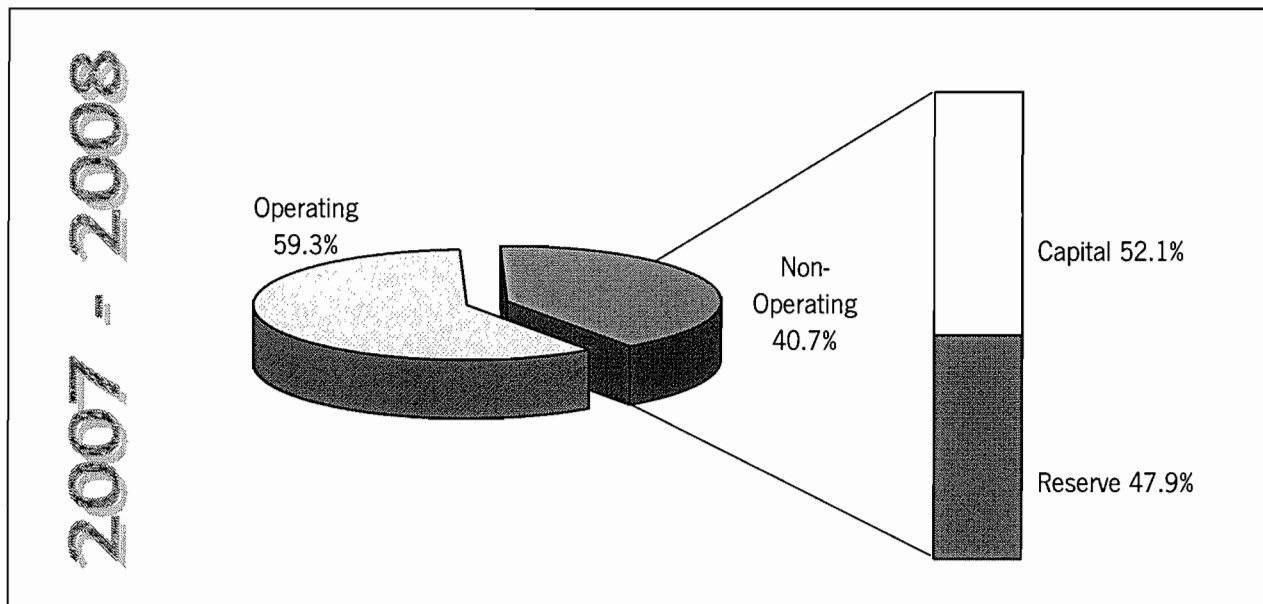


**CITY OF KIRKLAND
SURFACE WATER UTILITY
2007-2008 BUDGET SUMMARY: BY FUND TYPE/FUND**



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	2005-2006 Budget	2007-2008 Budget	Percent Change
Operating Fund			
421 Surface Water Management	9,710,508	11,636,958	19.84%
Total Operating Fund	9,710,508	11,636,958	19.84%
Non-Operating Fund			
423 Surface Water Capital Projects	3,608,588	7,986,988	121.33%
Total Non-Operating Fund	3,608,588	7,986,988	121.33%
Total Surface Water Utility Funds	13,319,096	19,623,946	47.34%

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2005 to Ending 2008)
SURFACE WATER UTILITY FUNDS

	Surface Water Management	Surface Water Capital Projects	Total
2005 Actual Beginning Fund Balance	949,496	1,221,302	2,170,798
<i>Reserved</i>	<i>252,187</i>	<i>274,254</i>	<i>526,441</i>
<i>Unreserved Working Capital</i>	<i>697,309</i>	<i>947,048</i>	<i>1,644,357</i>
Plus: 2005-06 Estimated Revenues	9,075,211	4,659,960	13,735,171
Less: 2005-06 Estimated Expenditures	8,709,737	1,904,198	10,613,935
2005-06 Estimated Ending Fund Balance	1,314,970	3,977,064	5,292,034
Less: Funding for Carryovers to 2007	174,551	1,093,876	1,268,427
2007 Budgeted Beginning Fund Balance	1,140,419	2,883,188	4,023,607
Plus: 2007-08 Budgeted Revenues	10,496,539	5,103,800	15,600,339
Less: 2007-08 Budgeted Expenditures	10,113,312	4,452,300	14,565,612
2008 Budgeted Ending Fund Balance	1,523,646	3,534,688	5,058,334
<i>Reserved</i>	<i>320,299</i>	<i>876,760</i>	<i>1,197,059</i>
<i>Unreserved Working Capital</i>	<i>1,203,347</i>	<i>2,657,928</i>	<i>3,861,275</i>
Change in Fund Balance: Beginning 2005 to Ending 2008	574,150	2,313,386	2,887,536

