

WATER

ACTIVITIES

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



Filtration Plant
Constructed July, 1931

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'14 \$	ACTUAL FY'15 \$	BUDGET FY'16 \$	MANAGER RECOMMEND FY'17 \$	COMMITTEE APPROVED FY'17 \$	COUNCIL ADOPTED FY'17 \$	PROJECTED FY'18 \$
Program Generated Resources	<u>14,777,088</u>	<u>14,964,714</u>	<u>15,924,508</u>	<u>18,384,288</u>	<u>18,384,288</u>	<u>18,384,288</u>	<u>10,904,737</u>
Total Resources	<u>14,777,088</u>	<u>14,964,714</u>	<u>15,924,508</u>	<u>18,384,288</u>	<u>18,384,288</u>	<u>18,384,288</u>	<u>10,904,737</u>
Requirements							
Water Treatment	1,559,211	1,610,237	1,698,880	1,744,726	1,744,726	1,744,726	1,756,359
Water Distribution	1,057,044	1,048,482	1,357,191	1,428,495	1,428,495	1,428,495	1,383,296
Customer Services	369,228	357,147	367,361	395,277	395,277	395,277	404,387
Debt Service	506,624	504,165	507,170	504,420	504,420	504,420	506,520
General Program Operations	4,983,143	5,963,299	4,940,438	5,056,363	5,056,363	5,056,363	3,967,228
Capital Construction	<u>6,301,838</u>	<u>5,481,384</u>	<u>7,053,468</u>	<u>9,255,007</u>	<u>9,255,007</u>	<u>9,255,007</u>	<u>2,886,947</u>
Total Requirements	<u>14,777,088</u>	<u>14,964,714</u>	<u>15,924,508</u>	<u>18,384,288</u>	<u>18,384,288</u>	<u>18,384,288</u>	<u>10,904,737</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'17 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: Build a new Water Plant (PAVE).

- Staff will be providing information to Council regarding Design Build/Design Build Operate options for the new Water Treatment Plant.

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

- Staff is actively working on finding/acquiring property to use for the new Water Plant.

Program: Utilities/Water Program

FY'16 Activity Review:

- Completed the Water Facilities Emergency Operations Plan.
- Monitoring of Phase 3 of unregulated contaminants within the water system was completed, per EPA directives.
- Completed Water Treatment Plant Pilot Study.

Program: Utilities/Water Program

Program Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'14	FY'15	FY'16	FY'17	FY'17	FY'17	FY'18
	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>2,819,749</u>	<u>3,332,586</u>	<u>2,136,390</u>	<u>2,535,517</u>	<u>2,535,517</u>	<u>2,535,517</u>	<u>1,104,363</u>
Current Resources							
Activity Generated							
Sale of Water	5,570,929	6,078,399	6,674,750	6,531,714	6,531,714	6,531,714	6,850,240
Direct Charges to:							
Solid Waste Operations	11,025	6,588	11,000	11,000	11,000	11,000	12,000
Interest	15,269	15,965	12,000	10,000	10,000	10,000	10,000
Other Revenue	58,074	49,792	36,900	41,050	41,050	41,050	41,187
Transfers In	204	0	0	0	0	0	0
Capital Construction	<u>6,301,838</u>	<u>5,481,384</u>	<u>7,053,468</u>	<u>9,255,007</u>	<u>9,255,007</u>	<u>9,255,007</u>	<u>2,886,947</u>
Total Current Revenues	<u>11,957,339</u>	<u>11,632,128</u>	<u>13,788,118</u>	<u>15,848,771</u>	<u>15,848,771</u>	<u>15,848,771</u>	<u>9,800,374</u>
Total Resources	<u>14,777,088</u>	<u>14,964,714</u>	<u>15,924,508</u>	<u>18,384,288</u>	<u>18,384,288</u>	<u>18,384,288</u>	<u>10,904,737</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'14	FY'15	FY'16	FY'17	FY'17	FY'17	FY'18
	\$	\$	\$	\$	\$	\$	\$
Water Treatment	1,559,211	1,610,237	1,698,880	1,744,726	1,744,726	1,744,726	1,756,359
Water Distribution	1,057,044	1,048,482	1,357,191	1,428,495	1,428,495	1,428,495	1,383,296
Customer Services	369,228	357,147	367,361	395,277	395,277	395,277	404,387
General Program Operations	8,442	5,080	22,225	22,700	22,700	22,700	22,850
Capital Construction	<u>6,301,838</u>	<u>5,481,384</u>	<u>7,053,468</u>	<u>9,255,007</u>	<u>9,255,007</u>	<u>9,255,007</u>	<u>2,886,947</u>
Indirect Charges	309,115	307,665	354,710	369,300	369,300	369,300	367,000
Debt Service	506,624	504,165	507,170	504,420	504,420	504,420	506,520
Transfers Out	<u>1,333,000</u>	<u>2,224,177</u>	<u>3,413,000</u>	<u>3,560,000</u>	<u>3,560,000</u>	<u>3,560,000</u>	<u>2,500,000</u>
Subtotal Expenditures	<u>11,444,502</u>	<u>11,538,337</u>	<u>14,774,005</u>	<u>17,279,925</u>	<u>17,279,925</u>	<u>17,279,925</u>	<u>9,827,359</u>
Contingency	0	0	1,150,503	1,104,363	1,104,363	1,104,363	1,077,378
Ending Balance	<u>3,332,586</u>	<u>3,426,377</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>14,777,088</u>	<u>14,964,714</u>	<u>15,924,508</u>	<u>18,384,288</u>	<u>18,384,288</u>	<u>18,384,288</u>	<u>10,904,737</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	2013-14		2014-15		2015-16	2016-17	2017-18
	Actual	Est	Actual	Est	Est	Est	Est
Outputs							
Gallons of Water Produced (In Billions)	1.98	1.91	2.03	1.92	1.95	1.97	1.99
Effectiveness	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Percentage of Water Utilized for Filter Backwashing	3.8%	<3%	4.16%	<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 are Met	100%	100%	100%	100%	100%	100%	100%
Efficiency	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Operations and Maintenance Costs Per Million Gallons Treated	670	650	675	650	650	650	650

