

Enterprise Funds

Public Works Enterprise Budget Summary

SEWER SUMMARY

The City of Stanwood owns, operates and maintains the wastewater collection system as well as a 1.5 MGD wastewater treatment plant. The collection system consists of approximately 27 miles of sewer mains, 674 manholes and 7 sewer lift stations. The City WWTP also houses a State accredited lab in which we perform tests consistent with requirements in our NPDES permit.

In past years staffing has been an issue in the sewer department. In 2015-16, the staffing ranged between 2 and 4 full time employees. The department recently hired 2 technicians that will once again fully staff the department. The proposed 2017-2018 budget for sewer would maintain this current level of full-time equivalents (FTEs).

2017-2018 SEWER OPERATING REVENUES

The City completed an in-house sewer rate study in 2013. Based on the study, the finance committee recommended annual 3.5% sewer rate increases for six consecutive years on each January 1st, January 2014 through 2019. On October 10, 2013 the city council adopted Ordinance Number 1353 which adopted these sewer rate increases. The 2017-2018 budget projects that the city will receive \$1,753,360 in service charges in 2017. The annual sewer rate increases of 3.5% were adopted to achieve the following long term goals:

- Maintain minimum cash reserves of \$270,628 for 2017 and \$276,322 for 2018, per the city's financial policy
- Make capital improvements averaging \$635,000 per year over the next six years
- Fully staff sewer operations with 5.0 FTE
- Self-fund sewer utility capital projects over the next six years via modest rate increases and spending down capital reserves before additional borrowing is considered

Sewer Utility Revenues

	2015	2016	2017	2018
Description	Actual	Budget	Adopted	Adopted
Beginning Balance	\$ 759,615	\$ 912,057	\$ 889,230	\$ 979,995
Revenues				
Charges for Services	\$ 1,697,109	\$ 1,718,000	\$ 1,753,360	\$ 1,787,407
Misc. Revenues	\$ 3,333	\$ 6,000	\$ 5,846	\$ 5,904
Total Revenues	\$ 1,700,442	\$ 1,724,000	\$ 1,759,206	\$ 1,794,411

2017-2018 SEWER OPERATING BUDGET

The sewer operating budget is part of the city's enterprise fund budget. Revenues collected for this utility fund the maintenance and operation as well as the personnel to perform these duties.

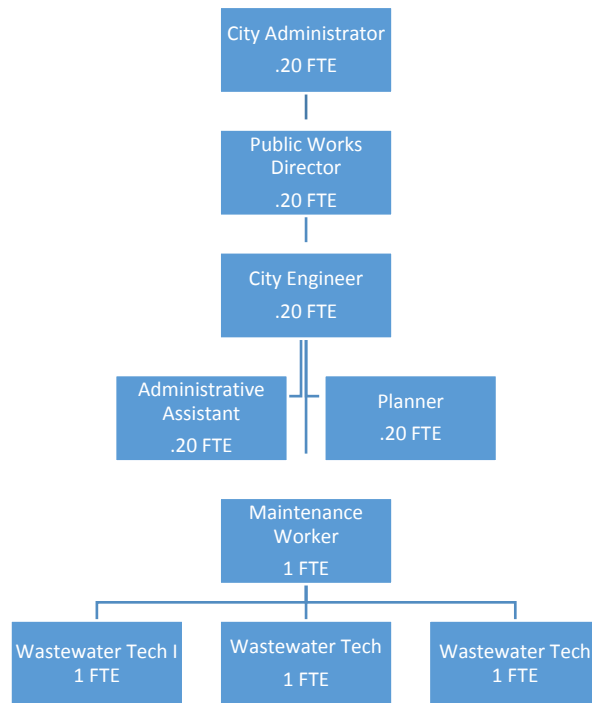
The total 2017-18 proposed sewer operating budget, including non-operating expenditures such as debt service and machinery and equipment, is \$1,653,088 in 2017 and \$1,7068,812 in 2018, which allows for a projected ending cash balance of \$979,995 in 2017 and \$1,051,808 in 2018.

