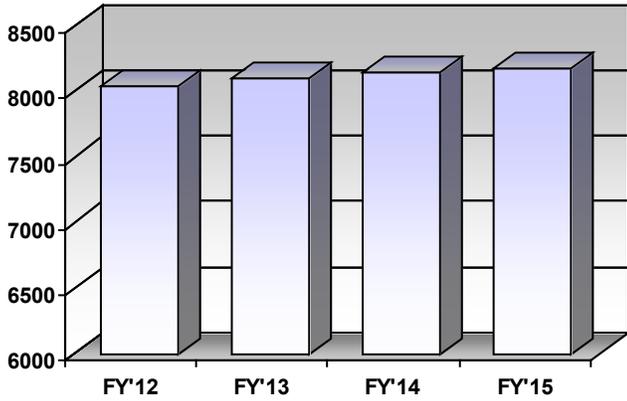
Ensure efficiency and effectiveness in City operations

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

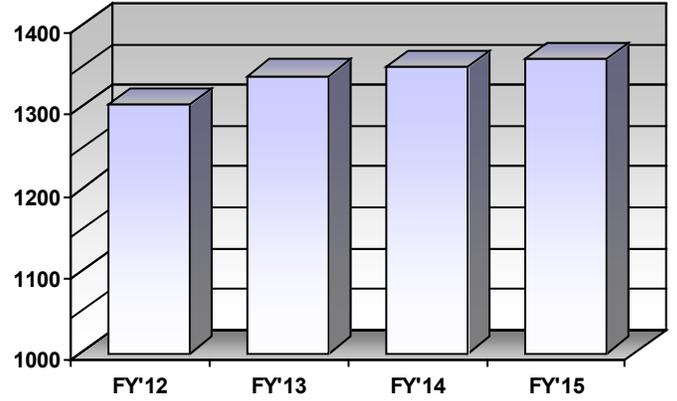
The City of Grants Pass Utility Customer Service Department serves approximately 10,670 water utility customers. The goal of the department is to provide excellent customer service to the citizens of Grants Pass. Cost per account for the water utility includes costs associated with direct salaries, employee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

Program: Utilities/Water – Customer Services

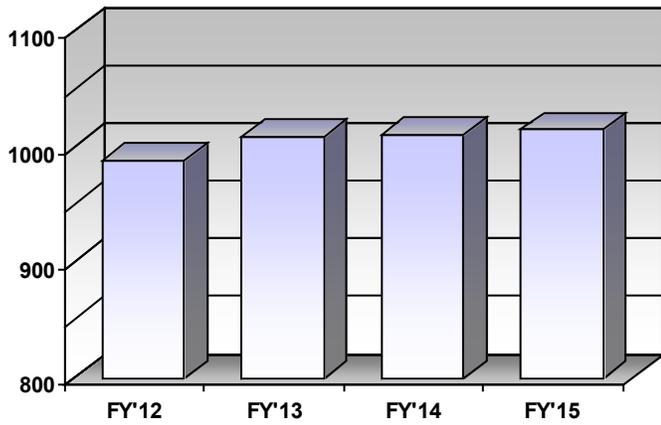
Number of RESIDENTIAL Customers



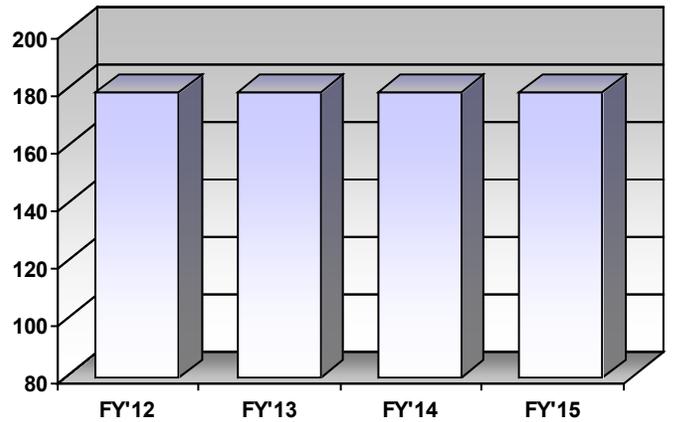
Number of COMMERCIAL Customers



Number of MULTIFAMILY Customers



Number of PUBLIC AGENCY Customers



Program: Utilities/Water – Customer Services

Budget Highlights:

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

FY'14 Activity Review:

The Customer Service office generated approximately 133,600 utility billings during FY'14 and receipted approximately 143,400 utility payments through a variety of collection methods including in person, via community drop boxes, online from individual financial institutions, via mail, online via the City website or drafted from individual bank accounts per customer request. As most payments come into the office in the form of check or money order, the customer service office has worked to reduce the costs associated with transport of checks to the bank via armored car. The customer service office converted to complete check submission via a customer cash letter to the bank eliminating the need for daily pick up of utility deposits. An important statistic which highlights the level of customer interaction by the office is that approximately 20% of the City utility accounts transfer to a new account holder on an annual basis. All new accounts require individual customer information, account activation, and accuracy review to ensure accurate billing information.

