



2005 – 2006 Proposed Budget --- Budget Summary Sewer Capital Fund

2005 – 2006 Sewer Capital Fund Budget Highlights

- Update City's sanitary sewer collection system master plan to address new areas included in Urban Growth Boundary and the reduced Infiltration and Inflow due to sewer rehabilitation projects completed over the past years.
- Begin evaluation of Water Reclamation Facility capacity and future expansion needs. Update the Wet Weather Overflow Management Plan and evaluate alternatives to off-line storage of excess wastewater flows during peak flow periods.

- Providing for stability in the rate structures by sound financial planning to meet the capital construction needs.

Short- and Long-Term Issues

- Compliance with Oregon Revised Statutes relative to expenditure of system development charges (SDCs).
- Financial planning to meet the needs identified in the Sanitary Sewer System Master Plan, Wet Weather Overflow Management Plan and the Consent Decree.



Core Services

- Capital improvement planning and construction for the City's wastewater collection system and Water Reclamation Facility to meet needs of increased growth of community and ever-changing regulatory climate.
- Continue evaluating projects to reduce Infiltration and Inflow of ground water and rain into the City's collection system.





Sewer Capital Fund --- Historical Highlights

- 1969** Voters approve \$710,000 six-year sewage disposal general obligation bond issue.
- 1987** Sewer Capital Fund established for future sewer treatment plant expansion and sewer system capital improvements.
- 1992** April 1992, City Council passes Resolution 1992 – 14 authorizing the use of bond revenues to pay for pre-incurred expenses for the wastewater treatment facility. This resolution allowed the City to re-pay expenses incurred prior to sewer revenue bond issuance.
- 1992** August 1992, City Council passes Resolution 1992 – 28 authorizing the issuance of revenue bonds for the purpose of financing the acquisition, construction, installation, and equipping of facilities for the City's wastewater management program. This resolution started the 60-day window during which a vote could be petitioned before the issuance of revenue bonds.
- 1993** December 1993, \$10,121,020 State of Oregon Bond Bank, Special Public Works Fund 20-year Loan to partially fund a new water reclamation facility. First loan repayment not beginning until December 1995 allowing for ramping up of sewer user and system development charges.
- 1994** January 1994, City Council passes Resolution 1994 – 01 for the purpose of providing a comprehensive framework for the issuance of revenue bonds. This resolution establishes the debt service bond covenants that requires City Council to maintain sewer rates at adequate levels to operate and maintain the sewer system, pay debt service, and maintain a specified level of cash operating and debt service reserves.
- 1994** February 1994, \$28,560,000 Sewerage System Revenue 20-Year Bonds issuance to complete funding the new water reclamation facility, raw sewage pump station, and significant sewer system improvements. First bond principal repayment not beginning until February 1997 allowing for ramping up of sewer user rates and system development charges.
- 1995** New Water Reclamation Facility and Raw Sewage Pump station complete.
- 1996** Major repair and replacement of Cozine Trunk Line and Pump Station complete.
- 2000** July 2000, \$3,590,000 State of Oregon Bond Bank Water/Wastewater 10-Year Loan to continue funding significant sewer system improvements.
- 2000** Three Mile Lane Pump Station #1, Forcemain, and Overflow Reconstruction complete.

Sewer Capital Fund --- Historical Highlights

2000 Spending reaches an estimated \$54 million on the WRF construction, pump station improvements and collection system repairs.



2001 Evans Street Sewer Reconstruction Project complete.

2002 High School Basin Sewer Reconstruction Project complete.



2004 February 2004, \$23,6980,000 10-year refinancing of remaining 1993 SPWF Loan and 1994 Sewer Revenue Bonds saving sewer ratepayers ~\$2,200,000.

2004 May 2004, City completes 2004 Sewer Rate Equity Review and City Council passes Resolution 2004 – 13 revising sewer user fees and sewer SDCs – rates set to achieve \$7.5 million capital reserve in 10 years for future Water Reclamation Facility expansion.