Sewer Utility Expenditures

	2015	2016	2017	2018
Description	Actual	Budget	Adopted	Adopted
Operating Expenditures				
Salaries & Wages	\$ 239,443	\$ 301,365	\$ 305,465	\$ 317,685
Overtime	\$ 2,583	\$ 3,186	\$ 10,000	\$ 10,000
Social Security	\$ 17,938	\$ 23,300	\$ 23,365	\$ 24,300
Retirement	\$ 23,649	\$ 34,025	\$ 34,060	\$ 35,420
Medical Benefits	\$ 69,728	\$ 87,675	\$ 100,755	\$ 104,785
L & I	\$ 3,788	\$ 5,975	\$ 7,435	\$ 7,730
Unemployment Insurance	\$ 1,996	\$ 3,450	\$ 1,600	\$ 1,665
Supplies	\$ 18,993	\$ 20,000	\$ 20,000	\$ 30,000
Uniforms	\$ 2,251	\$ 4,000	\$ 4,000	\$ 4,000
Fuel	\$ 5,834	\$ 7,500	\$ 7,500	\$ 7,500
Small Equipment	\$ 2,097	\$ 2,500	\$ 2,500	\$ 2,500
Professional Services	\$ 42,364	\$ 60,000	\$ 60,000	\$ 60,000
Communications	\$ 18,225	\$ 20,000	\$ 20,000	\$ 20,000
Advertising	\$ 1,658	\$ 500	\$ 500	\$ 500
Rentals	\$ -	\$ 500	\$ 2,000	\$ 2,000
Insurance	\$ 22,343	\$ 25,250	\$ 30,000	\$ 30,840
Utilities	\$ 106,042	\$ 110,000	\$ 160,000	\$ 160,000
Repair/maintenance	\$ 22,895	\$ 25,000	\$ 40,000	\$ 40,000
B & O Tax	\$ 35,806	\$ 37,000	\$ 37,000	\$ 37,000
Meetings, Training & Travel	\$ 4,694	\$ 4,500	\$ 8,000	\$ 9,000
Credit Card Bank Fees	\$ 3,008	\$ 3,250	\$ 3,250	\$ 3,250
Dues	\$ 818	\$ 500	\$ 1,000	\$ 500
Interfund Payment For Servic	\$ 159,995	\$ 139,457	\$ 143,362	\$ 147,376
Permits	\$ 6,398	\$ 6,500	\$ 9,000	\$ 9,000
SRF Principal - Treatment Plan	\$ 465,029	\$ 465,029	\$ 465,029	\$ 465,029
PWTF Principal - 271st Trunk	\$ 106,921	\$ 106,921	\$ 106,921	\$ 106,921
PWTF Int. - 271st Trunk	\$ 5,881	\$ 5,881	\$ 5,346	\$ 4,811
Machinery & Equipment	\$ 2,596	\$ 25,000	\$ 25,000	\$ 25,000
Tranf. To Equipment Replacemen	\$ 40,000	\$ 40,000	\$ 20,000	\$ 40,000
Tranf. To Sewer Constr. Fund 403	\$ 115,027	\$ 172	\$ -	\$ -
Total Expenditures	\$ 1,548,000	\$ 1,740,630	\$ 1,653,088	\$ 1,706,812

2017-18 Sewer Staffing Levels

The 2017-18 budget includes approximately 5 full-time equivalent (FTE) dedicated staff to this department. This is still minimal staffing to maintain Stanwood's sewer system. The staff in this department maintains the treatment plant, the pump stations and the collection system.



2015-16 Sewer Accomplishments

- Certification of entire crew to Wastewater Operator Group 1 or higher
- Updated Sewer Comprehensive Plan
- Completed Biosolids Management Plan
- Purchased CCTV equipment to inspect collection system
- Purchased additional flow modules for collection system evaluation
- Cleaning of approximately 1/3 of sewer collection system
- Installation of new impellers on all 3 pumps at Main Pump Station to provide for redundancy in high flow situations
- Replaced directional valves for clarifier #1 and clarifier #2
- Rebuilt mechanical fine screen at WWTP
- Application for Biosolids General Permit
- Application for NPDES Waste Discharge Permit
- New sewer main on 270th Street 94th – 96th
- Received 9th Outstanding Performance Award for Waste Water Treatment Plant from the Department of Ecology.

