

Fund 461 Ending December 31, 2019

Final 6-15-2020

Water Capital Improvement

Prgm #	Program Name	Unexpended Budget Balance	Total Per Program	Closed in 2020?		Prior Yr Costs	Current 2020	SIX-YEAR PLAN						
								2021	2022	2023	2024	2025	2026	
9021	Asphalt Overlay Adjustments		-											
	Asphalt Overlay Adjustments							14,000	14,000	14,000	14,000	14,000	14,000	14,000
9408	Small Diameter Water Pipe Replacement		378,290											
	1512P Small Diameter Water Mains	378,290				121,710	378,290	522,725	522,725	522,725	522,725	522,725	522,725	522,725
9609	Distribution System Improvements		2,085,196											
	1582P Cross-Country Water Mains	18,333				6,667		32,960						
	1656P Drinking Water PRV Telemetry	11,214				41,786	34,561	23,347	23,347					
	1693P Security and Remote Systems Program	8,419		Yes		66,857		50,000	50,000	50,000	50,000	50,000	50,000	50,000
	1705P Legion Way Overlay - Water Improvements	70,000		Yes		-	70,000							
	1764P Water Facilities Security Card Readers	47,911				32,089	47,911							
	1767P Asset Management Program	8,647				104,053		51,667	51,667	51,667	51,667	51,667	51,667	51,667
	1877P 26th Ave Water Main Replacement	90,300		Yes		213,700	56,737							
	1880P Kaiser Rd Water Main Extension to Evergreen Pky	335,661		Yes		478,339	20,000							
	1919P Water Meter Replacement Program	104,647		Yes		145,353								
	1923P Aging Water Main Replacement	325,647					45,000	522,725	522,725	522,725	522,725	522,725	522,725	522,725
	1924P Amber Crt & Water St Emergency Wtr Main Repair	344,585				727,415	10000							
	1928P Fones Road Water Main Replacement	500,000					56,000	112,000	2,428,000	195,000				
	1942P Capital Mall Dr Emerg Water Main Break Street Rpr	21,253		Yes		23,747								
	1969P CiTect Software Upgrade	27,680				2,320	27,680							
	1972P Goodwill Emergency Water Main Break Street Repairs	65,899		Yes		4,101								
	2003P Franklin Street Overlay - Water Main Replacement	50,000					50,000	275000						
	2004P Aging Water Main Replacement - Capital Village Shopping Center	50,000					900,530	20000						
	PR0027 36-Inch Transmission Main Condition Assessment	5,000				-	123,114							
	Distribution Main Assessment					-		25,000	25,000	25,000	25,000	25,000	25,000	25,000
	2012P - Percival Creek Pedestrian Bridge Repairs					-	317,885	28,000						
	Eastside St and Henderson Blvd Water Main Extension Design										163255	163255		
	Eastside St and Henderson Blvd Water Main Extension Construction											433630	867260	
	1950G Elliott Avenue Water Main						50000	258000	516000	86000				
	Distribution System Oversizing							29183	29183	29183	29183	29183	29183	29183
	South Bay Water Main Extension									300,000	1,284,410			
9610	Water Storage		2,268,163											
	1240P 417 RESERVOIR DESIGN & CONSTR	31,534		Yes		9,731,270								
	1670P STORAGE TANK SITE SURVEYS	4,785				15,215								
	1868P Elliot Ave Reservoir Seismic Retrofit	200,773				79,227	600,000	1,280,850						
	1869P Fir Street Reservoir Seismic & Valve House Retrofit	1,981,071				98,929	1,110,000	1,896,150						
	PR0031 Eastside Tank Evaluation & Design	20,000					20,000							
	2002P Reservoir Cleaning Inspection & Evaluation	30,000					30,000							
	Hoffman Court Reservoir Rehabilitation Construction											3,103,905	3,103,905	
	Boulevard Road Reservoir Rehabilitation Construction							851,810	851,810	851,810				
	Storage Reservoir Coatings (Interior/Exterior)										153,333	153,333	153,333	
	Eastside Reservoir (tank) Rehabilitation Construction													1,551,953

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SIX-YEAR PLAN

Prgm #	Program Name	Unexpended Budget Balance	Total Per Program	Closed in 2020?		Prior Yr Costs	Current 2020	2021	2022	2023	2024	2025	2026
	Hoffman Well Treatment Facility Design												338,870
	Hoffman Well Treatment Facility Construction												1,354,450

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								2021	2022	2023	2024	2025	2026	
9700	Water Source of Supply		787,799											
	CX97 WATER RIGHTS ACQUISTION Deschutes	6,270		Yes		604,730	-							
	0961P Woodland Creek RW Infiltration Design Water Rights Acquisition	141,152		Yes		715,291	-							
	1146P Brewery Water Engineering Analysis	217				99,783		400,000						
	1667P Woodland Creek Groundwater Recharge Facility	7,026		Yes		22,974	7,026							
	1668P Shana Park Well Source Contingency Plan	126,163		Yes		31,837								
	1809P Deschutes Watershed Restoration	166,666				-		166,666						
	1827P Deschutes Ranch Restoration Construction	285,306				504,694	50,000	100,000						
	PR0028 Indian Summer Chlorination System	5,000						100,000						
	1963P McAllister Domestic Replacement Well	50,000					10,000	80,000						
	Briggs Well Design					-				100,000				
9701	Mcallister Water Protection		343,935											
	1770P Wellhead Protection Area	343,935				6,065	115,000	235,000	290,000	40,000				
9903	Pre-Design and Planning		40,464											
	1648P Drinking Water Lease Acquisition	25,000		Yes										
	1850P Telecommunications Project Evaluations	8,264		Yes		1,736								
	PR0007 McCormick Valve House	7,200				-								
	Pre-Design and Planning							150,000	150,000	150,000	150,000	150,000	150,000	150,000
						-								
9906	Water System Planning													
	Update of 6-year Water System Plan						176,402	222,598						100,000
8081	Facility Major Repair													
9710	Reclaimed Water													
	Reclaimed Water Filling Stations													
		5,903,846	5,903,846											

13,879,890 4,306,136 7,447,681 5,474,457 2,938,110 2,966,298 5,219,423 8,835,071

Funding Sources:							
Federal Grants							
State Grants							
FEMA			238,414	21,000			
Bonds							
General Facility Charges							
		674,000	674,000	674,000	674,000	674,000	674,000
Mitigation							
Loans							
		1,594,471	1,522,000	1,000,000	1,500,000		
Capital Fund Resources							
		1,799,251	5,230,681	1,500,000	764,110	292,298	1,045,423

Fund 461 Ending December 31, 2019

Final 6-15-2020

Water Capital Improvement

SIX-YEAR PLAN

Prgm #	Program Name	Unexpended Budget Balance	Total Per Program	Closed in 2020?	Prior Yr Costs	Current 2020	2021	2022	2023	2024	2025	2026	
						<i>Total Funding Sources</i>	4,306,136	7,447,681	3,174,000	2,938,110	2,966,298	5,219,423	8,835,071

Fund 434 Ending December 31, 2019

22-Jun-20

Storm Water Capital Improvement

Prgm #	Program Name	Unexpended Budget Balance	Total Per Program	Closed in 2020?	Prior Yr Costs	Current 2020	SIX-YEAR PLAN									
							2021	2022	2023	2024	2025	2026				
9001	Asphalt Overlay Adjustment															
	ASPHALT OVERLAY ADJUSTMENT					186,500	186,500	186,500	186,500	186,500	186,500	186,500	186,500			
9017	Habitat Land Acquisition															
9024	Aquatic Habitat Improvements															
18210	HABITAT IMPROVEMENT	66,986		Y	493,014	66,986										
	PROPERTY ACQUISITION *					125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000		
	ELLIS CREEK/EAST BAY DRIVE FISH PASSAGE *						400,000	800,000	800,000							
	MISSION CREEK/EAST BAY DRIVE FISH PASSAGE *									200,000	600,000	600,000				
	26TH AVE E. - WOODLAND TO WOODARD STORMWATER REROUTE *							500,000								
	WOODARD CREEK/WOODLAND TRAIL FISH PASSAGE *									200,000	600,000					
	INDIAN CREEK FISH PASSAGE - VICINITY OF BOULEVARD ROAD *								170,000	510,000						
	INDIAN CK FISH PASSAGE - VICINITY OF WHEELER AVE AND CENTRAL ST *														1,200,000	
	* = Project Dependent on Grant & Loan Funding															
9026	Stormwater Fee in Lieu															
9027	Stormwater Quality Improvement															
15790	HARRISON AVE STORMWATER RETROFIT	399,375		Y	85,625	399,375										
	HARRISON AVE STORMWATER RETROFIT - New Estimate Cost Increase			Y		180,765										
19660	NEIGHBORHOOD LID	231,229			480	91,229	140,000		406,000							
	EXPANDED STREET SWEEPER PROGRAM					11,840	11,958	509,100	231,900	231,900	233,955	230,755				
	BRAWNE AVENUE WATER QUALITY RETROFIT *						56,500	37,500	376,000							
	FONES ROAD SWALE - WATER QUALITY RETROFIT *									200,000						
	CAPITOL WAY WATER QUALITY RETROFIT *										168,000	504,000				
	MARTIN WAY AT MARY ELDER WATER QUALITY RETROFIT *										210,000	630,000				
	CORKY AVENUE WATER QUALITY RETROFIT *									125,000	375,000					
	EAST BAY DRIVE WATER QUALITY RETROFIT *											650,000				
	* = Project Dependent on Grant & Loan Funding															
9028	Flood Mitigation and Collection															
15330	WEST BAY STORMWATER REPAIRS	10,000		Y												
15700	7th Avenue Flood Prevention	20,014		Y	400,486											
16510	Port Stormwater Diversion	95,299		Y	1,795,729											
16940	North Percival Stormwater Facility Modifications	65,000		Y												
17400	Sea Level Rise Response Plan	4,107		Y	275,893											
19070	Pifer Street Emergency Stormwater Repair	8,761		Y	41,239											
19340	Stormwater Pond Monitoring and Cleanup	10,000		Y	-											

