

WATER

ACTIVITIES

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

DESCRIPTION

This program includes the operation, planning, engineering, production, and delivery of water to each customer connection. Water services are made available for industrial, commercial, domestic, and fire protection uses.

| | ACTUAL FY'10 \$ | ACTUAL FY'11 \$ | BUDGET FY'12 \$ | MANAGER RECOMMEND FY'13 \$ | COMMITTEE APPROVED FY'13 \$ | COUNCIL ADOPTED FY'13 \$ | PROJECTED FY'14 \$ |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------------------|--------------------------------------|-----------------------------------|--------------------------|
| Program Generated Resources | <u>8,985,398</u> | <u>8,287,946</u> | <u>7,741,891</u> | <u>12,901,992</u> | <u>12,901,992</u> | <u>12,901,992</u> | <u>7,517,903</u> |
| Total Resources | <u>8,985,398</u> | <u>8,287,946</u> | <u>7,741,891</u> | <u>12,901,992</u> | <u>12,901,992</u> | <u>12,901,992</u> | <u>7,517,903</u> |
| Requirements | | | | | | | |
| Water Treatment | 1,367,364 | 1,405,166 | 1,589,962 | 1,649,406 | 1,649,406 | 1,649,406 | 1,642,093 |
| Water Distribution | 993,873 | 1,054,760 | 1,232,734 | 1,247,157 | 1,247,157 | 1,247,157 | 1,297,968 |
| Customer Services | 370,020 | 341,344 | 380,547 | 396,015 | 396,015 | 396,015 | 400,154 |
| Debt Services | 413,154 | 397,653 | 397,800 | 146,000 | 146,000 | 146,000 | 410,000 |
| General Program Operations | 2,280,057 | 2,240,057 | 1,920,933 | 1,844,165 | 1,844,165 | 1,844,165 | 1,555,874 |
| Water Debt Reserve Fund | 408,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Construction | <u>3,152,930</u> | <u>2,848,966</u> | <u>2,219,915</u> | <u>7,619,249</u> | <u>7,619,249</u> | <u>7,619,249</u> | <u>2,211,814</u> |
| Total Requirements | <u>8,985,398</u> | <u>8,287,946</u> | <u>7,741,891</u> | <u>12,901,992</u> | <u>12,901,992</u> | <u>12,901,992</u> | <u>7,517,903</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 seven (7) major activities:

| | |
|----------------------------|----------------------|
| Water Treatment | Water Distribution |
| Customer Service | Debt Service |
| General Program Operations | Debt Service Reserve |
| Capital Improvements | |

This Program provides services to approximately 10,500 system accounts.

FY’13 Anticipated Accomplishments:

- Small undersized water distribution mains are scheduled to be replaced with appropriate sized pipes to improve water delivery and increase fire flows.
- Design of a necessary replacement of Reservoir #3 will be completed to follow-up on structural deficiencies which were observed during routine maintenance at the facility. Demolition of the existing reservoir is expected to begin in the last quarter of the fiscal year with construction of the replacement reservoir to begin thereafter.
- The Water Distribution Master Plan update will be initiated following completion of the UGB expansion process.
- The Water Treatment Facility Plan update will be initiated following completion of the UGB expansion process.
- Elimination of a water transmission main through private property and extension of a new fire service line.
- Backup power generation facilities will be acquired and installed at the Water Filtration Plant.
- Work will begin on repairs to the exterior of the Water Filtration Plant, primarily consisting of minor cosmetic work and painting.

FY’12 Activity Review:

- Small undersized water distribution mains were replaced with appropriate sized pipes to improve water delivery and increase fire flows in Tamara Circle and Sue Circle.
- Responded to community concerns regarding hexavalent chromium in the water supply by continuing sampling and analysis for same as per EPA recommendations.
- Installed a redundant backwash pump at the Water Filtration Plant.
- Reduction of disinfection byproducts within the water system was achieved per EPA directives.

Program: Utilities/Water Program

Program Financial Summary

| Resources | ACTUAL | ACTUAL | BUDGET | MANAGER RECOMMEND | COMMITTEE APPROVED | COUNCIL ADOPTED | PROJECTED |
|-----------------------------|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| | FY'10 | FY'11 | FY'12 | FY'13 | FY'13 | FY'13 | FY'14 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Beginning Balance | <u>1,272,203</u> | <u>1,379,420</u> | <u>1,280,556</u> | <u>1,021,804</u> | <u>1,021,804</u> | <u>1,021,804</u> | <u>963,683</u> |
| Current Resources | | | | | | | |
| Activity Generated | | | | | | | |
| Property Taxes | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Water | 4,059,740 | 3,972,271 | 4,189,400 | 4,201,969 | 4,201,969 | 4,201,969 | 4,283,246 |
| Direct Charges to: | | | | | | | |
| Solid Waste Operations | 10,923 | 13,024 | 8,000 | 12,000 | 12,000 | 12,000 | 12,000 |
| Interest | 16,491 | 11,577 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| Revenue from Other Agencies | 0 | 1,080 | 0 | 0 | 0 | 0 | 0 |
| Other Revenue | 65,110 | 54,108 | 36,520 | 39,470 | 39,470 | 39,470 | 39,660 |
| Transfers In | 0 | 7,500 | 0 | 0 | 0 | 0 | 0 |
| Debt Service Reserve Fund | 408,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Construction | <u>3,152,930</u> | <u>2,848,966</u> | <u>2,219,915</u> | <u>7,619,249</u> | <u>7,619,249</u> | <u>7,619,249</u> | <u>2,211,814</u> |
| Total Current Resources | <u>7,713,195</u> | <u>6,908,526</u> | <u>6,461,335</u> | <u>11,880,188</u> | <u>11,880,188</u> | <u>11,880,188</u> | <u>6,554,220</u> |
| Total Resources | <u>8,985,398</u> | <u>8,287,946</u> | <u>7,741,891</u> | <u>12,901,992</u> | <u>12,901,992</u> | <u>12,901,992</u> | <u>7,517,903</u> |