2017-2018 Sewer Goals

- Biosolids removal and utilization for stabilization ponds
- Continue sewer line cleaning and televising
- Install new sewer main on 271st between 94th and 99th
- Complete telemetry system upgrade
- Coordination of collection of data for Infiltration and Inflow Evaluation
- Operations and Maintenance Manual update for WWTP
- Pioneer Highway Conveyance replacement 77th – 267th
- Stabilization Pond improvements – Aerators and Liner repair
- Viking Way Conveyance improvements
- Purchase a van for the CCTV equipment.
- Replace sleeves, bulbs, panel and wiper system for the UV system

WATER SUMMARY

The City owns, operates and maintains the entire water system to include source, treatment and distribution. The system consists of approximately 65 miles of water main, 5 reservoirs, 7 pressure zones, 11 pressure reducing stations, 2 booster pump stations, 2 well sites, spring source and the water treatment plant. We currently have 4 employees assigned to full time duties within the department.

City staff will request maintaining the current staffing level, which includes 1,000 hours of seasonal help.

2017-2018 WATER OPERATING REVENUE

The City completed an in-house water rate study in 2013. Based on the study, the finance committee recommended annual 5% water rate increases for six consecutive years on each January 1st, 2014 through 2019. On October 10, 2013 the city council adopted Ordinance Number 1354 which adopted these water rate increases. The 2017-2018 budget projects that the city will receive \$1,650,250 in service charges in 2017 and \$1,732,413 in 2018. The annual water rate increases of 5% were adopted to achieve the following long term goals:

- Maintain minimum cash reserves of \$250,074 per the city's financial policy
- Make capital improvements averaging \$778,000 per year over the next six years
- Fully staff water operations with 6.25 FTEs
- Self-fund water utility capital projects over the next six years via modest rate increases and spending down capital reserves before additional borrowing is considered

Table 17 – Water Utility Revenues

	2015	2016	2017	2018
Description	Actual	Budget	Adopted	Adopted
Beginning Balance	\$ 618,956	\$ 543,961	\$ 404,072	\$ 429,793
Revenues				
Charges for Services	\$ 1,577,247	\$ 1,577,600	\$ 1,650,250	\$ 1,732,413
Misc. Revenues	\$ 50,816	\$ 40,800	\$ 41,900	\$ 41,900
Interfund Transfers	\$ 202,570	\$ 158,696	\$ 75,917	\$ 75,917
Total Revenues	\$ 1,830,633	\$ 1,777,096	\$ 1,768,067	\$ 1,850,230

2017-2018 WATER OPERATING BUDGET:

The water operating budget is part of the city’s enterprise fund budget. Revenues collected for this utility fund the maintenance and operation as well as the personnel to perform these duties.

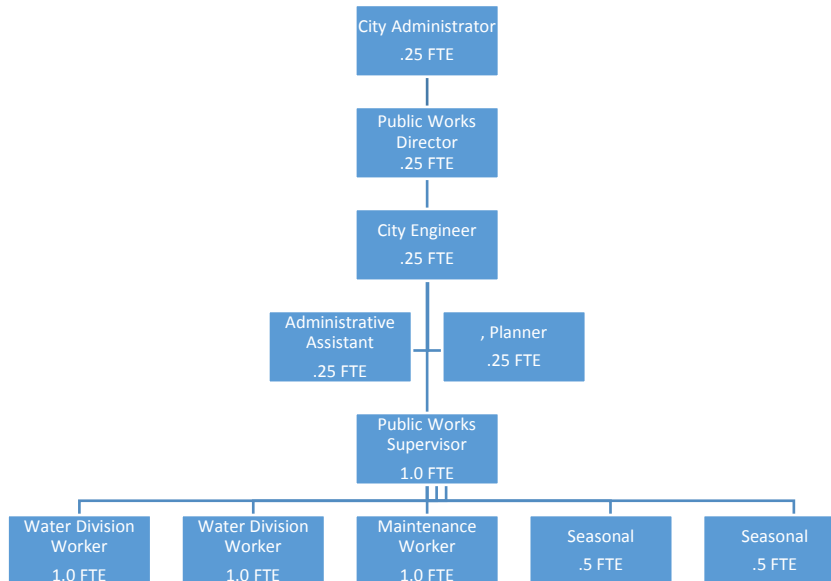
The total 2017-18 proposed water operating budget, including non-operating expenditures such as debt service and machinery and equipment, is \$1,742,346 in 2017 and \$1,731,957 in 2018, which allows for a projected ending cash balance of \$429,793 in 2017 and \$548,066 in 2018.