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'12	FY'13	FY'14	FY'15	FY'15	FY'15	FY'16
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	30,312	29,383	34,700	30,385	30,385	30,385	30,385
Direct Charges	<u>321,986</u>	<u>361,676</u>	<u>343,135</u>	<u>336,575</u>	<u>336,575</u>	<u>336,575</u>	<u>349,961</u>
Total Requirements	<u>352,298</u>	<u>391,059</u>	<u>377,835</u>	<u>366,960</u>	<u>366,960</u>	<u>366,960</u>	<u>380,346</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'15 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Provide Cooperative, Shared Leadership Involving Council, Staff and Community

Ensure efficiency and effectiveness in City operations

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

Budget Highlights:

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

	FY'12*	FY'13	FY'14	FY'15	FY'16
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'12	FY'13	FY'14	RECOMMEND	APPROVED	ADOPTED	FY'16
	\$	\$	\$	FY'15	FY'15	FY'15	\$
Debt Service	<u>396,253</u>	<u>36,404</u>	<u>507,220</u>	<u>504,770</u>	<u>504,770</u>	<u>504,770</u>	<u>507,170</u>
Total Requirements	<u>396,253</u>	<u>36,404</u>	<u>507,220</u>	<u>504,770</u>	<u>504,770</u>	<u>504,770</u>	<u>507,170</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'15 budget provides for \$2,224,177 in transfers to capital. This includes \$200,000 for acquisition of an emergency water treatment trailer, \$60,000 for Master Plan Updates, \$50,000 for a Water Emergency Operations Plan update, \$390,000 for the Water Treatment Plant replacement project, and \$50,000 for small main replacements.

FY'14 Activity Review:

The Water General Fund was able to transfer the full amount of Capital Transfers for FY'14 of \$1,333,000.

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'12	FY'13	FY'14	FY'15	FY'15	FY'15	FY'16
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	58	5,395	10,350	10,350	10,350	10,350	10,350
Direct Charges	9,504	11,875	11,875	11,875	11,875	11,875	11,875
Indirect Charges	288,766	298,868	340,700	349,130	349,130	349,130	357,980
Transfers Out	<u>552,801</u>	<u>524,327</u>	<u>1,333,000</u>	<u>2,224,177</u>	<u>2,224,177</u>	<u>2,224,177</u>	<u>1,312,178</u>
<i>Subtotal Expenditures</i>	<i>851,129</i>	<i>840,465</i>	<i>1,695,925</i>	<i>2,595,532</i>	<i>2,595,532</i>	<i>2,595,532</i>	<i>1,692,383</i>
Contingencies	0	0	1,054,554	1,107,270	1,107,270	1,107,270	1,174,970
Ending Balance	<u>1,429,081</u>	<u>2,465,633</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>2,280,210</u>	<u>3,306,098</u>	<u>2,750,479</u>	<u>3,702,802</u>	<u>3,702,802</u>	<u>3,702,802</u>	<u>2,867,353</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'15 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Maintain, Operate, and Expand our Infrastructure

Objective 1: Plan for utility infrastructure

Action 1: Develop 20-year infrastructure master plans and combined utilities plan.

- This will be initiated following adoption of the UGB expansion.

Action 5: Water Treatment - Acquire portable water treatment equipment to provide drinking water if WTP is damaged and unable to produce water.

Action 6: Water Distribution and Wastewater Collection - Evaluate relocation or abandonment of old water mains that could cause considerable damage to private property if they failed.

Action 8: Water Distribution and Wastewater Collection - Continue pursuit of property acquisition for future reservoir and pump station sites.

Objective 2: Ensure water infrastructure needs are met

Action 1: Replace Reservoir No. 3.

Action 2: Acquire a portable generator for remote pump stations that do not have a stationary generator onsite.

Action 3: Complete projects as part of small main replacement.

Action 4: Complete design of Water Treatment Plant backup power.

Action 5: Initiate the process to replace the Water Treatment Plant.

Budget Highlights:

The Active Capital Project list includes projects coming to a close in FY'14, but which are not finalized at this time.

The project listing shows resources across the columns. Columns show the "Actual resources through FY'13"; the re-assessed resource needs of projects using current data for the "Revised FY'14" column, guiding our "Recommended FY'15" and resources estimated "Through FY'15". 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.

