

WASTEWATER

ACTIVITIES

- *Wastewater Collection Services
- *Wastewater Treatment Services
- *Jo-Gro™
- *Wastewater Customer Service
- *Wastewater System Debt Service
- *Wastewater – General Program
- *Wastewater – Capital Construction

DESCRIPTION

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

	ACTUAL FY'08 \$	ACTUAL FY'09 \$	BUDGET FY'10 \$	MANAGER RECOMMEND FY'11 \$	COMMITTEE APPROVED FY'11 \$	COUNCIL ADOPTED FY'11 \$	PROJECTED FY'12 \$
Program Generated Resources	<u>12,666,511</u>	<u>8,295,278</u>	<u>9,118,065</u>	<u>8,154,376</u>	<u>8,154,376</u>	<u>8,154,376</u>	<u>8,399,006</u>
Total Resources	<u>12,666,511</u>	<u>8,295,278</u>	<u>9,118,065</u>	<u>8,154,376</u>	<u>8,154,376</u>	<u>8,154,376</u>	<u>8,399,006</u>
Requirements							
Wastewater Collection	535,541	590,290	651,601	677,382	670,297	670,297	697,193
Wastewater Treatment	1,387,752	1,414,713	1,576,493	1,664,128	1,657,043	1,657,043	1,715,836
Jo-Gro™	494,695	539,576	558,004	562,037	562,037	562,037	574,906
Customer Services	261,379	259,713	279,607	275,250	275,250	275,250	281,320
Debt Services	492,101	491,992	495,250	501,313	501,313	501,313	491,712
General Program Operations	1,901,629	1,694,979	1,813,943	1,818,222	1,832,392	1,832,392	2,363,279
SRF Debt Reserve	500,899	500,899	500,899	0	0	0	0
Capital Construction	<u>7,092,515</u>	<u>2,803,116</u>	<u>3,242,268</u>	<u>2,656,044</u>	<u>2,656,044</u>	<u>2,656,044</u>	<u>2,274,760</u>
Total Requirements	<u>12,666,511</u>	<u>8,295,278</u>	<u>9,118,065</u>	<u>8,154,376</u>	<u>8,154,376</u>	<u>8,154,376</u>	<u>8,399,006</u>

Program: Utilities/Wastewater Program

Mission Statement:

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

Services Delivered:

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

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

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

Wastewater Collection Services	Debt Service
Wastewater Treatment	Debt Service Reserve
Jo-Gro™ Co-composting	General Program Operations
Customer Service	Capital Improvements

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

FY'11 Anticipated Accomplishments:

- Water Restoration Plant roof is expected to be replaced.
- Jo-Gro™ storm water improvements expected to be constructed.
- 5th Street sanitary sewer collection line is expected to be replaced.
- The Wastewater treatment facility plan update should be initiated following the completion of the UGB expansion.
- The Wastewater Collection System master plan update should be initiated following the completion of the UGB expansion.

FY'10 Activity Review:

- Bridge Street Pump station improvements to increase pumping capacity were completed.
- I Street to J Street alley sewer improvement project was constructed.
- Collection System TV van will be replaced at end of FY' 10/beginning of FY' 11.

Program: Utilities/Wastewater Program

Program Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>343,018</u>	<u>382,646</u>	<u>672,046</u>	<u>535,202</u>	<u>535,202</u>	<u>535,202</u>	<u>1,104,336</u>
Current Resources							
Activity Generated							
Sewage Fees	4,410,115	4,319,909	4,371,512	4,629,530	4,629,530	4,629,530	4,678,810
Redwood Sewer District	234,998	211,282	255,000	236,000	236,000	236,000	251,000
Solid Waste Agency	0	2,856	0	0	0	0	0
Direct Charges	7,460	7,269	11,540	9,500	9,500	9,500	9,500
Revenue Other Agencies	12,710	20,931	21,200	25,000	25,000	25,000	25,000
Interest	11,384	7,388	6,000	5,500	5,500	5,500	5,500
Other Revenue	53,412	38,982	37,600	50,100	50,100	50,100	50,100
Transfer from Land & Bldgs.	0	0	0	7,500	7,500	7,500	0
Debt Service Reserve	500,899	500,899	500,899	0	0	0	0
Capital Construction	<u>7,092,515</u>	<u>2,803,116</u>	<u>3,242,268</u>	<u>2,656,044</u>	<u>2,656,044</u>	<u>2,656,044</u>	<u>2,274,760</u>
Total Current Resources	<u>12,323,493</u>	<u>7,912,632</u>	<u>8,446,019</u>	<u>7,619,174</u>	<u>7,619,174</u>	<u>7,619,174</u>	<u>7,294,670</u>
Total Resources	<u>12,666,511</u>	<u>8,295,278</u>	<u>9,118,065</u>	<u>8,154,376</u>	<u>8,154,376</u>	<u>8,154,376</u>	<u>8,399,006</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	\$	\$	\$	\$	\$	\$	\$
Wastewater Collection	535,541	560,290	621,601	677,382	670,297	670,297	697,193
Wastewater Treatment	1,367,752	1,414,713	1,576,493	1,664,128	1,657,043	1,657,043	1,715,836
Customer Services	261,379	259,713	279,607	275,250	275,250	275,250	281,320
Jo-Gro™	494,695	539,576	558,004	562,037	562,037	562,037	574,906
General Program Operations	72,381	40,271	49,579	19,850	19,850	19,850	19,850
Capital Construction	7,092,515	2,803,116	3,242,268	2,656,044	2,656,044	2,656,044	2,274,760
Contingency	0	0	368,902	1,090,166	1,104,336	1,104,336	1,225,190
Indirect Charges	316,602	286,823	314,701	330,000	330,000	330,000	329,300
Debt Service	492,101	491,992	495,250	501,313	501,313	501,313	491,712
Transfers Out	1,150,000	896,664	1,017,834	378,206	378,206	378,206	788,939
Ending Balance	382,646	501,221	92,927	0	0	0	0
Debt Service Reserve	<u>500,899</u>	<u>500,899</u>	<u>500,899</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>12,666,511</u>	<u>8,295,278</u>	<u>9,118,065</u>	<u>8,154,376</u>	<u>8,154,376</u>	<u>8,154,376</u>	<u>8,399,006</u>

