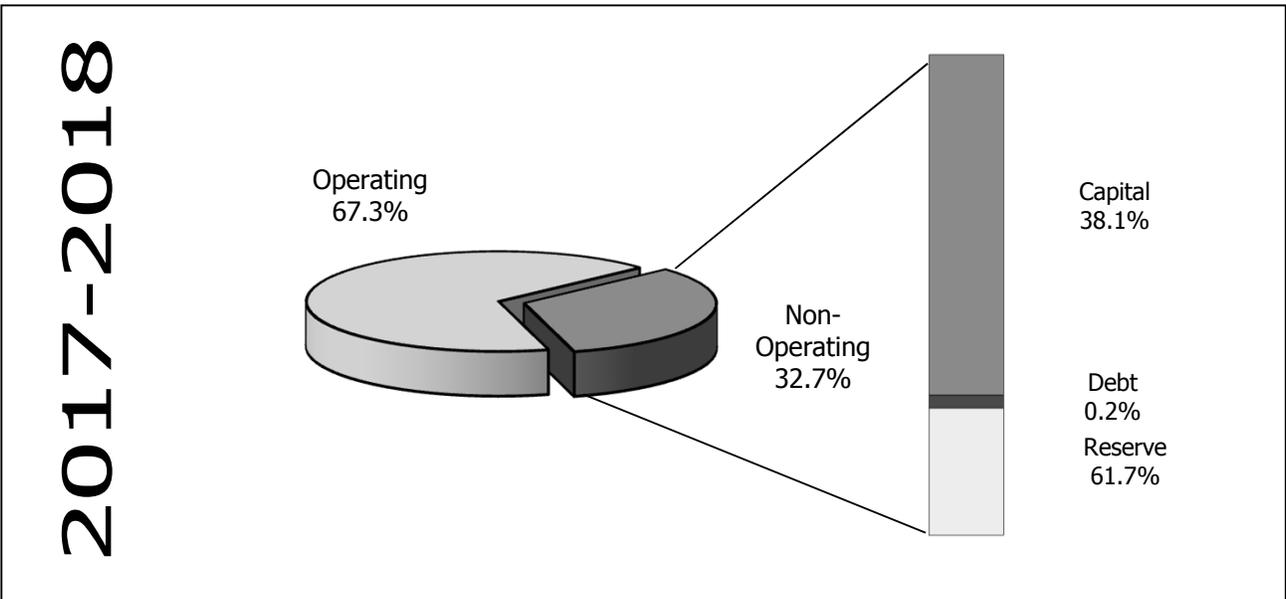


**CITY OF KIRKLAND
 WATER/SEWER UTILITY
 2017-2018 BUDGET OVERVIEW: BY FUND TYPE/FUND**



The Water/Sewer Utility operating budget accounts for the purchase of water from the Cascade Water Alliance and sewage treatment services from METRO/King County as well as all maintenance and administrative costs. The non-operating budget accounts for principal and interest payments on utility debt, capital projects, and reserves.

Analysis of Change

Fund	2015-16 Budget	2017-18 Budget	Percent Change
<i>Operating Fund</i>			
411 Water/Sewer Operating	60,816,693	67,459,821	10.92%
Total Operating Fund	60,816,693	67,459,821	10.92%
<i>Non-Operating Funds</i>			
412 Water/Sewer Debt Service	903,200	956,438	5.89%
413 Utility Capital Projects	33,690,972	31,814,745	-5.57%
Total Non-Operating Funds	34,594,172	32,771,183	-5.27%
Total Water/Sewer Utility Funds	95,410,865	100,231,004	5.05%

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2015 to Ending 2018)
WATER/SEWER UTILITY FUNDS

	Water/Sewer Operating ¹	Non-Operating		Total
		Water/Sewer Debt Service ²	Utility Capital Projects ³	
2015 Actual Beginning Fund Balance	7,459,135	488,200	20,166,637	28,113,972
<i>Reserved</i>	<i>2,659,932</i>	<i>488,200</i>	<i>14,151,133</i>	<i>17,299,265</i>
<i>Unreserved Working Capital</i>	<i>4,799,203</i>	<i>-</i>	<i>6,015,504</i>	<i>10,814,707</i>
Plus: 2015-16 Estimated Revenues	55,220,663	136,472	14,477,513	69,834,648
Less: 2015-16 Estimated Expenditures	52,647,694	571,187	13,650,373	66,869,254
2016 Estimated Ending/2017 Budgeted Beginning Fund Balance	10,032,104	53,485	20,993,777	31,079,366
Plus: 2017-18 Budgeted Revenues	57,427,717	902,953	10,820,968	69,151,638
Less: 2017-18 Budgeted Expenditures	56,972,692	894,416	23,144,447	81,011,555
2018 Budgeted Ending Fund Balance	10,487,129	62,022	8,670,298	19,219,449
<i>Reserved</i>	<i>2,761,433</i>	<i>62,022</i>	<i>8,670,298</i>	<i>11,493,753</i>
<i>Unreserved Working Capital</i>	<i>7,725,696</i>	<i>-</i>	<i>-</i>	<i>7,725,696</i>
Change in Fund Balance: Beginning 2015 to Ending 2018	3,027,994	(426,178)	(11,496,339)	(8,894,523)

Notes:

¹The increase in the Operating Fund is due to expenditure savings in 2015-2016 as well as reductions in the debt service transfer.

²Requirement for debt service reserve has declined due to the size and nature of utility debt, which is reflected in the decrease in balance in the Debt Service Fund.

³The reduction in fund balance of the Utility Capital Projects Fund is due to the completion of capital projects that were funded but not constructed in prior years and an interfund loan for \$4.7 million issued for a purchase of property that will be paid in a subsequent budget period. The water/sewer construction reserve within the Utility Capital Projects Fund accumulates resources for future projects.