Notes:

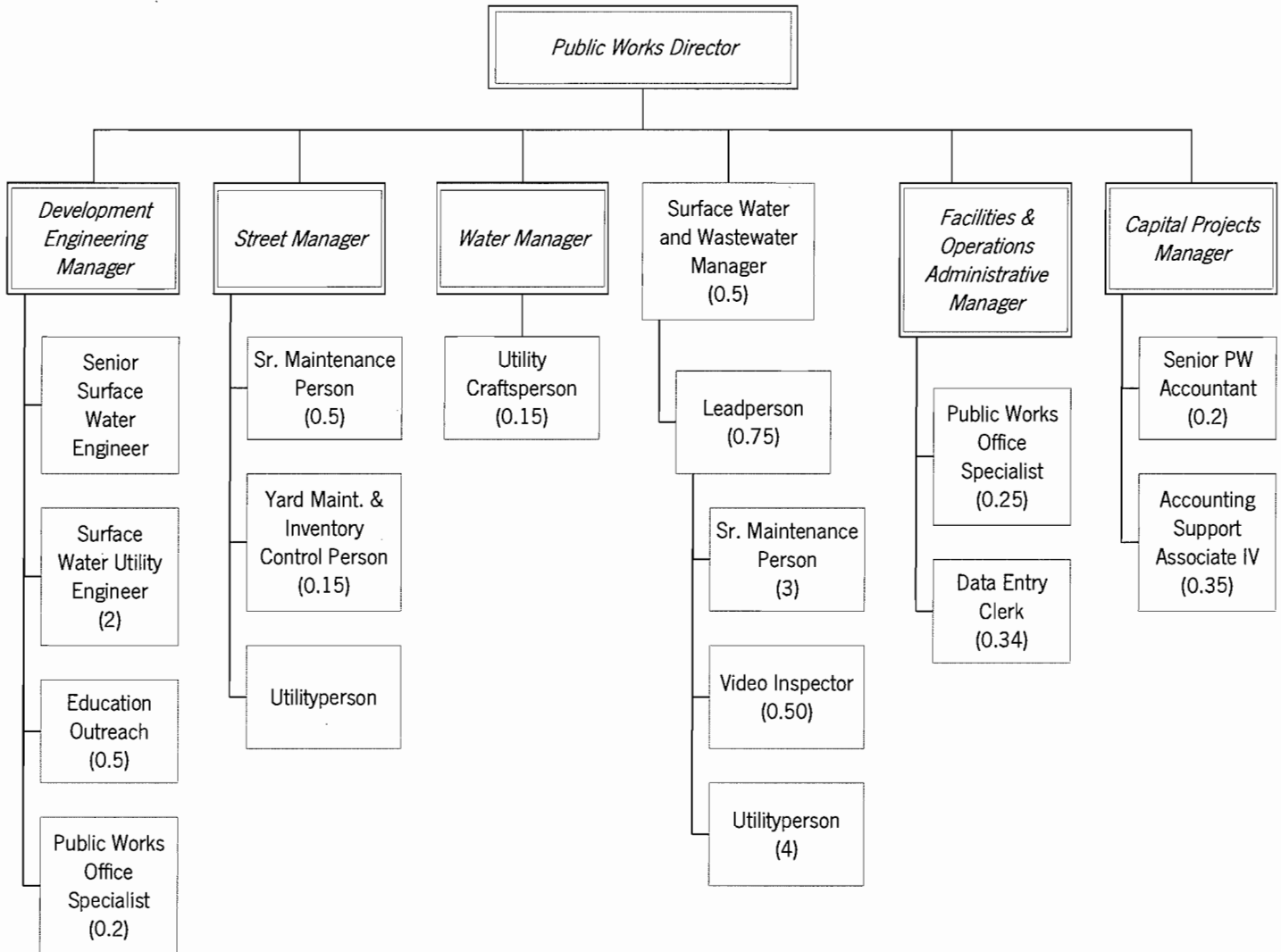
The increase in fund balance of the Surface Water Capital Projects Fund is due to the accumulation of resources for future projects.