| Requirements | ACTUAL | ACTUAL | BUDGET | MANAGER RECOMMEND | COMMITTEE APPROVED | COUNCIL ADOPTED | PROJECTED |
|----------------------------|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| | FY'10 | FY'11 | FY'12 | FY'13 | FY'13 | FY'13 | FY'14 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Water Treatment | 1,367,364 | 1,405,166 | 1,589,962 | 1,649,406 | 1,649,406 | 1,649,406 | 1,642,093 |
| Water Distribution | 993,873 | 1,054,760 | 1,232,734 | 1,247,157 | 1,247,157 | 1,247,157 | 1,297,968 |
| Customer Services | 370,020 | 341,344 | 380,547 | 396,015 | 396,015 | 396,015 | 400,154 |
| General Program Operations | 12,802 | 9,562 | 19,920 | 21,955 | 21,955 | 21,955 | 21,955 |
| Capital Construction | 3,107,930 | 2,688,966 | 2,019,915 | 7,619,249 | 7,619,249 | 7,619,249 | 2,211,814 |
| Contingency | 0 | 0 | 1,017,937 | 963,683 | 963,683 | 963,683 | 1,078,618 |
| Indirect Charges | 282,669 | 290,541 | 330,275 | 334,200 | 334,200 | 334,200 | 344,300 |
| Debt Service | 413,154 | 397,653 | 397,800 | 146,000 | 146,000 | 146,000 | 410,000 |
| Water Debt Reserve Fund | 408,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers Out | 650,166 | 815,531 | 752,801 | 524,327 | 524,327 | 524,327 | 111,001 |
| Ending Balance | <u>1,379,420</u> | <u>1,284,423</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Requirements | <u>8,985,398</u> | <u>8,287,946</u> | <u>7,741,891</u> | <u>12,901,992</u> | <u>12,901,992</u> | <u>12,901,992</u> | <u>7,517,903</u> |

Program: Utilities/Water – Water Treatment Services

Services Delivered:

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

FY’13 Anticipated Accomplishments:

- One large treatment plant pump will be rebuilt to near new condition.
- Staff will update and distribute the Consumer Confidence Report.
- Staff will continue to remove solids from the log pond.
- Aging plant equipment will be replaced to ensure continued reliability and continuity of operations.
- Minor upgrades will be made to the treatment plant SCADA system that will improve system redundancy and disaster recovery capabilities.

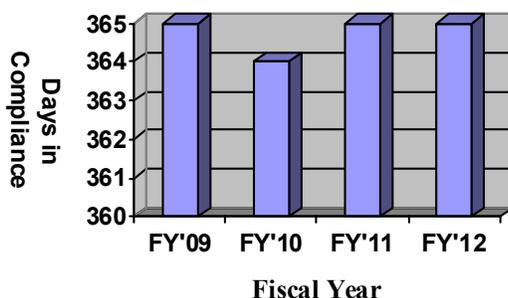
FY’13 Performance Measurements:

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

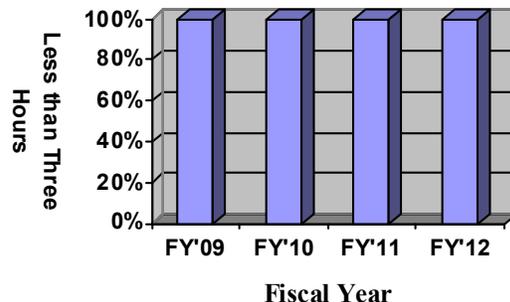
Budget Highlights:

This activity will continue to supplement personnel services through the use of part-time temporary and contract employees. This 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 work with coagulant suppliers to test new products that offer the potential to lower coagulant dosages and reduce overall cost of treatment.

Water Treatment Plant Compliance Rate

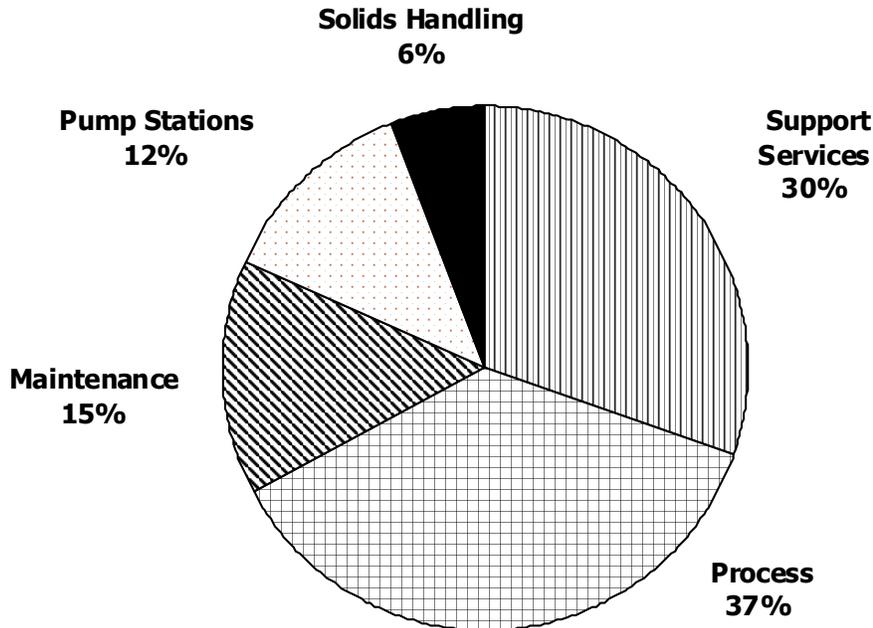


Pump Stations Returned to Service



Program: Utilities/Water – Water Treatment Services

Water Treatment Programs



FY'12 Activity Review:

During FY'12, 1.93 billion gallons of water were pumped into the distribution system by this activity. It is projected that 1.96 billion will be pumped in FY'13. Plant staff worked with consultants and State Regulators to create and implement a tracer study plan to comply with requirements of the Sanitary Survey completed in summer of 2011. The Study allows staff to accurately calculate and substantiate disinfection effectiveness through the treatment process. Plant staff completed the installation of mixers in reservoirs 6, 8 and 15 which has lowered DBP's in the Merlin/North Valley area. Staff will continue to monitor the DBP levels in this area to ensure they remain below the compliance rate of 0.080 mg/L.

FY'12 Performance Indicators:

- Water Treatment Plant Compliance Rate will be 100%. **Target met.**
- Water Booster Station outages will be repaired and placed back into service in less than three hours. **Target met.**

Program: Utilities/Water – Water Treatment Services

Financial Summary

| Requirements | ACTUAL FY'10 \$ | ACTUAL FY'11 \$ | BUDGET FY'12 \$ | MANAGER RECOMMEND FY'13 \$ | COMMITTEE APPROVED FY'13 \$ | COUNCIL ADOPTED FY'13 \$ | PROJECTED FY'14 \$ |
|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------------------|--------------------------------------|-----------------------------------|--------------------------|
| Personnel Services | 582,555 | 601,280 | 693,291 | 676,616 | 676,616 | 676,616 | 701,278 |
| Materials & Supplies | 258,894 | 249,102 | 295,800 | 299,450 | 299,450 | 299,450 | 296,450 |
| Contractual/Prof Services | 492,520 | 516,039 | 580,716 | 621,047 | 621,047 | 621,047 | 623,208 |
| Direct Charges | 17,564 | 19,815 | 20,155 | 20,793 | 20,793 | 20,793 | 21,157 |
| Capital Outlay | <u>15,831</u> | <u>18,930</u> | <u>0</u> | <u>31,500</u> | <u>31,500</u> | <u>31,500</u> | <u>0</u> |
| Total Requirements | <u>1,367,364</u> | <u>1,405,166</u> | <u>1,589,962</u> | <u>1,649,406</u> | <u>1,649,406</u> | <u>1,649,406</u> | <u>1,642,093</u> |

Program: Utilities/Water – Water Treatment Services

Personnel

| | BUDGET | BUDGET | BUDGET | MANAGER | COMMITTEE | COUNCIL | |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | FY'10 | FY'11 | FY'12 | RECOMMEND | APPROVED | ADOPTED | PROJECTED |
| | # | # | # | FY'13 | FY'13 | FY'13 | FY'14 |
| | # | # | # | # | # | # | # |
| 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> |
| Subtotal | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| 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) | (0.03) | (0.03) | (0.03) |
| TO: Solid Waste Field Operations | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) | (0.05) |
| 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) | (0.05) | (0.05) | (0.05) |
| TO: Jo-Gro™ | <u>(0.03)</u> |
| Subtotal | (1.54) | (1.54) | (1.54) | (1.54) | (1.54) | (1.54) | (1.54) |
| Total Positions | <u>6.46</u> |
| Temporary/Seasonal Hours | <u>5,415</u> | <u>5,450</u> | <u>5,415</u> | <u>4,100</u> | <u>4,100</u> | <u>4,100</u> | <u>4,100</u> |

*FY13- Office Assistant Position was reclassified to Department Support Technician

Capital Outlay/By Item

| | | | | | |
|-----------------------------|-----------------|----------------------|----------------------|----------------------|-----------------|
| Chemical Feed Pump | 0 | 6,500 | 6,500 | 6,500 | 0 |
| Pilot Filters | 0 | 11,000 | 11,000 | 11,000 | 0 |
| Plant Drain Sump | <u>0</u> | <u>14,000</u> | <u>14,000</u> | <u>14,000</u> | <u>0</u> |
| Total Capital Outlay | <u>0</u> | <u>31,500</u> | <u>31,500</u> | <u>31,500</u> | <u>0</u> |

Program: Utilities/Water – Water Distribution Services

Services Delivered:

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

The duties encompassed in these programs include water sampling, water system flushing, meter replacement, water service installation and repair, fire hydrant repair and inspection, backflow prevention inspection, water main repair, and 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.

FY'13 Anticipated Accomplishments:

Excellence in customer service and water quality shall remain the highest priorities in this activity. The fire hydrant maintenance program shall continue. The meter replacement program shall also continue during the period. The installation of new water services combined with the replacement, adjustment, and relocation of existing water services, fire hydrants, and valve boxes during public road and sidewalk projects shall also continue.

FY'13 activities shall include focused water system flushing in various levels of the distribution system. A utility administered contract for the testing and minor repair of single-family residential backflow devices shall continue in FY'13. Substandard galvanized and low flow copper water services shall be replaced when encountered. Particular focus shall be devoted to fire hydrant repairs and replacements. Contract cleaning of water reservoirs will continue in FY'13.