Program: Utilities/Water – Capital Construction

FY'14 Activity Review:

- Completed work on the Water Treatment Plant Facility Plan.
- Completed an update to the Water Management and Conservation Plan, and submitted to Oregon Water Resources Department for approval.
- Continued construction of replacement of Reservoir No. 3.
- Continued work on the Small Main Replacement program.
- Continued work to install a backup power generator for the Water Treatment Plant.
- Continued negotiations with ODFW and OWRD on time extensions for the development of the City's municipal water rights.
- Began construction of Starlite PRV vault (Starlite pump station upgrade).

Program: Utilities/Water – Capital Construction

ACTIVE CAPITAL PROJECT RESOURCES

	Actual Through FY'13	Revised FY'14	Adopted FY'15	Total Through FY'15	Future Years	Total Project
WA0000 Miscellaneous Water Projects - SDC's (752)	102,717	(146,000)	79,000	508,929	(1,138,000)	(629,071)
WA0000 Miscellaneous Water Projects - AFD's (755)	(28,565)	(5,011)	0	2,946	0	2,946
WA0000 Miscellaneous Water Projects – Gen. (758)	105,961	264,011	(290,823)	264,327	(5,714,822)	(5,450,495)
WA0000 Miscellaneous Water Projects - LID's (759)	(971)	0	0	12,581	0	12,581
WA4526 Starlite Pump Station Upgrade	0	0	0	245,000	0	245,000
WA4742 Reservoir and Pump Station Site Purchases	0	75,000	100,000	285,000	65,000	350,000
WA4966 Water Management & Conserv. Plan Updt	20,000	0	10,000	80,000	0	80,000
WA4971 Meadow Wood Reservoir No. 16	0	0	0	0	1,575,000	1,575,000
WA5028 Water Main on Private Property	0	25,000	0	75,000	0	75,000
WA5094 Water Distribution System Master Plan Update	20,000	0	60,000	200,000	0	200,000
WA5096 WTP Structural Repairs	50,000	75,000	75,000	500,000	345,000	845,000
WA6000 MSA Task Order #1	20,000	10,000	20,000	110,000	80,000	190,000
WA6001 Water Main Looping	0	(50,000)	0	5,000	720,000	725,000
WA6052 Reservoir No. 3 Upgrades	5,283,565	325,000	150,000	6,381,565	0	6,381,565
WA6058 Water System Security Projects	10,000	10,000	10,000	70,000	70,000	140,000
WA6059 Pump Station Repairs	40,000	10,000	10,000	85,000	85,000	170,000
WA6122 WTP Emergency Generator	(50,000)	75,000	0	275,000	0	275,000
WA6206 Reservoir No 4 Hatch Repairs	0	50,000	0	50,000	0	50,000
WA6207 WTP Upgrade	0	660,000	1,525,000	2,185,000	53,950,000	56,135,000
NEW PROJECTS						
WAXX01 Purchase of Emergency Water Pump Stations	0	0	200,000	200,000	0	200,000
WAXX02 Water Main Relocations	0	0	300,000	300,000	200,000	500,000
WAXX03 Water Rate & SDC Study	0	0	70,000	70,000	0	70,000
WAXX04 Purchase Portable Generator for Pump Station	0	0	75,000	75,000	0	75,000
WAXX05 Arc Flash Study WA and SE	0	0	100,000	100,000	0	100,000
WAXX06 Small Main Replacement FY15	0	0	100,000	100,000	255,000	355,000
WAXX07 Water Emergency Ops Plan Update	0	0	50,000	50,000	0	50,000
Total Projects	<u>5,572,707</u>	<u>1,378,000</u>	<u>2,643,177</u>	<u>12,230,348</u>	<u>50,492,178</u>	<u>62,722,526</u>

CLOSED OR CANCELLED CAPITAL PROJECT RESOURCES

WA4841 Small Main Replacement	50,000	50,000	0	366,324	0	366,324
WA6002 WTP Facility Plan Update	100,000	25,000	0	325,000	0	325,000
WA6168 WTP Exterior Repairs & Painting	55,000	(28,000)	0	27,000	0	27,000
WA6204 Fall Protection at Reservoirs and Pump Stns.	0	25,000	0	25,000	0	25,000
Total Closed Projects	<u>205,000</u>	<u>72,000</u>	<u>0</u>	<u>743,324</u>	<u>0</u>	<u>743,324</u>
Grand Total - All Projects	<u>5,777,707</u>	<u>1,450,000</u>	<u>2,643,177</u>	<u>12,973,672</u>	<u>50,492,178</u>	<u>63,465,850</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'15

