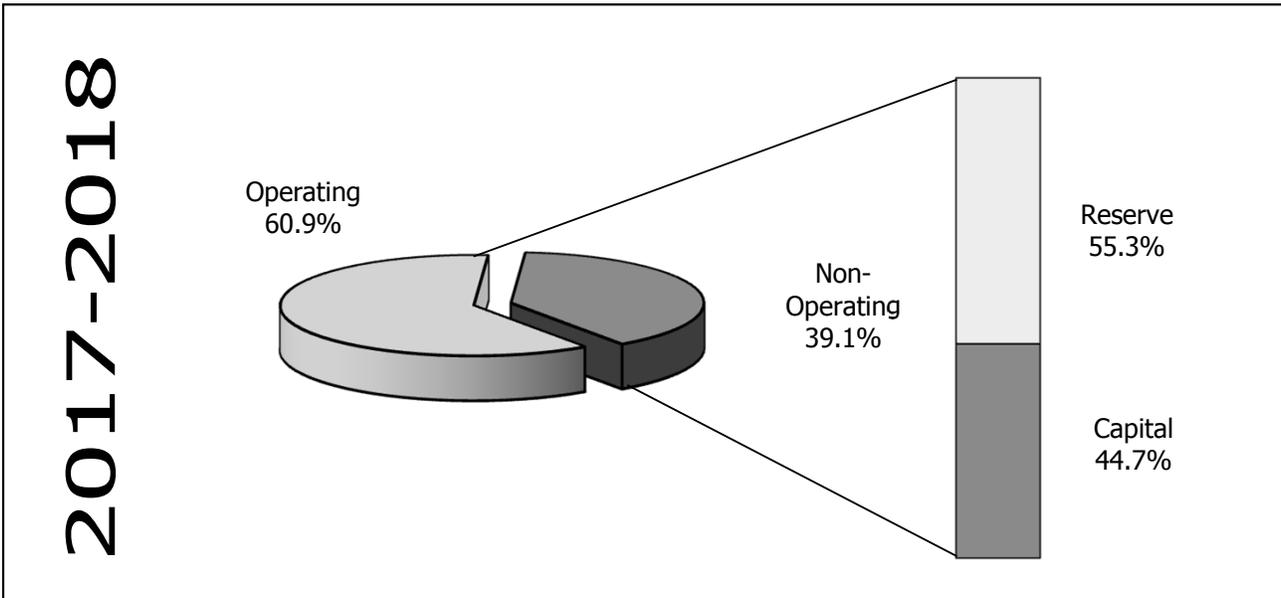


**CITY OF KIRKLAND
SURFACE WATER UTILITY
2017-2018 BUDGET SUMMARY: BY FUND TYPE/FUND**



The Surface Water Utility operating budget accounts for the operation and maintenance of the City's surface water system. The non-operating budget accounts for capital projects and reserves.

Analysis of Change

Fund	2015-16 Budget	2017-18 Budget	Percent Change
Operating Fund			
421 Surface Water Management	24,924,338	27,070,456	8.61%
Total Operating Fund	24,924,338	27,070,456	8.61%
Non-Operating Fund			
423 Surface Water Capital Projects	19,707,526	17,346,373	-11.98%
Total Non-Operating Fund	19,707,526	17,346,373	-11.98%
Total Surface Water Utility Funds	44,631,864	44,416,829	-0.48%