FY'13 Performance Measurements:

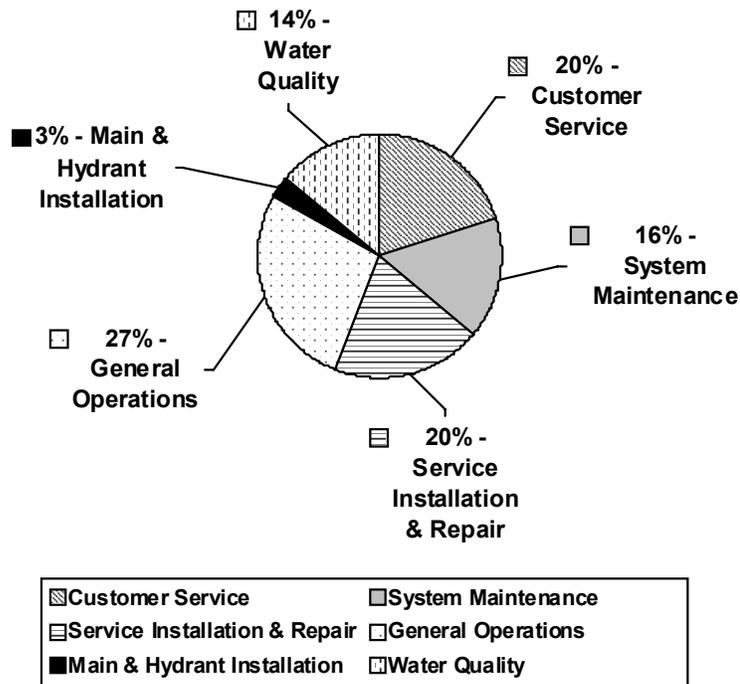
- All routine bacteria samples shall conform to State and Local standards.
- Average time for water service outage during emergency repairs – 1 hour.

Budget Highlights:

Funding continues for a utility administered contract for single-family residential backflow testing and minor repair. Funds for the replacement of residential and commercial water meters continue in the Customer Service Program. The Water Quality Program contains continued funding for contract reservoir cleaning and water sample testing. The System Maintenance Program contains funding for water main and fire hydrant repairs. The FY'13 capital budget contains continued funding for new water services and the replacement of a large boring machine.

Program: Utilities/Water – Water Distribution Services

Program Allocations



FY'12 Activity Review:

The installation of new water services remained slow during the period due to a downturn in the housing market. Distribution crews, however, remained busy with activities related to the replacement of three 2 inch substandard water mains on SW Laurel Street, NW Sue Circle and NW Tamera Circle. The relocation and adjustment of water services and fire hydrants were also completed within City sidewalk replacement projects on NW Midland, NW Savage Street and SW G Street. Distribution crews were also actively involved with the abandonment and installation of new water mains and water services related to the Home Depot 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 14 as of March 1, 2012. Water main repairs totaled 4 for the same period.

FY'12 Performance Indicators:

- All routine bacteria samples shall conform to State and Local standards. **Target met.**
- Average time for water service outage during emergency repairs – 1 hour. **Target met.**

Program: Utilities/Water – Water Distribution Services

Financial Summary

| Requirements | ACTUAL | ACTUAL | BUDGET | MANAGER | COMMITTEE | COUNCIL | PROJECTED |
|---------------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | FY'10 | FY'11 | FY'12 | RECOMMEND | APPROVED | ADOPTED | FY'14 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Personnel Services | 618,613 | 632,851 | 733,223 | 737,672 | 737,672 | 737,672 | 784,246 |
| Materials & Supplies | 92,812 | 109,191 | 141,177 | 150,177 | 150,177 | 150,177 | 146,377 |
| Contractual/Prof Services | 208,766 | 229,862 | 259,159 | 257,431 | 257,431 | 257,431 | 268,016 |
| Direct Charges | 42,004 | 49,799 | 50,175 | 50,877 | 50,877 | 50,877 | 51,329 |
| Capital Outlay | <u>31,678</u> | <u>33,057</u> | <u>49,000</u> | <u>51,000</u> | <u>51,000</u> | <u>51,000</u> | <u>48,000</u> |
| Total Requirements | <u>993,873</u> | <u>1,054,760</u> | <u>1,232,734</u> | <u>1,247,157</u> | <u>1,247,157</u> | <u>1,247,157</u> | <u>1,297,968</u> |

Program: Utilities/Water – Water Distribution Services

Personnel

| | BUDGET | BUDGET | BUDGET | MANAGER | COMMITTEE | COUNCIL | |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | FY'10 | FY'11 | FY'12 | RECOMMEND | APPROVED | ADOPTED | PROJECTED |
| | # | # | # | FY'13 | FY'13 | FY'13 | FY'14 |
| | # | # | # | # | # | # | # |
| Utility Field Superintendent | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Utility Specialist | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Utility Worker | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| Office Assistant I | <u>1.00</u> |
| Subtotal | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Public Works Director | | | | | | | |
| FROM: Water Treatment | 0.15 | 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> |
| Subtotal | (1.20) | (1.20) | (1.20) | (1.20) | (1.20) | (1.20) | (1.20) |
| Total Positions | <u>8.80</u> |
| Temporary/Seasonal Hours | <u>2,400</u> | <u>2,400</u> | <u>2,400</u> | <u>2,100</u> | <u>2,100</u> | <u>2,100</u> | <u>2,100</u> |

*FY13- Office Assistant Position was reclassified to Department Support Technician

Capital Outlay/By Item

| | | | | | | |
|-----------------------------|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Reservoir #7 Land Payment | | 1,000 | 1,000 | 1,000 | 1,000 | 0 |
| New Water Services | | 48,000 | 43,000 | 43,000 | 43,000 | 48,000 |
| Boring Machine | | 0 | 7,000 | 7,000 | 7,000 | 0 |
| Total Capital Outlay | | <u>49,000</u> | <u>51,000</u> | <u>51,000</u> | <u>51,000</u> | <u>48,000</u> |

Program: Utilities/Water – Customer Services

Services Delivered:

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

FY'13 Anticipated Accomplishments:

The Customer Services activity will bill about 10,511 customers monthly in FY'12 and maintain timely records on all accounts. Information regarding water line locations, new service requests, local improvement district financing, and other data regarding the overall system will be provided to customers through this activity.