Fund 434 Ending December 31, 2019

22-Jun-20

Storm Water Capital Improvement

Prgm #	Program Name	Unexpended Budget Balance	Total Per Program	Closed in 2020?	Prior Yr Costs	Current 2020	SIX-YEAR PLAN					
							2021	2022	2023	2024	2025	2026
15690	DOWNTOWN FLOOD MITIGATION AND SEA LEVEL RISE	182,000				125,000	125,000	125,000	125,000	125,000	125,000	125,000
18030	DOWNTOWN TIDE GATES	64,051		Y	10,949	64,051						
19130	CONDITION RATING FOR EXISTING CONVEYANCE	124,318			125,682	124,318	148,400	148,400	40,000	40,000	40,000	40,000
19180	FIDDLEHEAD OUTFALL TIDE GATE - SAFETY UPGRADES	106,076			3,924	32,076	74,000					
19290	BLACK LAKE DITCH BANK STABILIZATION	164,420		Y	35,580	164,420						
	BLACK LAKE DITCH BANK STABILIZATION - NEW COST ESTIMATE INCREASE			Y		85,000						
19300	HARRISON AVENUE PIPE REPLACEMENT	14,357		Y	65,643	14,357						
	CONVEYANCE SPOT REPAIRS						83,000	83,000	83,000	83,000	83,000	83,000
	PUBLIC POND REHABILITATION (CITY OWNED STORMWATER FACILITIES)						53,000	53,000	53,000	53,000	53,000	53,000
	ASCENSION AND 4TH AVE POND *							75,000	225,000			
	KEN LAKE FLOOD CONVEYANCE *									184,000	500,000	
	MARINGO RD AND LORNE ST DRAINAGE IMPROVEMENTS *											350,000
	WIGGINS ROAD DITCH RECONSTRUCTION *							250,000	250,000	250,000		
	PACIFIC AVENUE AT CHAMBERS - PIPE REPLACEMENT *										120,000	310,000
	1400 BLOCK FREDERICK ST SE - CULVERT REPLACEMENT *											300,000
	2300 BLOCK OF CRESTLINE BLVD - CONVEYANCE *										112,500	337,500
	* = Project Dependent on Grant & Loan Funding											
9811	Emissions Reduction											
9903	Pre-Design and Planning											
15340	Low Impact Development - Code Revisions	12,594		y	87,406							
17230	Stormwater Design Review Service	29,433		y	841							
17590	Schneider Creek Geomorphology Study	9,800		y	62,120							
16010	COOPER PT & BLACK LAKE STORMWATER CONVEYANCE	11,037			18,963							
20010	COOPER PT & BLACK LAKE STORMWATER CONVEYANCE	250,000			-	40,000	130,000	80,000				
16820	WIGGINS RD ROADWAY & STORM DRAINAGE	78,217			21,783	30,217	48,000					
19200	SCHNEIDER CREEK FISH LADDER (combine 19200 with 19110)	55,648			-							
19110	SCHNEIDER CREEK FISH PASSAGE DESIGN (combine 19200 with this SSB)	75,000			-			130,648				
18130	BIORETENTION HYDROLOGIC PERFORMANCE STUDY	147,432			378,594	77,432	70,000	200,000	200,000	200,000		
	INFRASTRUCTURE PREDESIGN AND PLANNING						80,000	80,000	80,000	80,000	80,000	80,000
	STORM AND SURFACE WATER UTILITY MASTER PLAN UPDATE								150,000			
	DRAINAGE DESIGN AND EROSION CONTROL MANUAL UPDATES						60,000					70,000
9904	Stormwater Infrastructure Study											
		2,235,154	-		3,903,951	1,818,566	1,791,358	3,383,148	3,501,400	2,793,400	3,611,955	5,874,755

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Wastewater Capital Improvement

Prgm #	Program Name	Unexpended Budget Balance	Total Per Program	Closed in 2020?	Prior Yr Costs	Current 2020	SIX-YEAR PLAN							
							2021	2022	2023	2024	2025	2026		
9021	W/Street Reconstruction		-											
	Asphalt Overlay Adjustments	-			-	-	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
9703	Transmission & Collection		982,661											
	1581Q Wastewater Maintenance Repair & Repl East Bay	197,478			82,522	165,000	32,000							
	1689Q 2017 Priority Sewer Repairs (CIPP)	139,217		Yes	740,783	-								
	1773Q 2018 Sewer Repairs	281,366			38,634	270,000	13,000							
	1812Q SE Area Odor Control	298,134		Yes	146,866	225,000	11,000							
	1925Q 2019 Maintenance Repair & Replacement	51,467		Yes	58,533	26,000								
	2005Q Stratford Lane STEP to Gravity Conversion	15,000			-	50,000	210,000							
	Cured-in-place Pipe Rehabilitation					53,000	420,000		53,000	420,000			53,000	
	Sewer Main Spot Repairs							100,000		100,000			100,000	
	Maintenance Hole Repair and Replacement						53,000			141,000				
	Side Sewer and Tap Repairs						53,000	-	-	-	-	-	-	-
	STEP Rehabilitation Equipment						263,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
	STEP to Gravity Conversions						150,000	-	105,000	-	105,000	-	105,000	-
	Asphalt for Sewer Repairs						31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000
9806	Lift Station Assessment and Upgrades		2,468,836											
	1960Q Miller & Central Lift Station Improvements	449,177			10,823	1,780,000	755,000							
	1468Q Water Street Soil Contamination Investigation	17,354		Yes	53,664	33,000								
	1722Q Old Port 1 Lift Station	1,615,893			145,602	129,000	3,003,000							
	1753Q Water Street Lift Station Generator	331,412			135,851	352,000								
	2027Q Ken Lake Grinder Pump Replacement	50,000			-	40,000	10,000							
	PR0029 Miller & Ann Lift Station Design	5,000			-	-		116,000						
	Miller and Ann Lift Station Upgrade Construction								478,000					
	Rossmoor Lift Station Upgrade Design								240,000					
	Rossmoor Lift Station Upgrade Construction									996,000				
	Old Port II Lift Station Upgrade Design										372,000			
	Old Port II Lift Station Upgrade Construction											1,549,000		
9808	Sewer System Planning		48,693											
	1541Q Condition Rating	18,693		Yes	1,307									
	1970Q CiTect Software Upgrade	30,000			-	9,000	21,000							
	Sewer System Televising and Condition Rating Program							31,000		31,000			31,000	
	Sewer Force Main Condition Assessment Program							40,000		40,000			40,000	
	2026 Wastewater Management Plan						-	-	-	-	53,000		53,000	
	Asset Management Implementation & Maintenance							31,000	31,000	31,000	31,000	31,000	31,000	31,000
9809	Pipe Extensions		500,000											
	2111Q Percival Creek Utility Bridge - Sewer	500,000			-	363,000	630,000	1,313,000	1,313,000					

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							2021	2022	2023	2024	2025	2026	
9810	Pipe Capacity Upgrades		-										
	4th Ave Sewer Design												
	4th Ave Sewer Construction						578,000						
	Jefferson St Sewer (Phase 1) Design							1,050,000					
	Jefferson St Sewer (Phase 1) Construction									735,000			
												1,607,000	
9813	On-site Sewage System Conversion		1,064,681										
1954Q	6th Avenue Sewer Extension	511,619			13,381	514,000	11,000						
1955Q	Van Epps Street Sewer Extension	553,062				555,000	11,000						
	Neighborhood Sewer Extensions						300,000	1,200,000	100,000	1,100,000			100,000
9903	Pre-Design and Planning		5,000										
PRO026	Miller & Ann LS - Survey & Property Acquisition	5,000		Yes									
	Pre-Design and Planning						105,000	105,000	105,000	105,000	105,000	105,000	105,000
	Phase II CityWorks Implementation						21,000						
		5,069,872	5,069,872		1,427,966	4,564,000	6,114,000	3,661,000	3,622,000	3,111,000	1,548,000	3,816,000	



2021 Operating Budget Overview

Department:	Line of Business/Program:
Public Works	Water Resources – Drinking Water

Program Revenue Summary Chart							
Revenue	2018 Actual	2109 Actual	2020 Original Budget	2020 Actual YTD	2021 Budget	Variance	
Charges for Service	13,757,020	13,186,246	15,439,450	5,737,229	15,439,450	0	0.00%
Misc Revenue	395,018	529,578	290,470	227,790	290,470	0	0.00%
Other Resources	515,715	4,524,673	0	0	0	0	0.00%
Proprietary/Trust Fund	121,300	353,150	0	0	0	0	0.00%
Total	14,789,053	18,593,647	15,729,920	5,965,019	15,729,920	0	0.00%

Note: Above revenues do not take into account an assumed 0.5% (\$79K) growth in accounts.

Program Expenditure Summary Chart							
Expense	2018 Actual	2109 Actual	2020 Original Budget	2020 Actual YTD	2021 Budget	Variance	
10 Salaries and Wages	2,354,491	2,433,387	2,526,799	1,384,840	2,647,652	120,852.50	4.56%
20 Personnel Benefits	991,912	962,905	1,179,315	591,550	1,169,024	(10,291.00)	-0.88%
30 Supplies	799,269	560,671	918,892	253,378	903,380	(15,512)	-1.72%
40 Other Services and Charges	906,057	961,437	1,193,487	365,244	1,223,248	29,761	2.43%
50 Intergovernmental Services and Payment	4,510,390	8,013,280	5,248,014	2,813,249	4,773,167	(474,847)	-9.95%
60 Capital Outlays	36,218	34,013	0	0	0	0	0.00%
70 Debt Service: Principal	1,334,941	1,279,331	1,501,485	0	1,454,332	(47,153)	-3.24%
80 Debt Service: Interest and Related Costs	367,618	328,696	336,722	0	318,622	(18,100)	-5.68%
90 Interfund Payments for Services	2,079,624	2,215,652	2,352,387	1,513,596	2,671,773	319,386	11.95%
99 Non-Expenses	2,057,263	2,087,846	0	-1,393	0	0	0.00%
Total	15,437,783	18,877,218	15,257,101	6,920,464	15,161,198	(95,904)	-0.63%



2021 Operating Budget Overview

Baseline Adjustment Summary Chart				
Exp Type	Description/Expenditure #	Costs		Mandatory or Non-Discretionary
		On-Going	One-Time	
Salaries	A 1% COLA was budgeted.	X		Mandatory
Benefits	Benefit costs will decrease.	X		Mandatory
Supplies/Equipment				
Services	Proposed interfund transfers (services, rent, and insurance) for 2021 increase. Details below.	X		Mandatory
	General Professional Services are proposed to increase.	X		Discretionary
	Vehicle rates increased.	X		Mandatory
	Operating costs for the Woodland Creek Groundwater Recharge Facility have been added to the budget.	X		Mandatory
Capital Equipment				
Other	Depreciation funding has been reduced to make a projected-funded Maintenance Worker I position a permanent position.	X		Mandatory
	The municipal utility tax funding will decrease based on the proposed 2021 budget.	X		Mandatory
	The excise tax funding will decrease based on the proposed 2021 budget.	X		Mandatory
	Refinancing bonds decreased debt service costs.	X		Mandatory
	CIP funding will increase.	X		Discretionary



2021 Operating Budget Overview

FTE Employee Summary						
Program Staffing	FY 19 Actual	FY 20 Budget	FY 20 Actual	2020 Notes	2021 Budget	2021 Notes
AMR Meter Technician	2.00	2.00	2.00		2.00	
Engineering & Planning Supervisor	0.34	0.34	0.34		0.34	
GIS Analyst	0.25	0.25	0.25		0.25	
Inventory Control Specialist I	0.75	0.75	0.75		0.75	
Lead Worker	2.00	2.00	2.00		2.00	
Line of Business Director	0.52	0.52	0.52		0.52	
Maintenance Technician	2.00	2.00	2.00		2.00	
Maintenance Worker I	0.50	0.50	0.50		0.50	
Maintenance Worker II	11.00	11.00	10.00	Reclassified MWII to Cross Connection Specialist	10.00	
Operations Supervisor	1.50	1.50	1.50		1.50	
Operations Supervisor-Water Purveyor	1.00	1.00	1.00		1.00	
Program & Planning Supervisor	1.00	1.00	-	Reclassified to Operations Supervisor-Water Purveyor	-	
Program Assistant	1.04	1.04	1.04		1.04	
Program Manager	0.75	0.75	0.75		0.75	
Program Specialist	1.00	1.00	1.00		1.00	
Project Engineer I	1.00	1.34	2.00	Reclassified .34 from Senior Planner	2.00	
Project Engineer II	0.75	0.75	1.00	Moved .25 from WW	1.00	
Remote Systems Technician	1.25	1.25	1.25		1.25	
Senior Planner	0.34	0.34	-	Reclassified .34 to Project Eng I	-	
Senior Program Specialist	1.00	1.00	1.00		1.00	
Water Monitoring Assistant	1.00	1.00	1.00		1.00	
Water Quality Specialist	1.00	1.00	1.00		1.00	
Cross Connection Control Specialist	-	-	1.00	Reclassified from Maintenance Worker II	1.00	
Total	31.99	32.33	31.90		31.90	



2021 Operating Budget Overview

Budget Narrative Information

Mission

To provide and protect healthy drinking water for the community.