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

	Surface Water Management ¹	Surface Water Capital Projects ²	Total
2015 Actual Beginning Fund Balance	4,937,187	12,127,638	17,064,825
<i>Reserved</i>	<i>893,306</i>	<i>7,229,255</i>	<i>8,122,561</i>
<i>Unreserved Working Capital</i>	<i>4,043,881</i>	<i>4,898,383</i>	<i>8,942,264</i>
Plus: 2015-16 Estimated Revenues	20,283,763	7,310,289	27,594,052
Less: 2015-16 Estimated Expenditures	19,041,433	7,909,909	26,951,342
2016 Estimated Ending/2017 Budgeted Beginning Fund Balance	6,179,517	11,528,018	17,707,535
Plus: 2017-18 Budgeted Revenues	20,890,939	5,818,355	26,709,294
Less: 2017-18 Budgeted Expenditures	21,815,810	12,480,457	34,296,267
2018 Budgeted Ending Fund Balance	5,254,646	4,865,916	10,120,562
<i>Reserved</i>	<i>932,352</i>	<i>4,865,916</i>	<i>5,798,268</i>
<i>Unreserved Working Capital</i>	<i>4,322,294</i>	-	<i>4,322,294</i>
Change in Fund Balance: Beginning 2015 to Ending 2018	317,459	(7,261,722)	(6,944,263)

Notes:

¹The increase in the Management Fund is due to expenditure savings in 2015-2016.

²The reduction in fund balance of the Surface Water Capital Projects Fund is due to the completion of capital projects that were funded but not constructed in prior years. Surface Water Construction Reserve within the Surface Water Projects Fund accumulates resources for future projects.

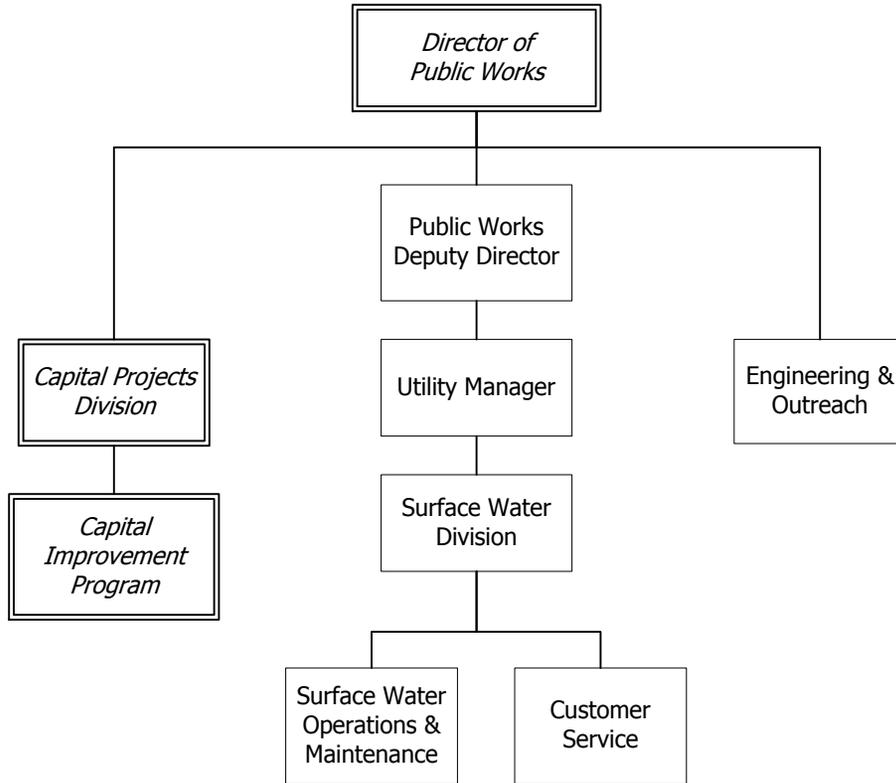
OPERATING



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CITY OF KIRKLAND Public Works Department

Surface Water Management 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

SURFACE WATER MANAGEMENT FUND

MISSION

The Surface Water Management Fund is established to account for the resources associated with the maintenance, operation, and minor construction components of the City's surface water system; this system includes constructed elements such as pipes and catch basins, and natural resources such as streams and lakes.

DEPARTMENT FUNCTIONS

The Surface Water Operations and Maintenance Division of Public Works operates, maintains, and repairs storm drain infrastructure including pipes, manholes, catch basins, ditches, and detention ponds. The storm drain system serves all residential, multifamily, and commercial customers.