Program: Utilities/Wastewater – Wastewater Collection

Services Delivered:

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

FY'11 Anticipated Accomplishments:

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

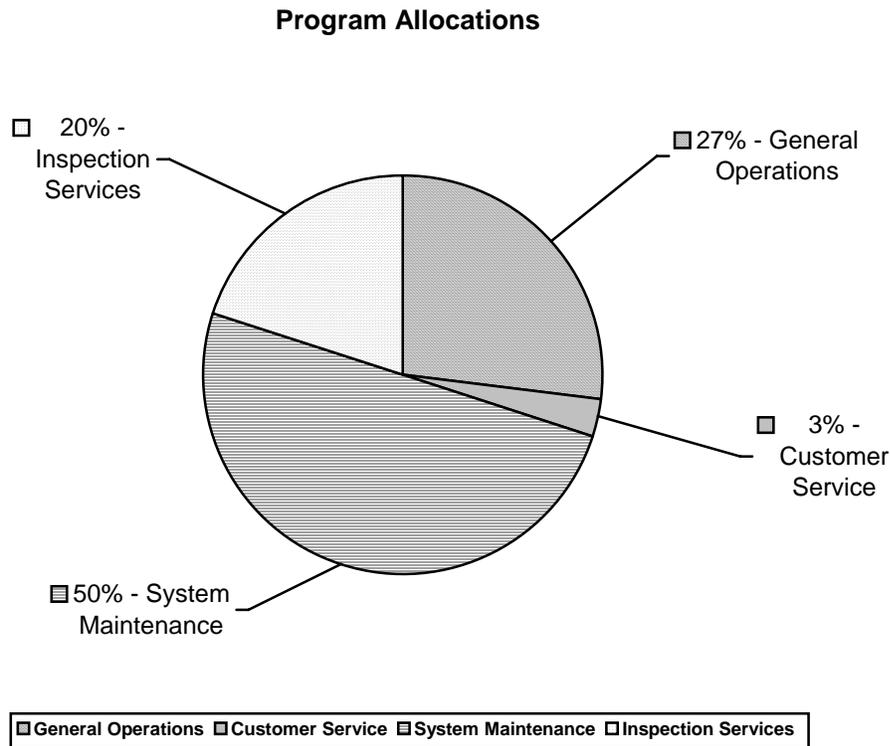
FY'11 Performance Measurements:

- Non-storm related public sewer overflows shall be zero.
- Routine cleaning of the public sewer system shall equal 157,400 feet each year.
- 1 hour average response time for sewer blockages.

Budget Highlights:

Growth of the collection system's service area is anticipated to remain slow during FY'11. However, the slowing of new development continues to provide the department with the opportunities to focus on existing system maintenance. The FY'11 budget contains continued funding for emergency contract sewer line repairs and root foaming. The capital outlay budget contains continued funding for new sewer manholes to improve access as well as funding for the purchase of stainless steel repair sleeves to complete trenchless pipe repairs.

Program: Utilities/Wastewater – Wastewater Collection



FY'10 Activity Review:

Crews provided TV inspection services during the replacement of aging clay sewer mains in a public alley located between SE I & J Streets and east of SE 9TH Street to the City Maintenance Yard. While cleaning and TV inspection services of new sewer lines and manholes remained slow during FY'10, routine cleaning of the existing collection system increased during the period. Re-inspection of existing sewer lines, to document changes in pipeline conditions, continued at an increased pace, utilizing "tilt-and-pan camera technology". Contract routine cleaning services for the RSSSD system continued during FY'10. Other services for the district, such as utility locates and forced sewer line maintenance, also continued during the period.