Budget Overview

Major cost drivers to the changes in the budget.

- Utility programs and discretionary expenditures will remain essentially unchanged in 2021. Direct inflationary costs are modest with manageable increases in some in-house costs (i.e., rents, vehicles).
- Four staff positions and associated expenses were moved amongst the work sections to correct for recent and past re-organizations. These changes were revenue neutral and will simplify managing the applicable work section budgets.
- This year we do not anticipate a rate increase for 2021.
- An anticipated 0.5% growth in accounts and revenue helps offset increasing expenditures especially since core service costs have remained modest.
- Key expense drivers are described below and represent a reduction in expenses of approximately \$96,000 in 2021:
 - Depreciation funding has been increased \$245,000 to make a project-funded Maintenance Worker I position a permanent position within Drinking Water Operations. This position is part of the ongoing meter replacement program. Refer to the enhancement.
 - The municipal utility tax was over-funded in 2020 and was therefore reduced approximately \$249,000 based on the proposed 2021 budget.
 - The excise tax was over-funded in 2020 and was therefore reduced approximately \$155,000 based on the proposed 2021 budget.
 - A 1% COLA for staff is factored in based on the union contract. The net increase is approximately \$60,000.
 - Benefit costs will decrease approximately \$15,500 in the proposed 2021 budget.
 - Utility rates (electric) were adjusted to historical values.
 - Vehicle rates increased approximately \$27,400 including one vehicle enhancement.
 - City Administration costs increased approximately \$15,800.
 - City Hall rent went down approximately \$7,800.
 - Finance Accounting Services went up approximately \$9,800.
 - Utility Billing costs went up approximately \$33,500.
 - Information Services costs went up approximately \$13,700.
 - Engineering and Data Services costs increased approximately \$5,600.
 - Property insurance will decrease approximately \$24,100.
 - Liability insurance went up \$13,100.
 - Annual costs \$15,000 to pay the City of Lacey for operating the Woodland Creek Groundwater



2021 Operating Budget Overview

Recharge Facility were added.

- Debt service will decrease \$68,000 in 2021 as a result of refinancing bonds.
- General Professional Services will be increased by \$15,000. In the past, services were typically paid out of the capital budget.

Trends, Challenges and Opportunities

- Depreciation funding will continue to be an increasing need and challenge for the utility. Depreciation funding is proposed to be \$ 1,400,000. Our financial consultants suggest that we should provide at least \$1.4 million in cash funding. Ongoing pipe replacements and tank coating rehabilitation is increasingly important. As a result, annual work has often been deferred.
- The State legislature recently increased the value for public works projects that City staff can construct from \$65,000 to \$116,155. This will greatly expand our ability to cost-effectively construct small projects in house. 2021 will be a transition year with potential budgetary implications (additional seasonal staff) happening in 2022.
- Our reliance on debt financing for projects impacts operating budgets and subsequently the capital program. 22 percent of our operating budget goes to debt financing.

Continuous Improvement

Actions implemented to improve the customer experience, reduce cost, increase efficiency, or improve quality.

- The Drinking Water Operations section are finding better ways to do their work in multiple arenas. Staff continue to improve their technical abilities and efficiencies. Use of ESRI's Collector application for valves, hydrants and meters has streamlined inspections and improved the ability to evaluate data for asset management.
- Throughout the coronavirus public health emergency, office staff have become adept at teleworking allowing the utility to maintain workflow. Field staff have modified their schedules and operations in order to maintain 100 percent work capacity.
- The water system infrastructure continues to increase without the need for commensurate increases in staffing.
- Additional remote pressure monitoring devices on pressure reducing valves were installed in 2020 further allow us to determine whether PRVs are operating correctly and how water moves throughout the system for optimization. Additionally, they allow us to better estimate water use during firefighting; water loss during water main breaks; and unusually low or high pressures within the system.
- Condition rating of the water distribution system is helping us move to more effective data- driven decision-making. We are evaluating the structural integrity of our water pipes. When water pipes are exposed for service installations or repairs, the condition of the pipe is documented. Information is linked to asset management and the capital facility planning process. Implementation of CityWorks software is improving our asset management abilities.



2021 Operating Budget Overview

Accomplishments and Celebrations

- With support from Information Services (IS), office staff adapted quickly to teleworking during the public health emergency to maintain workflow.
- Operations staff have also adapted well and anticipate meeting all work goals for 2020: 4,000 valves exercised, 1000 fire hydrant inspected and flowed, 1,000 small meters replaced, all pressure reducing valve inspected and maintained.
- Operations staff responded quickly to locate and isolate the watermain break associated with the Percival Canyon bridge collapse and supported permanent repair efforts.
- Operations staff responded to numerous other watermain breaks including Yelm Highway, Simmons Street and the Capitol Village Shopping Center.
- Operations staff responded to a reclaimed water main break at Marathon Park.
- Operations staff installed a new pressure reducing valve station on Kenyon Road.
- Operations staff began painting fire hydrants with color coding to indicate flow capacity.
- Operations staff replaced 10 fire hydrants and 20 failing valves.
- Pump Stations staff replaced vents on the Boulevard Tank and Elliot Reservoir fulfilling requirements of the DOH sanitary survey.
- Pump Stations staff contracted and oversaw work to replace the rooves at the Meridian control room and Hoffman well building correcting long-standing leaks and structural damage.
- Pump Stations staff have maintained chlorine residuals and water optimization through corrosion control tower operation in compliance with DOH standards.
- Pump Stations staff contracted and oversaw work to install card reader access at two tank sites with cellular towers.
- Pump Stations and Engineering staff have supported work needed for inspections and construction of seismic upgrades to the Elliott and Fir Street Reservoirs.
- With IS assistance, Pump Stations staff replaced computer servers used for supervisory control and data acquisition (SCADA) and upgraded the Citect software to reduce security risks and prevent cyberattacks.
- Staff supported a risk and resiliency assessment of the drinking water system to comply with EPA regulations.
- Staff collaborated to initiate an update to the Water System Plan, a DOH regulatory requirement.
- In accordance with DOH requirements, drinking water quality samples were increased from 70 to 80 monthly samples this year without an increase in staffing.
- Water Quality staff set up Cross-connection weekly meetings to better coordinate cross-connection efforts.
- Water Quality staff collaborated with CP&D to set up a process for cross-connection control staff to comment on all tenant improvements solving a long-standing problem.
- Water Quality staff accomplished all DOH water quality sampling and reporting requirements throughout the public health emergency.
- In collaboration with the City of Lacey, the utility met the 5-year rolling target for infiltration of reclaimed water at the Woodland Creek Groundwater Recharge Facility.



2021 Operating Budget Overview

- Participated in completion of fate and transport groundwater modeling analysis for LOTT Clean Water Alliance's Reclaimed Water Infiltration Study.
- Participated in the Deschutes Watershed Restoration and Enhancement Committee, reviewed draft plan, informed City committees and Council, and are positioned to approve the plan for adoption by Ecology in 2021.
- Received Ecology approval for West Olympia Landfill (former) Remedial Investigation and Feasibility Study, and Cleanup Action Plan. Established marketing effort to sell the now-named West Olympia Commercial Property for development.
- Installed pilot production well to evaluate feasibility of relocating the Shana Park well water right to Log Cabin Tank parcel.
- Processed 54 private development permits for compliance with drinking water regulations
- Provided continuous coordination for wireless communications at City owned properties.

Completed the following Drinking Water capital projects:

- Condition assessment of the 36" McAllister transmission line
- Seismic condition assessments of the Elliott and Fir Street Reservoirs
- Condition assessment of the Eastside Tank
- 26th Avenue water main replacement
- Kaiser Road water main replacement
- Capital Village water main emergency repair

Recommendations

No rate increase.

Increase CIP funding by \$245K.

Revenue neutral meter tech position enhancement.

\$11K annual vehicle enhancement.



2021 Operating Budget Overview

Department:	Line of Business/Program:
Public Works	Water Resources – STORM & SURFACE WATER

Program Revenue Summary Chart

Revenue	2018 Actual	2109 Actual	2020 Original Budget	2020 Actual YTD	2021 Budget	Variance	
Charges for Service	5,361,131	5,812,085	5,698,256	3,384,174	6,143,634	445,378	7.25%
Intergovernmental Revenues	17,166	23,109	0	48,233	0	0	0.00%
Misc Revenue	35,531	79,547	12,500	16,727	12,500	0	0.00%
Other Resources	54,315	10,949	0	0	49,595	49,595	100.00%
Proprietary/Trust Fund	25,450	155,650	0	0	0	0	0.00%
Total	5,493,593	6,081,340	5,710,756	3,449,134	6,205,729	494,973	7.98%

Note: Above revenues do not take into account an assumed 0.5% (\$29K) growth in accounts.

Program Expenditure Summary Chart

Expense	2018 Actual	2109 Actual	2020 Original Budget	2020 Actual YTD	2021 Budget	Variance	
10 Salaries and Wages	1,424,649	1,678,500	1,797,903	760,091	1,952,212	154,309	7.90%
20 Personnel Benefits	477,587	636,203	691,114	269,354	755,494	64,380	8.52%
30 Supplies	152,231	127,870	156,900	64,005	159,150	2,250	1.41%
40 Other Services and Charges	284,209	411,908	372,680	112,003	438,283	65,603	14.97%
50 Intergovernmental Services and Payment	1,656,101	2,642,955	1,989,929	1,050,765	1,459,549	(530,380)	-36.34%
60 Capital Outlays	12,764	0	0	4,928	0	0	0.00%
90 Interfund Payments for Services	1,182,590	1,266,196	1,340,705	801,585	1,441,041	100,336	6.96%
99 Non-Expenses	780,662	787,995	0	-584	0	0	0.00%
Total	5,970,793	7,551,627	6,349,231	3,062,147	6,205,729	(143,502)	-2.31%



2021 Operating Budget Overview

Baseline Adjustment Summary Chart

Summary of Baseline Adjustment expenditures.