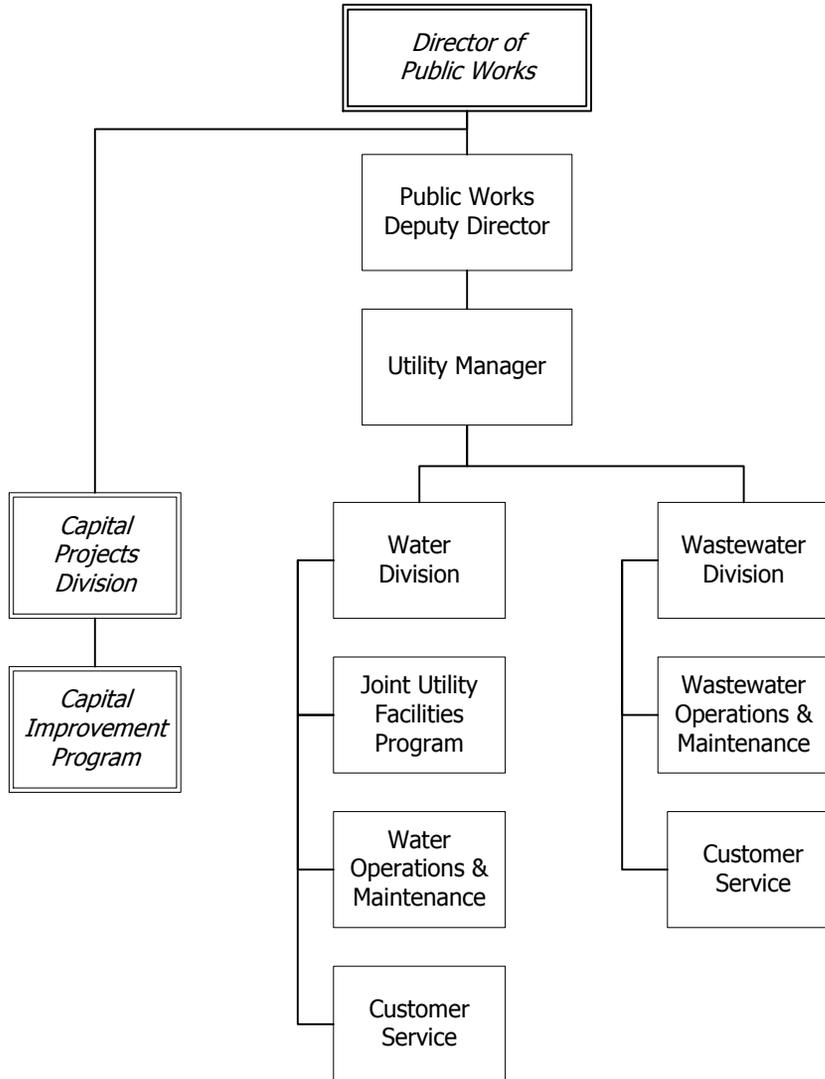
OPERATING



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CITY OF KIRKLAND Public Works Department

Water/Sewer Fund



Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.



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DEPARTMENT OVERVIEW

WATER/SEWER OPERATING FUND

MISSION

The **Water/Sewer Operating Fund** is established to account for the resources necessary for the maintenance, operation, and minor construction of water and sewer system appurtenances, including water and sewer services, mains, pump systems, and other related infrastructure.

DEPARTMENT FUNCTIONS

The Water and Sewer Divisions of Public Works oversees 173 miles of water mains, 38 pressure-reducing stations (PRVs), three water supply/pump stations, two water reservoirs, 1,899 fire hydrants, and 12,574 service connections. The Wastewater Division operates, maintains, and repairs 116 miles of sewer mains, 3,600 manholes, six sewer lift stations, and 10,598 side sewer connections.

The Water/Sewer utility provides for the repair and replacement of City infrastructure such as water service connections and meters, manhole replacement and rehabilitation, water valve, fire hydrant, and pressure reducing valve replacements that are not included in the Capital Improvement Program.

Major projects that allow the City to meet its water and waste water goals and objectives are administered within the Capital Improvement Program by the Capital Projects Division. Customer billing is administered by the Finance and Administration Department.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