SEWER CAPITAL FUND

2005-06

10-May-05

56	00	ACTUAL 2002-03	ACTUAL 2003-04	BUDGET 2004-05		NUMBER OF EMPLOYEES	PROPOSED 2005-06	APPROVED 2005-06	ADOPTED 2005-06
RESOURCES									
<u>BEGINNING FUND BALANCE</u>									
		0	0	0	60000-02		0.00	0	0
		1,003,269	1,002,163	0	60000-81		0.00	0	0
					DBFB - SRB REFUNDED Sewer Revenue Bond refunded February 13, 2004.				
		725,000	725,000	0	60000-83		0.00	0	0
					DBFB - OECDD SPWF REFUNDED Oregon Economic and Community Development Department Special Public Works Fund Loan refunded February 13, 2004.				
		275,000	275,000	275,000	60000-85		0.00	275,000	0
		0	0	1,230,000	60000-87		0.00	1,305,000	0
		0	0	0	60000-90		0.00	435,000	0
					DBFB - OECDD W/WWF LOAN				
					DBFB - 2004 RB REFUNDING				
					DBFB - SS CAPITAL RESERVE Designated Beginning Fund Balance reserved for future capital construction.				
		5,582,123	5,775,654	6,800,000	60001-00		0.00	6,200,000	0
					BEGINNING FUND BALANCE Estimated July 1, 2005 undesignated cash carryover from the 2004 - 2005 fiscal year.				
		7,585,392	7,777,817	8,305,000	TOTAL BEGINNING FUND BALANCE		0.00	8,215,000	0
<u>CHARGES FOR SERVICES</u>									
		695,275	989,270	725,000	60063-00		0.00	850,000	0
					SYSTEM DEVELOPMENT CHARGES Sewer system development charges (SDC) collected from new construction and additions to commercial or industrial projects that increase the loading on the sanitary sewer system. This budget reflects a proposed increase of 6.29% effective July 1, 2005 based on the Engineering News Record Construction Cost Index.				
		59,407	6,923	5,000	60063-11		0.00	5,000	0
		547	596	1,000	60065-00		0.00	1,000	0
					SDC: NE TRUNK				
					FACILITIES DEVELOPMENT FEES				
		755,229	996,789	731,000	TOTAL CHARGES FOR SERVICES		0.00	856,000	0
<u>INTERGOVERNMENTAL REVENUES</u>									
		0	410,000	0	60105-00		0.00	0	0
		0	410,000	0	TOTAL INTERGOVERNMENTAL REVENUES		0.00	0	0
<u>MISCELLANEOUS</u>									
		93,698	76,438	100,200	60151-00		0.00	173,200	0
		147	49	0	60151-01		0.00	0	0
					INTEREST				
					INT - SDC CONTRACTS				

SEWER CAPITAL FUND

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56	00									
ACTUAL	ACTUAL	BUDGET			NUMBER OF	PROPOSED	APPROVED	ADOPTED		
2002-03	2003-04	2004-05			EMPLOYEES	2005-06	2005-06	2005-06		
-1,012	26,208	0	60151-52	INT - SPWF CAPITAL RESERVE	0.00	0	0	0		0
16,449	9,770	0	60151-55	INT - SRB DEBT SERVICE ACCT	0.00	0	0	0		0
9,674	3,956	0	60151-57	INT - W/WWF LOAN ACCT	0.00	0	0	0		0
1,400	2,300	1,000	60163-00	PRIVATE SEWER LATERAL PENALTY	0.00	1,000	0	0		0
				Property owner penalty of \$50 per month when owner fails to repair private sewer lateral.						
				Budget Note: Penalty begins accruing 90 days after Notice of Defect issued. If private lateral is repaired within 10 months, penalty accruals absolved.						
0	0	1,000	60165-00	PSL LOAN REPAYMENT:	0.00	1,000	0	0		0
				Loan repayments from loans made to property owners to finance private lateral repairs.						
0	0	120,000	60165-11	PSL LOW-INCOME LOAN REPAYMNT	0.00	140,000	0	0		0
				Loan repayments from Low-Income Loan Program for property owners to finance private lateral repairs.						
0	0	0	60167-00	OTHER INCOME	0.00	0	0	0		0
120,356	118,721	222,200		TOTAL MISCELLANEOUS	0.00	315,200	0	0		0
				<u>TRANSFERS FROM OTHER FUNDS</u>						
0	0	0	60181-00	SEWER FUND:	0.00	0	0	0		0
250,000	1,000,000	500,000	60181-01	SWR FD - CAPITAL REPLACEMENT	0.00	500,000	0	0		0
				Transfer from Sewer Fund for sewer system capital improvements.						
3,693,864	3,695,275	3,258,662	60181-11	SWR FD - DEBT SERVICE	0.00	3,408,185	0	0		0
				Transfer From Sewer Fund for repayment of sewer revenue bonded debt; i.e., 2004 Sewer Refunding Bonds and 2000 Oregon Economic and Community Development Water/Wastewater Loan.						
3,943,864	4,695,275	3,758,662		TOTAL TRANSFERS FROM OTHER FUNDS	0.00	3,908,185	0	0		0
				<u>OTHER FINANCING SOURCE</u>						
0	23,690,000	0	60196-00	REVENUE BOND & LOAN REFUNDED	0.00	0	0	0		0
0	1,611,117	0	60196-01	SRB & SPWF REFUNDED PREMIUM	0.00	0	0	0		0
0	25,301,117	0		TOTAL OTHER FINANCING SOURCE	0.00	0	0	0		0
12,404,841	39,299,719	13,016,862		TOTAL RESOURCES	0.00	13,294,385	0	0		0