The Surface Water Engineering Group in the Development and Environmental Services Division conducts review of development proposals, ensures City compliance with state and federal surface water regulations, monitors the quality of water and aquatic habitat, investigates water quality and drainage complaints, conducts education and outreach programs, inspects private detention systems, and conducts watershed planning.

Capital projects, such as installation or replacement of pipes and manholes or restoration of stream channels, are managed within the Capital Projects Division of Public Works and funded by the Surface Water Utility.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

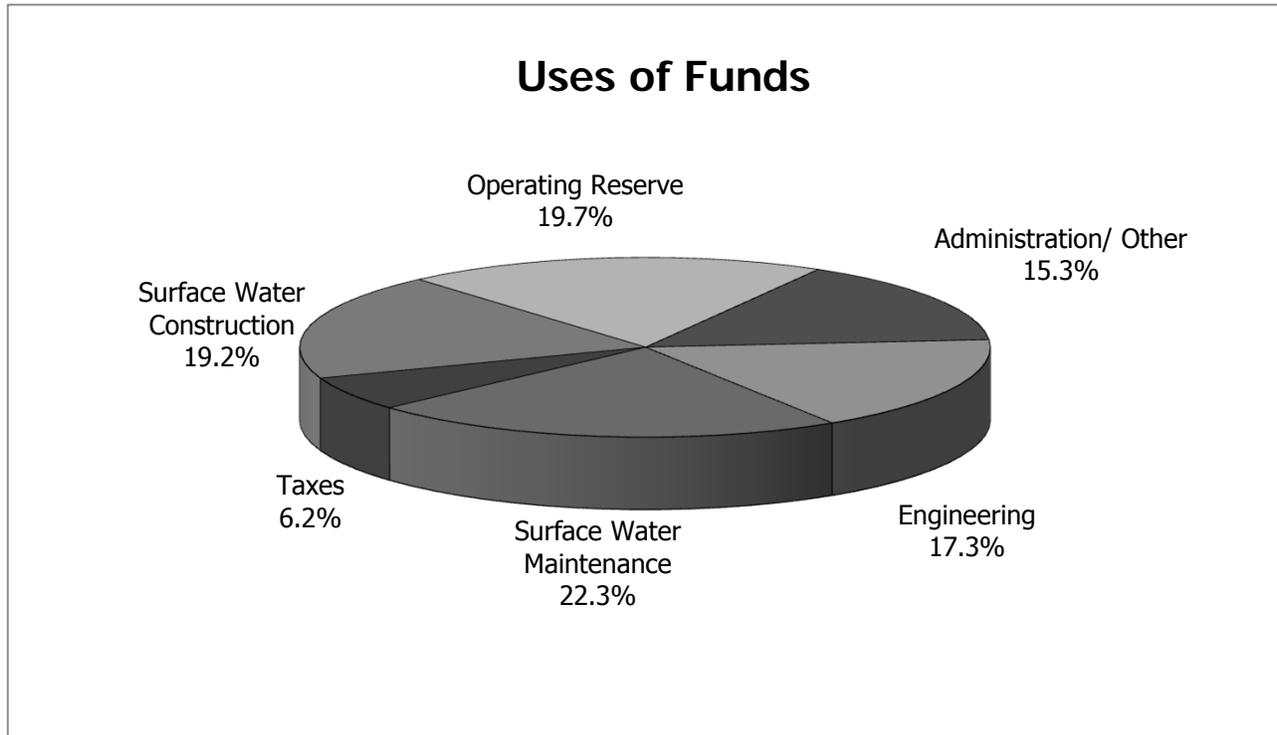
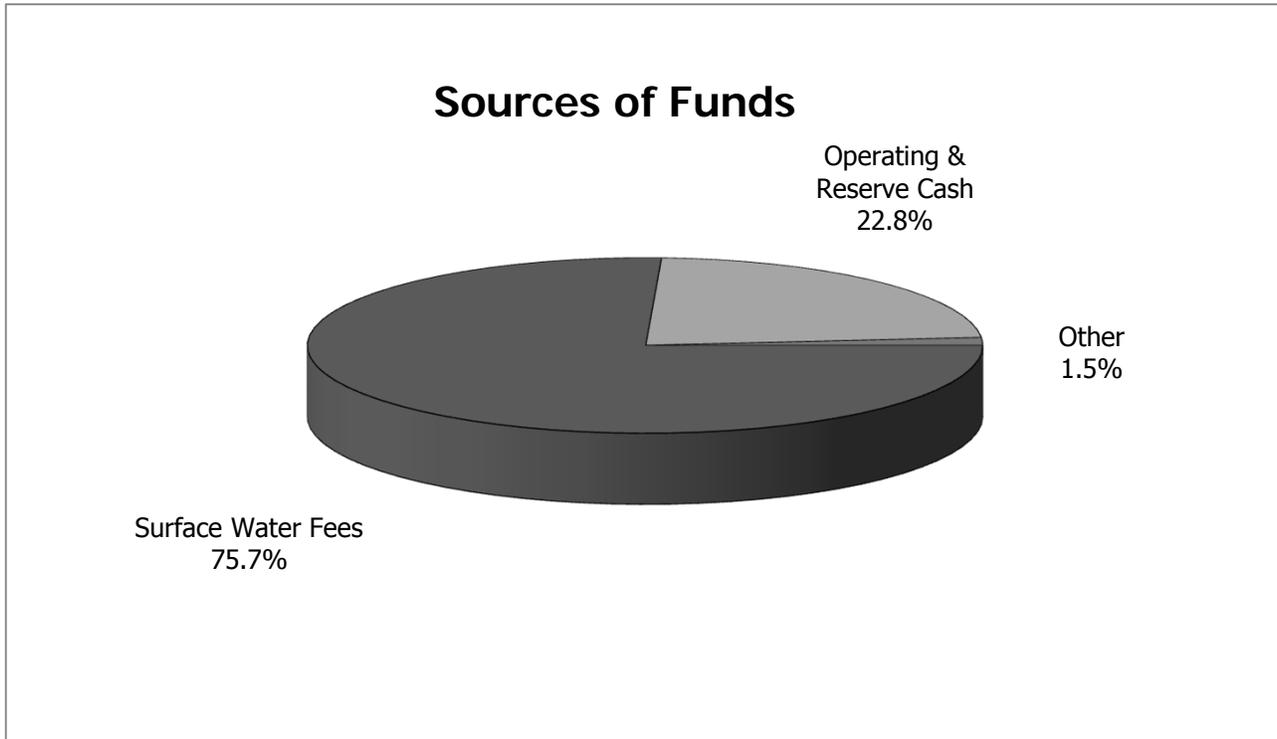
Environment