Water Utility Expenditures

Description	2015	2016	2017	2018
Operating Expenditures	Actual	Budget	Adopted	Adopted
Salaries & Wages	\$ 279,550	\$ 371,035	\$ 376,365	\$ 391,420
Overtime	\$ 4,542	\$ 4,400	\$ 10,000	\$ 10,000
Social Security	\$ 21,378	\$ 28,715	\$ 28,790	\$ 30,710
Retirement	\$ 27,677	\$ 39,660	\$ 39,630	\$ 41,215
Medical Benefits	\$ 78,754	\$ 86,760	\$ 105,685	\$ 109,910
L & I	\$ 3,593	\$ 6,920	\$ 7,000	\$ 7,728
Unemployment Insurance	\$ 2,183	\$ 4,250	\$ 2,250	\$ 2,340
Supplies	\$ 39,889	\$ 36,000	\$ 40,000	\$ 40,000
Uniforms	\$ 3,928	\$ 4,500	\$ 4,500	\$ 4,626
Chemicals	\$ 6,112	\$ 10,000	\$ 10,000	\$ 10,280
Fuel	\$ 9,521	\$ 12,000	\$ 12,000	\$ 12,336
Small Equipment	\$ 7,827	\$ 8,000	\$ 8,000	\$ 8,224
Meters/Installs	\$ 42,249	\$ 50,000	\$ 50,000	\$ 10,000
Professional Services	\$ 46,629	\$ 70,000	\$ 50,000	\$ 50,000
Communications	\$ 11,240	\$ 10,000	\$ 10,000	\$ 10,280
Advertising	\$ 407	\$ 500	\$ 500	\$ 514
Rentals	\$ -	\$ 300	\$ 500	\$ 500
Insurance	\$ 22,343	\$ 25,150	\$ 30,000	\$ 30,840
Utilities	\$ 76,312	\$ 80,000	\$ 80,000	\$ 82,240
Repair/maintenance	\$ 23,114	\$ 25,000	\$ 40,000	\$ 40,000
B & O Tax	\$ 81,903	\$ 90,000	\$ 90,000	\$ 92,520
Credit Card Bank Fees	\$ 3,008	\$ 4,000	\$ 4,000	\$ 4,112
Dues	\$ 702	\$ 1,000	\$ 1,000	\$ 1,028
Meetings, Training & Travel	\$ 6,379	\$ 6,500	\$ 6,500	\$ 6,682
Testing	\$ -	\$ 500	\$ 500	\$ 514
Operating Permits	\$ 3,854	\$ 6,000	\$ 160,125	\$ 6,168
Interfund Payment For Servic	\$ 153,275	\$ 181,749	\$ 181,749	\$ 163,328
PWTF Principal - Cedarhome Rsr	\$ 139,519	\$ 139,519	\$ 139,519	\$ 139,519
PWTF Principal Water Trtmnt Plan	\$ 172,385	\$ 172,385	\$ 172,385	\$ 172,385
PWTF Interest - Cedarhome Rsrv	\$ 7,034	\$ 6,976	\$ 6,278	\$ 5,581
PWTF Interest Water Trtmnt Plan	\$ 9,481	\$ 9,481	\$ 8,619	\$ 7,757
Machinery & Equipment	\$ 15,931	\$ 25,000	\$ 25,000	\$ 25,000
Trnsf for System Replace -422	\$ 268,709	\$ 397,604	\$ -	\$ -
Trnsf to Water Equip Reserve	\$ 125,000	\$ 10,000	\$ 5,000	\$ 5,000
Transfer to WS Bond Res 451	\$ 211,200	\$ 211,800	\$ 212,200	\$ 209,200
Total Operating Expenditures	\$ 1,905,628	\$ 2,135,704	\$ 1,918,095	\$ 1,731,957

2017-18 Water Staffing Levels

The 2017-18 budget includes the addition of the City Engineer/Assistant Public Works Director. This is still minimal staffing to maintain Stanwood's water system. There are approximately 6.25 full-time equivalent (FTE) dedicated staff to this department. The staff in this department maintains all source, disinfection and distribution system.



2015-2016 Water Accomplishments

- Put new Bryant Well on line.
- New water main on 92nd Ave.
- Water main replacement on Pioneer Hwy
- New water main on 270th St., 88th Ave to Florence Rd.
- New water main on 270th St., 94th Ave. to 96th Ave.
- Water main replacement on 272nd St., 99th Ave to 101st Ave.