SEWER CAPITAL FUND

2005-06

10-May-05

56	00	ACTUAL 2002-03	ACTUAL 2003-04	BUDGET 2004-05		NUMBER OF EMPLOYEES	PROPOSED 2005-06	APPROVED 2005-06	ADOPTED 2005-06
REQUIREMENTS									
<u>MATERIALS & SERVICES</u>									
		2,562	3,171	5,000	80581-00 PRIVATE SEWER LATERAL REIMB	0.00	2,000	0	0
					Private Sewer Lateral Repair Incentive Program - maximum of \$250 per private lateral repair completed within 90 days of Notice of Defect.				
		0	0	0	80611-00 PROFESSIONAL SERVICES:	0.00	0	0	0
		0	0	50,000	80611-11 PS - ATAD #1 UPGRADE	0.00	10,000	0	0
					Design to improve aeration in ATAD #1 - digester (autothermal thermophilic aerobic digestion).				
		0	0	60,000	80611-13 PS - WRF CONTROL SYS UPGRADE	0.00	30,000	0	0
					Design and programming changes for SCADA (supervisory control and data acquisition) system upgrade.				
		0	0	0	80611-15 PS - WRF TELEMETRY UPGRADE	0.00	10,000	0	0
					Engineering services cost for design, contract documents, and Federal Communications Commission (FCC) licensing.				
		93,911	16,745	0	80611-47 PS - 3 MILE LN PUMP STATION	0.00	0	0	0
		0	74,145	30,500	80611-49 PS - ELIM 3 MILE LN PS#2	0.00	0	0	0
		0	0	0	80611-53 PS - CRESTBROOK BASIN STUDY	0.00	0	0	0
		0	0	100,000	80611-55 PS - WRF EXPANSION PREDESIGN	0.00	300,000	0	0
					Consultant fees related to WRF capacity review and expansion pre-design.				
		0	0	0	80611-89 PS - COLLECTION SYS FAC PLAN	0.00	200,000	0	0
					Consultant services for updating 1994 Collection System Facility Plan. Update will address areas to be included in UGB expansion. Collection system flow data will also provide basis for implementation of wet weather overflow management planning.				
		0	0	0	80611-91 PS - COLLECT SYSTEM IMPROVE	0.00	0	0	0
		0	0	30,000	80611-93 PS - I&I FLOW MONITORING	0.00	30,000	0	0
					Consultant advice needed to meet regulatory permit requirements.				
		0	267,199	0	80611-98 PS - REFUNDING ISSUANCE COST	0.00	0	0	0
		2,950	485	500	80611-99 PS - BOND ADMINISTRATION	0.00	500	0	0
		0	0	1,000	80671-00 PRIVATE SEWER LATERAL LOANS:	0.00	1,000	0	0
					Potential loans made to citizens to finance private sewer lateral repairs --- loan terms - two years at 3 1/2% above prime.				
		0	0	120,000	80671-11 PSL LOW-INCOME LOANS	0.00	140,000	0	0
					Low Income Loan Program for property owners to finance private sewer lateral repairs. Consent Decree requires \$20,000 per year be set aside for eight years, 7th year of 8 year savings program.				