OPERATING



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.



DEPARTMENT OVERVIEW

SURFACE WATER MANAGEMENT FUND

MISSION

The Surface Water Utility Division of the Public Works Department is responsible for operating and maintaining the City's surface water system, which includes constructed elements such as pipes and catch basins, and natural resources such as streams and lakes. The Utility has overall goals to protect the public interest, providing services that reduce flooding, improve water quality, and restore aquatic habitat.

DEPARTMENT FUNCTIONS

The **Surface Water Utility/Operations and Maintenance Division** 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 **Administration Division** accounts for all full-time, regular employee benefits, interfund charges and transfers for debt, and taxes paid to other jurisdictions.

The **Customer Service Division** conducts review of development proposals, insures 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,

The **Capital Improvement Program** includes major (>\$50k) projects that meet Surface Water Utility goals such as installation or replacement of pipes and manholes, or restoration of stream channels. Construction of these projects is managed within the Capital Construction Division of Public Works, and is funded by the Surface Water Utility.

2005-2006 ACCOMPLISHMENTS

- Reviewed surface water portion of development projects; removed invasives and

planted native vegetation on over 200 feet of streambank; inspected and provided maintenance corrections notices for about 175 private stormwater detention systems; provided educational programs and materials to approximately 150 people on the topics of natural yard care, salmon lifecycles and habitat needs, water quality, and use of best management practices; investigated and resolved 100 drainage and water quality complaints; and provided training and orientation on the 5-year master plan to guide surface water programs based on watershed analysis and citizen concerns.

- Video inspected all stormwater mains prior to street overlay repair.
- Secured the acquisition of the TV Video Truck and one FTE Senior Maintenance Worker to inspect storm drain infrastructure. Implemented training and set up databases for the new program.
- Replaced 1,223 lineal feet of defective pipe prior to 2005 street overlay.
- Rehabilitated 110 catch basins prior to 2005 street overlay.
- Rehabilitated 18 manholes prior to 2005 street overlay.
- Installed 485 lineal feet of new storm pipe prior to 2005 street overlay.
- Continued GIS map update for storm water infrastructure.
- Used Hansen Maintenance Management Information System (MMIS) for 2005-2006 annual Surface Water and Wastewater assets planning and maintenance.
- Developed new spill response manual with staff input and orientation.

2007-2008 OBJECTIVES

Environmental Stewardship

- Expand education and outreach on surface water issues. Coordinate education/outreach with wastewater and drinking water utilities, and with solid waste programs.