FY'10 Performance Indicators:

- No public sewer system overflows: **Target not met.**
- 340 feet of sewer line cleaned per labor hour: **Target not met.**
- 212 feet of sewer line TV inspected per hour: **Target not met.**
- 1 hour average response time for sewer blockages: **Target met.**

Program: Utilities/Wastewater – Wastewater Collection

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	\$	\$	\$	\$	\$	\$	\$
Personal Services	390,581	375,620	429,068	448,596	441,511	441,511	466,845
Materials & Supplies	11,401	13,140	18,194	25,220	25,220	25,220	25,220
Contractual/Prof Services	80,735	91,973	108,846	120,276	120,276	120,276	121,083
Direct Charges	50,389	50,122	53,737	61,530	61,530	61,530	62,285
Capital Outlay	2,435	29,435	11,756	21,760	21,760	21,760	21,760
Transfers Out	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>535,541</u>	<u>590,290</u>	<u>651,601</u>	<u>677,382</u>	<u>670,297</u>	<u>670,297</u>	<u>697,193</u>

Program: Utilities/Wastewater – Wastewater Collection

Personnel

	BUDGET	BUDGET	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	#	#	#	#	#	#	#
Utility Worker*	<u>4.00</u>						
Subtotal	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Public Works Director							
From: Water Treatment	0.23	0.08	0.08	0.08	0.08	0.08	0.08
Utility Field Superintendent							
From: Water Distribution	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Utility Worker*							
From: Water Distribution	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Office Assistant I							
From: Water Distribution	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Office Assistant I							
From: Water Treatment	<u>0.20</u>	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>
Subtotal	1.93	1.66	1.66	1.66	1.66	1.66	1.66
Total Positions	<u>5.93</u>	<u>5.66</u>	<u>5.66</u>	<u>5.66</u>	<u>5.66</u>	<u>5.66</u>	<u>5.66</u>

*The title Utility Worker replaced Municipal Service Worker with ratification of Teamster's labor contract during FY'10.

Capital Outlay/By Item

Trenchless Repair Sleeves	0	10,000	10,000	10,000	10,000
Manholes	7,500	7,500	7,500	7,500	7,500
Computers	<u>4,256</u>	<u>4,260</u>	<u>4,260</u>	<u>4,260</u>	<u>4,260</u>
Total Capital Outlay		<u>11,756</u>	<u>21,760</u>	<u>21,760</u>	<u>21,760</u>

Program: Utilities/Wastewater – Wastewater Treatment

Services Delivered:

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

FY'11 Anticipated Accomplishments:

Treating the community's wastewater to meet State and Federal standards will remain the main objective of this activity. Additionally, this activity will continue to update the Pretreatment Program manual and Sewer Use Ordinance to comply with new EPA regulations.

FY'11 Performance Measurements:

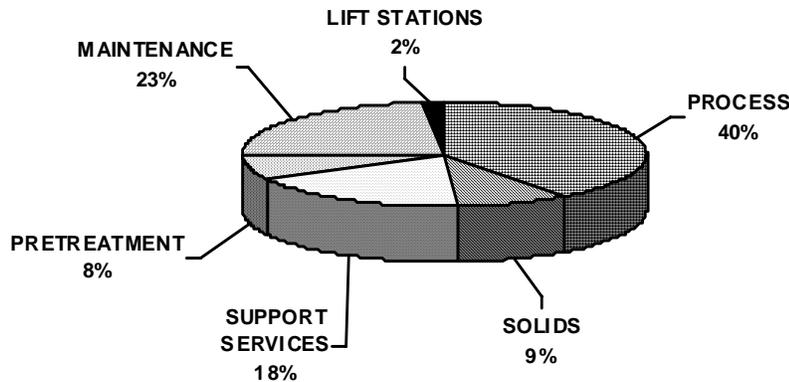
- Treated wastewater will meet or exceed State and Federal standards.
- Target polymer usage for dewatering Biosolids will be less than 25 pounds active polymer per dry ton of feed solids.
- Average Power used per million gallons of wastewater treated will be less than 2,550 Kwh

Budget Highlights:

This budget includes additional contractual laboratory costs for effluent analysis as required in SB737- Persistent Priority Pollutants. Purchase a new Lap Top computer for programming controllers at the pump stations.

Program: Utilities/Wastewater – Wastewater Treatment

PERCENT OF TOTAL BUDGET



FY'10 Activity Review:

During the 2010 budget year, this activity will treat an estimated 2.05 billion gallons of wastewater and transport an estimated 1.8 million pounds of Biosolids to the Jo-Gro™ Co-Composting facility.

FY'10 Performance Indicators:

- Treated wastewater will meet or exceed State and Federal effluent standards 100 percent of the time.
Goal#III Target met.
- Operation and maintenance costs per million gallons of wastewater treated will be 715 dollars.
Goal#III Target will not be met. Estimated costs are \$750 per million gallons.
- Operation and maintenance costs per pound of BOD treated will be 47 cents.
Goal#III Target will not be met. Actual costs are estimated to be 57 cents.
- Operation and maintenance costs for Biosolids disposal will be 10 cents per pound.
Goal#III Target met. Actual costs are estimated to be eight cents per pound.