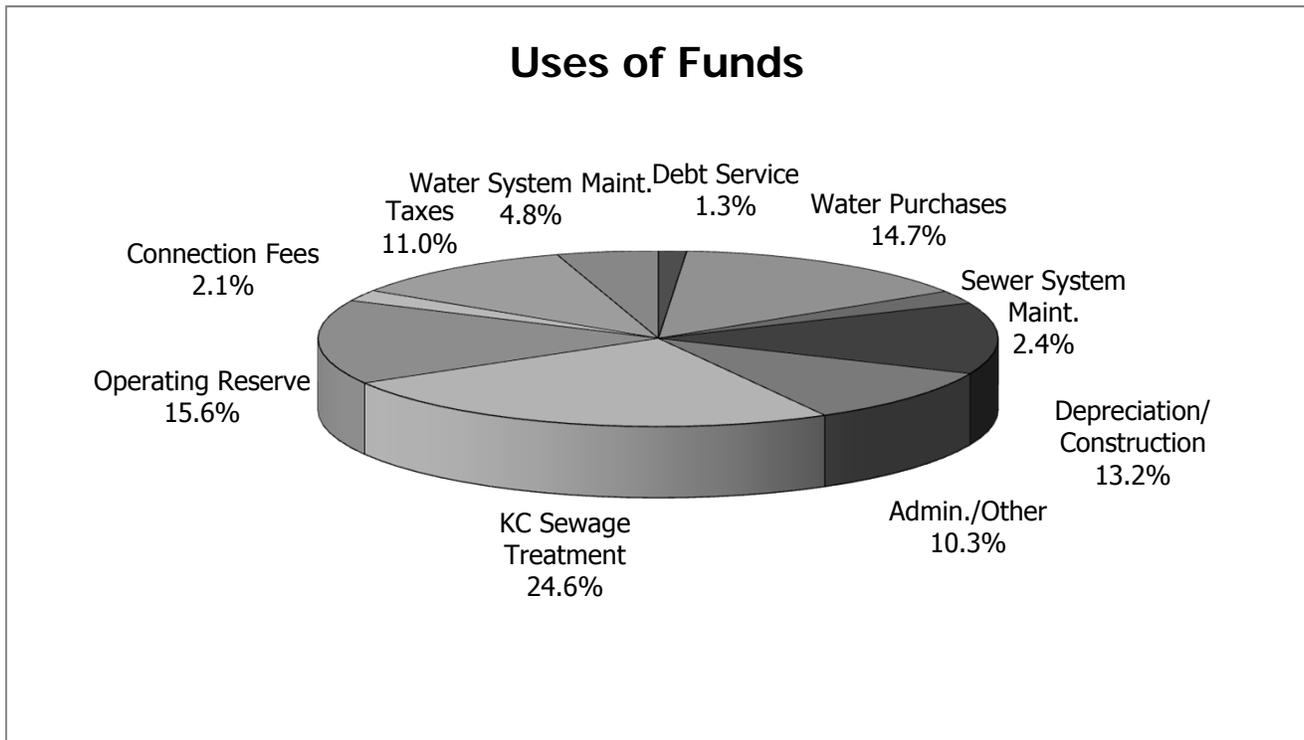
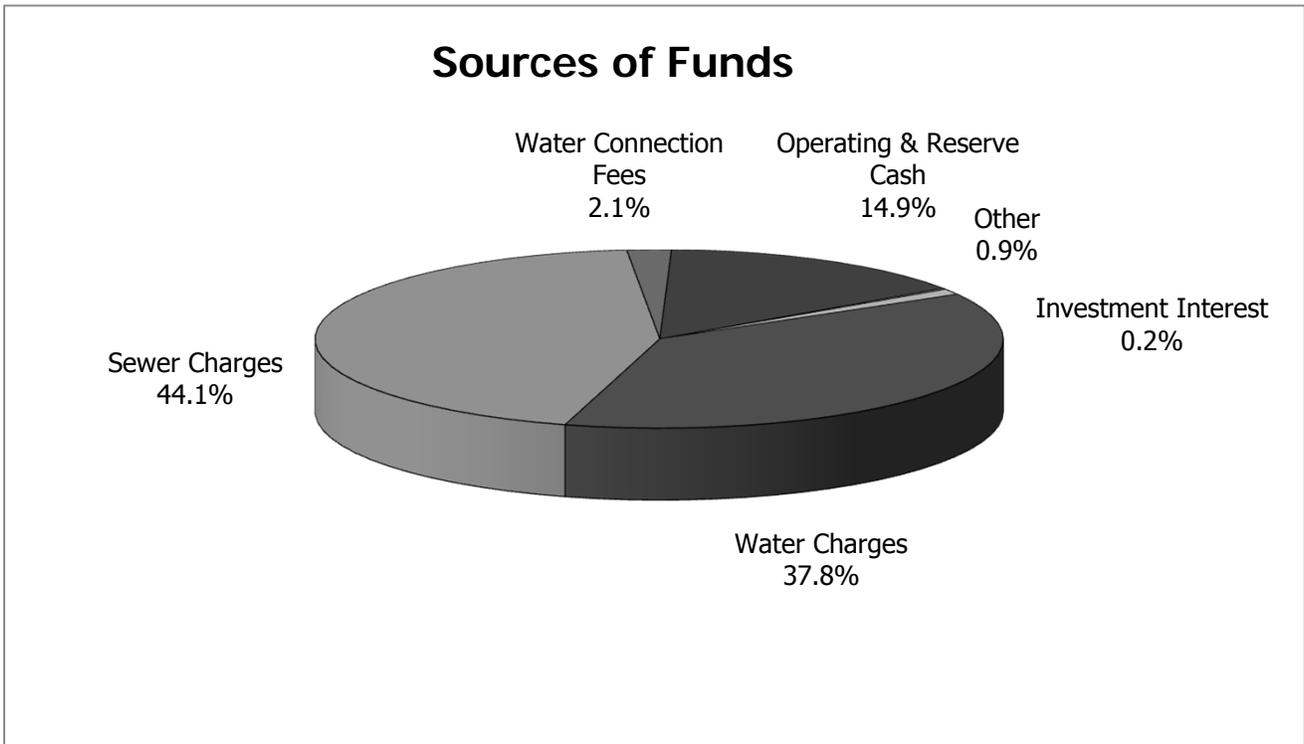
Environment

- Sewer rate increases for single family residential of 4.8% in 2017 and 1.3% in 2018, for multifamily and commercial 2.7% in 2017 and 1.4% in 2018

Dependable Infrastructure

- Establish adequate rates to support the needs of the Water Utility resulting in a 1.7% increase in 2017 and 2018 for single family and irrigation customers and no increase in multifamily and commercial rates
- Provide Commercial Driver's License (CDL) Training from a 3rd party training institute, \$20,000 ongoing (offsetting expenditure savings of \$20,000). Additional costs in the Street and Surface Water Operating Funds.

2017-2018 BUDGET WATER/SEWER OPERATING FUND



2017 - 2018 FINANCIAL OVERVIEW

WATER/SEWER OPERATING FUND

FINANCIAL SUMMARY BY OBJECT

	2013-2014 Actual	2015-2016 Estimate	2015-2016 Budget	2017-2018 Budget	Percent Change
Salaries and Wages	2,478,105	2,537,419	2,779,242	2,956,089	6.36%
Benefits	1,310,035	1,373,813	1,588,235	1,651,505	3.98%
Supplies	9,011,275	9,970,502	10,059,196	10,531,279	4.69%
Other Services	6,074,893	6,670,081	7,062,853	6,562,415	-7.09%
Government Services	30,359,233	31,976,562	32,292,614	35,014,240	8.43%
Capital Outlay	36,832	119,317	396,513	152,164	-61.62%
Reserves*	5,224,042	6,638,040	6,638,040	10,592,129	59.57%
TOTAL	54,494,415	59,285,734	60,816,693	67,459,821	10.92%

FINANCIAL SUMMARY BY DIVISION

	2013-2014 Actual	2015-2016 Estimate	2015-2016 Budget	2017-2018 Budget	Percent Change
Utility Operations/Maint.	29,097,204	30,898,398	31,510,018	32,930,983	4.51%
Administration	19,193,279	20,509,300	21,078,723	25,324,855	20.14%
Capital Construction	5,943,380	7,606,933	7,809,560	8,818,297	12.92%
Utility Joint Facilities	260,552	271,103	418,392	385,686	-7.82%
TOTAL	54,494,415	59,285,734	60,816,693	67,459,821	10.92%