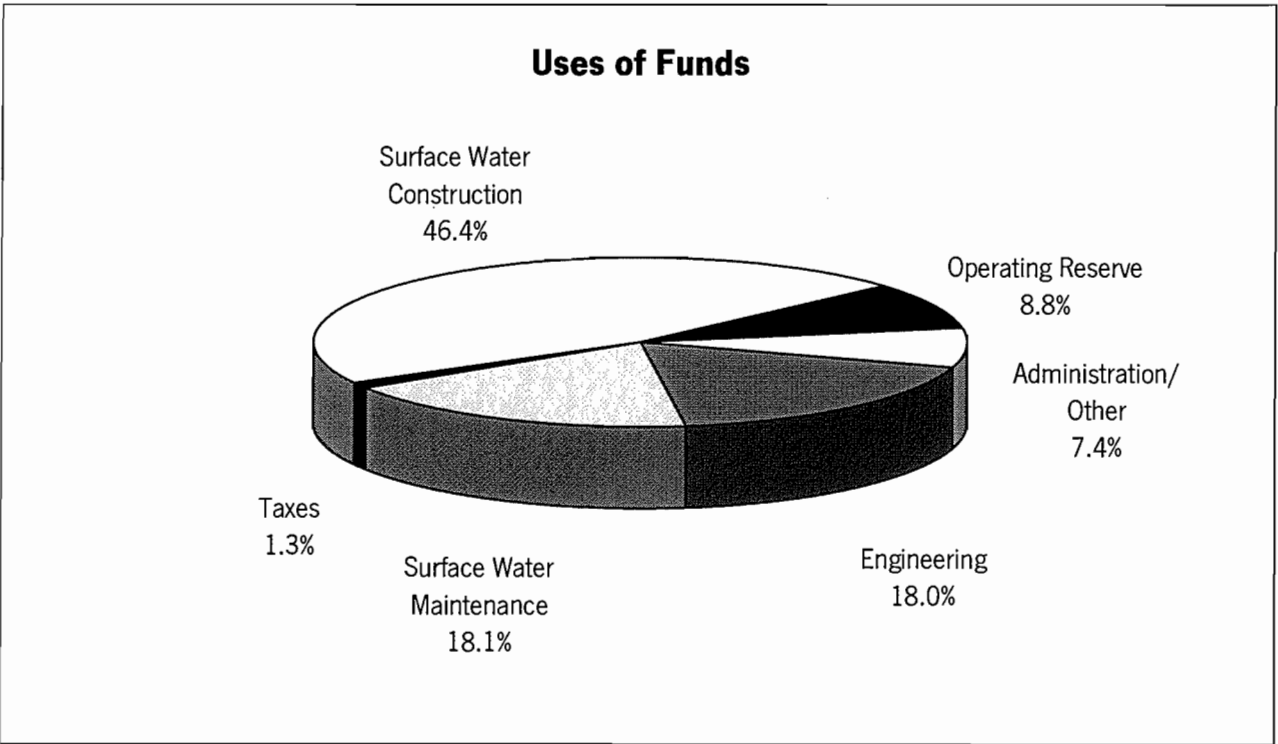
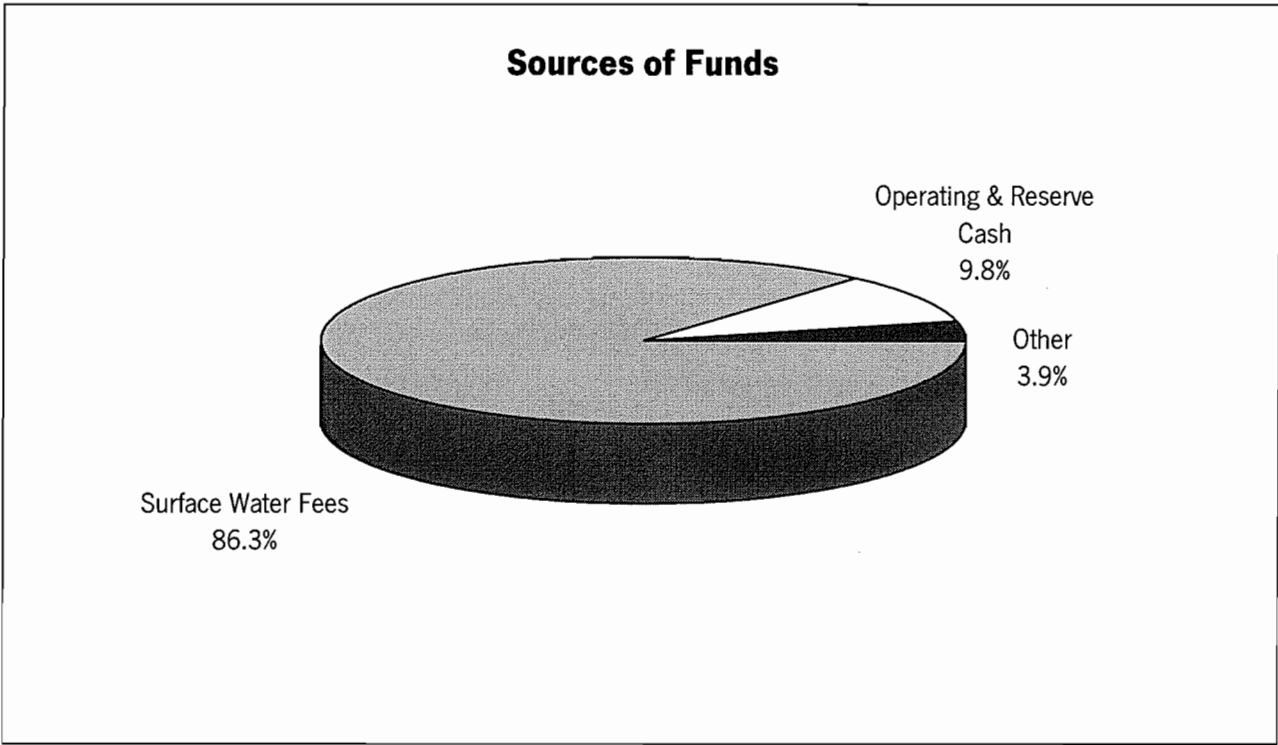
Community Involvement