FY’17 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Keep Citizens Safe

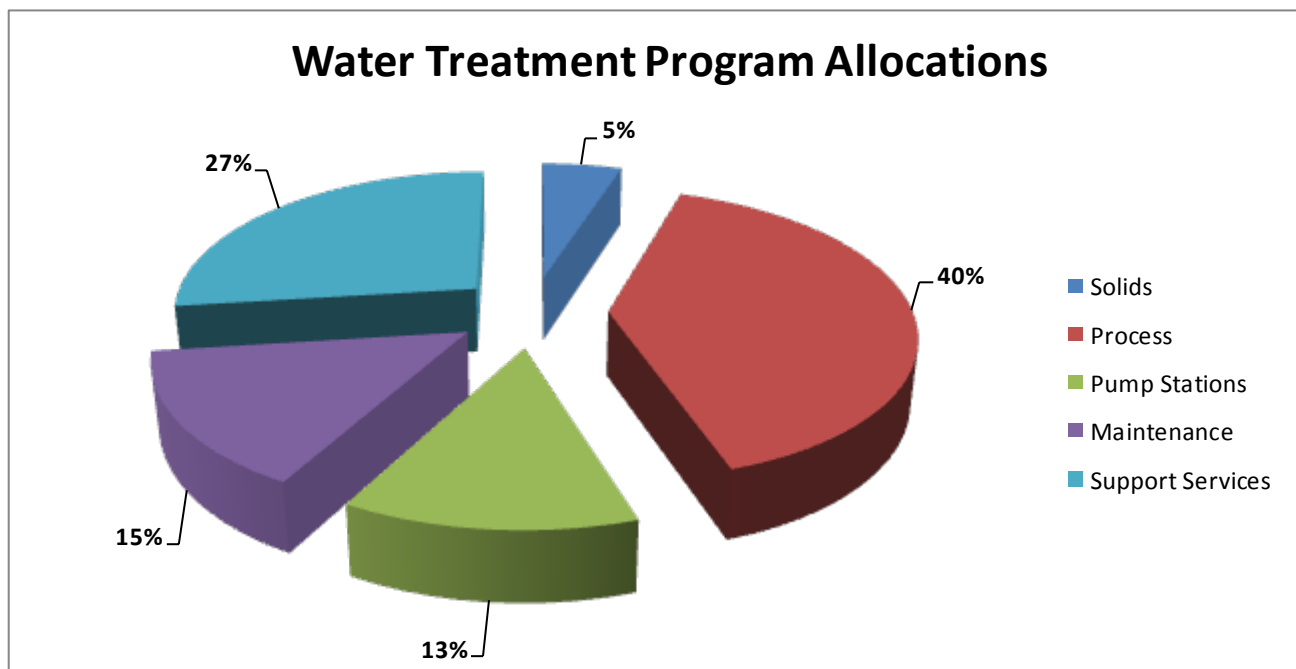
Objective 7: Evaluate the effectiveness of services available; to assure Grants Pass is prepared for disasters

- Staff will prepare, train, and execute the process of treating water, utilizing our new Water Emergency Response Trailer (WERT).
- Staff will work with contractors to install emergency power generator connection points at remote pump stations.