Exp Type	Description/Expenditure #	Costs		Mandatory or Non-Discretionary
		On-Going	One-Time	
Salaries	A 1% COLA was budgeted.	X		Mandatory
	1.0 FTE Maintenance Worker II (street sweeper operator) was moved from Transportation to the utility.	X		Mandatory
	1.0 FTE was reclassified from Senior Program Specialist to the Vegetation Management Operations Supervisor	X		Mandatory
	2.0 FTE were reclassified from Senior Program Specialist to Program Specialist	X		Mandatory
	Two project-funded positions were moved from the capital budget to the operating budget, an enhancement approved in 2018. Details below.	X		Mandatory
Benefits	1.0 FTE Maintenance Worker II (street sweeper operator) was moved from Transportation to the utility.	X		Mandatory
	1.0 FTE was reclassified from Senior Program Specialist to the Vegetation Management Operations Supervisor	X		Mandatory
	2.0 FTE were reclassified from Senior Program Specialist to Program Specialist	X		Mandatory
	A 1% COLA was budgeted.	X		Mandatory
	Two project-funded positions were moved from the capital budget to the operating budget, an enhancement approved in 2018. Details below.	X		Mandatory
Supplies/Equipment				
Services	Interfund transfer (services, rent, vehicles and insurance) increases in the 2020 budget	X		Mandatory



2021 Operating Budget Overview

	<p>were not factored into 2020 revenues. Details below.</p> <p>Proposed interfund transfers (services, rent, vehicles and insurance) for 2021 decrease. Details below.</p> <p>General Professional Services are proposed to increase.</p> <p>Stormwater treatment facility maintenance contract costs have increased.</p>	X		Mandatory
		X		Discretionary
		X		Mandatory
Capital Equipment	<p>Purchase of four vehicles is proposed to be paid for with cash reserves.</p> <p>Vehicle rates increased. This includes addition of the street sweeper. Details below.</p>	X	X	Discretionary
		X		Mandatory
Other	<p>Depreciation funding should decrease to move two currently projected-funded Maintenance Worker positions to permanent positions.</p> <p>Eliminating rate fees for roadways resulted in a decrease in 2020 revenues.</p> <p>Eliminating funding for Transportation projects should result in a reduction in depreciation funding.</p> <p>Moving the street sweeping program to the Utility and splitting funding 80/20 with Transportation resulted in a total increase in expenditures including the one additional FTE (Maintenance Worker II) referenced above.</p> <p>The municipal utility tax funding will decrease based on the proposed 2021 budget.</p> <p>The excise tax funding will decrease based on the proposed 2021 budget.</p>	X		Mandatory
		X		Mandatory
		X		Mandatory
		X		Mandatory
		X		Mandatory
		X		Mandatory



2021 Operating Budget Overview

FTE Employee Summary

Program Staffing	FY 19 Actual	FY 20 Budget	FY 20 Actual	2020 Notes	2021 Budget	2021 Notes
Associate Planner	2.00	2.00	2.00		2.00	
Data Control Specialist	0.38	0.38	0.38		0.38	
Engineering & Planning Supervisor	0.33	0.33	0.33		0.33	
GIS Analyst	0.50	0.50	0.50		0.50	
Inventory Control Specialist I	0.13	0.13	0.13		0.13	
Lead Worker	0.75	1.00	1.00	.25 FTE moved from Wastewater	1.00	
Line of Business Director	0.24	0.24	0.24		0.24	
Maintenance Worker I	1.00	1.00	1.00		1.00	
Maintenance Worker II	5.00	3.50	3.50	1.5 FTE moved to wastewater MWII	4.50	Add 1.0 FTE from Street Operations for sweeper position
Operations Supervisor	0.50	0.50	0.50		0.50	
Operations Supervisor - Vegetation Management	-	-	1	Reclass from Senior Program Specialist	1.00	
Program & Planning Supervisor	1.00	1.00	1.00		1.00	
Program Assistant	0.48	0.48	0.48		0.48	
Program Specialist	1.00	1.00	3.00	Reclass from Senior Program Specialist to Program Specialist	3.00	
Project Engineer I	0	0.33	0.5	Reclassified .33 from Senior Planner	0.50	
Project Engineer II	1.00	1.00	1.00		1.00	
Senior Planner	0.33	0	0.00	Reclassified 0.50 to Project Eng I	0.00	
Senior Program Specialist	5.00	5.00	2.00	Reclass two Senior Program Specialist to Program Specialist (2.0); Reclass one Senior Program Specialist to Operations Supervisor - Veg. Mgmt. (1.0)	2.00	
Total	19.63	18.38	18.55		19.56	



2021 Operating Budget Overview

Budget Narrative Information

Mission

To provide services that minimize flooding, improve water quality, and protect or enhance aquatic habitat.

Budget Overview

Major cost drivers to the changes in the budget.

- In 2020, the Environmental Services work section was split to create the Vegetation Management work section. The new work section is anticipated to provide improvements in safety, levels of service and cost savings, as well as the capacity to be scaled up in the future to provide vegetation services for other lines of business and special projects as needed in support of the City. Since 2014, Water Resources has project-funded vegetation management work through the capital budget. Funding will move to the operating budget in 2021. Moves 2 project-funded Maintenance Worker IIs to the operating budget. This effort is revenue neutral.
- This year the City Storm and Surface Water Utility anticipates a rate increase of 7.5% (\$466,400) for 2021.
- An anticipated 0.5% growth in accounts and revenue helps offset increasing expenditures.
- Several decisions made in the 2019 and 2020 budget cycles resulted in a revenue deficit of in expenses of approximately \$638,500 in 2020:
 - A \$213,900 enhancement, approved in 2018, to move a project-funded Senior Planner position and a project-funded Senior Program Specialist salaries and benefits from the capital budget to the operating budget was determined to have not been factored into the 2019 revenues. Nor was depreciation funding reduced a commensurate amount in 2019.
 - A \$28,000 enhancement, approved in 2019, to fund up-front purchase of a new vehicle was not factored into the 2020 revenues. However, capital amortization, maintenance and fuel were budgeted at \$5,000. This a result of having to cash fund purchase of the vehicle.
 - A decision in 2019 to eliminate fees on roadways resulted in an approximately \$244,000 decrease in 2020 revenues.
 - Depreciation funding was not reduced in accordance with a decision in 2019 to eliminate \$150,000 in depreciation funding for Transportation projects.
- The following items decreased expenditures approximately \$143,500 in the 2021 budget:
 - A decision to move the street sweeping program to the Storm and Surface Water Utility and split funding 80/20 with Transportation resulted in a \$87,100 net increase in expenditures. This re-organization will result in one additional FTE (Maintenance Worker II) in the utility.
 - The municipal utility tax was over-funded in 2020 and was therefore reduced approximately \$86,000 based on the proposed 2021 budget.



2021 Operating Budget Overview

- The excise tax was over-funded in 2020 and was therefore reduced approximately \$1,700 based on the proposed 2021 budget.
- With the addition of a street sweeper operator, move of two Maintenance Worker II positions from the capital budget and a 1% COLA for staff based on the union contract, budgeted salaries will increase approximately \$154,300.
- Benefit costs will increase approximately \$64,400 in the proposed 2021 budget. This includes benefits for the street sweeper operator and two Maintenance Worker IIs.
- Vehicle rates increased approximately \$140,000. This includes addition of the street sweeper (\$107,100) and two new vehicles (\$13,900) for the Vegetation Management work section and interfund increases. The Vegetation Management vehicles will be offset by a \$21,800 transfer of funds from the Environmental Services work section and a reduction in depreciation funding.
- City Administration costs decreased approximately \$18,300.
- City Hall rent decreased approximately \$22,600.
- Finance Accounting Services increased approximately \$5,700.
- Utility Billing costs increased approximately \$13,300.
- Information Services costs decreased approximately \$9,700.
- Engineering and Data Services costs increased approximately \$6,900.
- Liability insurance decreased approximately 5,400.
- Stormwater treatment facility maintenance contract costs have increased approximately \$22,000.
- General Professional Services will be increased by \$10,000. In the past, services were typically paid out of the capital budget.
- Depreciation funding will be reduced \$312,700 resulting in total annual funding of \$500,000. This does not completely offset moves from the capital budget to the operating budget



2021 Operating Budget Overview

Trends, Challenges and Opportunities

- State and federal mandates through the 2019 NPDES Municipal Permit for storm and surface water management continue to increase. Additional funding will not be needed in 2021, but required studies and educational outreach may have funding implications in future years. The utility also regularly takes on new and emerging environmental issues for the City. We are lending natural resource technical assistance to various other departments including CP&D, Parks, and Executive.
- Depreciation funding will continue to be an increasing need and challenge for the utility. Depreciation funding is proposed to be \$652,808. Our financial consultants suggest that we should provide at least \$1.4 million in cash funding. Without an increase in funding, planned future work will need to be deferred.
- The State legislature recently increased the value for public works projects that City staff can construct from \$65,000 to \$116,155. This will greatly expand our ability to cost-effectively construct small projects in house. 2021 will be a transition year with potential budgetary implications (additional seasonal staff) happening in 2022.
- Pipe and maintenance hole condition rating of the stormwater pipe system indicates that many minor structural repairs are needed, but the overall integrity of the system is good. Approximately 80% of the publicly-owned system has been televised.
- Storm and Surface Water is evaluating playing a greater role in vegetation management throughout the City. Budget implications are planned to be kept neutral for the utility, but potentially funded through interfund transfers.
- Storm and Surface Water GFC revenue (not factored in the operating budget) continues to be weak. The GFCs are based on new impervious surface and the reduction is likely as a result of the lack of new impervious surface associated with redevelopment.

Continuous Improvement

Actions implemented to improve the customer experience, reduce cost, increase efficiency, or improve quality.

- Throughout the coronavirus public health emergency, office staff have become adept at teleworking allowing the utility to maintain workflow. Field staff have modified their schedules and operations in order to maintain 100 percent work capacity.
- Operations staff have implemented the Cityworks software, improving workflow, inventory and asset management capabilities.
- With the utility pipe system nearly completely televised and condition rated, we are keeping up with repairs. Recent spot checks confirm that our system continues to be in good shape.
- Condition rating of the stormwater conveyance system is helping us move to more effective data-driven decision-making. Information is linked to asset management and the capital facility planning process. We are rapidly completing repairs of any identified structural defects. Implementation of the Cityworks software will improve our abilities.



2021 Operating Budget Overview

- The Storm and Surface Water Operations work section is finding better ways to do their work in multiple arenas. Staff continue to improve their technical abilities and efficiencies. Use of ESRI's Collector application for catch basin, maintenance hole and stormwater facility inspections has streamlined inspections and improved the ability to evaluate data for asset management.
- With the ongoing televising of the utility pipe system, the number of repairs has significantly increased as structural defects are identified. Pipe and maintenance hole inspections suggest our system is in relatively good shape.

Accomplishments and Celebrations

The City achieved 100% compliance with the NPDES Municipal Stormwater Permit.

With IS support, office staff adapted quickly during the public health emergency to maintain workflow.

Operations staff have also adapted well to the public health emergency and anticipate meeting all work goals for 2020: 4,440 catch basins inspected and cleaned, 142 treatment facilities inspected and cleaned, and 196 flow control facilities (ponds and infiltration galleries) inspected and cleaned.

In collaboration with the Department of Enterprise Services and the LOTT Clean Water Alliance, emergency response plans for the downtown area continued to be improved.

Operations staff installed nine tide gates in downtown to prevent street flooding and mitigate for sea level rise.

Operations staff constructed a tipping wall at the Maintenance Center to facilitate loading and disposal of street waste and sediment removed from ponds and catch basins.

Operations staff monitored "hot spots" to reduce flooding during storm events.

Operations staff responded to spills and other utility emergencies.

The Environmental Services work section was re-organized to create a Vegetation Management work section to provide the City with better vegetation management and aquatic habitat protection services. This change is anticipated to reduce overall costs by \$21,000 annually.

Provided technical reviews of 75 private developments for compliance with stormwater manual and held 23 stormwater scoping meetings.

Assisted private developers to design bioretention swales at two locations along Martin Way and along Allen Road.

Assisted in the engineering design and project development for 5 stormwater capital projects (Harrison Avenue Water Quality Retrofit; Black Lake Ditch Bank Stabilization; Fiddlehead Tide Gate Retrofit; Neighborhood LID Project; Brawne Avenue Water Quality Retrofit).