FY'13 Performance Measurements:

Measure: Operating costs for water customer service per customer.

Desired Outcome: Efficient Utility Billing Services.

Calculation:

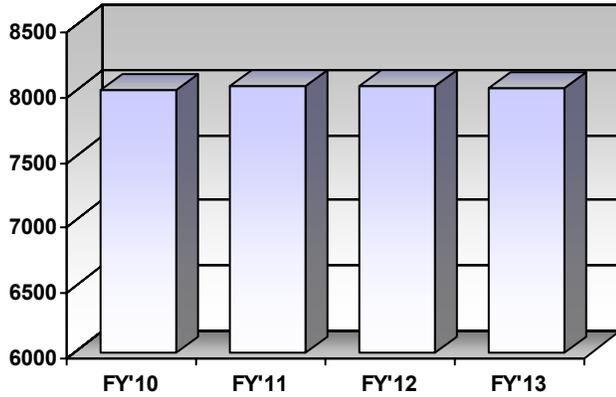
$$\frac{\text{Direct Monthly Charge to the utility for Customer Service Services}}{\text{Water Customers}} = \frac{\$25.043}{10,511} = \$2.38 \text{ per customer}$$

Definition:

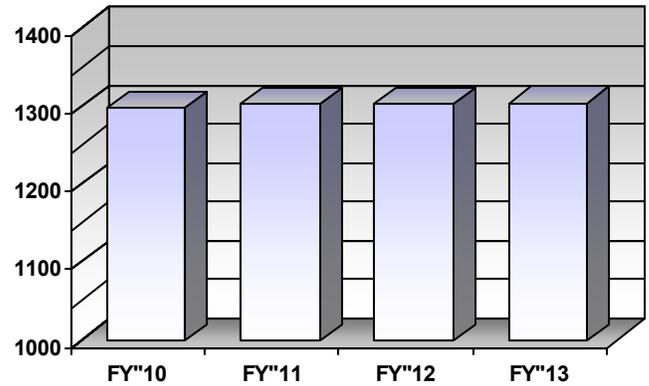
Operating costs for water utility customer services include expenditures for: salaries, wages and employment benefits; materials; contracted services; property management and financial expenses. Operating costs per water customer are projected to be \$2.38 in FY'12. Total costs per water customer in FY'11 were \$2.25. The Customer Service Department strives to keep these costs at a minimum. We recognize that costs will increase over time, but it is expected that any increased costs per customer will be less than or equal to annual inflation costs.

Program: Utilities/Water – Customer Services

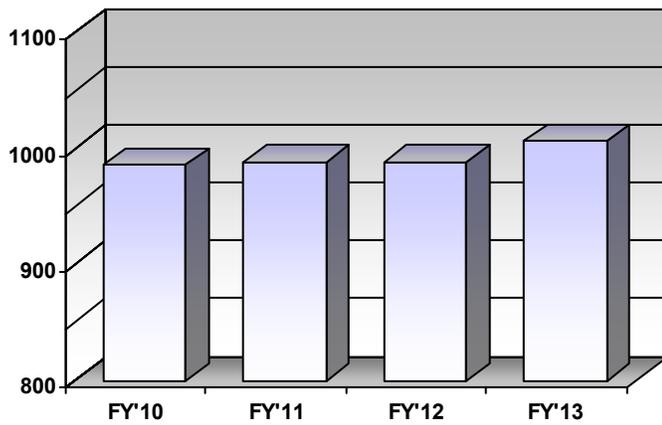
Number of RESIDENTIAL Customers



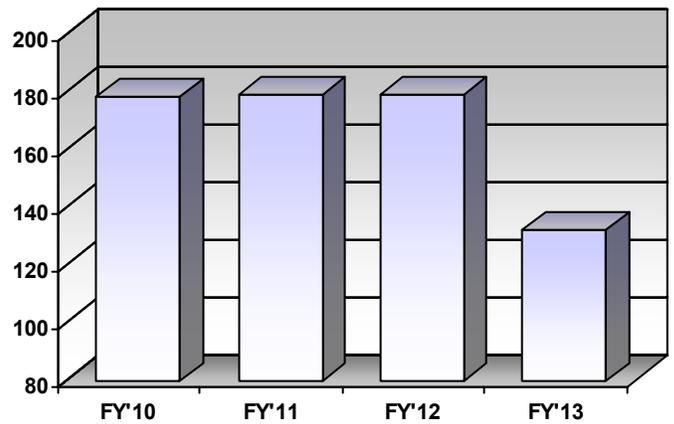
Number of COMMERCIAL Customers



Number of MULTIFAMILY Customers



Number of PUBLIC AGENCY Customers



Program: Utilities/Water – Customer Services

Budget Highlights:

FY'13 includes maintenance of costs below the FY'11 per customer operating costs for water customers. We do however recognize that the per customer cost is more than annual inflation for this budget year. Contributing factors include increased costs for postage and supplies which are beyond the control of the activity. However, projected costs for FY'14 represent a 2% increase which should be within inflationary expectations.

FY'12 Performance Indicators:

The Customer Service Department strives to keep costs at a minimum. We recognize that costs will increase over time, but it is expected that any increased costs per customer will be less than or equal to annual inflation costs.