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 emergency operation exercises in the upcoming fiscal year, utilizing both the Water Plant Emergency Generator and the Water Emergency Response Trailer (WERT).



FY'16 Activity Review:

Plant staff concluded a yearlong pilot study to prove the efficacy of treatment technologies that are proposed for a new filtration plant. The State Drinking Water Program has approved the results of our pilot study, affording us the potential for financial savings on construction costs, which will enable the plant to be built on a smaller footprint. Plant staff assisted contractors with performing inspections and making repairs to the engineered geo-structure that stabilizes the riverbank adjacent to the filtration plant intake structure.

Program: Utilities/Water – Water Treatment Services

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'14	FY'15	FY'16	FY'17	FY'17	FY'17	FY'18
	\$	\$	\$	\$	\$	\$	\$
Personnel Services	629,494	643,821	741,752	689,391	689,391	689,391	710,939
Materials & Supplies	297,599	341,162	304,150	338,400	338,400	338,400	336,850
Contractual/Prof Services	611,501	594,363	639,434	687,931	687,931	687,931	685,566
Direct Charges	7,871	8,040	8,044	8,004	8,004	8,004	8,004
Capital Outlay	<u>12,746</u>	<u>22,851</u>	<u>5,500</u>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>15,000</u>
Total Requirements	<u>1,559,211</u>	<u>1,610,237</u>	<u>1,698,880</u>	<u>1,744,726</u>	<u>1,744,726</u>	<u>1,744,726</u>	<u>1,756,359</u>



Program: Utilities/Water – Water Treatment Services

Personnel

	BUDGET	BUDGET	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'14	FY'15	FY'16	FY'17	FY'17	FY'17	FY'18
	#	#	#	#	#	#	#
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)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
To: Solid Waste Field Ops.	(0.05)	(0.05)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
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 Ops.	(0.05)	(0.05)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
To: Jo-Gro™	<u>(0.03)</u>	<u>(0.03)</u>	<u>(0.00)</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>4,250</u>	<u>4,560</u>	<u>4,560</u>	<u>4,560</u>	<u>4,560</u>

Capital Outlay/By Item

Water Quality Monitoring Stations	5,500	7,500	7,500	7,500	7,500
Air Compressor	0	6,000	6,000	6,000	0
Process Calibration Equipment	<u>0</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
Total Capital Outlay	<u>5,500</u>	<u>21,000</u>	<u>21,000</u>	<u>21,000</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	2013-14		2014-15		2015-16	2016-17	2017-18
	Actual	Est	Actual	Est	Est	Est	Est
Outputs							
Number of Residential Water Meters Replaced	902	800	948	710	700	600	600
Effectiveness	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Number of Water Quality Complaints	8	<10	12	<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	Est*	Goal	Goal	Goal	Goal
Percentage of Metered Water Use	N/A	N/A	>92%	>92%	>92%	>92%	>92%

*Remains estimated due to revisions in tracking software.

FY'17 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

- Evaluate Asset Management Software across Public Works.
- Upgrade GIS Reporting for Public Works and Utilities.
- Continue Meter Replacement Program.

Program: Utilities/Water – Water Distribution Services

FY'17 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan - Cont'd:

Maintain, Operate, and Expand our Infrastructure

Objective 2: Ensure water infrastructure needs are met

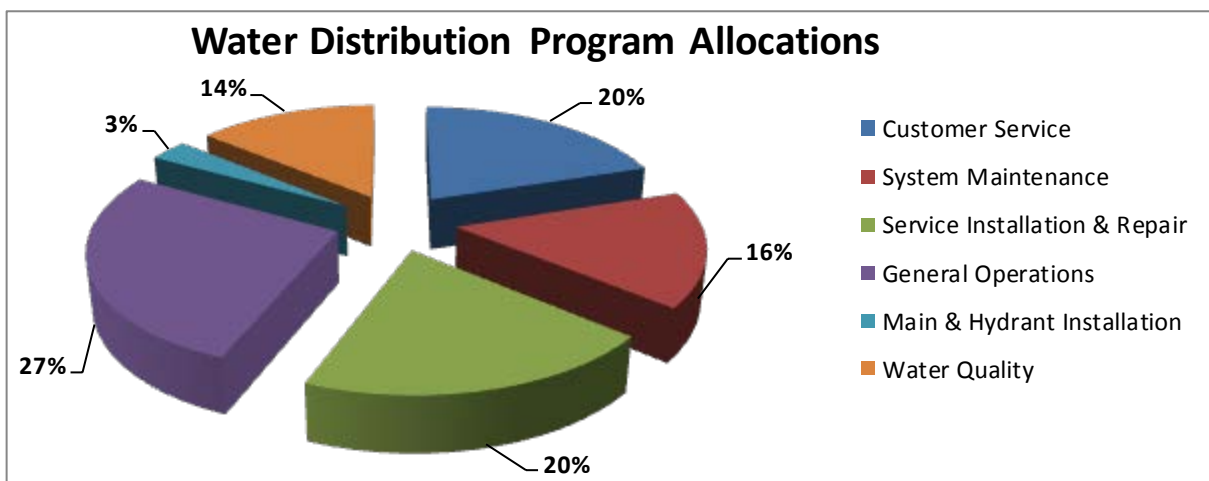
- Continue Small Water Main Replacement Program.
- Continue contract cleaning of water reservoirs.
- Continue the installation of new water services as requested.
- Continue to adjust, and/or relocate existing water services, fire hydrants, and valve boxes during public road and sidewalk projects.
- 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. In addition to funding for water main and fire hydrant repairs, the System Maintenance Program contains new funding for the annual leak detection surveys. Funds are also allocated for the purchase of a pipe threading machine, for the repair and relocation of small pipe line assemblies.

FY'16 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 Redwood Avenue Reconstruction Project. Distribution crews were also actively involved with the installation of new pipeline tie-ins and the abandonment of old 6 & 2 inch pipelines during the NE Campus, Memorial, and Pioneer 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. City installed water services totaled 24, as of March 1, 2016. Water main repairs totaled 9 for the same period.



Program: Utilities/Water – Water Distribution Services

Financial Summary

Requirements	ACTUAL FY'14 \$	ACTUAL FY'15 \$	BUDGET FY'16 \$	MANAGER RECOMMEND FY'17 \$	COMMITTEE APPROVED FY'17 \$	COUNCIL ADOPTED FY'17 \$	PROJECTED FY'18 \$
Personnel Services	597,694	584,044	795,832	812,620	812,620	812,620	810,457
Materials & Supplies	134,563	127,554	178,977	211,777	211,777	211,777	191,777
Contractual/Prof Services	245,119	248,677	285,696	301,912	301,912	301,912	285,376
Direct Charges	39,189	41,520	40,686	40,686	40,686	40,686	40,686
Capital Outlay	<u>40,479</u>	<u>46,687</u>	<u>56,000</u>	<u>61,500</u>	<u>61,500</u>	<u>61,500</u>	<u>55,000</u>
Total Requirements	<u>1,057,044</u>	<u>1,048,482</u>	<u>1,357,191</u>	<u>1,428,495</u>	<u>1,428,495</u>	<u>1,428,495</u>	<u>1,383,296</u>



Program: Utilities/Water – Water Distribution Services

Personnel

	BUDGET FY'14 #	BUDGET FY'15 #	BUDGET FY'16 #	MANAGER RECOMMEND FY'17 #	COMMITTEE APPROVED FY'17 #	COUNCIL ADOPTED FY'17 #	PROJECTED FY'18 #
Utility Field Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Worker III	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>2,400</u>	<u>2,400</u>	<u>3,600</u>	<u>2,755</u>	<u>2,755</u>	<u>2,755</u>	<u>2,755</u>

Capital Outlay/By Item

New Water Services	45,000	55,000	55,000	55,000	55,000
Guillotine Pipe Saw	11,000	0	0	0	0
Pipe threading machine	<u>0</u>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>0</u>
Total Capital Outlay	<u>56,000</u>	<u>61,500</u>	<u>61,500</u>	<u>61,500</u>	<u>55,000</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 accounts.