2021 Operating Budget Overview

In collaboration with the LOTT Clean Water Alliance and the Port of Olympia, formed a Joint Administrative Committee to initiate the governance structure for the implementation of the Olympia Sea Level Rise Response Plan.

Completed verification of impervious surfaces used for billing of stormwater commercial accounts and implemented a new stormwater rate structure.

Awarded a Department of Commerce emergency loan and a FEMA emergency grant for the Percival Bridge sewer and water line repairs which resulted from a February storm event.

Developed implementation plans for 3 storm and surface water programs.

Awarded an Ecology grant (and loan to cover the required 25% match) for a second street sweeper in the amount of \$1,096,058 (and \$365,353 loan).

Inspected and condition rated approximately 11.4 miles of stormwater pipe.

Awarded an Ecology loan for the Brawne Avenue Water Quality Retrofit project.

Completed the following Stormwater capital projects:

- Fiddlehead Outfall upgrades
- Black Lake Ditch Bank Stabilization
- Cooper Point/Black Lake Blvd conveyance system analysis

Recommendations

A 7.5% rate increase is proposed with an adjustment of depreciation funding to \$500K (\$312K reduction)

Approve Vegetation Management enhancement – Revenue neutral

Cash-fund vehicle purchase costs - \$128K



2021 Operating Budget Overview

Department:	Line of Business/Program:
Public Works	Water Resources – Wastewater

Program Revenue Summary Chart							
Revenue	2018 Actual	2109 Actual	2020 Original Budget	2020 Actual YTD	2021 Budget	Variance	
Charges for Service	7,125,274	7,091,959	7,453,899	4,910,627	7,609,483	155,584	2.04%
Misc Revenue	91,986	207,416	28,500	38,200	28,500	0.00	0.00%
Other Resources	23,915	0	0	0	0	0.00	0.00%
Proprietary/Trust Fund	291,646	466,368	0	555	0	0.00	0.00%
Total	7,532,821	7,765,743	7,482,399	4,949,382	7,637,983	155,584.00	2.04%

Note: Above revenues do not take into account an assumed 0.5% (\$37K) growth in accounts.

Program Expenditure Summary Chart							
Expense	2018 Actual	2109 Actual	2020 Original Budget	2020 Actual YTD	2021 Budget	Variance	
10 Salaries and Wages	1,063,986	1,064,497	1,180,929	627,151	1,302,691	121,762	9.35%
20 Personnel Benefits	368,257	332,627	526,416	238,977	487,640	-38,776	-7.95%
30 Supplies	301,381	179,522	350,046	86,567	350,046	0	0.00%
40 Other Services and Charges	331,032	346,257	448,707	169,015	480,717	32,010	6.66%
50 Intergovernmental Services and Payment	3,373,260	5,053,584	3,781,933	1,990,451	3,710,203	-71,730	-1.93%
60 Capital Outlays	15,169	10,336	0	14,785	0	0	0.00%
70 Debt Service: Principal	96,469	96,611	96,759	94,334	96,910	151	0.16%
80 Debt Service: Interest and Related Costs	7,373	7,478	6,357	5,266	5,746	(611)	-10.63%
90 Interfund Payments for Services	1,070,358	1,103,330	1,215,151	732,363	1,202,862	(12,289)	-1.02%
99 Non-Expenses	1,659,770	1,684,563	0	231	0	0	0.00%
Total	8,287,055	9,878,805	7,606,298	3,959,140	7,636,815	30,517	0.40%



2021 Operating Budget Overview

Baseline Adjustment Summary Chart				
Summary of Baseline Adjustment expenditures.				
Exp Type	Description/Expenditure #	Costs		Mandatory or Non-Discretionary
		On-Going	One-Time	
Salaries	A 1% COLA was budgeted.	X		Mandatory
	0.25 FTE Project Engineer II and 0.33 FTE Senior Planner were reclassified to 0.5 FTE Project Engineer I.	X		Mandatory
Benefits	0.25 FTE Project Engineer II and 0.33 FTE Senior Planner were reclassified to 0.5 FTE Project Engineer I			Mandatory
Supplies/Equipment				
Services	Proposed interfund transfers (services, rent, and insurance) for 2021 increase. Details below.	X		Mandatory
	General Professional Services are proposed to increase.	X		Mandatory
	Root clearing and STEP pumping contract costs have increased.	X		Mandatory
	Vehicle rates increased.	X		Mandatory
Capital Equipment				
Other	Municipal and excise taxes have been adjusted for the LOTT Clean Water Alliance proposed 3.00% rate increase.	X		Mandatory
	The municipal utility tax funding will decrease based on the proposed 2021 budget.	X		Mandatory
	The excise tax funding will decrease based on the proposed 2021 budget.	X		Mandatory
	Refinancing bonds decreased debt service costs.	X		Mandatory



2021 Operating Budget Overview

FTE Employee Summary						
Program Staffing	FY 19 Actual	FY 20 Budget	FY 20 Actual	2020 Notes	2021 Budget	2021 Notes
Data Control Specialist	0.38	0.38	0.38		0.38	
Engineering & Planning Supervisor	0.33	0.33	0.33		0.33	
GIS Analyst	0.25	0.25	0.25		0.25	
Inventory Control Specialist I	0.13	0.13	0.13		0.13	
Lead Worker	1.25	1.00	1.00	.25 moved to stormwater	1.00	
Line of Business Director	0.24	0.24	0.24		0.24	
Maintenance Technician	2.00	2.00	2.00		2.00	
Maintenance Worker I	1.50	1.50	1.50	Addition of MWI to share with DrinkingWater.	1.50	
Maintenance Worker II	4.00	5.50	5.50	.5 FTE went to StormWater. 1.50 FTE Moved from Stormwater	5.50	
Operations Supervisor	1.00	1.00	1.00		1.00	
Program Assistant	0.48	0.48	0.48		0.48	
Project Engineer I	-	0.33	0.33	Reclassified .33 from Senior Planner	0.33	
Project Engineer II	1.25	1.25	1.25		1.25	
Remote Systems Technician	0.75	0.75	0.75		0.75	
Senior Planner	0.33	-	-	Reclassified .33 to Project Eng I	-	
Total	13.89	15.14	15.14		15.14	



2021 Operating Budget Overview

Budget Narrative Information

Mission

To collect and convey wastewater to treatment facilities in a manner that protects the health of both the public and our environment.

Budget Overview

Major cost drivers to the changes in the budget.

- Utility programs and discretionary expenditures will remain essentially unchanged in 2021. Direct inflationary costs are modest with manageable increases in some in-house costs (i.e., services, rents, vehicles).
- This year the City Wastewater Utility does not propose a rate increase. A revenue deficiency of approximately \$119K for 2021 will be made up with resources available above reserves.
- The LOTT Clean Water Alliance proposes a rate increase of 3.0% (\$422,000) for 2021.
- An anticipated 0.5% (\$37.4K) in account growth helps offset increasing expenditures.
- No new positions (FTEs) are proposed for the Utility.
- Key expense drivers are described below and represent an increase in expenses of approximately \$30,500 in 2021:
 - Salary increases in the amount of \$83,800 and benefit increases in the amount of \$27,600 associated with a 2019 enhancement were not entered into the 2020 base budget, or revenues.
 - A 1% COLA for staff is factored in based on the union contract, combined with step increases, budgeted salaries will increase approximately \$38,000.
 - The municipal utility tax was over-funded in 2020 and was therefore reduced approximately \$49,600 based on the proposed 2021 budget.
 - The excise tax was over-funded in 2020 and was therefore reduced approximately \$22,200 based on the proposed 2021 budget.
 - Benefit costs will decrease approximately \$66,400 in the proposed 2021 budget.
 - Vehicle rates increased approximately \$6,900.
 - City and Public Works Administration costs increased approximately \$29,600.
 - City Hall rent decreased approximately \$7,800.
 - Finance Accounting Services increased approximately \$7,200.
 - Utility Billing costs increased approximately \$12,500.
 - Information Services costs decreased approximately \$6,200.
 - Engineering and Data Services costs increased approximately \$6,900.
 - Property insurance will decrease approximately \$6,500.
 - Liability insurance increased approximately \$3,800.



2021 Operating Budget Overview

- Root clearing and STEP pumping contract costs will increase approximately \$22,000 consistent with historical contract costs.
- Debt service will decrease \$59,000 in 2021 as a result of refinancing bonds.
- General Professional Services will be increased by \$10,000. In the past, services were typically paid out of the capital budget.

Trends, Challenges and Opportunities

- We expect the Wastewater Utility to remain stable and predictable in the years to come. Its needs are and will likely stay modest.
- Wastewater GFC revenue (not factored in the operating budget) continues to be strong providing helpful funding for growth-related capital projects.
- Depreciation funding will continue to be an increasing need and challenge for the utility. Depreciation funding is proposed to be \$ 741,301. Our financial consultants suggest that we should provide \$2.55 million in cash funding. Without an increase in funding, planned future work will need to be deferred. Depreciation funding is not proposed to be changed for 2021.
- The State legislature recently increased the value for public works projects that City staff can construct from \$65,000 to \$116,155. This will greatly expand our ability to cost-effectively construct small projects in house. 2021 will be a transition year with potential budgetary implications (additional seasonal staff) happening in 2022.

Continuous Improvement

Actions implemented to improve the customer experience, reduce cost, increase efficiency, or improve quality.

- The Wastewater Operations Section are finding better ways to do their work in multiple arenas. Staff continue to improve their technical abilities and efficiencies. Use of ESRI's Collector application for STEP system, maintenance hole and wet well inspections has streamlined inspections and improved the ability to evaluate data for asset management.
- Throughout the coronavirus public health emergency, office staff have become adept at teleworking allowing the utility to maintain workflow. Field staff have modified their schedules and operations in order to maintain 100 percent work capacity.
- Operations staff have implemented the Cityworks software, improving workflow, inventory and asset management capabilities.
- With the utility pipe system completely televised and condition rated, we are keeping up with repairs. Recent spot checks confirm that our system continues to be in good shape.
- Condition rating of the wastewater conveyance system is helping us move to more effective data-driven decision-making. Information is linked to asset management and the capital facility planning process. We are rapidly completing repairs of any identified structural defects.
- Implementation of the Cityworks software will improve our abilities.

Accomplishments and Celebrations



2021 Operating Budget Overview

- With support from Information Services (IS), office staff adapted quickly to teleworking during the public health emergency to maintain workflow.
- Operations staff have also adapted well to the public health emergency and anticipate meeting all work goals for 2020: 800+ maintenance hole inspections, 4.8 miles of sewer pipe cleaned with focus on grease problems, 3.0 miles of pipe cleaned of roots, 31 sewer lift station wetwells inspected and cleaned; 114 air release valve inspected and maintained, and 267 Residential STEP systems inspected, cleaned and pumped.
- Operations staff responded to quickly bypass the sewer overflow associated with the Percival Canyon bridge collapse and supported permanent repair efforts. Both FEMA and Public Works Trust Fund emergency funding were obtained for this project.
- Pump Stations staff supported the construction of the odor control facility at Yelm Hwy lift station.
- Pump Stations staff completed all commercial STEP pumping and tank inspections.
- Pump Stations staff maintained 31 sewer lift station pumps and associated generators.
- With IS assistance, Pump Stations staff replaced computer servers used for supervisory control and data acquisition (SCADA) and upgraded the Citect software to reduce security risks and prevent cyberattacks.
- Pump Stations staff rebuilt the Centennial Elementary School STEP system, replacing the filters, control panel and telemetry.
- Pump Stations staff replaced grinder pumps in the Ken Lake neighborhood and installed telemetry.
- Operations staff installed an access road to the Ken Lake lift station to allow reliable access for the Vactor.
- Pump Stations staff contracted and oversaw repair of East Bay sewer lift station to replace a broken pump bracket. To facilitate the repair, Operations staff provided bypass from a maintenance hole located in East Bay.
- Pump Stations staff rebuilt submersible pumps at the Jasper and Eastside sewer lift station.
- Adopted the 2019 Wastewater Management Plan.
- Converted 6 ERUs from septic to sewer in the first six months of 2020.