Program: Utilities/Wastewater – Wastewater Treatment

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	
	\$	\$	\$	FY'11	FY'11	FY'11	FY'12
				\$	\$	\$	\$
Personal Services	553,013	583,061	729,663	748,041	740,956	740,956	775,404
Materials & Supplies	206,200	204,804	207,450	218,700	218,700	218,700	220,200
Contractual/Prof Services	580,475	601,802	622,239	678,605	678,605	678,605	701,147
Direct Charges	16,975	13,915	17,141	15,282	15,282	15,282	15,885
Capital Outlay	11,089	11,131	0	3,500	3,500	3,500	3,200
Transfers Out	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>1,387,752</u>	<u>1,414,713</u>	<u>1,576,493</u>	<u>1,664,128</u>	<u>1,657,043</u>	<u>1,657,043</u>	<u>1,715,836</u>

Program: Utilities/Wastewater – Wastewater Treatment

Personnel

	BUDGET	BUDGET	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	#	#	#	#	#	#	#
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
Utility Specialist*	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Worker*	<u>3.00</u>						
Subtotal	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Public Works Director							
From: Water Treatment	0.23	0.23	0.23	0.23	0.23	0.23	0.23
Utility Plant Superintendent							
To: Jo-Gro™	(0.25)	(0.25)	(0.25)	(0.25)	(0.25)	(0.25)	(0.25)
Trmt. Plant Spec – Operations							
To: Jo-Gro™	(0.30)	(0.30)	(0.30)	(0.30)	(0.30)	(0.30)	(0.30)
Trmt. Plant Spec – Maintenance							
To: Water Treatment	(0.50)	0.00	0.00	0.00	0.00	0.00	0.00
Utility Worker*							
To: Jo-Gro™	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)
Office Assistant I							
From: Water Treatment	<u>0.20</u>	<u>0.23</u>	<u>0.23</u>	<u>0.23</u>	<u>0.23</u>	<u>0.23</u>	<u>0.23</u>
Subtotal	(1.12)	(0.59)	(0.59)	(0.59)	(0.59)	(0.59)	(0.59)
Total Positions	<u>8.88</u>	<u>9.41</u>	<u>9.41</u>	<u>9.41</u>	<u>9.41</u>	<u>9.41</u>	<u>9.41</u>

*The title Utility Specialist replaced Municipal Specialists and the title Utility Worker replaced Municipal Service Worker with ratification of the Teamsters labor contract during FY'10.

Capital Outlay/By Item

Computers	<u>0</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>3,200</u>
Total Capital Outlay	<u>0</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>3,200</u>

Program: Utilities/Wastewater – JO-GRO™

Services Delivered:

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

FY'11 Anticipated Accomplishments:

Processing the City's wastewater bio-solids with greenwaste to produce an "Exceptional quality" Co-Compost will continue to be the primary goal of this activity. Purchase and installation of a SCADA computer is also anticipated.

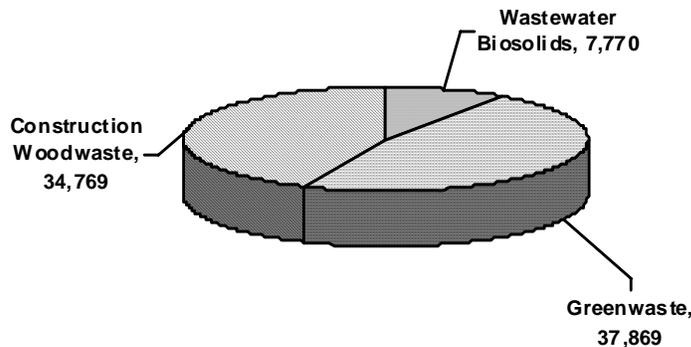
FY'11 Performance Measurements:

- The Jo-Gro™ facility will process the City's wastewater bio-solids 100 percent of the time.
- The finished Co-Compost will meet or exceed State and Federal standards for an "Exceptional quality class A" product 100 percent of the time.
- Sell 100 percent of the finished Co-Compost material produced.

Budget Highlights:

A new SCADA computer will be installed at Jo-Gro™ to record operational data from the composting process and Landfill flare system.

**CUBIC YARDS OF MATERIALS
RECEIVED FY'09**



FY'10 Activity Review:

This activity will process an estimated 38,000 cubic yards of loose greenwaste material, 7,600 cubic yards of wastewater bio-solids and sell an estimated 7,600 cubic yards of finished compost during the FY'10 budget year. In addition, an estimated 36,000 cubic yards of Construction wood waste will be recycled by BioMass One.

FY'10 Performance Indicators:

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

Program: Utilities/Wastewater – JO-GRO™

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	
	\$	\$	\$	FY'11	FY'11	FY'11	FY'12
				\$	\$	\$	\$
Personal Services	272,663	285,820	299,170	294,589	294,589	294,589	303,549
Materials & Supplies	64,505	80,540	85,450	88,450	88,450	88,450	89,450
Contractual/Prof Services	156,578	161,010	173,045	174,498	174,498	174,498	180,407
Direct Charges	949	339	339	0	0	0	0
Capital Outlay	<u>0</u>	<u>11,867</u>	<u>0</u>	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>1,500</u>
Total Requirements	<u>494,695</u>	<u>539,576</u>	<u>558,004</u>	<u>562,037</u>	<u>562,037</u>	<u>562,037</u>	<u>574,906</u>