- Continue development review, private stormwater system inspection, ongoing volunteer monitoring, restoration and educational activities, and drainage and water quality complaint investigation/ resolution.
- Establish 501c3 non profit group, *Friends of Kirkland's Waterways*, with volunteers to be included in the Natural Resource Action Plan.

Investment in the Infrastructure

- Continue mapping of private detention systems and integrate data into City's GIS

2007-2008 BUDGET SURFACE WATER MANAGEMENT FUND



2007-2008 BUDGET ANALYSIS

SURFACE WATER MANAGEMENT FUND

ANALYSIS OF CHANGES

2005-06 Approved Budget (Including Carryovers)	9,843,389
Less Reserves	(885,743)
2005-06 Approved Budget (Excluding Reserves)	<u>8,957,646</u>

2007-08 Basic Budget Increases:

Capital Improvement Program Funding Transfer	302,662	
Water Quality Technical Assistance & Soils Mapping	235,850	
Central Services & Engineering Services Internal Charges	207,147	
Employee Benefits	134,968	
Salaries & Wages	112,051	
Fleet & Radio Internal Charges	74,572	
Technology Internal Charges	68,876	
External Taxes	63,456	
Operating Supplies	41,500	
Waste Disposal Utility Service	30,000	
Water Quality Sampling Equipment	10,000	
King County Billing Charges	8,988	
Training	7,965	
Computer Hardware for Video Inspections	5,000	
Total Basic Budget Increases	<u>1,303,035</u>	

2007-08 Basic Budget Decreases:

One-Time Adjustments & Carryovers	(268,746)	
Insurance	(13,292)	
Net Miscellaneous Decreases	(12,012)	
Total Basic Budget Decreases	<u>(294,050)</u>	

2007-08 Basic Budget	9,966,631
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2007-08 Service Packages:

Engineering Office Specialist	27,302	
Eductor Safety Backup Vehicle	22,820	
Water Quality Monitoring Equipment	14,000	
Computer for TV Inspection Data Management	1,814	
Total Service Packages	<u>65,936</u>	

2007-08 Final Budget (Excluding Reserves)	<u>10,032,567</u>
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COMPARISON OF 2005-06 BUDGET TO 2007-08 BUDGET

	Difference	% Change
2005-06 Approved Budget (Excluding Reserves) to 2007-08 Final Budget (Excluding Reserves)	1,074,921	12.00%

2007-2008 FINANCIAL OVERVIEW

SURFACE WATER MANAGEMENT FUND

FINANCIAL SUMMARY BY OBJECT

	2003-2004 Actual	2005-2006 Estimate	2005-2006 Budget ^	2007-2008 Budget	Percent Change
Salaries and Wages	1,355,597	1,445,503	1,618,330	1,745,629	7.87%
Benefits	362,194	455,203	590,926	728,476	23.28%
Supplies	176,152	170,239	194,525	247,440	27.20%
Other Services	1,520,923	1,749,627	1,675,244	2,156,426	28.72%
Government Services	1,677,234	4,832,014	4,698,870	5,086,476	8.25%
Capital Outlay	15,604	42,151	46,870	68,120	45.34%
Reserves	0	15,000	885,743	1,604,391	81.14%
TOTAL	5,107,704	8,709,737	9,710,508	11,636,958	19.84%

FINANCIAL SUMMARY BY DIVISION

	2003-2004 Actual	2005-2006 Estimate	2005-2006 Budget ^	2007-2008 Budget	Percent Change
Customer Service	917,536	1,179,667	1,279,581	1,438,480	12.42%
Administration	1,404,229	1,665,971	2,563,172	3,762,147	46.78%
Capital Construction	1,517,188	4,647,016	4,561,056	4,880,737	7.01%
Operations and Maint.	1,268,751	1,217,083	1,306,699	1,555,594	19.05%
TOTAL	5,107,704	8,709,737	9,710,508	11,636,958	19.84%

POSITION SUMMARY BY DIVISION

	2003-2004 Actual	Adjustments	2005-2006 Budget	Adjustments	2007-2008 Budget
Customer Service	3.00	0.50	3.50	0.00	3.50
Administration	1.61	0.03	1.64	0.20	1.84
Capital Construction	0.00	0.00	0.00	0.00	0.00
Operations and Maint.	8.55	1.50	10.05	0.00	10.05
TOTAL	13.16	2.03	15.19	0.20	15.39

^ 2005-06 Budget excludes 2004 carryovers.