Made significant progress on the following Wastewater capital projects:

- 6th Avenue and Van Epps Street sewer extensions projects were completed to 90% design (or to shovel ready) to await possible grant funding
- Miller and Central lift station (to 90% design)
- Old Port 1 lift station
- East Bay maintenance hole replacement (completed)
- Southeast area odor control (completed)



2021 Operating Budget Overview

Recommendations

No rate increase.

Make up a revenue deficiency of approximately \$119K for 2021 with existing resources available above reserves.

No new enhancements.

Anticipate depreciation funding increases in future years.



2021 Operating Budget Overview

Department:	Line of Business/Program:
Public Works	Waste ReSources - Collections, Prevention & Reduction

Program Revenue Summary Chart							
COPY AND PASTE PROGRAM REVENUE SUMMARY HERE (FROM OPENGOV)							
Revenue	2018 Actual	2109 Actual	2020 Original Budget	2020 Actual YTD	2021 Budget	Variance	
Drop Box (Regular) 8604	2,417,520	2,664,372	2,783,697	1,420,278	2,579,992	(203,705.00)	-7.90%
Drop Box (Rentals) 8604	111,723	117,897	104,356	75,139	119,938	15,582.00	12.99%
Residential MSW 8605	4,041,983	4,296,007	4,468,408	2,631,852	4,490,743	22,335.00	0.50%
RES Sales of Scrap 8605	218,766	62,550	80,000	29,928	58,818	(21,182.00)	-36.01%
Commercial 8606	4,467,330	4,615,015	4,979,300	2,745,605	5,004,287	24,987.00	0.50%
Organics Collection 8607	1,150,538	1,167,775	1,178,114	711,611	1,201,676	23,562.00	1.96%
						0.00	#DIV/0!
						0.00	#DIV/0!
Total	12,407,860	12,923,616	13,593,875	7,614,413	13,455,454	(138,421.00)	-1.03%

Program Expenditure Summary Chart							
COPY AND PASTE EXENDITURE SUMMARY HERE (FROM OPENGOV)							
Expense	2018 Actual	2019 Actual	2020 Original Budget	2020 Actual YTD	2021 Budget	Variance	
Drop Box 8604	2,489,228	2,579,765	2,801,520	1,332,081	2,603,556	(197,964.00)	-7.60%
Residential 8605	4,323,857	4,672,377	4,961,435	2,563,621	5,117,207	155,772.00	3.04%
Commerical 8606	4,025,396	4,295,009	4,290,154	2,257,765	4,457,248	167,094.00	3.75%
Organics	1,023,458	1,159,769	1,303,374	647,763	1,234,861	(68,513.00)	-5.55%
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						0.00	#DIV/0!
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Total	11,861,939	12,706,920	13,356,483	6,801,230	13,412,872	56,389.00	0.42%



2021 Operating Budget Overview

Baseline Adjustment Summary Chart

Summarize all Baseline Adjustment expenditures and include them in your 2021 budget submittal. Requests must be: Mandatory (i.e. legally required) or Non-Discretionary Categories (i.e. utility rates, subscription fees, fuel).

Exp Type	Description/Expenditure #	Costs		Mandatory or Non-Discretionary
		On-Going	One-Time	
Salaries 11-01	1% Cost of Living built into base (Salaries up .8%)	18,650		Mandatory
Benefits 21-01	Benefits are down 6% or \$65,893	(65,893)		Mandatory
Supplies/Equipment (30's)	Used existing money savings from recycling trans-hauling & processing – this is for residential cart replacement		93,034	Non-Discretionary
Services 47-04	Tipping fees are down by 1.9% impacts of COVID	(71,400)		Non-Discretionary
Services 49-20 & 49-31	Recycling Transload and Processing of Recyclables is down 11.3%) - Result of removing glass from curbside recycle streams.	(93,034)		Non-Discretionary
Taxes (50's)	Increase by 4.9%	98,912		Mandatory
Interfund Overhead (90's)				
Liability Insurance (96.01)	Up 36.1% or \$20,420	20,420		Mandatory
Fuel (98.97)	Fuel is down 7.4%	(24,020)		Non-Discretionary
Fleet (98-93 & 95-96)	Fleet Replacement up slightly by 2.3% \$15,089 while R&M up 11.1% or \$62,926	78,015		Non-Discretionary
Total	Overall Increase around \$56K	(\$38,350)	\$93,034	



2021 Operating Budget Overview

FTE Employee Summary

COPY AND PASTE FTE SUMMARY HERE (FROM Program Staffing Spreadsheet)

Program Staffing	FY 19 Actual	FY 20 Budget	FY 20 Actual	2020 Notes	2021 Budget	2021 Notes
Assoc. Line of Business Director	1	1	1		1	
Billing Specialist	1	1	1		1	
Lead Worker	2	2	2		2	
Maintenance Worker I	2	2	2		2	
Maintenance Worker II	1	1	1		1	
Operations Supervisor	1	1	1		1	
Program Assistant	1	1	1		1	
Refuse/Recycle Collector	17	17	17		17	
Senior Planner	1	1	1		1	
Senior Program Specialist	2	2	2		2	
Total	29	29	29		29	

Budget Narrative Information

Mission

Mission: To lead and inspire our community towards a waste free future.

Strategic Goal: We create opportunities to eliminate waste.

Budget Overview

- Overall expense is up slightly by .4%
- Revenue is down 1.03%
- Revenue to expense is positive .32% or to the good \$42,582
- NO RATE RECOMMENDATION AT THIS TIME

Other Assumptions:

- No change in FTE Compliment
- Assumes 1% COLA
- Includes \$368K transfer to Capital Fund (future site)—no increase recommended for 2021
- Does not include Fleet Enhancement annual amount of \$21,295



2021 Operating Budget Overview

DROP BOX – Drop Box revenue is projected to be similar to 2018 (3400 hauls per year). Approximately \$188K decrease in revenue, but because of this, expense from tipping fees will decrease by 9% (\$119K) as direct result of a reduction in hauls. Reasons below:

- COVID-19 has driven down hauls in 2020 and could result in similar reductions in hauls for 2021.
- St. Peters Hospital and Capital Medical Center Compactors broke down in 2019, resulting in sharp increases in drop box hauls (those have since been fixed.)
- Rental Fees of drop boxes has seen a slight increase in single family sector due to impacts of COVID-19 (remodel projects, garage clean/attic clean outs.)

RESIDENTIAL – Overall, the program has not rebounded from recycling revenue loss. In 2020, the utility implemented a fund balance approach resulting in rate increases across all programs to smooth rate hikes for residential rate payers. The program is still out of balance by 12.5%. Currently predict .5% growth in customer accounts. Customer growth is limited to infill lots and new development permits, which phase slowly. The utility will not assume collection for any annexed areas in 2021. Other noteworthy facts include:

- **Recycle Markets:**
 - Global Recycle Markets continue to struggle. Recycling revenue continues to decrease while cost for processing and trans-hauling rise slightly due to contractual requirements related to the Consumer Price Index (CPI). That said, we will be processing 600 less tons in 2021 as a result of the City taking glass off the acceptable recycling list, which lowers expense by \$93K.
 - Recycling costs are averaging the City around \$145 per ton (that's \$26 above landfill costs.)
- **Trends in customer upsizing carts for the following reasons:**
 - Glass and recycling contamination being placed in correct container.
 - Increase tonnages by 700 more tons due to COVID-19 – people are home more. It's questionable whether school will be back to normal by 2021.
- **Increase in Tipping Fees:**
 - Project an additional 700 tons in tipping for 2021 (total 8575 tons)
 - Fortunately, base budgets for tipping are historically conservative and therefore increase capacity totals \$47,600, or 400 ton increase overall.

COMMERCIAL – Data suggest a growth increase of ½ % - commercial development in downtown continues slowly.

- Because of COVID-19, the Utility has seen over 100 commercial customers either reduce or stop their level of service; specifically – high volume restaurants.
- Despite issues with COVID-19, revenue remains strong (2020 received a 2.3% rate increase to help balance the 403 Fund.

ORGANICS PROGRAM – Organics had been trending up in all sectors until this year. The utility has steadily increased by 300 residential customers annually. Based on that, and current impacts with COVID-19, we estimate only a 2% (\$23,562) increase. Revenue remains flat and growth numbers suggest the program may be plateauing.

- **Commercial** - Organics is down due to COVID-19 along with the lingering effects of the County's change in acceptable items list.
- **Drop Box** – Volumes of yard waste organics is trending down, due to the effects of COVID-19.
- Overall tonnages are projecting down 1.5% in 2020 (\$3,829)
 - Commercial organics is projecting down by about 700 tons in 2020.
 - Residential curbside is on pace to increase by 700 tons.
 - Therefore, tonnages equalize, no change recommended.
 - The Saturday Yard Waste Drop-off site remained closed until July, so those tons are expected to be down in 2020. Expects numbers to return to normal in 2021.



2021 Operating Budget Overview

- **Residential** - Organics increased about 2% annually from 2015 to 2018, and then 5% in 2019 and on track to increase 13% in 2020. The increase in 2020 is suspected to be related to COVID-19 and households staying home more, doing more yard work, and preparing homemade meals.

Trends, Challenges and Opportunities

- ❖ Capital Outlay (i.e. Fleet Replacement) - Development of options and strategies to smooth replacement curve issues needs addressed. Future conversations could lead to increased cost recommendations to the utility.
- ❖ Recycling Markets declined dramatically starting in 2018 due to China's, and other nations' restriction on recycle imports. They continue to remain low and the effects of Covid-19 are further impacting the anticipated recovery. In response to these changing market conditions, the utility has employed a number of strategies to improve recycling revenues and minimize expenses for trans-hauling and processing. Efforts include:
 - The utility was awarded the Local Solid Waste Financial Assistance Grant (LSWFA - 25% Match Required) through Department of Ecology. This is a two-year grant cycle. Goals accomplished:
 - Perform a characterization study (audit of materials.)
 - Using electronic routing software, built the framework for a robust "lid lift" program.
 - Update all Multi Family accounts and began the education process.
 - Received amendment making the City eligible for homeless encampment clean up relief funds should monies become available at the end of 2020.
 - On January 1, 2020 the Utility removed glass from curbside recycling and created 3 drop off locations for residents. This change has saved around \$95K per year.
 - On January 1, 2020 the utility removed poly-coated products such as juice boxes, milk cartons, and aseptic containers to enhance commodity quality, thus making products more marketable, resulting in higher returns on commodity revenues and saving on processing costs.
- ❖ Covid-19 has had an effect on customer disposal habits and trends, as well as reduced revenues due to businesses that are/were temporarily closed or running at reduced levels. Commercial waste declined, while residential waste rose.
- ❖ An aging cart inventory in the residential sector (garbage, recycle, and organics), is resulting in increased cart failures. Cart failures are past the 10-year warranty period and must be purchased to meet acceptable service delivery standards. Increased budgets using savings from recycling hauling & processing will slow this trend.
- ❖ Covid-19 has impacted the way in which certain education programs are delivered. Staff is adapting with how to bring waste reduction and recycling education to the customer in a safe and effective manner. At current, staff works with direct mail and phone to inform residents of contamination issues and to conduct waste assessments, with in-person meetings left to those times when absolutely necessary.