Program: Utilities/Wastewater – JO-GRO™

Personnel

	BUDGET	BUDGET	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	#	#	#	#	#	#	#
Utility Specialist*	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Worker*	2.00	1.00	2.00	2.00	2.00	2.00	2.00
Municipal Service Aide	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Subtotal	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Works Director							
From: Water Treatment	0.00	0.03	0.03	0.03	0.03	0.03	0.03
Utility Plant Superintendent							
From: Wastewater Treatment	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Utility Worker							
From: Wastewater Treatment	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Trmt. Plant Spec. – Maintenance							
From: Wastewater Treatment	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Office Assistant							
From: Water Treatment	<u>0.00</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>
Subtotal	1.05	1.11	1.11	1.11	1.11	1.11	1.11
Total Positions	<u>4.05</u>	<u>4.11</u>	<u>4.11</u>	<u>4.11</u>	<u>4.11</u>	<u>4.11</u>	<u>4.11</u>

*The job title Utility Specialist replaced Municipal Specialist and the title Utility Worker replaced Municipal Service Worker with ratification of Teamsters labor contract during FY'10.

Capital Outlay/By Item

Computers/Software	<u>0</u>	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>1,500</u>
Total Capital Outlay	<u>0</u>	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>1,500</u>

Program: Utilities/Wastewater – Customer Service

Services Delivered:

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

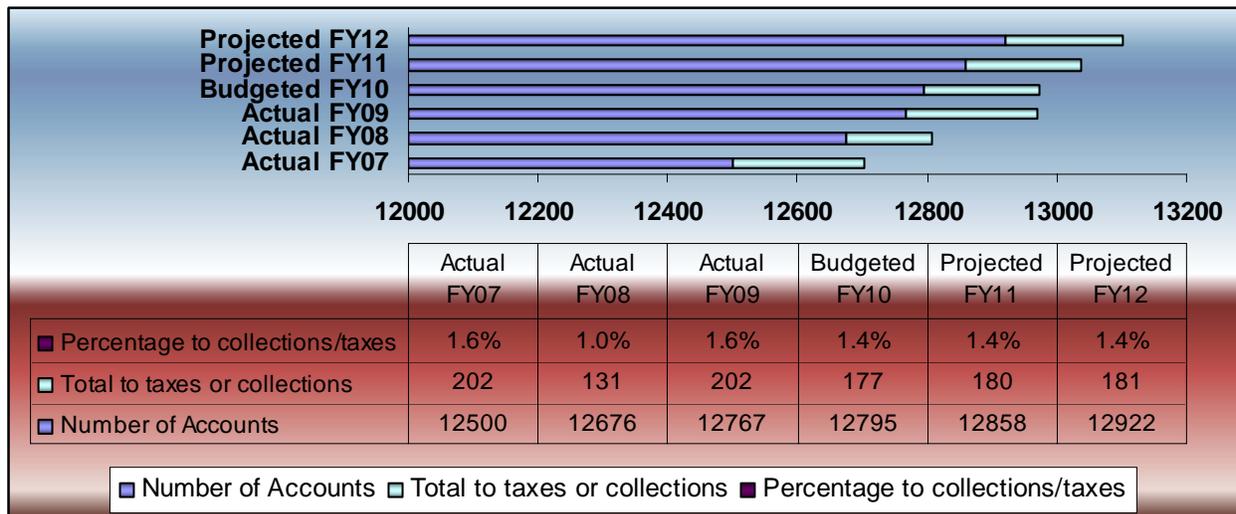
FY'11 Anticipated Accomplishments:

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

The Customer Service activity will bill about 10,564 City sewer customers monthly and maintain timely records on all accounts. Information regarding sewer line locations, new service requests, local improvement district financing and other data regarding the overall system will be provided to customers through this activity.

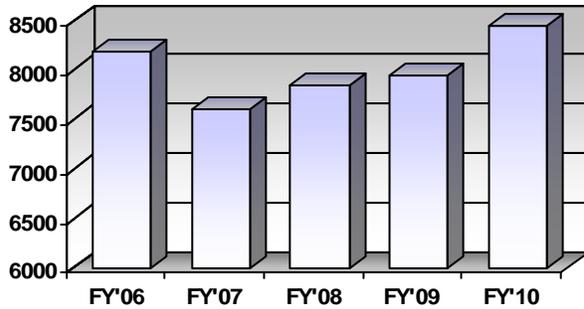
FY'11 Performance Measurements:

In an effort to decrease costs and increase efficiencies, the Customer Service Department seeks to collect all costs associated with the utility from the individual responsible for the account. Turning accounts over to collections often results in a revenue loss for the utility. The Customer Service Department strives to turn over less than 2% of overall accounts to collections. The chart below details past, current and future projected collections statistics for City billed sewer accounts which include City Sewer, Harbeck-Fruitdale Sewer District and Redwood Sanitary Sewer Services District.