2007-2008 POSITION SUMMARY

SURFACE WATER MANAGEMENT FUND

POSITION SUMMARY BY CLASSIFICATION

Classification	2003-2004 Positions	2005-2006 Positions	2007-2008 Positions	2007 Salary Range
Surface Water & Wastewater Manager	0.50	0.50	0.50	5,793 - 7,474
Senior Surface Water Engineer	1.00	1.00	1.00	6,291 - 7,402
Surface Water Utility Engineer	2.00	2.00	2.00	5,374 - 6,321
Senior Public Works Accountant	0.20	0.20	0.20	5,056 - 5,948
Education Outreach	0.00	0.50	0.50	4,704 - 5,534
Leadperson	0.75	0.75	0.75	4,535 - 5,472
Senior Maintenance Person	2.50	3.50	3.50	3,805 - 4,915
Yard Maintenance & Inventory Control Person	0.15	0.15	0.15	3,805 - 4,915
Utility Craftsperson	0.15	0.15	0.15	3,545 - 4,533
Accounting Support Associate IV	0.32	0.35	0.35	3,658 - 4,304
Utilityperson	5.00	5.00	5.00	2,995 - 4,120
Video Inspector	0.00	0.50	0.50	2,995 - 4,120
Public Works Office Specialist	0.25	0.25	0.45	3,273 - 3,851
Data Entry Clerk	0.34	0.34	0.34	2,933 - 3,451
TOTAL	13.16	15.19	15.39	

**City of Kirkland
2007-08 Budget
Revenue**

	2003-04 Actual	2005-06 Estimate	2005-06 Budget	2007-08 Budget	Percent Change
Fund: Surface Water Mgmt Utility (421)					
Intergovernmental Revenue					
Interlocal Grants/Entitlements					
Other King County Grants 3370801	10,000	4,000	0	0	0.00 %
Total for Interlocal Grants/Entitlements:	10,000	4,000	0	0	0.00 %
Total for Intergovernmental Revenue:	10,000	4,000	0	0	0.00 %
Charges for Goods and Services					
General Government					
Other General Government Svc: 3419001	832	0	0	0	0.00 %
Total for General Government:	832	0	0	0	0.00 %
Physical Environment					
Residential Storm Drainage Fee 3438301	2,088,742	4,077,267	4,128,620	4,720,186	14.32 %
Commercial Storm Drainage Fee 3438302	2,927,595	4,586,733	4,668,058	5,320,853	13.98 %
Total for Physical Environment:	5,016,337	8,664,000	8,796,678	10,041,039	14.14 %
Interfund/Interdep Sales Svc					
Interfund-Other Gen Govnm't 3491901	26,588	14,538	2,000	2,000	0.00 %
Interfund Engineering-CIP 3493202	80,571	293,889	40,000	300,000	650.00 %
Total for Interfund/Interdep Sales Svc:	107,159	308,427	42,000	302,000	619.04 %
Total for Charges for Goods and Services:	5,124,328	8,972,427	8,838,678	10,343,039	17.02 %
Miscellaneous Revenues					
Interest and Other Earnings					
Investment Interest 3611101	49,290	90,059	50,500	151,500	200.00 %
Total for Interest and Other Earnings:	49,290	90,059	50,500	151,500	200.00 %
Other Misc Revenues					
Other Judgements & Settlement 3694001	643	753	0	0	0.00 %
Other Misc Revenue 3699001	631	0	2,000	2,000	0.00 %
Total for Other Misc Revenues:	1,274	753	2,000	2,000	0.00 %
Total for Miscellaneous Revenues:	50,564	90,812	52,500	153,500	192.38 %
Other Financing Sources					
Operating Transfer In					
Operating Transfer In 3971001	0	7,972	2,715	0	0.00 %
Total for Operating Transfer In:	0	7,972	2,715	0	0.00 %
Resources Forward					
Resources Forward 3999901	0	949,496	949,496	1,140,419	20.10 %