POSITION SUMMARY BY DIVISION

	2013-2014 Actual	Adjustments	2015-2016 Budget	Adjustments	2017-2018 Budget
Utility Operations/Maint.	15.30	1.35	16.65	0.00	16.65
Administration	4.46	0.40	4.86	0.00	4.86
TOTAL	19.76	1.75	21.51	0.00	21.51

*2013-14 actual and 2015-16 estimates reserves are budgeted, but not spent

2017-2018 POSITION SUMMARY

WATER/SEWER OPERATING FUND

POSITION SUMMARY BY CLASSIFICATION

<u>Classification</u>	<u>2015-2016 Budget</u>	<u>Service Packages</u>	<u>2017-2018 Positions</u>	<u>Budgeted 2017 Salary Range</u>
Deputy Director	0.25		0.25	8,981 - 11,589
Utility Manager	0.40		0.40	7,202 - 9,293
Planning & Operations Manager	0.45		0.45	7,141 - 9,214
Utility Operations Supervisor	1.00		1.00	7,087 - 9,145
Management Analyst	0.50		0.50	5,928 - 6,974
Leadperson	1.25		1.25	5,439 - 6,563
Senior Craftsperson	1.00		1.00	4,563 - 5,894
Yard Maint. & Inventory Control	0.45		0.45	4,563 - 5,894
Senior Maintenance Person	3.50		3.50	4,563 - 5,894
Engineering Technician	0.40		0.40	4,982 - 5,861
Senior Accounting Associate	0.70		0.70	4,899 - 5,764
Utility Craftsperson	1.75		1.75	4,253 - 5,437
Permit Technician	0.00		0.00	4,585 - 5,394
Grounds Technician	0.10		0.10	3,592 - 4,940
Utilityperson	8.60		8.60	3,592 - 4,940
Public Works Office Specialist	1.16		1.16	3,935 - 4,629
TOTAL	21.51	0.00	21.51	

**City of Kirkland
2017 - 2018 Budget
Revenues**

		2013 -2014 Actual	2015 - 2016 Estimate	2015- 2016 Budget	2017 -2018 Budget	Percent Change
Fund:	WaterSewer Utility Operating (411)					
Department:	General					
Division:	Not Applicable					
Key:	Water Sewer Utility Operating (411000000)					
Intergovernmental Revenue						
Other King County Grants	3370801	0	0	60,000	0	0.00%
Total for Intergovernmental Revenue:		0	0	60,000	0	0.00%
Charges for Goods and Services						
General Govt Services	3419601	108,248	186,907	130,000	130,000	0.00%
Residential Water Sales	3434001	10,024,776	11,200,299	10,813,660	11,715,845	8.34%
Multi-Family Water Service	3434003	5,184,571	5,522,091	5,300,009	5,509,409	3.95%
Commercial Water Sales	3434004	4,473,332	4,841,946	4,578,426	4,808,507	5.02%
Water Service Penalties	3434005	126,271	127,524	120,000	120,000	0.00%
Eff Utility Tax Revenue Wtr	3434008	2,620,963	2,876,006	2,768,602	2,948,116	6.48%
Residential Sewer Svc-City	3435001	13,497,472	14,414,120	14,455,549	15,993,752	10.64%
Multi-Family Sewer Svc-City	3435003	5,233,131	5,723,202	5,635,214	5,857,977	3.95%
Commercial Sewer Svc-City	3435005	4,261,373	4,620,434	4,410,167	4,837,017	9.67%
Sewer Service Penalties	3435007	156,593	158,248	150,000	150,000	0.00%
Eff Utility Tax Revenue Swr	3435008	2,406,787	2,595,711	2,536,569	2,802,319	10.47%
Misc Utility Revenue	3438901	106,491	99,010	100,000	100,000	0.00%
Water OffOn Charge	3439001	167,471	155,933	160,000	160,000	0.00%
Estimated Final Bill Fee	3439003	49,533	47,772	40,000	40,000	0.00%
Interfund Personnel Services	3491601	4,181	0	0	0	0.00%
Interfund-Other Gen Govnmt	3491901	29,932	9,926	36,000	10,000	-72.22%
Total for Charges for Goods and Services:		48,451,125	52,579,129	51,234,196	55,182,942	7.70%
Miscellaneous Revenues						
Investment Interest	3611101	63,374	129,871	76,377	156,096	104.37%
Facilities Leases LT-Other	3625002	94,042	114,719	116,000	74,000	-36.20%
Hydrant Rental-Interfund	3662001	455,679	519,985	519,985	566,679	8.97%
Sale of Scrap Material	3691001	27,523	10,202	30,000	27,000	-10.00%
Other Judgements Settlements	3694001	13,769	12,697	20,000	20,000	0.00%
Other Misc Revenue	3699001	52	1,837	1,000	1,000	0.00%
Total for Miscellaneous Revenues:		654,439	789,311	763,362	844,775	10.66%
Proprietary Other Income						
Insur Recovery Prop IntSvc	3720001	7,905	5,393	0	0	0.00%
Regional Water Connection Chg	3791003	1,576,200	1,846,830	1,300,000	1,400,000	7.69%
Total for Proprietary Other Income:		1,584,105	1,852,223	1,300,000	1,400,000	7.69%
Other Financing Sources						
Oper Transfer In-Intra Utility	3971002	100,000	0	0	0	0.00%