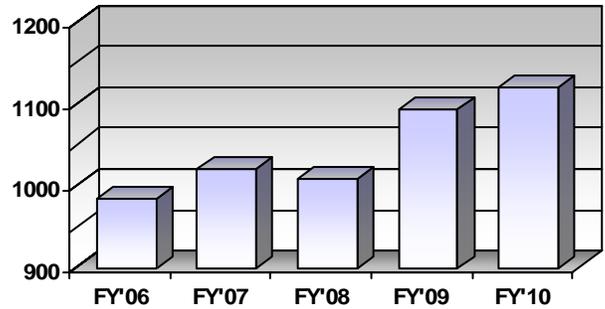


Program: Utilities/Wastewater – Customer Service

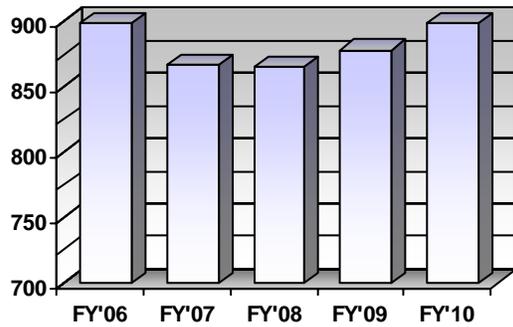
Number of RESIDENTIAL Customers



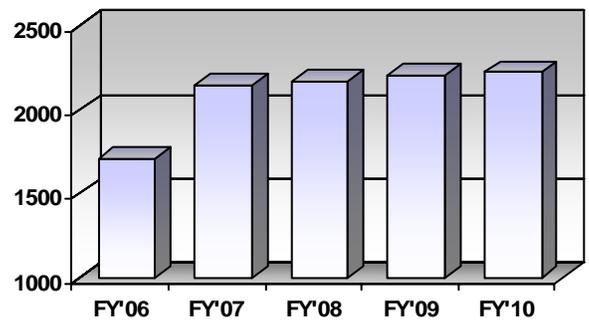
Number of COMMERCIAL Customers



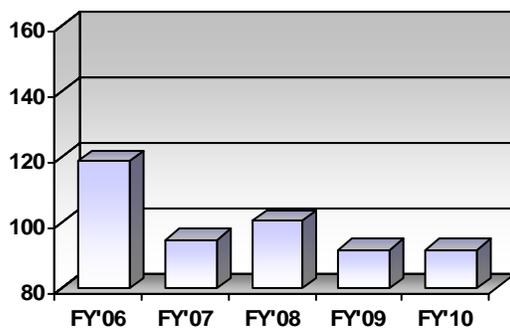
Number of MULTIFAMILY Customers



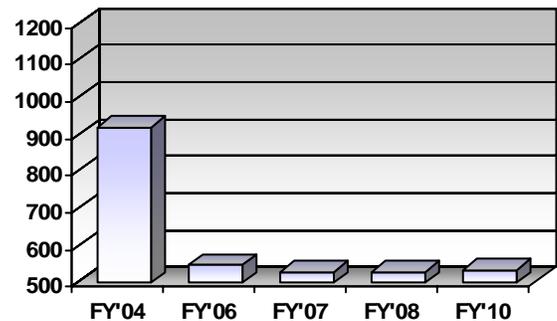
Number of Redwood Sanitary Sewer Services Customers



Number of PUBLIC AGENCY Customers



Number of HARBECK-FRUITDALE Customers



Note: Harbeck-Fruitdale numbers decline as properties are annexed and moved into appropriate class groups. Harbeck-Fruitdale customers have been included with the City Sewer customer numbers.

Program: Utilities/Wastewater – Customer Service

Budget Highlights:

The FY'11 budget includes a reduction in cost associated with personnel and an increase in the efficiencies through the automation of payment processing.

FY'10 Performance Indicators:

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

Program: Utilities/Wastewater – Customer Service

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	34,513	23,815	35,660	27,000	27,000	27,000	27,970
Direct Charges	<u>226,866</u>	<u>235,898</u>	<u>243,947</u>	<u>248,250</u>	<u>248,250</u>	<u>248,250</u>	<u>253,350</u>
Total Requirements	<u>261,379</u>	<u>259,713</u>	<u>279,607</u>	<u>275,250</u>	<u>275,250</u>	<u>275,250</u>	<u>281,320</u>

Program: Utilities/Wastewater – Debt Service

Services Delivered:

This activity accounts for the repayment of debt incurred by the Wastewater Utility. A total of \$7,000,000 of State Revolving Loan Fund (SRF) monies were made available to the City for expansion of the Wastewater Treatment Plant and related projects. The SRF loan agreement R38671 was refinanced in December of 2009 for a net present value savings of \$370,530 over the life of the bond.

FY'11 Anticipated Accomplishments:

Semi-annual interest payments and annual principal payments on the new bond issue will begin in June of 2010. Payments will continue through June 2023.

Budget Highlights:

The new bond debt will be payable over thirteen years at an interest rate of 3.05%. Payment of principle will begin in June of 2010.

The following loan and bond debt payment schedule reflects the refinancing of loan agreement R38671 in December 2009 through a bond sale:

	FY'08	FY'09	FY'10 *	FY'11	FY'12
Principal	275,460	284,989	296,171	320,000	320,000
Interest	<u>219,790</u>	<u>210,261</u>	<u>194,380</u>	<u>181,313</u>	<u>171,712</u>
Total	<u>495,250</u>	<u>495,250</u>	<u>490,551</u>	<u>501,313</u>	<u>491,712</u>

* Does not include debt reserve that was used to pay down principal of loan in the bond offering of FY'10.

The Debt Service schedule is in Appendix P.