Program: Utilities/Water – Customer Services

Financial Summary

| Requirements | ACTUAL FY'10 \$ | ACTUAL FY'11 \$ | BUDGET FY'12 \$ | MANAGER RECOMMEND FY'13 \$ | COMMITTEE APPROVED FY'13 \$ | COUNCIL ADOPTED FY'13 \$ | PROJECTED FY'14 \$ |
|---------------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|--------------------------------------|-----------------------------------|--------------------------|
| Contractual/Prof Services | 30,601 | 28,586 | 32,461 | 34,339 | 34,339 | 34,339 | 34,913 |
| Direct Charges | <u>339,419</u> | <u>312,758</u> | <u>348,086</u> | <u>361,676</u> | <u>361,676</u> | <u>361,676</u> | <u>365,241</u> |
| Total Requirements | <u>370,020</u> | <u>341,344</u> | <u>380,547</u> | <u>396,015</u> | <u>396,015</u> | <u>396,015</u> | <u>400,154</u> |

Program: Utilities/Water – Debt Service

Services Delivered:

This activity accounts for the repayment of Water Bonds that were sold. In December of 2009 the Water Bonds were refinanced for a present value savings of \$68,419 over the life of the new bond. The bond was repaid in full in FY'12.

Budget Highlights:

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

The Water Bond and new Refunding Bond payment schedule is:

| | FY'09* | FY'10* | FY'11 | FY'12 | FY'13 |
|------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| Principal | 340,000 | 360,000 | 380,000 | 390,000 | |
| Interest | <u>83,083</u> | <u>71,304</u> | <u>19,200</u> | <u>7,800</u> | |
| Total | <u>\$423,083</u> | <u>\$431,304</u> | <u>\$399,200</u> | <u>\$397,800</u> | |

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

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

Program: Utilities/Water – Debt Service

Financial Summary

| Requirements | ACTUAL FY'10 \$ | ACTUAL FY'11 \$ | BUDGET FY'12 \$ | MANAGER RECOMMEND FY'13 \$ | COMMITTEE APPROVED FY'13 \$ | COUNCIL ADOPTED FY'13 \$ | PROJECTED FY'14 \$ |
|---------------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|--------------------------------------|-----------------------------------|--------------------------|
| Debt Service | <u>413,154</u> | <u>397,653</u> | <u>397,800</u> | <u>146,000</u> | <u>146,000</u> | <u>146,000</u> | <u>410,000</u> |
| Total Requirements | <u>413,154</u> | <u>397,653</u> | <u>397,800</u> | <u>146,000</u> | <u>146,000</u> | <u>146,000</u> | <u>410,000</u> |

Program: Utilities/Water – General Program Operations

Services Delivered:

This activity accounts for expenses not associated specifically with any single water activity. It includes administrative overhead, transfers to capital projects, and a contingency.

Program: Utilities/Water – General Program Operations

Financial Summary

| Requirements | ACTUAL | ACTUAL | BUDGET | MANAGER | COMMITTEE | COUNCIL | PROJECTED |
|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | FY'10 | FY'11 | FY'12 | RECOMMEND | APPROVED | ADOPTED | FY'14 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Materials & Supplies | 0 | 0 | 240 | 0 | 0 | 0 | 0 |
| Contractual/Prof Services | 12,802 | 58 | 10,180 | 10,080 | 10,080 | 10,080 | 10,080 |
| Direct Charges | 0 | 9,504 | 9,500 | 11,875 | 11,875 | 11,875 | 11,875 |
| Contingencies | 0 | 0 | 1,017,937 | 963,683 | 963,683 | 963,683 | 1,078,618 |
| Indirect Charges | 282,669 | 290,541 | 330,275 | 334,200 | 334,200 | 334,200 | 344,300 |
| Transfers Out | 605,166 | 655,531 | 552,801 | 524,327 | 524,327 | 524,327 | 111,001 |
| Ending Balance | <u>1,379,420</u> | <u>1,284,423</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Requirements | <u>2,280,057</u> | <u>2,240,057</u> | <u>1,920,933</u> | <u>1,844,165</u> | <u>1,844,165</u> | <u>1,844,165</u> | <u>1,555,874</u> |

Program: Utilities/Water – Debt Service Reserve Fund

Services Delivered/ Budget Highlights:

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

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

Program: Utilities/Water – Debt Service Reserve Fund

Financial Summary

| Resources | ACTUAL | ACTUAL | BUDGET | MANAGER RECOMMEND | COMMITTEE APPROVED | COUNCIL ADOPTED | PROJECTED |
|------------------------|-----------------------|-----------------|-----------------|-------------------|--------------------|-----------------|-----------------|
| | FY'10 | FY'11 | FY'12 | FY'13 | FY'13 | FY'13 | FY'14 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Beginning Balance | <u>408,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Resources | <u>408,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |

| Requirements | ACTUAL | ACTUAL | BUDGET | MANAGER RECOMMEND | COMMITTEE APPROVED | COUNCIL ADOPTED | PROJECTED |
|---------------------------|-----------------------|-----------------|-----------------|-------------------|--------------------|-----------------|-----------------|
| | FY'10 | FY'11 | FY'12 | FY'13 | FY'13 | FY'13 | FY'14 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Debt Service | <u>408,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Requirements | <u>408,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |

Program: Utilities/Water – Capital Construction

Basic Functions:

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

Activity Highlights:

The water system includes the treatment plant, eight reservoirs, thirteen pump stations, and 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.

Budget Highlights:

The Active Capital Project list includes projects coming to a close in FY'12, but which are not finalized at this time.