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	2013-14		2014-15		2015-16	2016-17	2017-18
	Actual	Est	Actual	Est	Est	Est	Est
Outputs							
Number of Water Services	10,683	10,800	10,762	10,800	10,800	10,800	10,800
Effectiveness	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Uncollectable Accounts by % of Revenue	0.00%	>1%	0.00%	<1%	<1%	<1%	<1%
Efficiency	Actual	Goal	Actual	Goal	Goal	Goal	Goal
Finance Direct Charges per Water Cust.	\$2.17	<\$2.50	\$1.99	<\$2.50	<\$2.50	<\$2.50	<2.50

FY’17 Anticipated Accomplishments & Corresponding Council Goal - Strategic Plan Item:

Provide Cooperative, Shared Leadership Involving Council, Staff and Community

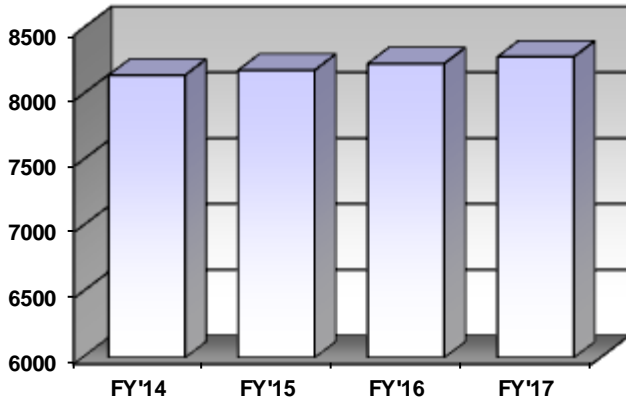
Ensure efficiency and effectiveness in City operations

- 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.

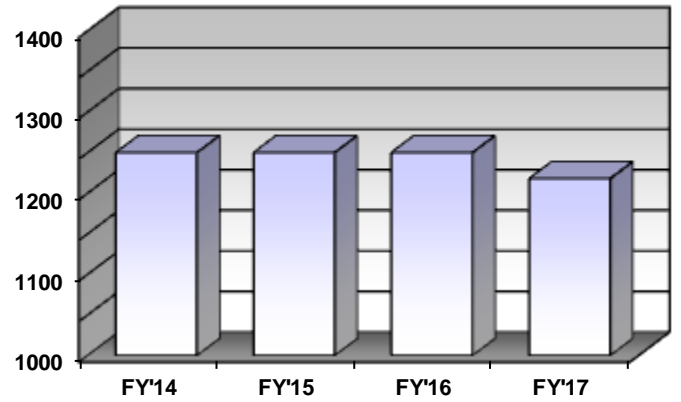
The City of Grants Pass Utility Customer Service Department serves approximately 10,800 water utility customers. The goal of the department is to provide excellent customer service to the citizens of Grants Pass. Cost per account for the water utility includes costs associated with direct salaries, employee 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 the municipal code, far less than 1% of accounts are turned over to collections in final delinquency.

Program: Utilities/Water – Customer Services

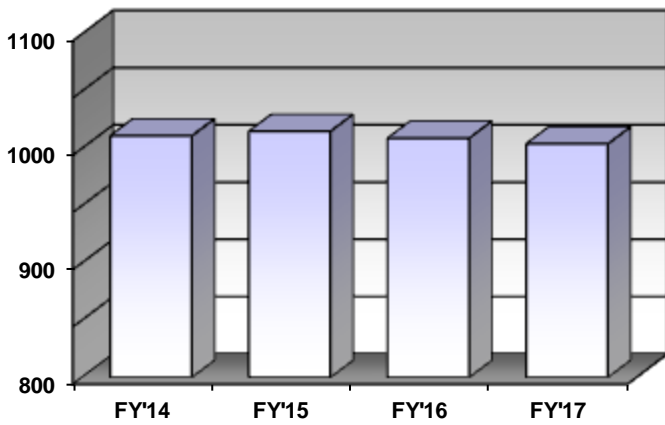
Number of RESIDENTIAL Customers



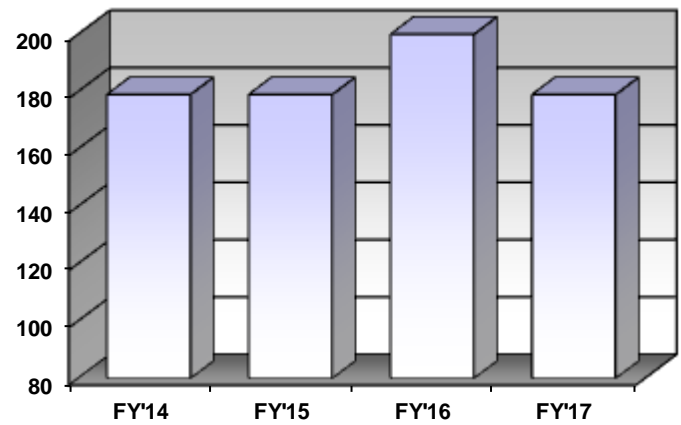
Number of COMMERCIAL Customers



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'16 Activity Review:

The Customer Service office generated approximately 143,779 utility billings during FY'16 and receipted approximately 143,779 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 the Customer Service Staff processes approximately 24,608 in person payments, 5,361 payments over the phone and processed 8,205 calls for service.