Continuous Improvement

- Continue to design for a future Operations and Maintenance Facility on the City's Carpenter Road Property.
- Request for Qualifications to update Waste Resources Management Plan will commence in 2021.
- Continue to track and analyze the Lid Lift/Cart Tagging program in Residential Recycling Streams to reduce contamination.
- Expand GIS Data Collector Application for Commercial Routing purposes to improve customer consistency driver efficiency.
- Continue to provide driver training to reduce accidents and increase collection efficiency:



2021 Operating Budget Overview

- International Association of Professional Drivers (IAPD) training and certification program.
- Collection staff is now required to be trained on each style of collection vehicle for a minimum of 80 hours before being signed off by the Supervisor to drive alone.
- Continue to improve customer communication using Recycle Coach Web App. Currently, have 4,000 subscribers.
- Adapt to issues related to COVID-19, specifically in how we conduct education and outreach programs in Commercial and Residential Programs.

Accomplishments and Celebrations

- Finished preliminary design of a new Waste ReSources maintenance facility on the Carpenter Road property, to better understand costs to construct and help develop future funding strategies.
- Through continued monitoring and outreach with businesses, the Utility has achieved very good quality of materials collected with minimal contamination – No compliance issues with Thurston County Solid Waste.
- Development of Standard Operating Procedures (Extra Bags, Locks/Access, late set outs) has led to increased revenue and improved coordination with utility billing staff.
- Installation of cart washing machine for washing garbage, recycle, and organics carts has led to increased cart washing productivity by 20-30%.
- Provided environmental education and outreach to 3rd graders. Over 500 students in 22 classes prior to COVID
- Despite drastic changes required by Thurston County to our Commercial Organics Programs in 2018, we have been able to continue the program, regain some ground and minimize lost customers with new customers. We still have not reached pre-change totals.
- Continued to increase the number of businesses using Shared Garbage Compactor #2, from 10 in 2018, to 17 in 2020. Potential for continued growth by expanding beyond the initial block periphery.
- (2020) Began hauling commercial recycling in compactor and commercial organics cart from 1500 Jefferson building (i.e. Department of Enterprise Services -DES)



2021 Operating Budget Enhancement Request

Enhancements are defined as requests for recommended new programs or services to be offered that go above and beyond the current level of service.

Department	Line of Business/Program	Person Responsible Who is the contact person for questions?
Public Works	Water Resources	

Dept. Priority by Fund Prioritize your Enhancement Request within each Fund within your department. No two requests can have same priority number.	Request # Fiscal Services Use Only
	#1

Request Description Enter a brief description of the enhancement you are requesting.	Focus Area Which City Focus Area does the enhancement request respond to?
Requesting 2 additional permanent FTE's (MW II's) and 3 additional vehicles for the newly created Vegetation Management Operations Section of Water Resources.	<input checked="" type="checkbox"/> Community, Safety, Health <input checked="" type="checkbox"/> Downtown <input checked="" type="checkbox"/> Economy <input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Neighborhoods

Effect on Service Level How will this enhancement request impact level of service or other departments' operating budgets?

Starting in 2014, Water Resources consolidated its vegetation management services with the Storm and Surface Water Utility Environmental Services work section providing services to the Drinking Water and Wastewater for their properties and easements. To date, Water Resources vegetation management has been project-funded out of the Capital Facilities Plan and with relatively small interfund transfers from Fund 401 (Drinking Water) and Fund 402 (Wastewater) for services provided to those utilities.

A Lean project (the project) to evaluate vegetation and habitat operations within the Water Resources LOB was subsequently conducted in 2019/2020.

The project identified an opportunity to improve safety and service delivery and reduce the overall annual cost of providing vegetation management services by approximately \$16,000 per



2021 Operating Budget Enhancement Request

year. In February 2020, a report including this recommendation was presented to the Public Works Leadership Team. The report outlined the anticipated improvements in safety, levels of service & cost savings, as well as the capacity for this program to be scaled up in the future to provide vegetation services for other lines of business and special projects as needed in support of the City.

In 2019, vegetation management performed by Environmental Services was performed by a six-person Washington Conservation Corp (WCC) crew, supervised part time by a Senior Planner, and five temporary Maintenance Worker Is, supervised part time by a Senior Program Specialist. The project proposed reclassing a vacant Senior Program Specialist position to an Operations Supervisor and reclassing two other vacant Senior Program Specialist positions to Program Specialists to fiscally compensate for the new supervisor position.

The new supervisor was proposed to oversee one of the permanent re-classed Program Specialists, two permanent Maintenance Worker IIs, two temporary Maintenance Worker Is and three temporary Maintenance Workers. The labor cost savings associated with these organizational changes was estimated to be approximately \$67,000. With funding via interfund transfers, additional temporary Maintenance Workers could be added if services were needed by the Transportation and General Services lines of business.

The project made the following assumptions regarding vehicles:

- A vehicle enhancement, approved in the 2020 budget, would purchase and annually support a Nissan Leaf.
- Pickup truck (Vehicle #1458) would continue to be available for vegetation management services. Annual maintenance costs would not change.
- To support the vegetation management efforts, two additional trucks would be added in 2021, at an annual combined cost (capital investment, maintenance and fuel) of \$14,000, to replace vehicles provided by WCC. This would be an enhancement.
- The additional vehicle costs combined with the labor cost savings would result in a total cost savings of approximately \$55,000.

Realizations, subsequent to the project, are:

- Gas-powered equipment cannot be transported in a Nissan Leaf. The Nissan Leaf was never purchased. Instead a new small pickup (Chevy S-10 or equivalent) is proposed. The truck would be purchased using cash reserves in Fund 401 or 434. Additional annual fuel costs of \$695 would be needed to support the vehicle.
- Vehicle #1458 was reassigned to the Clean Team in the Spring of 2021. As a result, a replacement vehicle is needed. Additionally, changes in Fleet procedures would require new vehicles to be purchased up front resulting in a capital cost of approximately \$30,000. The truck would be purchased using cash reserves in Fund 401 or 434. Annual maintenance costs would be transferred from 404-8409-648 and would be revenue neutral.
- Changes in Fleet procedures would require the two new trucks, originally proposed, to be purchased up front resulting in a capital cost of approximately \$68,000. The trucks would



2021 Operating Budget Enhancement Request

be purchased using cash reserves in Fund 401 or 434. Anticipated annual maintenance costs would not change.

In 2020, based on the project report, an executive decision was made to implement the proposal to split the Environmental Services work section to create the Vegetation Management work section.

Alternatives

Are there other alternatives available? If so, what are they?

A detailed analysis of alternatives was conducted as part of the Lean Project previously described. Although there are alternatives, this proposal provides the best combination of improvements in safety, service delivery and cost savings. Vehicles could be rented as an alternative to purchasing vehicles. However, un-outfitted rental vehicles would not secure tools and equipment and would require daily loading and unloading of vehicles.

Advantages/Disadvantages of Approval/Disproval

What are the advantages or disadvantages for approval of disapproval of the request?

Approval of this proposed enhancement will result in overall budget savings and an increase in the quality of services delivered.

If disapproved, the Vegetation Management Section would need to re-evaluate their options for providing vegetation and habitat enhancement services.

- Current LOS for vegetation management on Water Resource properties may be possible, but will require the acquisition of a truck to replace 1458.
- It may be possible to negotiate a new contract with WCC for habitat enhancement.
- Proposed opportunities to scale up and provide other vegetation services to other lines of business would most likely not be feasible.

With the exception of the capitalized costs to purchase the vehicles (\$128,000), transfers of funds within Fund 404 will make this enhancement revenue neutral. The vehicles are proposed to be purchased using cash reserves in Fund 401 or 434.

Expenditure Information

Description	Cost	Expenditure Account #	Exp Category	One Time or	On Going Cost	Total
Wages – 2 Perm MW II	\$125,893.79	\$15,934.33 transfer from 404-8431-596-11.02, \$109,939.47 and reduction in CIP Transfer 404-8431-954-55.34	Other		\$125,893.79	\$125,893.79



2021 Operating Budget Enhancement Request

2 Temp MW I	\$ 77,933.58	Transfer from 404-8431-596-11.02			\$ 77,933.58	\$ 77,933.58
2 Temp MW	\$ 49,112.09	Transfer from 404-8431-596-11.02			\$ 49,112.09	\$ 49,112.09
1 Temp MW	\$ 24,556.04	Interfund transfer from 401-8402-617-11.02, 401-8402-622-11.02 and 402-8404-622-11.02			\$ 24,556.04	\$ 24,556.04
Benefits – 2 Perm MW II	\$ 39,027.08	\$3,669.50 transfer from 404-8431-596-21.01, \$35,357.58 reduction in CIP Transfer 404-8431-954-55.34	Other		\$ 39,027.08	\$ 39,027.08
2 Temp MW I	\$ 17,924.72	Transfer from 404-8431-596-21.01			\$ 17,924.72	\$ 17,924.72
2 Temp MW	\$ 11,295.78	Transfer from 404-8431-596-21.01			\$ 11,295.78	\$ 11,295.78
1 Temp MW	\$ 5,647.89	Interfund transfer from 401-8402-617-21.01, 401-8402-622-21.01 and 402-8404-622-21.01			\$ 5,647.89	\$ 5,647.89
Supplies/Equipment			Choose an item.			\$0
Services			Choose an item.			\$0
Capital Equipment						
1 small pickup	\$ 30,000	Cash Reserves Funds 401 & 434	Other	\$ 30,000	\$ 30,000	\$ 30,000
1 small pickup	\$ 30,000			\$ 30,000	\$ 30,000	
1 full-size pickup	\$ 34,000			\$ 34,000	\$ 34,000	
1 full-size pickup	\$ 34,000			\$ 34,000	\$ 34,000	
Other – Vehicle Amortization, Maintenance & Gas						
1 small pickup	\$ 3,758	Transfer from 404-8409-648	Other		\$ 3,758	\$ 3,758
1 small pickup	\$ 7,581	\$6,886 Transfer from 404-8409-648, \$695 reduction in 404-8431-954-55.34			\$ 7,581	\$ 7,581



2021 Operating Budget Enhancement Request

1 full-size pickup	\$ 6,945	Reduction in CIP Transfer 404-8431-954-55.34		\$ 6,945	\$ 6,945
1 full-size pickup	\$ 6,945	Reduction in CIP Transfer 404-8431-954-55.34		\$ 6,945	\$ 6,945
Total	\$504,619.97		\$128,000	\$376,619.97	\$504,619.97
Is there a source of funding ? Yes or No	If yes, what is the revenue amount?	Revenue Account #			
Yes	\$376,619.97	Transfers from 404-8431-596 and 404-8409-648, interfund transfers from 401-8402-617 and 401-8402-622, and a reduction of \$159,882.05 in the CIP Transfer 404-8431-954-55.34.			
Enter a description of the expected revenue					
<p>The changes proposed by this enhancement will be primarily funded through transfers from 404-8431-596 and 404-8409-648, interfund transfers (\$30,203.93) from 401-8402-617 and 401-8402-622 for two seasonal workers, and a reduction of \$159,882.05 in the CIP Transfer 404-8431-954-55.34.</p> <p>Purchase of the proposed vehicles (\$128,000) will be made through a one-time use of cash reserves in Fund 401 and/or Fund 434.</p>					

Expenditure Information Chart Definitions

Non-Discretionary - increased costs as follows: Electricity, Natural Gas, Equipment Fuel, Subscription Fees (if cost escalator is built into contract), Other costs as approved by Fiscal Services (send email request to Joan Lutz)

Mandatory/Regulatory - increased costs regulatory in nature for which City is legally required to pay: Taxes, Election Costs, Other costs as approved by Fiscal Services (send email request to Joan Lutz)

Other Costs – increased costs not included in the Non-Discretionary or Mandatory/Regulatory categories



2021 Operating Budget Enhancement Request

Enhancements are defined as requests for recommended new programs or services to be offered that go above and beyond the current level of service.