	Adopted FY'15 Beginning Fund Balance	Adopted FY'15 Revenue	Adopted FY'15 Capital Outlay	Adopted FY'15 Transfers	Adopted FY'15 Appropriated Fund Balance
WA0000 Miscellaneous Water Projects - SDC's (752)	24,929	79,000	0	0	103,929
WA0000 Miscellaneous Water Projects - AFD's (755)	2,946	0	0	0	2,946
WA0000 Miscellaneous Water Projects - General (758)	450,120	(290,823)	0	0	159,297
WA0000 Miscellaneous Water Projects - LID's (759)	0	0	0	0	0
WA4526 Starlite Pump Station Upgrade	0	0	0	0	0
WA4742 Reservoir and Pump Station Site Purchases	107,873	100,000	207,873	0	0
WA4966 Water Management & Conserv. Plan Updt	0	10,000	10,000	0	0
WA4971 Meadow Wood Reservoir No. 16	0	0	0	0	0
WA5028 Water Main on Private Property	0	0	0	0	0
WA5094 Water Distribution System Master Plan Update	113,613	60,000	173,613	0	0
WA5096 WTP Structural Repairs	37,539	75,000	112,539	0	0
WA6000 MSA Task Order #1	8,370	20,000	28,370	0	0
WA6001 Water Main Looping	5,000	0	5,000	0	0
WA6052 Reservoir No. 3 Upgrades	2,133	150,000	152,133	0	0
WA6058 Water System Security Projects	1,867	10,000	11,867	0	0
WA6059 Pump Station Repairs	15,000	10,000	25,000	0	0
WA6122 WTP Emergency Generator	0	0	0	0	0
WA6206 Reservoir No 4 Hatch Repairs	0	0	0	0	0
WA6207 WTP Upgrade	460,000	1,525,000	1,985,000	0	0
NEW PROJECTS					
WAXX01 Purchase of Emergency Water Pump Stations	0	200,000	200,000	0	0
WAXX02 Water Main Relocations	0	300,000	300,000	0	0
WAXX03 Water Rate & SDC Study	0	70,000	70,000	0	0
WAXX04 Purchase Portable Generator for Pump Station	0	75,000	75,000	0	0
WAXX05 Arc Flash Study WA and SE	0	100,000	100,000	0	0
WAXX06 Small Main Replacement FY15	0	100,000	100,000	0	0
WAXX07 Water Emergency Ops Plan Update	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>0</u>
Total Projects	<u>1,229,390</u>	<u>2,643,177</u>	<u>3,606,395</u>	<u>0</u>	<u>266,172</u>

Program: Utilities/Water – Capital Construction

Financial Summary

	ACTUAL FY'12 \$	ACTUAL FY'13 \$	BUDGET FY'14 \$	MANAGER RECOMMEND FY'15 \$	COMMITTEE APPROVED FY'15 \$	COUNCIL ADOPTED FY'15 \$	PROJECTED FY'16 \$
Beginning Fund Balance	<u>2,287,706</u>	<u>2,100,127</u>	<u>4,709,262</u>	<u>1,229,391</u>	<u>1,229,391</u>	<u>1,229,391</u>	<u>266,173</u>
Resources							
Development Charges	98,420	246,079	150,000	150,000	150,000	150,000	150,000
Investment Interest	14,909	18,641	14,000	14,000	14,000	14,000	0
Advance Finance Interest	0	1	0	0	0	0	0
SDC Loans	7,699	6,559	0	0	0	0	0
General Fund	0	150,000	100,000	150,000	150,000	150,000	155,000
Sewer/Transport. Projects	0	0	0	135,000	135,000	135,000	0
Water Fund	502,801	394,327	1,168,000	2,174,177	2,174,177	2,174,177	1,312,178
Advance Financing	266	18,985	18,000	20,000	20,000	20,000	20,000
Other Revenue	<u>6,333</u>	<u>5,035,678</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Current Revenues</i>	<u>630,428</u>	<u>5,870,270</u>	<u>1,450,000</u>	<u>2,643,177</u>	<u>2,643,177</u>	<u>2,643,177</u>	<u>1,637,178</u>
Total Resources	<u>2,918,134</u>	<u>7,970,397</u>	<u>6,159,262</u>	<u>3,872,568</u>	<u>3,872,568</u>	<u>3,872,568</u>	<u>1,903,351</u>
Requirements							
Capital Outlay	619,845	3,261,136	5,883,919	3,606,395	3,606,395	3,606,395	1,535,000
Transfers Out	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Subtotal Expenditures</i>	<u>819,845</u>	<u>3,261,136</u>	<u>5,883,919</u>	<u>3,606,395</u>	<u>3,606,395</u>	<u>3,606,395</u>	<u>1,535,000</u>
Appropriated Fund Balance	<u>2,098,289</u>	<u>4,709,261</u>	<u>275,343</u>	<u>266,173</u>	<u>266,173</u>	<u>266,173</u>	<u>368,351</u>
Total Requirements	<u>2,918,134</u>	<u>7,970,397</u>	<u>6,159,262</u>	<u>3,872,568</u>	<u>3,872,568</u>	<u>3,872,568</u>	<u>1,903,351</u>

WHERE THE ROGUE RIVER RUNS

**GRANTS
PASS**



O R E G O N

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