The project listing shows resources across the columns. Columns show the "Actual resources through FY'11"; the re-assessed resource needs of projects using current data for the "Revised FY'12" column, guiding our "Adopted FY'13" and resources estimated "Through FY'13". 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

ALL ACTIVE CAPITAL PROJECT RESOURCES

| | Actual Through FY'11 | Revised FY'12 | Adopted FY'13 | Total Through FY'13 | Future Years | Total Project |
|-----------------------------------------------------|----------------------------|-----------------------|-------------------------|---------------------------|-------------------------|--------------------------|
| WA0000 Miscellaneous Water Projects - SDC's (752) | 400,409 | 161,484 | 4,000 | 565,893 | (1,294,000) | (728,107) |
| WA0000 Miscellaneous Water Projects - AFD's (755) | 44,173 | 1,500 | (45,673) | 0 | 0 | 0 |
| WA0000 Miscellaneous Water Projects - Gen. (758) | 402,321 | (224,330) | 87,958 | 265,949 | (3,835,999) | (3,570,050) |
| WA0000 Miscellaneous Water Projects - LID's (759) | 13,539 | 0 | (958) | 12,581 | 0 | 12,581 |
| WA4526 Starlite Pump Station Upgrade | 210,000 | 35,000 | 0 | 245,000 | 0 | 245,000 |
| WA4693 Booster Station Pump and Motor Rebuilds | 105,000 | 0 | 5,000 | 110,000 | 50,000 | 160,000 |
| WA4742 Meadow Wood Reservoir No.16 - Site Purchase | 113,000 | (3,000) | 0 | 110,000 | 240,000 | 350,000 |
| WA4841 Small Main Replacement | 260,000 | 0 | 50,000 | 310,000 | 150,000 | 460,000 |
| WA4965 WTP Solids Handling | 1,200,000 | (572,000) | 0 | 628,000 | 2,872,000 | 3,500,000 |
| WA4966 Water Conservation & Mgmt Plan Updt | 50,000 | 0 | 0 | 50,000 | 0 | 50,000 |
| WA4971 Meadow Wood Reservoir No. 16 | 50,000 | (50,000) | 0 | 0 | 1,540,000 | 1,540,000 |
| WA5028 Water Main on Private Property | 50,000 | 0 | 0 | 50,000 | 0 | 50,000 |
| WA5094 Water Distribution System Master Plan Update | 120,000 | 0 | 20,000 | 140,000 | 0 | 140,000 |
| WA5096 WTP Structural Repairs | 210,000 | 90,000 | 50,000 | 350,000 | 270,000 | 620,000 |
| WA6000 MSA Task Order #1 | 60,000 | 0 | 20,000 | 80,000 | 70,000 | 150,000 |
| WA6001 Water Main Looping | 35,000 | 20,000 | 0 | 55,000 | 670,000 | 725,000 |
| WA6002 WTP Facility Plan Update | 100,000 | 100,000 | 100,000 | 300,000 | 0 | 300,000 |
| WA6052 Reservoir No. 3 Upgrades | 123,000 | 500,000 | 5,700,000 | 6,323,000 | 250,000 | 6,573,000 |
| WA6057 Backwash Pump Redundancy | 150,000 | 359,000 | 0 | 509,000 | 0 | 509,000 |
| WA6058 Water System Security Projects | 20,000 | 20,000 | 10,000 | 50,000 | 60,000 | 110,000 |
| WA6059 Pump Station Repairs | 25,000 | 0 | 0 | 25,000 | 80,000 | 105,000 |
| WA6122 WTP Emergency Generator | 0 | 250,000 | 0 | 250,000 | 0 | 250,000 |
| NEW PROJECTS | | | | | | |
| WA6167 D, E & Dimmick Water Main Abandonment | 0 | 0 | 155,000 | 155,000 | 0 | 155,000 |
| WA6168 WTP Exterior Repairs & Painting | <u>0</u> | <u>0</u> | <u>110,000</u> | <u>110,000</u> | <u>50,000</u> | <u>160,000</u> |
| Total Projects | <u>3,741,442</u> | <u>687,654</u> | <u>6,265,327</u> | <u>10,694,423</u> | <u>1,172,001</u> | <u>11,866,424</u> |

ALL CLOSED OR CANCELLED CAPITAL PROJECT RESOURCES

| | | | | | | |
|--------------------------------------------------|-------------------------|-----------------------|-------------------------|--------------------------|-------------------------|--------------------------|
| WA4258 Fire Hydrant New Install | 75,000 | (17,869) | 0 | 57,131 | 0 | 57,131 |
| WA6060 Solids Handling Pads WTP, Pond, & JO-GRO™ | 0 | 0 | 0 | 0 | 0 | 0 |
| WA6121 Disinfection Byproducts | <u>0</u> | <u>50,000</u> | <u>0</u> | <u>50,000</u> | <u>0</u> | <u>50,000</u> |
| Total Closed Projects | <u>75,000</u> | <u>32,131</u> | <u>0</u> | <u>107,131</u> | <u>0</u> | <u>107,131</u> |
| Grand Total - All Projects | <u>3,816,442</u> | <u>719,785</u> | <u>6,265,327</u> | <u>10,801,554</u> | <u>1,172,001</u> | <u>11,973,555</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