**City of Kirkland
2017 - 2018 Budget
Revenues**

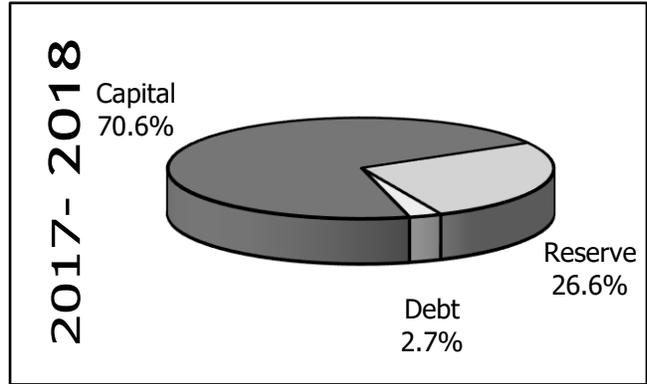
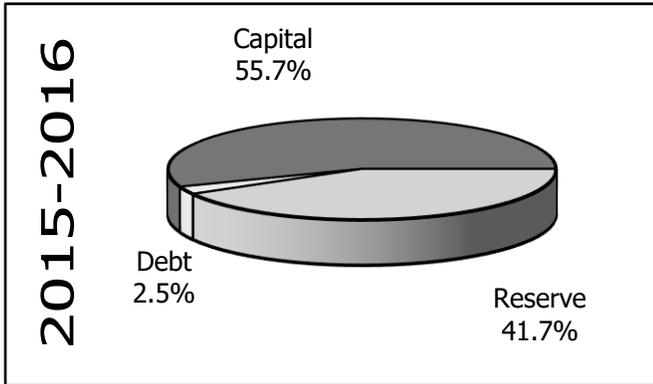
		2013 -2014 Actual	2015 - 2016 Estimate	2015- 2016 Budget	2017 - 2018 Budget	Percent Change
Resources Forward	3999901	0	7,459,135	7,459,135	10,032,104	34.49%
Total for Other Financing Sources:		100,000	7,459,135	7,459,135	10,032,104	34.49%
Total for Water Sewer Utility Operating (411000000):		50,789,669	62,679,798	60,816,693	67,459,821	10.92%
Total for Not Applicable:		50,789,669	62,679,798	60,816,693	67,459,821	10.92%
Total for General:		50,789,669	62,679,798	60,816,693	67,459,821	10.92%
Total for WaterSewer Utility Operating:		50,789,669	62,679,798	60,816,693	67,459,821	10.92%

NON-OPERATING



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CITY OF KIRKLAND WATER/SEWER UTILITY



2015-2016 BUDGET SUMMARY: BY PURPOSE

Fund	2015-16 Budget	Purpose			
		Reserve	Debt	Capital	Other
412 Debt Service	903,200	35,390	867,810	-	-
413 Utility Capital Projects	33,690,972	14,359,205	-	19,284,767	47,000
Total Non-Operating Funds	34,594,172	14,394,595	867,810	19,284,767	47,000

2017-2018 BUDGET SUMMARY: BY PURPOSE

Fund	2017-18 Budget	Purpose			
		Reserve	Debt	Capital	Other
412 Debt Service	956,438	62,022	894,416	-	-
413 Utility Capital Projects	31,814,745	8,670,298	-	23,144,447	-
Total Non-Operating Funds	32,771,183	8,732,320	894,416	23,144,447	-

CITY OF KIRKLAND

WATER/SEWER UTILITY DEBT SERVICE FUND

There are two types of debt generally issued by the City for utility purposes:

- **Revenue Bonds** represent debt that is repaid from a designated revenue source such as fees. The City uses revenue bonds to pay for improvements related to the water and sewer utility. The annual debt service requirements of revenue bond issues are incorporated into the water and sewer rates which are paid bi-monthly by utility customers.
- **Local Improvement District (LID) Bonds** represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LIDs are formed by the City Council after a majority of property owners agree to the assessment. Currently the City has no LID Bonds outstanding.

In addition to bonds, the City can take advantage of low interest loans from the state's **Public Works Trust Fund**. Loans for approved projects are granted with interest rates ranging from one-half to three percent depending on the amount of the City's matching funds. Loans are awarded through a competitive process. At this time, the City has one outstanding one percent loan and three one-half percent loans, which were issued for water/sewer capital improvement purposes. Debt service is repaid through utility rates.

The City's debt management policies provide guidelines for the appropriate use of debt. The complete policies are contained at the end of this document in the appendix. Some key debt management policies include:

- *City Council approval is required prior to issuance of utility debt.*
- *Revenue bonds shall be issued only when operating revenues are insufficient for the enterprise's capital financing needs.*
- *The City will conduct a thorough analytical review before issuing debt and maintain a good credit rating at all times.*
- *The City will insure that net operating revenues of the enterprise constitute a minimum of 1.5 times the annual debt service requirements.*
- *The City will use refunding bonds (refinancing) to restructure current outstanding debt when sufficient savings can be realized from lower interest rates.*

When the City issues debt, a thorough review of the City's financial condition is completed by bond rating agencies. Based on their findings, the bonds are given a rating. The City's bond rating is a reflection of its creditworthiness and affects the cost to the City of issuing debt. There are two rating agencies -- Standard and Poor's (S&P) and Moody's Investor Service -- that rate Kirkland's bonds. Standard and Poor's upgraded Kirkland's rating as of November 17, 2008 to AAA from AA- due to the utility's strong performance and the rating agency's revised criteria. As of April 2010, Moody's upgraded the utility's LTGO and UTGO rating from A1 to Aa2.

Once bonds are rated, the City enters the bond market to secure the necessary funding. The proceeds (cash) received from selling the bonds are placed in the Utility Capital Projects Fund to account for the cost of constructing the capital improvement. The Water/Sewer Utility Debt Service Fund was created to track the principal and interest payments for all utility-related debt and required reserves. Each year a sufficient amount of revenue is budgeted and placed in the fund to pay the annual principal and interest due.