2017-2018 Water Goals

- 81st Dr. - Tie services over to 10" & abandon 2"
- Water main replacement on 88th Ave.- 610' of 12" PVC (Rite Aid to 271st)
- Water main replacement on 103rd Dr. – 840' of 8" PVC (271st to 273rd)
- Water main replacement on Boe Rd. - 900' of 4" PVC (Bodle Bridge to Barn)
- Decommission Fure Well
- Decommission Bryant Well 2
- Water main replacement on 288th St. – 2050' 8" PVC (68th to 64th)
- Water main replacement on 101st Ave. – 730' 8" PVC (272nd Pl. to 274th)
- Upgrade telemetry
- New PRV at Pioneer Highway near SR 532

DRAINAGE SUMMARY

The City owns, operates and maintains the entire storm drainage system to include piping, approximately 1,554 catch basin, detention ponds, ditches, Irvine Slough and the Irvine Slough pump station.

The City's practice of maintaining all detention ponds was called into question when an ownership search revealed 7 ponds were actually privately owned through HOA's or plat assessment. A subsequent meeting was set up with the people affected by this discovery and a plan is in the works to determine how and by whom maintenance will now be accomplished on these privately owned facilities.

Purpose of Drainage Utility

The purpose of the drainage utility operating fund is to promote quality of storm water in the city. The fund is used to maintain the City's storm water conveyance and treatment facilities and construct storm water capital projects.

A drainage utility is essentially a special assessment district set up to generate funding specifically for surface water management. Users within the district pay a drainage utility fee, and the revenue generated directly supports maintenance and upgrade of existing storm drainage systems; development of drainage plans, flood control measures, and the water-quality programs; administrative costs; and sometimes construction of major capital improvements. Unlike a surface water program that draws on the general tax fund or uses property taxes for revenue, the people who benefit are the ones who pay.

Surface water management within the City is governed by federal, state, regional, county and city laws including the Clean Water Act, Endangered Species Act, the Growth Management Act, Shoreline Management Act, State Environmental Policy Act, Stormwater Management Performance Standards and Puget Sound Water Quality Action Plan.

There are a number of state statutes that pertain either directly or indirectly to the City's authority to form a drainage utility. One of the more broad based statutes pertains to municipal utilities in general and states that a code city may provide utility service within and outside its city limits and this includes the exercise of all the powers to the extent authorized by law (RCW 35A.80.010).

2017-2018 DRAINAGE OPERATING REVENUES

The drainage utility fee is based on the relative contribution of increased surface and storm water runoff from a given parcel to the storm water system. The amount of impervious surfaces on the parcel is used to indicate the relative contribution of increased surface and storm water runoff from the parcel to the storm water system. The relative contribution of increased storm water runoff from each parcel will determine that parcel's share of the drainage utility fee revenue needs. The drainage utility fee revenue needs of the utility are based upon all or any part, as determined by the Council, of the cost of storm water services or to pay or secure the payment of all or any portion of any issue of general obligation or revenue bonds issued for such purpose.

Table 19 – Drainage Utility Revenues

	2015	2016	2017	2018
Description	Actual	Budget	Proposed	Proposed
Beginning Balance	\$ 334,473	\$ 271,025	\$ 171,902	\$ 230,622
Revenues				
Charges for Services	\$ 453,689	\$ 450,000	\$ 450,200	\$ 450,200
Misc. Revenues	\$ 2,590	\$ 1,500	\$ 500	\$ 500
Total Revenues	\$ 456,279	\$ 451,500	\$ 450,700	\$ 450,700

2017-2018 DRAINAGE OPERATING BUDGET

Detention pond maintenance has been difficult to accomplish. The City has a combination of regular and seasonal employees to maintain the ponds during the summer months. The workload exceeds staffing levels. The 2017-18 budget includes funding for a part time seasonal employee.