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'14	FY'15	FY'16	FY'17	FY'17	FY'17	FY'18
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	30,728	24,885	31,044	32,395	32,395	32,395	33,815
Direct Charges	<u>338,500</u>	<u>332,262</u>	<u>336,317</u>	<u>362,882</u>	<u>362,882</u>	<u>362,882</u>	<u>370,572</u>
Total Requirements	<u>369,228</u>	<u>357,147</u>	<u>367,361</u>	<u>395,277</u>	<u>395,277</u>	<u>395,277</u>	<u>404,387</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 were 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 the new Reservoir No. 3. The bonds are scheduled to be paid in full in FY'24.

FY'17 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 the 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'14	FY'15	FY'16	FY'17	FY'18
Principal	\$370,000	\$375,000	\$385,000	\$390,000	\$400,000
Interest	<u>137,220</u>	<u>129,770</u>	<u>122,170</u>	<u>114,420</u>	<u>106,520</u>
Total	<u>\$507,220</u>	<u>\$504,770</u>	<u>\$507,170</u>	<u>\$504,420</u>	<u>\$506,520</u>

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

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'14	FY'15	FY'16	RECOMMEND	APPROVED	ADOPTED	
	\$	\$	\$	FY'17	FY'17	FY'17	FY'18
				\$	\$	\$	\$
Debt Service	<u>506,624</u>	<u>504,165</u>	<u>507,170</u>	<u>504,420</u>	<u>504,420</u>	<u>504,420</u>	<u>506,520</u>
Total Requirements	<u>506,624</u>	<u>504,165</u>	<u>507,170</u>	<u>504,420</u>	<u>504,420</u>	<u>504,420</u>	<u>506,520</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'17 budget provides for \$2,800,000 in transfers to capital and over \$400,000 in SDC revenue. This includes \$175,000 for water main relocations, \$300,000 for small water main replacement and \$2,500,000 for the Water Treatment Plant replacement project.

FY'16 Activity Review:

The Water General Fund was able to transfer the full amount of Capital Transfers for FY'15, of \$2,174,177.

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'14	FY'15	FY'16	FY'17	FY'17	FY'17	FY'18
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	1,612	504	10,350	10,350	10,350	10,350	10,350
Direct Charges	6,830	4,576	11,875	12,350	12,350	12,350	12,500
Indirect Charges	309,115	307,665	354,710	369,300	369,300	369,300	367,000
Transfers Out	<u>1,333,000</u>	<u>2,224,177</u>	<u>3,413,000</u>	<u>3,560,000</u>	<u>3,560,000</u>	<u>3,560,000</u>	<u>2,500,000</u>
<i>Subtotal Expenditures</i>	<u>1,650,557</u>	<u>2,536,922</u>	<u>3,789,935</u>	<u>3,952,000</u>	<u>3,952,000</u>	<u>3,952,000</u>	<u>2,889,850</u>
Contingencies	0	0	1,150,503	1,104,363	1,104,363	1,104,363	1,077,378
Ending Balance	<u>3,332,586</u>	<u>3,426,377</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>4,983,143</u>	<u>5,963,299</u>	<u>4,940,438</u>	<u>5,056,363</u>	<u>5,056,363</u>	<u>5,056,363</u>	<u>3,967,228</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'17 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 will be completed in FY'17.

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: Build new Water Plant (PAVE).

- Evaluate project delivery methods most applicable.

Action 2: Develop emergency water hook-up at City Hall well.

- Evaluate feasibility.

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

- Projects will be designed and constructed.

Action 4: Initiate the process to replace the Water Treatment Plant.

- The design of a new treatment facility will be initiated following the evaluation of project delivery methods.

Action 5: Complete the update to the Water Emergency Operations Plan.

- Plan is updated.

Action 6: Initiate the process of acquiring property for a new Water Treatment Plant.

- A property acquisition process is in place.