Program: Utilities/Wastewater – Debt Service

Financial Summary

Requirements	ACTUAL FY'08 \$	ACTUAL FY'09 \$	BUDGET FY'10 \$	MANAGER RECOMMEND FY'11 \$	COMMITTEE APPROVED FY'11 \$	COUNCIL ADOPTED FY'11 \$	PROJECTED FY'12 \$
Debt Service	<u>492,101</u>	<u>491,992</u>	<u>495,250</u>	<u>501,313</u>	<u>501,313</u>	<u>501,313</u>	<u>491,712</u>
Total Requirements	<u>492,101</u>	<u>491,992</u>	<u>495,250</u>	<u>501,313</u>	<u>501,313</u>	<u>501,313</u>	<u>491,712</u>

Program: Utilities/Wastewater – General Program Operations

Services Delivered:

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

FY'11 Anticipated Accomplishments:

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

Program: Utilities/Wastewater – General Program Operations

Financial Summary

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	\$	\$	\$	\$	\$	\$	\$
Direct Charges	0	0	0	9,500	9,500	9,500	9,500
Contractual/Prof Services	72,381	40,271	49,579	10,350	10,350	10,350	10,350
Contingencies	0	0	368,902	1,090,166	1,104,336	1,104,336	1,225,190
Indirect Charges	316,602	286,823	314,701	330,000	330,000	330,000	329,300
Transfers Out	1,130,000	866,664	987,834	378,206	378,206	378,206	788,939
Ending Balance	<u>382,646</u>	<u>501,221</u>	<u>92,927</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>1,901,629</u>	<u>1,694,979</u>	<u>1,813,943</u>	<u>1,818,222</u>	<u>1,832,392</u>	<u>1,832,392</u>	<u>2,363,279</u>

Program: Utilities/Wastewater – Debt Service Reserve Fund

Services Delivered/ Budget Highlights:

This activity accounted for the reserve requirement mandated by the covenants of the SRF loan accepted in 2001 for the expansion of the Wastewater Treatment Plant. As of December 2009 this requirement was released when the City issued a refunding bond to consolidate debt at a lower rate.

Program: Utilities/Wastewater – Debt Service Reserve Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	\$	\$	\$	FY'11	FY'11	FY'11	\$
Beginning Balance	<u>500,899</u>	<u>500,899</u>	<u>500,899</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Resources	<u>500,899</u>	<u>500,899</u>	<u>500,899</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	FY'12
	\$	\$	\$	FY'11	FY'11	FY'11	\$
Ending Balance	<u>500,899</u>	<u>500,899</u>	<u>500,899</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>500,899</u>	<u>500,899</u>	<u>500,899</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Program: Utilities/Wastewater – Capital Construction

Basic Functions:

This activity provides for the planning, engineering and construction of sewer lines, pumping stations and treatment facilities for the Wastewater Program. The Public Works Project Specialist is shown here, but actual expenditures are spread across Wastewater, Water and Transportation projects.

Personnel

	BUDGET FY'08 #	BUDGET FY'09 #	BUDGET FY'10 #	MANAGER RECOMMEND FY'11 #	COMMITTEE APPROVED FY'11 #	COUNCIL ADOPTED FY'11 #	PROJECTED FY'12 #
Project Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Activity Highlights:

This portion of the Wastewater system receives financing from System Development Charge revenues and transfers from wastewater operations. The Wastewater system includes the treatment plant, three pump stations and the collection system. Major repairs and improvements are financed through this capital budget.

This budget sets aside funds to provide for the major rehabilitation of the treatment plant, pump stations and replacement of deteriorated sewer piping within the collection system.

Budget Highlights:

New this year, we have separated the active projects from the projects that are completed or cancelled and currently being closed out. The Active Capital Project list includes projects coming to a close in FY'10 but which are not finalized at this time.

The project listing now shows resources across the columns. Columns show the Actual resources through FY'09, the re-assessed resource needs of projects using current data for the "Revised FY'10" column, guiding our "Recommended FY'11" and resources estimated "Through FY'11". We have added "Future Years" and "Total Project" columns. The "Future Years" column includes resources shown on the individual project narrative pages as "FY'12 Projected" and "Future".