**CITY OF KIRKLAND
WATER/SEWER UTILITY
DEBT SERVICE FUND
2017-2018 PAYMENT AND RESERVE SUMMARY**

2015-2016 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
412 Water/Sewer Debt Service	815,246	52,564	35,390	903,200
Total Debt Service Fund	815,246	52,564	35,390	903,200

2017-2018 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
412 Water/Sewer Debt Service	846,075	48,341	62,022	956,438
Total Debt Service Fund	846,075	48,341	62,022	956,438

**City of Kirkland
2000 Public Works Trust Fund Loan**

Purpose: Juanita Lift Station Replacement Project-Design

Amount of Loan	\$227,500	Initial Loan Draw	7/01/2000
Resolution	4236	Net Interest Rate	1.000%
		Org:	4120008941

DEBT SERVICE SCHEDULE

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
2000	-	-	-	-	-	170,625
2001	1,616	1.00%	7/1/2001	8,980	10,596	161,645
2002	1,616	1.00%	7/1/2002	8,980	10,597	152,664
2003	1,527	1.00%	7/1/2003	8,980	10,507	200,560 *
2004	1,979	1.00%	7/1/2004	12,535	14,514	188,025
2005	1,880	1.00%	7/1/2005	12,535	14,415	175,490
2006	1,755	1.00%	7/1/2006	12,535	14,290	162,955
2007	1,629	1.00%	7/1/2007	12,535	14,164	150,420
2008	1,504	1.00%	7/1/2008	12,535	14,039	137,885
2009	1,379	1.00%	7/1/2009	12,535	13,914	125,350
2010	1,254	1.00%	7/1/2010	12,535	13,789	112,815
2011	1,128	1.00%	7/1/2011	12,535	13,663	100,280
2012	1,003	1.00%	7/1/2012	12,535	13,538	87,745
2013	877	1.00%	7/1/2013	12,535	13,412	75,210
2014	752	1.00%	7/1/2014	12,535	13,287	62,675
2015	627	1.00%	6/1/2015	12,535	13,162	50,140
2016	501	1.00%	6/1/2016	12,535	13,036	37,605
2017	376	1.00%	6/1/2017	12,535	12,911	25,070
2018	251	1.00%	6/1/2018	12,535	12,786	12,535
2019	125	1.00%	6/1/2019	12,535	12,660	-
Totals	21,780			227,500	249,280	

*Additional principal \$56,875 received 3/15/03.

**City of Kirkland
2001 Public Works Trust Fund Loan**

Purpose: Juanita Lift Station Replacement Project-Construction

Amount of Loan	\$1,848,000	Initial Loan Draw	9/15/03
Resolution	4236	Net Interest Rate	0.500%
		Org:	4120008941

DEBT SERVICE SCHEDULE

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
2003	-	-	-	-	-	1,755,600 *
2004	7,949	0.50%	7/1/2004	97,533	105,482	1,750,467 *
2005	8,588	0.50%	7/1/2005	102,969	111,557	1,647,498
2006	8,237	0.50%	7/1/2006	102,969	111,206	1,544,529
2007	7,723	0.50%	7/1/2007	102,968	110,691	1,441,561
2008	7,208	0.50%	7/1/2008	102,969	110,177	1,338,592
2009	6,693	0.50%	7/1/2009	102,968	109,661	1,235,624
2010	6,178	0.50%	7/1/2010	102,969	109,147	1,132,655
2011	5,663	0.50%	7/1/2011	102,969	108,632	1,029,686
2012	5,148	0.50%	7/1/2012	102,968	108,116	926,718
2013	4,634	0.50%	7/1/2013	102,969	107,603	823,749
2014	4,119	0.50%	7/1/2014	102,969	107,088	720,780
2015	3,604	0.50%	6/1/2015	102,968	106,572	617,812
2016	3,089	0.50%	6/1/2016	102,969	106,058	514,843
2017	2,574	0.50%	6/1/2017	102,968	105,542	411,875
2018	2,059	0.50%	6/1/2018	102,969	105,028	308,906
2019	1,545	0.50%	6/1/2019	102,969	104,514	205,937
2020	1,030	0.50%	6/1/2020	102,968	103,998	102,969
2021	515	0.50%	6/1/2021	102,969	103,484	-
Totals	86,556			1,848,000	1,934,556	

* Initial draws totalling \$1,755,600 in 2003, balance drawn in 2004.

**City of Kirkland
2004 Public Works Trust Fund Loan**

Purpose: Central Way Sewer Replacement

Amount of Loan	\$1,086,300	Initial Loan Draw	9/01/04
Resolution	4451	Net Interest Rate	0.500%
		Org:	4120008941

DEBT SERVICE SCHEDULE

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
2004	-	-	-	-	-	217,260 *
2005	757	0.50%	7/1/2005	-	757	1,031,985 *
2006	3,738	0.50%	7/1/2006	54,315	58,053	977,670
2007	4,888	0.50%	7/1/2007	57,333	62,221	974,653
2008	4,873	0.50%	7/1/2008	57,333	62,206	917,320
2009	4,587	0.50%	7/1/2009	57,333	61,919	859,988
2010	4,300	0.50%	7/1/2010	57,333	61,632	802,655
2011	4,013	0.50%	7/1/2011	57,333	61,346	745,323
2012	3,727	0.50%	7/1/2012	57,333	61,059	687,990
2013	3,440	0.50%	7/1/2013	57,333	60,772	630,658
2014	3,153	0.50%	7/1/2014	57,333	60,486	573,325
2015	2,867	0.50%	6/1/2015	57,333	60,199	515,993
2016	2,580	0.50%	6/1/2016	57,333	59,912	458,660
2017	2,293	0.50%	6/1/2017	57,333	59,626	401,328
2018	2,007	0.50%	6/1/2018	57,333	59,339	343,995
2019	1,720	0.50%	6/1/2019	57,333	59,052	286,663
2020	1,433	0.50%	6/1/2020	57,333	58,766	229,330
2021	1,147	0.50%	6/1/2021	57,333	58,479	171,998
2022	860	0.50%	6/1/2022	57,333	58,192	114,665
2023	573	0.50%	6/1/2023	57,333	57,906	57,333
2024	287	0.50%	6/1/2024	57,333	57,619	-
Totals	53,243			1,086,300	1,139,543	

* Initial draw \$217,260 in 2004; balance drawn throughout 2005.