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2005-06

10-May-05

56	00	ACTUAL 2002-03	ACTUAL 2003-04	BUDGET 2004-05		NUMBER OF EMPLOYEES	PROPOSED 2005-06	APPROVED 2005-06	ADOPTED 2005-06
		99,423	361,745	397,000	TOTAL MATERIALS & SERVICES	0.00	723,500	0	0
					<u>CAPITAL OUTLAY</u>				
		0	0	0	80779-00 WRF CONSTRUCTION:	0.00	0	0	0
		25,921	0	0	80779-05 WRF CONST - ODOR CTRL UPGRADE	0.00	0	0	0
		0	0	100,000	80779-11 WRF CONST - ATAD #1 UPGRADE Installation of replacement aeration equipment for solids processing unit - ATAD #1 (autothermal thermophilic aerobic digestion).	0.00	15,000	0	0
		0	0	60,000	80779-13 WRF CONST - CONTROL SYS UPGR Upgrade SCADA (supervisory control and data acquisition) system hardware/software. The SCADA system is an automated control system that collects data and makes changes to the operation of equipment at the WRF and pump stations based on the data received.	0.00	10,000	0	0
		0	0	0	80779-15 WRF CONST - TELEMETRY UPGRADE Data radio system equipment purchase for remote and master sites, equipment installation, and start up and testing cost.	0.00	140,000	0	0
		0	0	0	80787-00 I&I REDUCTION	0.00	0	0	0
		0	0	0	80789-00 SEWER CONSTRUCTION:	0.00	0	0	0
		226,372	770,632	0	80789-13 SC - HS BASIN SEWER RECONST	0.00	0	0	0
		0	0	1,350,000	80789-49 SC - ELIM 3 MILE LN PS#2	0.00	0	0	0
		448,934	490,284	0	80789-51 SC - 3 MILE LN PS & PL	0.00	0	0	0
		29,339	4,169	50,000	80793-00 DEVELOPER REIMBURSEMENT Reimbursement to commercial and subdivision developers for sewer pipe constructed with extra capacity over what the developer requires which benefits the future growth requirements of the city.	0.00	50,000	0	0
		730,566	1,265,085	1,560,000	TOTAL CAPITAL OUTLAY	0.00	215,000	0	0
					<u>DEBT SERVICE</u>				
		449,680	473,018	0	80798-11 SPWF LOAN - REFUNDED 2-13-04 Oregon Economic and Community Development Department (OECDD) Special Public Works Fund (SPWF) Loan refunded February 13, 2004	0.00	0	0	0
		375,592	352,253	0	80798-12 SPWF LOAN - REFUNDED 2-13-04	0.00	0	0	0
		0	191,161	0	80798-13 SPWF LOAN - INTEREST 2-13-04	0.00	0	0	0
		0	6,314,138	0	80798-14 SPWF LOAN REFUNDED 2-13-04	0.00	0	0	0
		1,370,000	1,430,000	0	80798-21 REVENUE BD - REFUNDED 2-13-04 Sewer Revenue Bond refunded February 13, 2004.	0.00	0	0	0

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56	00									
ACTUAL	ACTUAL	BUDGET				NUMBER OF	PROPOSED	APPROVED	ADOPTED	
2002-03	2003-04	2004-05				EMPLOYEES	2005-06	2005-06	2005-06	
0	0	0	80798-22	REVENUE BOND INTEREST:		0.00	0	0	0	
514,084	484,115	0	80798-23	INTEREST - REFUNDED 2-13-04		0.00	0	0	0	
514,084	484,115	0	80798-24	INTEREST - REFUNDED 2-13-04		0.00	0	0	0	
0	30,177	0	80798-25	INTEREST PMT DATE 2-13-04		0.00	0	0	0	
0	18,575,000	0	80798-26	REVENUE BOND REFUNDED 2-13-04		0.00	0	0	0	
0	371,500	0	80798-27	SRB REDEMPTION PREMIUM		0.00	0	0	0	
312,230	329,972	347,858	80798-31	W/WWF LOAN - PRINCIPAL 12-1-05		0.00	365,895	0	0	
				Oregon Economic and Community Development Department (OECDD) Water/Wastewater Fund (W/WWF) Loan principal payment due December 1, 2005 - 6th year principal payment of 10-year \$3,590,000 loan.						
158,194	141,802	124,479	80798-33	W/WWF LOAN - INTEREST 12-1-05		0.00	106,220	0	0	
				OECDD Water/Wastewater Fund Loan interest payment due December 1, 2005 - 6th year interest payment on 10-year \$3,590,000 loan.						
0	0	0	80798-40	2004 SRB & SPWF REFUNDING:		0.00	0	0	0	
0	0	1,795,000	80798-41	REFUNDING - PRINCIPAL 2-1-06		0.00	2,000,000	0	0	
				2004 Sewer Refunding Bond annual principal replaces 1994 Sewer Revenue Bond and 1993 OECDD SPWF Loan annual principal - 2nd year principal payment on 10-year refunding bonds due February 1, 2006.						
0	0	478,415	80798-43	REFUNDING - INTEREST 8-01-05		0.00	468,035	0	0	
				2004 Sewer Refunding Bond semi-annual interest replaces 1994 Sewer Revenue Bond and 1993 OECDD SPWF Loan annual interest - 2nd year semi-annual interest payment on 10-year refunding bonds due August 1, 2005.						
0	0	512,910	80798-44	REFUNDING - INTEREST 2-01-06		0.00	468,035	0	0	
				2004 Sewer Refunding Bond semi-annual interest replaces 1994 Sewer Revenue Bond and 1993 OECDD SPWF Loan annual interest - 2nd year semi-annual interest payment on 10-year refunding bonds due February 1, 2006.						
3,693,864	29,177,251	3,258,662		TOTAL DEBT SERVICE		0.00	3,408,185	0	0	
				<u>TRANSFERS TO OTHER FUNDS</u>						
103,171	100,508	101,357	80901-00	GENERAL FD - ADMIN FIN & ENG		0.00	99,186	0	0	
				Transfer to General Fund for personnel cost allocations for administration, finance, and engineering services.						