- Establish adequate rates to support the needs of the Surface Water utility resulting in 2.0% rate increase each year
- Add 2.0 FTE ongoing maintenance personnel for Natural Areas and Low Impact Development techniques (LID), \$457,068 (\$48,080 one-time, \$408,988 ongoing, offsetting revenue of \$408,988)
- Consultant services to evaluate surface water design manual decisions, \$142,000 one-time
- Purchase three replacement street sweepers, one new specialized sweeper, add 1.0 senior maintenance FTE to increase level of service for bike lanes and all City streets. Seventy five percent of costs in the Surface Water Fund, \$673,785 (\$464,325 one-time, \$209,550 ongoing)

Dependable Infrastructure

- Provide technical and analytical support for pursuing grant funding for Surface Water projects, \$30,000 one-time
- Provide Commercial Driver's License (CDL) Training from a third party training institute, \$10,000 ongoing (offsetting expenditure savings of \$10,000). Additional costs in the Street Operating and Water Sewer Fund.

2017-2018 BUDGET SURFACE WATER MANAGEMENT FUND



2017-2018 FINANCIAL OVERVIEW

SURFACE WATER MANAGEMENT FUND

FINANCIAL SUMMARY BY OBJECT

	2013-2014 Actual	2015-2016 Estimate	2015-2016 Budget	2017-2018 Budget	Percent Change
Salaries and Wages	3,169,737	4,000,276	4,793,868	5,295,835	10.47%
Benefits	1,408,781	1,952,138	2,650,163	2,604,864	-1.71%
Supplies	398,338	489,543	623,802	626,301	0.40%
Other Services	4,301,105	5,120,986	5,320,244	5,420,696	1.89%
Government Services	8,297,433	7,445,553	7,363,849	7,598,379	3.18%
Capital Outlay	77,909	33,017	33,000	89,735	171.92%
Reserves*	3,352,761	4,139,412	4,139,412	5,434,646	31.29%
TOTAL	21,006,064	23,180,925	24,924,338	27,070,456	8.61%

FINANCIAL SUMMARY BY DIVISION

	2013-2014 Actual	2015-2016 Estimate	2015-2016 Budget	2017-2018 Budget	Percent Change
Customer Service	3,071,094	3,675,483	3,828,845	3,573,390	-6.67%
Administration	8,762,498	11,514,124	11,672,779	13,776,093	18.02%
Capital Construction	6,422,454	4,760,118	4,880,926	5,130,889	5.12%
Operations and Maint.	2,750,018	3,231,200	4,541,788	4,590,084	1.06%
TOTAL	21,006,064	23,180,925	24,924,338	27,070,456	8.61%

POSITION SUMMARY BY DIVISION

	2013-2014 Actual	Adjustments	2015-2016 Budget	Adjustments	2017-2018 Budget
Customer Service	7.75	1.00	8.75	0.00	8.75
Administration	1.64	1.16	2.80	0.00	2.80
Operations and Maint.	18.30	4.10	22.40	2.75	25.15
TOTAL	27.69	6.26	33.95	2.75	36.70

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

2017-2018 POSITION SUMMARY

SURFACE WATER MANAGEMENT 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	0.41		0.41	8,981 - 11,589
Development Engineering Manager	0.25		0.25	8,447 - 10,899
Utility Manager	0.60		0.60	7,202 - 9,293
Planning & Operations Manager	0.20		0.20	7,141 - 9,214
Surface Water Engineer Supervisor	1.00		1.00	7,056 - 9,104
Senior Surface Water Engineer	1.00		1.00	7,562 - 8,896
Surface Water Utility Engineer	1.00		1.00	6,586 - 7,748
Water Quality Programs Coordinator	1.00		1.00	6,582 - 7,743
Surface Water Planner	1.00		1.00	6,387 - 7,514
Urban Forester	0.50		0.50	6,058 - 7,127
Management Analyst	0.20		0.20	5,928 - 6,974
SW Engineering Analyst	1.00		1.00	5,855 - 6,888
Water Quality Specialist	1.00		1.00	5,687 - 6,691
Education Outreach Specialist	1.00		1.00	5,687 - 6,691
Leadperson	1.80		1.80	5,439 - 6,563
Field Arborist	1.00		1.00	4,677 - 6,042
Senior Maintenance Person	9.00	0.75	9.75	4,563 - 5,894
Yard Maint. & Inventory Control	0.15		0.15	4,563 - 5,894
Engineering Technician	0.20		0.20	4,982 - 5,861
Senior Accounting Associate	0.10		0.10	4,899 - 5,764
Utility Craftsperson	0.15		0.15	4,253 - 5,437
Permit Technician	0.00		0.00	4,585 - 5,394
Utilityperson	9.90		9.90	3,592 - 4,940
Grounds Technician	0.40	1.00	1.40	3,592 - 4,940
Public Works Office Specialist	1.09		1.09	3,935 - 4,629
Laborer	0.00	1.00	1.00	3,187 - 3,860
TOTAL	33.95	2.75	36.70	