**City of Kirkland
2013 Public Works Trust Fund Loan**

Purpose: NE 80th Street Sewer/Water Main Replacement

Amount of Loan \$4,038,000
Resolution

Initial Loan Draw 6/06/13
Net Interest Rate 0.500%
Org: 4120008941

DEBT SERVICE SCHEDULE

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
2013						26,843 *
2014	125	0.50%	6/1/2014	5,511	5,635	21,333
2014			Draws	150,679		172,011
2015	739	0.50%	6/1/2015	9,556	10,295	162,455
2015			Draws	172,725		335,180
2016	1,425	0.50%	6/1/2016	19,717	21,141	315,464
2016			Draws	3,687,753		4,003,217
2017	20,016	0.50%	6/1/2017	250,201	270,217	3,753,016
2018	18,765	0.50%	6/1/2018	250,201	268,966	3,502,815
2019	17,514	0.50%	6/1/2019	250,201	267,715	3,252,614
2020	16,263	0.50%	6/1/2020	250,201	266,464	3,002,413
2021	15,012	0.50%	6/1/2021	250,201	265,213	2,752,212
2022	13,761	0.50%	6/1/2022	250,201	263,962	2,502,010
2023	12,510	0.50%	6/1/2023	250,201	262,711	2,251,809
2024	11,259	0.50%	6/1/2024	250,201	261,460	2,001,608
2025	10,008	0.50%	6/1/2025	250,201	260,209	1,751,407
2026	8,757	0.50%	6/1/2026	250,201	258,958	1,501,206
2027	7,506	0.50%	6/1/2027	250,201	257,707	1,251,005
2028	6,255	0.50%	6/1/2028	250,201	256,456	1,000,804
2029	5,004	0.50%	6/1/2029	250,201	255,205	750,603
2030	3,753	0.50%	6/1/2030	250,201	253,954	500,402
2031	2,502	0.50%	6/1/2031	250,201	252,703	250,201
2032	1,251	0.50%	6/1/2032	250,201	251,452	-
Totals	172,425			4,038,000	4,210,425	

* Initial draw in 2013; balance expected to be drawn throughout 2016.



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CITY OF KIRKLAND

***WATER/SEWER UTILITY CAPITAL
PROJECTS FUND***

Capital Projects Funds are used to fund and track the construction of projects approved in the Capital Improvement Program. The City Council adopts a six-year Capital Improvement Program (CIP) which is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water and sewer systems, parks, public safety, and other government facilities and equipment. The Council revises the CIP biennially. The Water/Sewer portion of the CIP includes only those projects associated with the water/sewer utility.

The **Water/Sewer Capital Projects Fund** accounts for water and sewer projects that are ultimately funded by a portion of the water and sewer rates paid by utility customers. Included in the fund are the Water/Sewer CIP Contingency and the Water/Sewer Construction Reserve. The former has a target of ten percent of the funded six-year Utility CIP and provides a cushion in the event of unanticipated changes in project scope or cost. The latter is comprised of connection charges paid by new customers connecting to the City's water and sewer systems, and provides a one-time solution to address short term or time-limited funding needs.

**CITY OF KIRKLAND
CAPITAL IMPROVEMENT PROGRAM
2017-2018 BUDGET**

WATER/SEWER CAPITAL PROJECTS FUND (413)

Project Category/ Project Title	Project Number	Funding Source
UTILITIES		
Water		
104th Ave NE Watermain Replacement	WA 0102	Water & Sewer Rates
6th Street South Watermain Replacement	WA 0139	Water & Sewer Rates
3rd Street Watermain Improvement	WA 0153	Water & Sewer Rates
4th Street Watermain Replacement Phase 2	WA 0154	Water & Sewer Rates
120th Avenue NE Watermain Improvement	WA 0155	Water & Sewer Rates/Connection Fees
122nd Avenue NE Watermain Improvement	WA 0156	Water & Sewer Rates/Connection Fees
8th Avenue W Watermain Improvement	WA 0157	Water & Sewer Rates
NE 112th Street Watermain Improvement	WA 0158	Water & Sewer Rates
NE 113th Place Watermain Improvement	WA 0159	Water & Sewer Rates/Connection Fees
126th Avenue NE Watermain Improvement	WA 0160	Water & Sewer Rates
Annual Water CAO/SWDM Support	WA 7777	Reserves
Total Water		
Sewer		
6th Street S Sewermain Replacement	SS 0051	Water & Sewer Rates
108th Avenue NE Sewermain Replacement	SS 0052	Water & Sewer Rates/Connection Fees
1st Street Sewermain Replacement	SS 0069	Water & Sewer Rates/Reserves
5th Street Sewermain Replacement	SS 0070	Water & Sewer Rates
Kirkland Avenue Sewermain Replacement	SS 0072	Water & Sewer Rates
Annual Sewer CAO/SWDM Support	SS 7777	Reserves
Total Sewer		
TOTAL WATER/SEWER CAPITAL PROJECTS FUND		

**Total project cost over the 6-year CIP

2017 Budget	2018 Budget	Estimated Total Project Cost**	Additional Annual Maintenance & Operations	
			2017	2018
-	504,800	686,000	-	-
119,000	719,000	838,000	-	-
317,000	-	317,000	-	-
174,000	-	174,000	-	-
437,000	273,000	710,000	-	-
505,600	190,400	696,000	-	-
-	421,800	710,000	-	-
-	365,000	365,000	-	-
-	373,000	373,000	-	-
-	272,700	990,000	-	-
500,000	-	500,000	-	-
<u>2,052,600</u>	<u>3,119,700</u>	<u>6,359,000</u>	<u>-</u>	<u>-</u>
146,100	818,900	965,000	-	-
-	711,400	5,506,000	-	-
3,465,800	-	3,465,800	-	-
864,500	-	864,500	-	-
-	285,000	2,298,400	-	-
700,000	-	700,000	-	-
<u>5,176,400</u>	<u>1,815,300</u>	<u>13,799,700</u>	<u>-</u>	<u>-</u>
7,229,000	4,935,000	20,158,700	-	-