SEWER CAPITAL FUND

2005-06

10-May-05

56 00	ACTUAL 2002-03	ACTUAL 2003-04	BUDGET 2004-05		NUMBER OF EMPLOYEES	PROPOSED 2005-06	APPROVED 2005-06	ADOPTED 2005-06
	0	0	0	80925-00 CAPITAL IMP FD - COMM DEV CTR	0.00	32,000	0	0
				Transfer to Capital Improvement Fund for Sewer Capital Fund's proportionate share of a possible \$500,000 first payment on the OMI Regional Building purchase for a Community Development Center to house the Engineering, Planning and Building Departments.				
				Budget Note: The Engineering Department provides the Sewer Capital Fund with professional support, which includes sewer capital program management, sewer capital project construction management, and sewer capital contract management. This transfer will occur only if the City Council authorizes purchase of the OMI Building.				
	103,171	100,508	101,357	TOTAL TRANSFERS TO OTHER FUNDS	0.00	131,186	0	0
				<u>PROJECT CONTINGENCIES</u>				
	0	0	750,000	80801-00 PROJECT CONTINGENCIES	0.00	650,000	0	0
	0	0	750,000	TOTAL PROJECT CONTINGENCIES	0.00	650,000	0	0
				<u>UNAPPROPRIATED ENDING FUND BAL</u>				
	0	0	0	80996-02 DESIGNATED END FUND BALANCE:	0.00	0	0	0
1,002,163	0	0	0	80996-81 DEFB - SR BOND - REFUNDED	0.00	0	0	0
				Sewer Revenue Bond refunded February 13, 2004.				
725,000	0	0	0	80996-83 DEFB - SPWF LOAN - REFUNDED	0.00	0	0	0
				OECDD SPWF loan refunded February 13, 2004.				
275,000	275,000	275,000	275,000	80996-85 DEFB - OECDD W/WWF LOAN	0.00	215,000	0	0
				Designated cash carryover for OECDD W/WWF loan payment; 7 months saved toward December 1, 2006 annual principal and interest.				
0	1,230,000	1,305,000	1,305,000	80996-87 DEFB - 2004 RB REFUNDING	0.00	1,250,000	0	0
				Designated cash carryover for 2004 Sewer Refunding Bonds: 875,000 5 months saved toward February 1, 2006 annual principal 375,000 5 months saved toward August 1, 2005 semi-annual interest				
0	0	435,000	435,000	80996-90 DEFB - SS CAPITAL RESERVE	0.00	1,225,000	0	0
				Designated cash carryover reserved for future capital construction. The amount at June 30, 2006 is the difference between the sewer debt service payments before the 2004 bond and loan refunding and the new sewer debt service payments.				
5,775,654	6,890,130	4,934,843	4,934,843	80997-00 UNAPPROPRIATED ENDING FUND BAL	0.00	5,476,514	0	0
				Budgeted undesignated cash carryover for July 1, 2006. Actual cash carryover will also include all remaining money from the Project Contingency account and the excess (deficit) of revenues over (under) expenditures from 2005- 2006 operations.				
7,777,817	8,395,130	6,949,843	6,949,843	TOTAL UNAPPROPRIATED ENDING FUND BAL	0.00	8,166,514	0	0

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2005-06

10-May-05

56	00								
		ACTUAL	ACTUAL	BUDGET		NUMBER OF	PROPOSED	APPROVED	ADOPTED
		2002-03	2003-04	2004-05		EMPLOYEES	2005-06	2005-06	2005-06
		12,404,841	39,299,719	13,016,862	TOTAL REQUIREMENTS	0.00	13,294,385	0	0

SEWER CAPITAL FUND

2005-06

10-May-05

56 00	ACTUAL 2002-03	ACTUAL 2003-04	BUDGET 2004-05		NUMBER OF EMPLOYEES	PROPOSED 2005-06	APPROVED 2005-06	ADOPTED 2005-06
	12,404,841	39,299,719	13,016,862	SEWER CAPITAL FUND TOTAL REQUIREMENTS		13,294,385	0	0