Program: Utilities/Wastewater – Capital Construction

ALL ACTIVE CAPITAL PROJECT RESOURCES

		Actual Through FY'09	Revised FY'10	Recommend FY'11	Total Through FY'11	Future Years	Total Project
SE4161	Accelerated Maintenance	291,641	50,000	50,000	391,641	200,000	591,641
SE4745	WRP/Jo-Gro™ Equipment Improve	200,000	50,000	50,000	300,000	200,000	500,000
SE4960	Jo-Gro™ Miscellaneous Upgrades	155,000	174,000	0	329,000	150,000	479,000
SE4962	Bridge Street Pump Station Improve.	487,000	0	0	487,000	0	487,000
SE4963	Update WRP Facility Plan	250,000	0	0	250,000	0	250,000
SE4964	WRP Phase 2 Expansion	271,000	391,000	100,000	762,000	9,208,000	9,970,000
SE4998	Indust. Pretreatment Program Updt.	210,000	(30,000)	0	180,000	0	180,000
SE5048	Gilbert Creek SS Crossing Repair	40,000	0	0	40,000	0	40,000
SE5060	General Engineering	30,000	15,000	15,000	60,000	60,000	120,000
SE5080	WRP Structural Repairs	75,000	(25,000)	0	50,000	261,000	311,000
SE5081	Collection System Master Plan Updt	0	10,000	90,000	100,000	0	100,000
SE5082	Plant Drain Pump Evaluation	0	20,000	0	20,000	0	20,000
Fund 722	Miscellaneous Projects - SDC Funds	44,728	5,416	(46,164)	3,980	(8,647,120)	(8,643,140)
Fund 725	Miscellaneous Projects - AFD Funds	83,624	(2,500)	0	81,124	0	81,124
Fund 728	Miscellaneous Projects - General	1,285,389	564,461	(226,794)	1,623,056	(3,962,061)	(2,339,005)
NEW PROJECTS							
SE6012	Western Avenue Sewer Repl.	0	0	85,000	85,000	1,715,000	1,800,000
SE6050	L Street Sewer & Water Main Repl.	0	15,000	0	15,000	245,000	260,000
SE6055	5th Str. Sewer Main Repl.	0	25,000	220,000	245,000	45,000	290,000
SE6064	Sewer Main Structural Repairs	0	0	0	0	3,700,000	3,700,000
SE6065	WRP Roof Replacement	0	50,000	150,000	200,000	0	200,000
SE6066	Methane Gas Generation Evaluation	0	0	0	0	250,000	250,000
SE6067	Sewer Siphon Line Inspection	0	0	30,000	30,000	0	30,000
	Total Projects	<u>3,423,382</u>	<u>1,312,377</u>	<u>517,042</u>	<u>5,252,801</u>	<u>3,424,819</u>	<u>8,677,620</u>

ALL CLOSED OR CANCELLED CAPITAL PROJECT RESOURCES

SE4835	I to J Alley Sewer Relocation	341,020	(45,000)	0	296,020	0	296,020
SE4913	Jo-Gro™ Storm Water Improve.	110,000	(74,000)	0	36,000	0	36,000
SE5066	Judson Sewer LID (729)	34,363	(11,684)	0	22,679	0	22,679
SE5071	Grit Disposal Pad	27,000	(1,942)	0	25,058	0	25,058
SE5079	2nd Street Sewer Replacement	<u>416,088</u>	<u>(501)</u>	<u>0</u>	<u>415,587</u>	<u>0</u>	<u>415,587</u>
	Total Projects	<u>928,471</u>	<u>(133,127)</u>	<u>0</u>	<u>795,344</u>	<u>0</u>	<u>795,344</u>

Program: Utilities/Wastewater – Capital Construction

Financial Summary

	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	
	FY'08	FY'09	FY'10	RECOMMEND	APPROVED	ADOPTED	PROJECTED
	\$	\$	\$	\$	\$	\$	\$
Beginning Fund Balance	<u>4,797,018</u>	<u>1,668,619</u>	<u>1,567,089</u>	<u>2,139,002</u>	<u>2,139,002</u>	<u>2,139,002</u>	<u>1,331,101</u>
Resources							
System Dev. Charges (SDCs) Rev.	5,368	2,239	0	0	0	0	0
SDC Reimbursement Fee Collect.	65,213	22,701	69,300	138,836	138,836	138,836	152,720
SDC Improvement Fee Collection	492,990	172,125	535,500	0	0	0	0
SDC Admin Fee Collection	17,463	5,731	19,545	0	0	0	0
Investment Interest	84,655	34,744	51,000	1,000	1,000	1,000	1,000
SDC Loan Interest	6,667	11,043	7,000	0	0	0	0
Street Utility Fee (From Fund 230)	440,000	0	0	0	0	0	0
Special Assessment	0	14,285	0	0	0	0	0
General Program - Sewer	1,130,000	866,664	987,834	376,206	376,206	376,206	788,939
Water Utility – Gen. Program Ops.	50,000	0	0	0	0	0	0
Advance Financing/Interest Rev.	3,139	4,595	5,000	1,000	1,000	1,000	1,000
Other Revenue	<u>2</u>	<u>370</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Resources	<u>2,295,497</u>	<u>1,134,497</u>	<u>1,675,179</u>	<u>517,042</u>	<u>517,042</u>	<u>517,042</u>	<u>943,659</u>
Total Resources	<u>7,092,515</u>	<u>2,803,116</u>	<u>3,242,268</u>	<u>2,656,044</u>	<u>2,656,044</u>	<u>2,656,044</u>	<u>2,274,760</u>
Requirements							
Capital Outlay	5,423,896	767,184	956,907	1,324,943	1,324,943	1,324,943	1,551,924
Transfers Out	0	0	0	0	0	0	0
Appropriated Fund Balance	<u>1,668,619</u>	<u>2,035,932</u>	<u>2,285,361</u>	<u>1,331,101</u>	<u>1,331,101</u>	<u>1,331,101</u>	<u>722,836</u>
Total Requirements	<u>7,092,515</u>	<u>2,803,116</u>	<u>3,242,268</u>	<u>2,656,044</u>	<u>2,656,044</u>	<u>2,656,044</u>	<u>2,274,760</u>