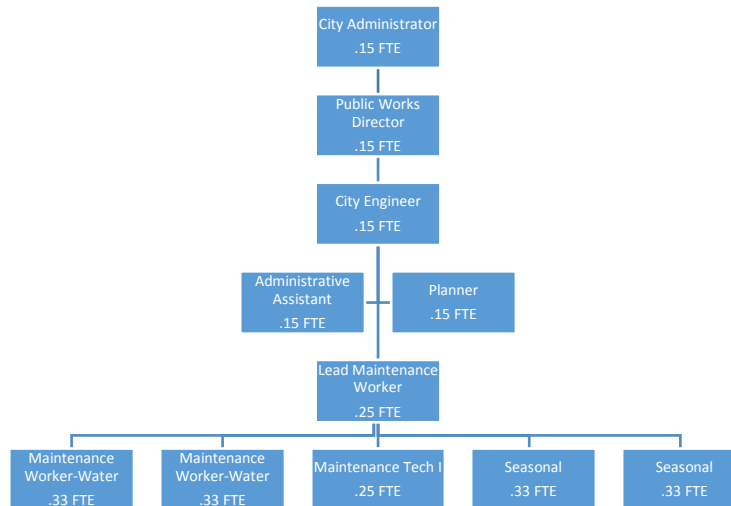
The total 2017-18 proposed drainage operating budget, including non-operating expenditures such as machinery and equipment, is \$391,980 for 2017 and \$401,926 for 2018 which allows for a projected ending cash balance of \$230,622 in 2017 and \$279,396 in 2018.

Table 20 – Drainage Utility Expenditures

	2015	2016	2017	2018
Description	Actual	Budget	Adopted	Adopted
Operating Expenditures				
Salaries & Wages	\$ 110,386	\$ 155,970	\$ 152,140	\$ 158,226
Overtime	\$ 1,198	\$ 625	\$ 2,000	\$ 2,080
Social Security	\$ 8,131	\$ 12,000	\$ 11,640	\$ 12,106
Retirement	\$ 10,000	\$ 16,205	\$ 15,730	\$ 16,360
Medical Benefits	\$ 27,711	\$ 43,025	\$ 37,880	\$ 39,395
L & I	\$ 1,655	\$ 3,210	\$ 3,500	\$ 3,640
Unemployment Insurance	\$ 889	\$ 1,775	\$ 750	\$ 780
Supplies	\$ 3,243	\$ 4,500	\$ 4,500	\$ 4,500
Uniforms	\$ 583	\$ 1,200	\$ 1,000	\$ 1,000
Fuel	\$ 3,101	\$ 3,400	\$ 5,000	\$ 5,000
Small Equipment	\$ 1,304	\$ 1,500	\$ 1,500	\$ 1,500
Professional Services	\$ 29,445	\$ 40,000	\$ 40,000	\$ 40,000
Communications	\$ 3,706	\$ 3,000	\$ 3,000	\$ 3,000
Rentals	\$ -	\$ 500	\$ 500	\$ 500
Insurance	\$ 22,343	\$ 25,151	\$ 25,855	\$ 25,855
Utilities	\$ 7,373	\$ 8,500	\$ 8,500	\$ 8,500
Repair/maintenance	\$ 3,578	\$ 4,000	\$ 4,000	\$ 5,000
B & O Tax	\$ 7,096	\$ 7,200	\$ 7,200	\$ 7,200
Meetings, Training & Travel	\$ 807	\$ 750	\$ 750	\$ 750
Credit Card Bank Fees	\$ 1,504	\$ 1,500	\$ 1,500	\$ 1,500
Interfund Payment For Servic	\$ 64,504	\$ 66,386	\$ 54,435	\$ 54,435
State Operating Permits	\$ -	\$ 600	\$ 600	\$ 600
Machinery & Equipment	\$ 22,916	\$ 25,000	\$ -	\$ -
Transfer To DCF (411)	\$ 178,256	\$ 146,234	\$ -	\$ -
Trsfr To 458 Equip Repl	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Total Expenditures	\$ 519,728	\$ 582,231	\$ 391,980	\$ 401,926

2017-18 Drainage Staffing Levels

The 2017-18 budget includes the addition of the City Engineer/Assistant Public Works Director. There are approximately 2.57 full-time equivalent (FTE) dedicated staff to this department.



2015-16 Drainage Accomplishments

- Clean all roadside ditches
- Fix drainage on 270th, 84th Avenue to 88th Avenue
- Replaced 7 tubes with 4 larger tubes
- Electrical upgrade at Irvine Slough pump station
- Continue working with home owners on pond maintenance and ownership
- Cleaned/Dredged Irvine Slough
- Hired Site Development Associates for Irvine Slough Stormwater Separation Design

2017-18 Drainage Goals

- Fix drainage on 85th
- Continue work to install berm on SR 532
- Complete Irvine Slough Stormwater Separation (IS4) Phase 2
- Clean Lindstrom detention pond
- Vector all downtown catch basins
- Clean all ditches city wide
- Fix drainage problem on 94th Drive, 271st Street to SR 532
- Fix control structure at Pioneer Hills Pond