Program: Utilities/Water – Capital Construction

Budget Highlights:

The project listing shows resources across the columns. Columns show the “Actual resources through FY’ 15”; the re-assessed resource needs of projects using current data for the “Revised FY’ 16” column, guiding our “Adopted FY’ 17” and resources estimated “Through FY’ 17”. 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’16 Activity Review:

- Continued work on Water Distribution System Master Plan.
- Continued work on the Small Main Replacement program.
- Continued work to obtain emergency water producing equipment.
- Continued work to obtain a portable generator for pump stations.
- Completed the update to the Water Emergency Operations Plan.

Program: Utilities/Water – Capital Construction

ACTIVE CAPITAL PROJECT RESOURCES

	Actual Through FY'15	Revised FY'16	Adopted FY'17	Total Through FY'17	Future Years	Total Project
WA0000 Miscellaneous Water Projects - General (758)	657,547	(414,000)	18,000	261,547	(157,517)	104,030
WA4742 Meadow Wood Reservoir No. 16 - Site Purchase	285,000	65,000	0	350,000	0	350,000
WA4971 Meadow Wood Reservoir No. 16	0	0	0	0	4,000,000	4,000,000
WA5094 Water Distribution System Master Plan Update	200,000	50,000	0	250,000	0	250,000
WA5096 WTP Structural Repairs	500,000	75,000	75,000	650,000	300,000	950,000
WA6000 MSA Task Order #1	110,000	70,000	20,000	200,000	80,000	280,000
WA6058 Water System Security Projects	110,000	10,000	10,000	130,000	70,000	200,000
WA6059 Pump Station Repairs	100,000	25,000	25,000	150,000	100,000	250,000
WA6207 WTP Upgrade	2,460,000	3,100,000	3,165,000	8,725,000	47,475,000	56,200,000
WA6248 Purchase of Emergency Water Pump Stations	200,000	0	0	200,000	0	200,000
WA6249 Water Main Relocations	400,000	300,000	275,000	975,000	0	975,000
WA6250 Water Rate & SDC Study	70,000	0	0	70,000	0	70,000
WA6251 Purchase Portable Generator for Pump Station	75,000	0	50,000	125,000	0	125,000
WA6252 Arc Flash Study WA and SE	100,000	0	0	100,000	0	100,000
WA6253 Small Main Replacement	<u>100,000</u>	<u>350,000</u>	<u>430,000</u>	<u>880,000</u>	<u>220,000</u>	<u>1,100,000</u>
Total Projects	<u>5,367,547</u>	<u>3,631,000</u>	<u>4,068,000</u>	<u>13,066,547</u>	<u>52,087,483</u>	<u>65,154,030</u>
Miscellaneous Water Funds						
Miscellaneous Water Projects - SDC's (752)	852,436	(46,000)	(246,000)	560,436	12,000	572,436
Miscellaneous Water Projects - AFD's (755)	8,247	0	0	8,247	0	8,247
Miscellaneous Water Projects - LID's (759)	<u>12,581</u>	<u>0</u>	<u>0</u>	<u>12,581</u>	<u>0</u>	<u>12,581</u>
Total Miscellaneous Funds	<u>873,264</u>	<u>(46,000)</u>	<u>(246,000)</u>	<u>581,264</u>	<u>12,000</u>	<u>593,264</u>

CLOSED OR CANCELLED CAPITAL PROJECT RESOURCES

WA6001 Water Main Looping	5,000	(5,000)	0	0	0	0
WA6052 Reservoir No. 3 Upgrades	5,656,565	(22,253)	0	5,634,312	0	5,634,312
WA6254 Water Emergency Ops Plan Update	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Total Closed Projects	<u>5,711,565</u>	<u>(27,253)</u>	<u>0</u>	<u>5,684,312</u>	<u>0</u>	<u>5,684,312</u>
Grand Total - All Projects	<u>11,952,376</u>	<u>3,557,747</u>	<u>3,822,000</u>	<u>19,332,123</u>	<u>52,099,483</u>	<u>71,431,606</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'17