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

		2013 -2014 Actual	2015 - 2016 Estimate	2015- 2016 Budget	2017 - 2018 Budget	Percent Change
Fund:	Surface Water Management (421)					
Department:	General					
Division:	Not Applicable					
Key:	Surface Water Mgmt Utility (421000000)					
License and Permits						
Public Property Permit	3229011	4,000	0	0	0	0.00%
Total for License and Permits:		4,000	0	0	0	0.00%
Intergovernmental Revenue						
US Fish and Wildlife	3331560	3,802	0	0	0	0.00%
Ind Fed EPA Grants	3336612	82,700	280,022	214,444	0	0.00%
Dept of Ecology	3340310	231,800	75,000	50,000	0	0.00%
Other King County Grants	3370801	0	70,000	0	112,000	0.00%
King Conservation District	3370805	0	7,892	20,000	0	0.00%
Total for Intergovernmental Revenue:		318,302	432,914	284,444	112,000	-60.62%
Charges for Goods and Services						
Residential Storm Drain Fee	3431101	9,601,047	10,492,395	10,413,115	11,330,286	8.80%
Commercial Storm Drainage Fee	3431201	8,228,309	9,094,128	9,052,682	9,174,052	1.34%
Interfund Personnel Services	3491601	62,227	0	0	0	0.00%
Interfund-Other Gen Govnmt	3491901	0	16,026	10,000	10,000	0.00%
Intrfrnd Engineering-Develp Svc	3493205	0	96,946	104,000	104,000	0.00%
Total for Charges for Goods and Services:		17,891,583	19,699,495	19,579,797	20,618,338	5.30%
Total for Fines and Forfeits:		0	0	0	0	0.00%
Miscellaneous Revenues						
Investment Interest	3611101	50,255	89,953	61,910	99,601	60.88%
Int on Sales Tax Contract AR	3614001	49,339	39,977	50,000	50,000	0.00%
Other Judgements Settlements	3694001	27,918	8,992	10,000	10,000	0.00%
Other Misc Revenue	3699001	542	3,927	1,000	1,000	0.00%
Total for Miscellaneous Revenues:		128,054	142,849	122,910	160,601	30.66%
Proprietary Other Income						
Insur Recovery Prop IntSvc	3720001	2,490	840	0	0	0.00%
Total for Proprietary Other Income:		2,490	840	0	0	0.00%
Other Financing Sources						
Operating Transfer In	3971001	19,046	7,665	0	0	0.00%
Resources Forward	3999901	0	4,937,187	4,937,187	6,179,517	25.16%
Total for Other Financing Sources:		19,046	4,944,852	4,937,187	6,179,517	25.16%
Total for Surface Water Mgmt Utility (421000000):		18,363,475	25,220,950	24,924,338	27,070,456	8.61%

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

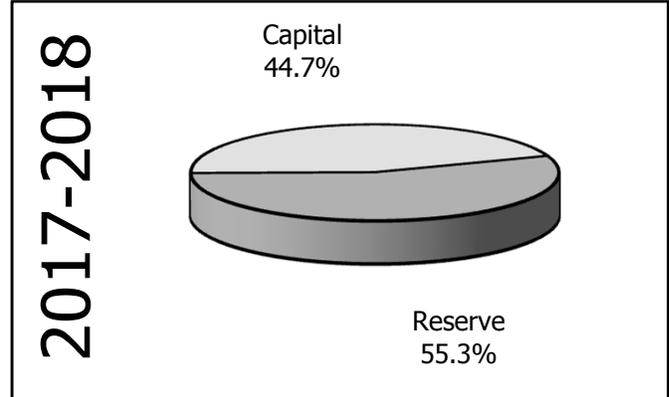
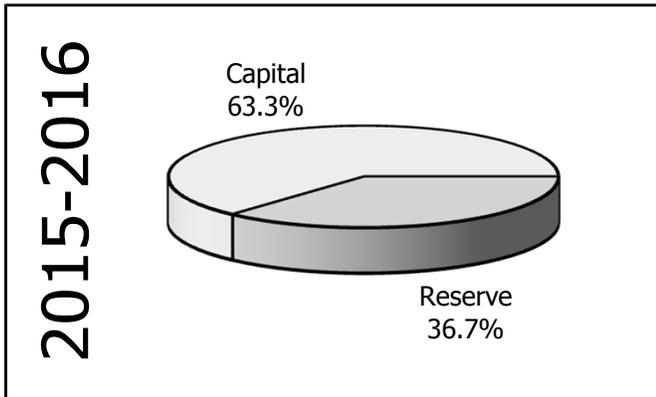
	2013 -2014 Actual	2015 - 2016 Estimate	2015- 2016 Budget	2017 - 2018 Budget	Percent Change
Total for Not Applicable:	<u>18,363,475</u>	<u>25,220,950</u>	<u>24,924,338</u>	<u>27,070,456</u>	8.61%
Total for General:	<u>18,363,475</u>	<u>25,220,950</u>	<u>24,924,338</u>	<u>27,070,456</u>	8.61%
Total for Surface Water Managment:	<u>18,363,475</u>	<u>25,220,950</u>	<u>24,924,338</u>	<u>27,070,456</u>	8.61%