City of Kirkland
2017-2022 Preliminary Capital Improvement Program

WATER/SEWER UTILITY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2017	2018	2019	2020	2021	2022	2017-2022 Total	Funding Source		
										Current Revenue	Reserve	Debt
WA 0102	104th Ave NE Watermain Replacement			504,800	181,200				686,000	686,000		
WA 0134	5th Ave S / 8th St S Watermain Replacement			719,000	183,800	389,200			573,000	573,000		
WA 0139+	6th Street South Watermain Replacement		119,000						838,000	838,000		
WA 0153	3rd Street Watermain Improvement	440,000	317,000						317,000	317,000		
WA 0154	4th Street Watermain Replacement Phase 2	290,000	174,000						174,000	174,000		
WA 0155	120th Avenue NE Watermain Improvement		437,000	273,000					710,000	710,000		
WA 0156	122nd Avenue NE Watermain Improvement		505,600	190,400					696,000	696,000		
WA 0157	8th Avenue W Watermain Improvement			421,800	288,200				710,000	710,000		
WA 0158	NE 112th Street Watermain Improvement			365,000					365,000	365,000		
WA 0159	NE 113th Place Watermain Improvement			373,000					373,000	373,000		
WA 0160	126th Avenue NE Watermain Improvement			272,700	717,300				990,000	990,000		
WA 7777	Annual Water CAO/SWDM Support		500,000						500,000	500,000		
WA 8888	Annual Watermain Replacement Program						400,200	933,000	1,333,200	1,333,200		
WA 9999	Annual Water Pump Station/System Upgrade Pgm						400,200	934,000	1,334,200	1,334,200		
SS 0051	6th Street S Sewermain Replacement		146,100	818,900					965,000	965,000		
SS 0052	108th Avenue NE Sewermain Replacement			711,400	3,236,100	1,558,500			5,506,000	5,506,000		
SS 0062	NE 108th Street Sewermain Replacement					3,390,300	3,179,200		6,569,500	5,169,500	1,400,000	
SS 0069	1st Street Sewermain Replacement		3,465,800						3,465,800	2,065,800	1,400,000	
SS 0070	5th Street Sewermain Replacement	354,200	864,500						864,500	864,500		
SS 0072	Kirkland Avenue Sewermain Replacement	419,500		285,000	2,013,400	225,000	2,500,000	2,500,000	2,298,400	898,400	1,400,000	
SS 0077 001+	West of Market Sewermain Replacement - Phase I								5,225,000	5,225,000		
SS 7777	Annual Sewer CAO/SWDM Support		700,000						700,000	700,000		
SS 8888	Annual Sanitary Pipeline Replacement Program						400,200	933,000	1,333,200	1,333,200		
SS 9999	Annual Sanitary Pump Station/System Upgrade Pgm						400,200	933,000	1,333,200	1,333,200		
Total Funded Water/Sewer Utility Projects		1,503,700	7,229,000	4,935,000	6,620,000	5,563,000	7,280,000	6,233,000	37,860,000	32,460,000	5,400,000	0

Notes

Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)

Bold = New projects

+ = Moved from unfunded status to funded status

" = Moved from funded status to unfunded status

WATER/SEWER UTILITY PROJECTS

Unfunded Projects:

Project Number	Project Title	Total
WA 0052	108th Avenue NE Watermain Replacement	1,584,000
WA 0057	116th Avenue NE Watermain Replacement	2,731,000
WA 0067	North Reservoir Pump Replacement	611,000
WA 0096	NE 83rd Street Watermain Replacement	450,000
WA 0098	126th Ave NE/NE 83rd & 84th St/128th Ave NE Watermain Replacement	1,197,000
WA 0103	NE 113th Place/106th Ave NE Watermain Replacement	841,000
WA 0104	111th Ave NE/NE 62nd St-NE 64th St Watermain Replacement	1,493,000
WA 0108	109th Ave NE/NE 58th St Watermain Replacement	504,000
WA 0109	112th Ave NE Watermain Replacement	1,179,000
WA 0111	NE 45th St And 110th/111th Ave NE Watermain Replacement	1,303,000
WA 0113	116th Ave NE/NE 70th-NE 80th St Watermain Replacement	2,222,100
WA 0118	112th -114th Avenue NE/NE 67th-68th Street Watermain Replacement	3,360,100
WA 0119	109th Ave NE/111th Way NE Watermain Replacement	2,304,000
WA 0120	111th Avenue Watermain Replacement	182,000
WA 0122	116th Avenue NE/NE 100th Street Watermain Replacement	1,506,000
WA 0123	NE 91st Street Watermain Replacement	453,000
WA 0124	NE 97th Street Watermain Replacement	685,000
WA 0126	North Reservoir Outlet Meter Addition	72,300
WA 0127	650 Booster Pump Station	1,603,000
WA 0128	106th Ave NE-110th Ave NE/NE 116th St-NE 120th St Watermain Replacement	2,305,000
WA 0129	South Reservoir Recoating	981,000
WA 0130	11th Place Watermain Replacement	339,000
WA 0131	Supply Station #1 Improvements	61,500
WA 0132	7th Avenue/Central Avenue Watermain Replacement	907,000
WA 0133	Kirkland Avenue Watermain Replacement	446,000
WA 0135	NE 75th Street Watermain Replacement	711,000
WA 0136	NE 74th Street Watermain Replacement	193,000
WA 0137	NE 73rd Street Watermain Replacement	660,000
WA 0138	NE 72nd St/130th Ave NE Watermain Replacement	1,476,000
WA 0145	6th Street South Watermain Replacement	585,100
WA 0146	6th Street/Kirkland Way Watermain Replacement	693,000
WA 0147	106th Avenue NE Watermain Replacement	661,500
WA 0149	Lake Washington Blvd Watermain Replacement	655,000
SS 0068	124th Avenue NE Sewermain Replacement	1,315,000
SS 0077 999	<i>West Of Market Sewermain Replacement</i>	<i>16,456,000</i>
SS 0080	20th Avenue Sewermain Replacement"	812,000
SS 0083	111th Avenue NE Sewer Main Rehabilitation	725,000
SS 0084	Reclaimed Water (Purple Pipe) Opportunity Fund	5,000,000
Subtotal Unfunded Water/Sewer Utility Projects		59,262,600
Funding Available from Annual Programs for Candidate Projects		5,333,800
Net Unfunded Water/Sewer Utility Projects		53,928,800

Notes

Italics = Modification in timing and/or cost

Bold = New projects

" = Moved from funded status to unfunded status



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