ALL ACTIVE CAPITAL PROJECT SUMMARIES FOR FY'13

| | Adopted FY'13 Beginning Fund Balance | Adopted FY'13 Revenue | Adopted FY'13 Capital Outlay | Adopted FY'13 Transfers | Adopted FY'13 Appropriated Fund Balance |
|-----------------------------------------------------|--------------------------------------------------|-----------------------------|---------------------------------------|-------------------------------|-----------------------------------------------------|
| WA0000 Miscellaneous Water Projects - SDC's (752) | 156,893 | 4,000 | 0 | 0 | 160,893 |
| WA0000 Miscellaneous Water Projects - AFD's (755) | 45,673 | (45,673) | 0 | 0 | 0 |
| WA0000 Miscellaneous Water Projects - General (758) | 72,962 | 87,958 | 0 | 0 | 160,920 |
| WA0000 Miscellaneous Water Projects - LID's (759) | 958 | (958) | 0 | 0 | 0 |
| WA4526 Starlite Pump Station Upgrade | 73,095 | 0 | 73,095 | 0 | 0 |
| WA4693 Booster Station Pump and Motor Rebuilds | 25,411 | 5,000 | 30,411 | 0 | 0 |
| WA4742 Meadow Wood Reservoir No. 16 - Site Purchase | 35,996 | 0 | 35,996 | 0 | 0 |
| WA4841 Small Main Replacement | 46,173 | 50,000 | 96,173 | 0 | 0 |
| WA4965 WTP Solids Handling | 30,394 | 0 | 30,394 | 0 | 0 |
| WA5028 Water Main on Private Property | 20,812 | 0 | 20,812 | 0 | 0 |
| WA5094 Water Distribution System Master Plan Update | 75,000 | 20,000 | 95,000 | 0 | 0 |
| WA5096 WTP Structural Repairs | 0 | 50,000 | 50,000 | 0 | 0 |
| WA6000 MSA Task Order #1 | 10,000 | 20,000 | 30,000 | 0 | 0 |
| WA6001 Water Main Looping | 45,000 | 0 | 45,000 | 0 | 0 |
| WA6002 WTP Facility Plan Update | 50,000 | 100,000 | 150,000 | 0 | 0 |
| WA6052 Reservoir No. 3 Upgrades | 400,000 | 5,700,000 | 4,527,000 | 0 | 1,573,000 |
| WA6057 Backwash Pump Redundancy | 25,910 | 0 | 25,910 | 0 | 0 |
| WA6058 Water System Security Projects | 24,645 | 10,000 | 34,645 | 0 | 0 |
| WA6059 Pump Station Repairs | 15,000 | 0 | 15,000 | 0 | 0 |
| WA6122 WTP Emergency Generator | 200,000 | 0 | 200,000 | 0 | 0 |
| NEW PROJECTS | | | | | |
| WA6167 D, E & Dimmick Water Main Abandonment | 0 | 155,000 | 155,000 | 0 | 0 |
| WA6168 WTP Exterior Repairs & Painting | 0 | 110,000 | 110,000 | 0 | 0 |
| Total Projects | <u>1,353,922</u> | <u>6,265,327</u> | <u>5,724,436</u> | <u>0</u> | <u>1,894,813</u> |

Program: Utilities/Water – Capital Construction

Financial Summary

| | ACTUAL FY'10 \$ | ACTUAL FY'11 \$ | BUDGET FY'12 \$ | MANAGER RECOMMEND FY'13 \$ | COMMITTEE APPROVED FY'13 \$ | COUNCIL ADOPTED FY'13 \$ | PROJECTED FY'14 \$ |
|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------------------|--------------------------------------|-----------------------------------|--------------------------|
| Beginning Fund Balance | <u>2,257,259</u> | <u>1,935,415</u> | <u>1,500,130</u> | <u>1,353,922</u> | <u>1,353,922</u> | <u>1,353,922</u> | <u>1,894,813</u> |
| Resources | | | | | | | |
| Development Charges | 234,671 | 186,205 | 187,484 | 150,000 | 150,000 | 150,000 | 150,000 |
| Investment Interest | 19,723 | 17,136 | 19,500 | 14,000 | 14,000 | 14,000 | 14,000 |
| Advance Finance Interest | 3,014 | 601 | 0 | 0 | 0 | 0 | 0 |
| SDC Loans | 9,759 | 7,055 | 0 | 0 | 0 | 0 | 0 |
| General Fund | 0 | 0 | 0 | 150,000 | 150,000 | 150,000 | 100,000 |
| Transportation Projects | 0 | 127,000 | 0 | 0 | 0 | 0 | 0 |
| Water Fund | 605,166 | 522,531 | 502,801 | 394,327 | 394,327 | 394,327 | 51,001 |
| Advance Financing | 24,338 | 53,023 | 10,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Miscellaneous Revenue | <u>(1,000)</u> | <u>0</u> | <u>0</u> | <u>5,555,000</u> | <u>5,555,000</u> | <u>5,555,000</u> | <u>0</u> |
| Total Current Resources | <u>895,671</u> | <u>913,551</u> | <u>719,785</u> | <u>6,265,327</u> | <u>6,265,327</u> | <u>6,265,327</u> | <u>317,001</u> |
| Total Resources | <u>3,152,930</u> | <u>2,848,966</u> | <u>2,219,915</u> | <u>7,619,249</u> | <u>7,619,249</u> | <u>7,619,249</u> | <u>2,211,814</u> |
| Requirements | | | | | | | |
| Capital Outlay | 1,172,515 | 401,260 | 1,754,688 | 5,724,436 | 5,724,436 | 5,724,436 | 2,043,000 |
| Transfers Out | 45,000 | 160,000 | 200,000 | 0 | 0 | 0 | 0 |
| Appropriated Fund Balance | <u>1,935,415</u> | <u>2,287,706</u> | <u>265,227</u> | <u>1,894,813</u> | <u>1,894,813</u> | <u>1,894,813</u> | <u>168,814</u> |
| Total Requirements | <u>3,152,930</u> | <u>2,848,966</u> | <u>2,219,915</u> | <u>7,619,249</u> | <u>7,619,249</u> | <u>7,619,249</u> | <u>2,211,814</u> |

WHERE THE ROGUE RIVER RUNS



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