	Adopted FY'17 Beginning Fund Balance	Adopted FY'17 Revenue	Adopted FY'17 Capital Outlay	Adopted FY'17 Transfers	Adopted FY'17 Appropriated Fund Balance
WA0000 Miscellaneous Water Projects - General (758)	117,264	18,000	0	0	135,264
WA4742 Meadow Wood Reservoir No. 16 - Site Purchase	251,544	0	251,544	0	0
WA4971 Meadow Wood Reservoir No. 16	0	0	0	0	0
WA5094 Water Distribution System Master Plan Update	0	0	0	0	0
WA5096 WTP Structural Repairs	118,819	75,000	118,819	0	75,000
WA6000 MSA Task Order #1	21,954	20,000	41,954	0	0
WA6058 Water System Security Projects	3,532	10,000	13,532	0	0
WA6059 Pump Station Repairs	13,335	25,000	38,335	0	0
WA6207 WTP Upgrade	4,305,687	3,165,000	7,470,687	0	0
WA6248 Emergency Water Pump Stations	0	0	0	0	0
WA6249 Water Main Relocations	50,023	275,000	325,023	0	0
WA6250 Water Rate & SDC Study	65,000	0	65,000	0	0
WA6251 Portable Generator for Pump Station	0	50,000	50,000	0	0
WA6252 Arc Flash Study WA and SE	60,000	0	60,000	0	0
WA6253 Small Main Replacement	<u>16,166</u>	<u>430,000</u>	<u>446,166</u>	<u>0</u>	<u>0</u>
Total Projects	<u>5,023,324</u>	<u>4,068,000</u>	<u>8,881,060</u>	<u>0</u>	<u>210,264</u>
Miscellaneous Water Funds					
Miscellaneous Water Projects - SDC's (752)	401,436	(246,000)	0	0	155,436
Miscellaneous Water Projects - AFD's (755)	8,247	0	0	0	8,247
Miscellaneous Water Projects - LID's (759)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Miscellaneous Funds	<u>409,683</u>	<u>(246,000)</u>	<u>0</u>	<u>0</u>	<u>163,683</u>
Grand Total - All Projects	<u>5,433,007</u>	<u>3,822,000</u>	<u>8,881,060</u>	<u>0</u>	<u>373,947</u>

Program: Utilities/Water – Capital Construction

Financial Summary

	ACTUAL FY'14 \$	ACTUAL FY'15 \$	BUDGET FY'16 \$	MANAGER RECOMMEND FY'17 \$	COMMITTEE APPROVED FY'17 \$	COUNCIL ADOPTED FY'17 \$	PROJECTED FY'18 \$
Beginning Fund Balance	<u>4,723,042</u>	<u>2,618,670</u>	<u>3,473,468</u>	<u>5,433,007</u>	<u>5,433,007</u>	<u>5,433,007</u>	<u>373,947</u>
Resources							
Development Charges	269,755	367,029	150,000	150,000	150,000	150,000	150,000
Investment Interest	23,282	24,910	14,000	14,000	14,000	14,000	10,000
Advance Finance Interest	250	1,121	0	0	0	0	0
SDC Loans	7,256	5,349	0	0	0	0	0
General Fund	100,000	150,000	100,000	130,000	130,000	130,000	0
Sewer/Transport. Projects	0	135,000	0	100,000	100,000	100,000	0
Water Fund	1,168,000	2,174,177	3,313,000	3,425,000	3,425,000	3,425,000	2,350,000
Advance Financing	10,253	4,882	3,000	3,000	3,000	3,000	3,000
Other Revenue	<u>0</u>	<u>246</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Current Revenues</i>	<u><i>1,578,796</i></u>	<u><i>2,862,714</i></u>	<u><i>3,580,000</i></u>	<u><i>3,822,000</i></u>	<u><i>3,822,000</i></u>	<u><i>3,822,000</i></u>	<u><i>2,513,000</i></u>
Total Resources	<u>6,301,838</u>	<u>5,481,384</u>	<u>7,053,468</u>	<u>9,255,007</u>	<u>9,255,007</u>	<u>9,255,007</u>	<u>2,886,947</u>
Requirements							
Capital Outlay	<u>3,683,168</u>	<u>893,991</u>	<u>6,664,871</u>	<u>8,881,060</u>	<u>8,881,060</u>	<u>8,881,060</u>	<u>2,500,000</u>
<i>Subtotal Expenditures</i>	<u><i>3,683,168</i></u>	<u><i>893,991</i></u>	<u><i>6,664,871</i></u>	<u><i>8,881,060</i></u>	<u><i>8,881,060</i></u>	<u><i>8,881,060</i></u>	<u><i>2,500,000</i></u>
Appropriated Fund Balance	<u>2,618,670</u>	<u>4,587,393</u>	<u>388,597</u>	<u>373,947</u>	<u>373,947</u>	<u>373,947</u>	<u>386,947</u>
Total Requirements	<u>6,301,838</u>	<u>5,481,384</u>	<u>7,053,468</u>	<u>9,255,007</u>	<u>9,255,007</u>	<u>9,255,007</u>	<u>2,886,947</u>