NON-OPERATING



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CITY OF KIRKLAND SURFACE WATER UTILITY



2015-2016 BUDGET SUMMARY: BY PURPOSE

Fund	2015-16 Budget	Purpose			
		Reserve	Debt	Capital	Other
423 Surface Water Capital Projects	19,707,526	7,229,255	-	12,478,271	-
Total Non-Operating Funds	19,707,526	7,229,255	-	12,478,271	-

2017-2018 BUDGET SUMMARY: BY PURPOSE

Fund	2017-18 Budget	Purpose			
		Reserve	Debt	Capital	Other
423 Surface Water Capital Projects	17,346,373	9,591,453	-	7,754,920	-
Total Non-Operating Funds	17,346,373	9,591,453	-	7,754,920	-



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CITY OF KIRKLAND

***SURFACE WATER 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 general government facilities and equipment. The Council revises the CIP biennially. The Surface Water portion of the CIP includes only those projects associated with the surface water utility.

The **Surface Water Capital Projects Fund** accounts for surface water projects which are ultimately funded by a portion of the surface water fees paid by all property owners within the City. Included in the fund are the Surface Water CIP Contingency and the Surface Water Reserve. The former has a target of ten percent of the funded six-year Surface Water CIP and provides a cushion in the event of unanticipated changes in project scope or cost. The latter is comprised of depreciation funding from a portion of the surface water fees for funding future replacement of the Surface Water infrastructure.

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

SURFACE WATER CAPITAL PROJECTS FUND (423)

Project Category/ Project Title	Project Number	Funding Source
SURFACE WATER MANAGEMENT		
Annual Replacement of Aging/Failing Infrastructure	SD 0047	Surface Water Rates
NE 141st Street/111th Avenue NE Culvert Repair	SD 0076	Surface Water Rates
Brookhaven Pond Modifications	SD 0081	Reserves
Market Street Storm Main Rehabilitation	SD 0084	Surface Water Rates
Silver Spurs Flood Reduction	SD 0087	Surface Water Rates
Comfort Inn Pond Modifications	SD 0088	Surface Water Rates
NE 142nd Street Surface Water Drainage Improvements	SD 0089	Surface Water Rates
Holmes Point Drive Pipe Replacement	SD 0091	Surface Water Rates
Juanita Creek Culvert at NE 137th Street	SD 0092	Surface Water Rates
Pleasant Bay Apartments Line Replacement	SD 0093	Surface Water Rates
Champagne Creek Stabilization	SD 0097	Surface Water Rates
Champagne Creek Stormwater Retrofit	SD 0098	Surface Water Rates
Property Acquisition Opportunity Fund	SD 0105	Reserves
CKC Surface Wtr Drainage at Crestwoods Pk Design/Const.	SD 0106 001	Reserves/External
Surface Water CAO/SWDM Contribution	SD 7777	Reserves
TOTAL SURFACE WATER 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
200,000	200,000	1,200,000	-	-
683,900	-	683,900	-	-
50,000	-	150,000	-	-
-	268,400	885,000	-	-
-	77,000	77,000	-	-
309,100	-	309,100	-	-
-	194,000	194,000	-	-
205,600	-	205,600	-	-
149,800	535,300	685,100	-	-
252,600	69,400	322,000	-	-
-	402,900	811,000	-	-
-	125,000	125,000	-	-
50,000	50,000	300,000	-	-
700,000	-	700,000	-	-
1,400,000	-	1,400,000	-	-
4,001,000	1,922,000	8,047,700	-	-