Department	Line of Business/Program	Person Responsible Who is the contact person for questions?
Drinking Water	Public Works	Jeff Coleman

Dept. Priority by Fund Prioritize your Enhancement Request within each Fund within your department. No two requests can have same priority number.	Request # Fiscal Services Use Only
Priority #1	

Request Description Enter a brief description of the enhancement you are requesting.	Focus Area Which City Focus Area does the enhancement request respond to?
In 2019 & 2020, the Drinking Water section had a project-funded (461-9609-834-63) meter replacement program. This project was funded at \$125,000 per year to replace small meters (1 project-funded FTE (MW I) & materials). The intent was to move the Meter Tech into the Operating budget in 2021. Finance has confirmed maintenance of this type should not be in the capital budget. This request is to retain the current MW I position and fund the salary and the benefits out of the Drinking Water Operations section budget. The current CIP transfer is proposed to be reduced to make the funding change revenue neutral.	<input type="checkbox"/> Community, Safety, Health <input type="checkbox"/> Downtown <input checked="" type="checkbox"/> Economy <input type="checkbox"/> Environment <input type="checkbox"/> Neighborhoods

Effect on Service Level How will this enhancement request impact level of service or other departments' operating budgets?

Approximately 4,000 water meters are currently beyond their estimated effective life. Additional meters exceed their expected life each year. As meters age, they typically begin under reading. This enhancement will help maintain that our water meters are recording accurately, to ensure we are charging for water and sewer rates appropriately and maintaining revenue.



2021 Operating Budget Enhancement Request

Alternatives

Are there other alternatives available? If so, what are they?

The project-funded MWI position has been in place for two years, but the meter replacement program is continuous. Small meters (3/4" & 1") that are used to read water usage are recommended to be replaced between 15 to 20 years. Based on the Water System Plan, the utility has a commitment to DOH to meet this schedule. Currently, we are on pace to replace 1,000 small meters per year and we have about 18,500 small meters in our water system. At this rate, meters will be replaced on a 18.5-year cycle, consistent with the meters' estimated effective life.

Advantages/Disadvantages of Approval/Disproval

What are the advantages or disadvantages for approval of disapproval of the request?

The advantages for this approval are to continue the meter replacement program, so that we continue to update our water meters for accuracy. This accuracy will allow us to charge the customers based on the most accurate readings for water and sanitary sewer rates. If we do not have this position and funds to support it, we will not be able to replace the meters, as suggested by the manufacturer and our accuracy will start to diminish. After time, these meters will need to be replaced and the only way to catch up is to do a mass meter change out, which could be several millions at one time.

Expenditure Information

Description	Cost	Expenditure Account #	Exp Category	One Time or	On Going Cost	Total
Wages	\$56,700	401-8402-617-11-01	Other		On going	\$56,700
Benefits	\$17,600	401-8402-617-21-01	Other		On going	\$17,600
Supplies/Equipment			Choose an item.			\$0
Services			Choose an item.			\$0
Capital Equipment			Choose an item.			\$0
Other			Choose an item.			\$0
Total	\$74,300			\$0	\$0	\$74,300
Is there a source of funding ? Yes or No	If yes, what is the revenue amount?	Revenue Account #				
Yes	\$74,300	Reduction in CIP Transfer 401-8431-954-55-61				
Enter a description of the expected revenue						



2021 Operating Budget Enhancement Request

Expenditure Information Chart Definitions

Non-Discretionary - increased costs as follows: Electricity, Natural Gas, Equipment Fuel, Subscription Fees (if cost escalator is built into contract), Other costs as approved by Fiscal Services (send email request to Joan Lutz)

Mandatory/Regulatory - increased costs regulatory in nature for which City is legally required to pay: Taxes, Election Costs, Other costs as approved by Fiscal Services (send email request to Joan Lutz)

Other Costs – increased costs not included in the Non-Discretionary or Mandatory/Regulatory categories



2021 Operating Budget Enhancement Request

Enhancements are defined as requests for recommended new programs or services to be offered that go above and beyond the current level of service.

Department	Line of Business/Program	Person Responsible Who is the contact person for questions?
Drinking Water	Public Works	Jeff Coleman

Dept. Priority by Fund Prioritize your Enhancement Request within each Fund within your department. No two requests can have same priority number.	Request # Fiscal Services Use Only
Priority #2	

Request Description Enter a brief description of the enhancement you are requesting.	Focus Area Which City Focus Area does the enhancement request respond to?
<p>Drinking Water Operations is currently challenged by a shortage of vehicles. Often the section struggles to find a vehicle suitable to assist with its many responsibilities. The challenge increased with the transfer of Vehicle #1628 to the Water Quality section with the Cross-Connection Control Specialist. The section proposes to use funds anticipated to be left over in the Drinking Water Operations 2020 budget (401-8402-617) to purchase a Ford Transit Van to help fulfill the need. Purchase of the vehicle would be revenue neutral. An enhancement is needed to pay for future capitalization, maintenance and fuel costs.</p>	<input type="checkbox"/> Community, Safety, Health <input type="checkbox"/> Downtown <input checked="" type="checkbox"/> Economy <input checked="" type="checkbox"/> Environment <input type="checkbox"/> Neighborhoods

Effect on Service Level How will this enhancement request impact level of service or other departments' operating budgets?

The addition of this vehicle will allow us to work more independently on requests (service turn on/off, investigate leaks, go to parts store so the crew can stay on job site, changing meters, painting hydrants, doing delinquent turn offs) and maintain physical distancing in the current public health emergency (PHE). Currently, two pool vehicles are being used to help maintain physical distancing during the PHE. This temporary situation has confirmed the benefit an



2021 Operating Budget Enhancement Request

addition vehicle will have for our work production. Prior to access to the pool vehicles, every day the section was shuffling vehicles and staff to accommodate the workload.

Alternatives

Are there other alternatives available? If so, what are they?

Another alternative would be to rent a vehicle. This alternative would not result in a vehicle be set up in a way that would be highly functional to the section. The cost savings would also be minimal.

Advantages/Disadvantages of Approval/Disproval

What are the advantages or disadvantages for approval of disapproval of the request?

If approved, this enhancement would improve the section’s ability to respond to calls and assist customers. A n additional vehicle would reduce fuel use and greenhouse gas emissions – a more fuel-efficient vehicle could be used to collect and run parts, eliminating the need to use larger vehicles. An additional vehicle could reduce staff time – currently, staff already on a jobsite are often diverted to run parts. The ability to keep staff on site and have a vehicle available to bring parts to a location, would improve the efficiency of the entire crew while waiting for parts when jobsite conditions are different than expected. The proposed vehicle would also have the advantage of keeping tools dry and secure and ready for standby without the need to be loaded daily like a service truck. The disadvantage of this enhancement would be the challenge of finding a place to park the vehicle.

Expenditure Information

Description	Cost	Expenditure Account #	Exp Category	One Time or	On Going Cost	Total
Wages			Choose an item.			
Benefits			Choose an item.			
Supplies/Equipment Vehicle Purchase	\$55,000	401-8402-617 – revenue neutral	Other	One time		\$55,000
Services (98-93)	\$1,928		Non-Discretionary	Annual	\$1,928	\$1,928
Capital (95.01)	\$5,600		Non-Discretionary	Annual	\$5,600	\$5,600
Other (98.97) Fuel	\$2,727		Non-Discretionary	Annual	\$2,727	\$2,727
Total	\$0			\$0	\$10,255	\$65,255
Is there a source of funding ? Yes	If yes, what is the revenue amount?	Revenue Account #				
Yes	\$55,000	Fund 401 – Remaining funds from 401-8402-617 2020 budget.				
Enter a description of the expected revenue						



2021 Operating Budget Enhancement Request

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City of Olympia

PROPOSED 2021 Projected General Facility Charges (GFC) and LOTT Capacity Development Charges (CDC)

(Sample Based on Single-Family Residence)

August 28, 2020

	2017	2018	2019	2020	Proposed 2021	\$ Increase	% Increase
Drinking Water	\$3,918	\$4,180	\$4,433	Same as 2019	Same as 2020	\$0	0%
Wastewater	\$3,442	\$3,442	\$3,442	\$3,679.80	Same as 2020	\$0	0%
Storm and Surface Water	\$1,190 plus \$4.50 trip charge	\$1,190 plus \$4.50 trip charge	\$1,190 plus \$4.50 trip charge	Same as 2019	Same as 2020	\$0	0%
LOTT CDC	\$5,354	\$5,579	\$6,049	\$6,231	\$6,417.61	\$185	3.0%
TOTAL:	\$13,904	\$14,391	\$15,230	\$15,650	\$15,835	\$185	1.2%

**City of Olympia
Bi-Monthly Utility Bill History
Single Family Residence**

28-Aug-20	2018 % 2018 Rate	Increase	2019 % 2019 Rate	Increase	Proposed 2020	2020 % Increase	Proposed 2021	2021 % Increase
Drinking Water	\$56.75	4.4%	\$56.75	0.0%	\$60.32	6.30%	\$60.32	0.00%
Wastewater - Min.	\$26.58	0.0%	\$26.58	0.0%	\$26.64	0.21%	\$26.64	0.00%
Wastewater - Max.	\$42.94	0.0%	\$42.94	0.0%	\$43.03	0.21%	\$43.03	0.00%
Waste ReSources	\$49.10	6.0%	\$51.80	5.5%	\$53.52	3.33%	\$53.52	0.00%
Storm and Surface Water	\$26.74	0.0%	\$28.10	5.1%	\$29.09	3.54%	\$31.28	7.50%
LOTT	\$77.28	2.0%	\$79.60	3.0%	\$82.00	3.00%	\$84.46	3.00%
TOTAL (Min.):	\$236.45	2.9%	\$242.83	2.7%	\$251.58	3.60%	\$256.22	1.85%
TOTAL (Max.):	\$252.81	2.7%	\$259.19	2.5%	\$267.97	3.39%	\$272.61	1.73%
Total Increase (Min.)	\$6.69	2.9%	\$6.38	2.7%	\$8.75	3.60%	\$4.64	1.85%
Total Increase (Max.)	\$6.69	2.7%	\$6.38	2.5%	\$8.78	3.39%	\$4.64	1.73%