2017-2022 Preliminary Capital Improvement Program

SURFACE WATER MANAGEMENT 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	External Source
SD 0046-001+	Regional Detention in Forbes Creek Basin - Phase I								1,923,800				
SD 0047	Annual Replacement of Aging/Failing Infrastructure		200,000	200,000	200,000	200,000	200,000	1,314,800	1,923,800				
SD 0049	Forbes Creek/108th Ave NE Fish Passage Imp			230,400	200,000	196,000		200,000	1,200,000				
SD 0053+	Forbes Creek/Coors Pond Channel/Grade Controls						324,900	344,600	426,400				
SD 0054+	Forbes Creek/Cross Kirkland Corridor Fish Passage Improvements						324,900	344,600	669,500				
SD 0063	Everest Creek - Slater Ave at Alexander St				661,900		241,800		903,700				
SD 0076	NE 141st Street/111th Avenue NE Culvert Repair	257,600	683,900				50,000		683,900				
SD 0081	Brookhaven Pond Modifications		50,000	50,000					150,000				
SD 0084	Market Street Storm Main Rehabilitation		268,400	616,600					885,000		100,000		
SD 0087	Silver Spurs Flood Reduction		77,000						77,000				
SD 0088	Comfort Inn Pond Modifications	407,000	309,100						309,100				
SD 0089	NE 142nd Street Surface Water Drainage Improvements		194,000						194,000				
SD 0090	Goat Hill Drainage Ditch and Channel Stabilization					243,400	89,600		333,000				
SD 0091	Holmes Point Drive Pipe Replacement	300,400	205,600						205,600				
SD 0092	Juanita Creek Culvert at NE 137th Street		149,800	535,300					685,100				
SD 0093	Pleasant Bay Apartments Line Replacement		252,600	69,400					322,000				
SD 0094	NE 114th Place Stormline Replacement					270,400			270,400				
SD 0097	Champagne Creek Stabilization			402,900	408,100				811,000				
SD 0098	Champagne Creek Stormwater Retrofit		125,000						125,000				
SD 0099	Goat Hill Drainage Conveyance Capacity			460,900		194,100			655,000				
SD 0100	Brookhaven Pond Modifications				354,200				653,000				
SD 0105	Property Acquisition Opportunity Fund		50,000	50,000	50,000	50,000	298,800	50,000	300,000		300,000		
SD 0106 001	CKC Surface Water Drainage at Crestwoods Park Design/Construction	300,000	700,000						700,000			350,000	
SD 7777	Surface Water CAO/SWDM Support		1,400,000						1,400,000		1,400,000		
Total Funded Surface Water Management Utility Projects		1,265,000	4,001,000	1,922,000	2,016,000	2,170,000	2,189,000	2,254,000	14,552,000	12,052,000	2,150,000	0	350,000

Unfunded Projects:

Project Number	Project Title	Total
SD 0045	Carrillon Woods Erosion Control Measures	549,600
SD 0046 999	Regional Detention in Forbes and Juanita Creek Basins	8,076,200
SD 0051	Forbes Creek/King County Metro Access Road Culvert Enhancement	1,290,900
SD 0061	Everest Park Stream Channel/Riparian Enhancements	1,095,500
SD 0085 001	Cross Kirkland Water Quality	920,000
SD 0095"	NE 141st Street Stormwater Pipe Installation	170,000
SD 0101	Holmes Point Pipe Replacement at Champagne Creek Basin	240,000
SD 0102	Juanita Drive Culvert Replacement	665,000
SD 0103	Lakeview Drive Conveyance Modification	2,562,000
SD 0107	132nd Square Park Stormwater Retrofit Project	4,510,000
Total Unfunded Surface Water Management Utility Projects		20,079,200

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