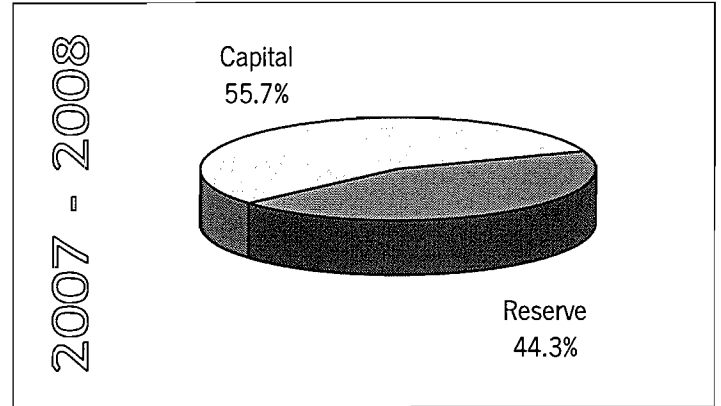
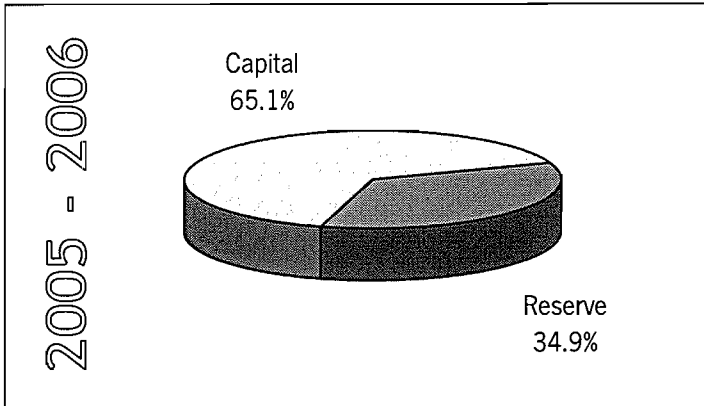
**City of Kirkland
2007-08 Budget
Revenue**

	2003-04 Actual	2005-06 Estimate	2005-06 Budget	2007-08 Budget	Percent Change
Total for Resources Forward:	0	949,496	949,496	1,140,419	20.10 %
Total for Other Financing Sources:	0	957,468	952,211	1,140,419	19.76 %
Total for Surface Water Mgmt Utility:	5,184,892	10,024,707	9,843,389	11,636,958	18.22 %

NON-OPERATING



CITY OF KIRKLAND SURFACE WATER UTILITY



2005-2006 BUDGET SUMMARY: BY PURPOSE

Fund	2005-2006 Budget	Purpose			
		Reserve	Debt	Capital	Other
423 Surface Water Capital Projects	3,608,588	1,258,888	0	2,349,700	0
Total Non-Operating Funds	3,608,588	1,258,888	0	2,349,700	0

2007-2008 BUDGET SUMMARY: BY PURPOSE

Fund	2007-2008 Budget	Purpose			
		Reserve	Debt	Capital	Other
423 Surface Water Capital Projects	7,986,988	3,534,688	0	4,452,300	0
Total Non-Operating Funds	7,986,988	3,534,688	0	4,452,300	0



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 is 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
2007-2008 BUDGET**

SURFACE WATER CAPITAL PROJECTS FUND (423)

Project Category/ Project Title	Project Number	Funding Source
SURFACE WATER MANAGEMENT		
NE 85th Street Detention and Sediment Control	SD 0025	Surface Water Rates
124th Ave NE/NE 124th St Water Quality Treatment	SD 0029	Surface Water Rates
Streambank Stabilization Program - NE 86th Street	SD 0537	Surface Water Rates
NE 126th Place/94th Ave NE Channel Restoration	SD 0039	Surface Water Rates
NE 125th Pl/95th Ave NE Sediment Pond Restoration	SD 0041	Surface Water Rates
Carillon Woods Erosion Control Measures	SD 0045	Surface Water Rates
Annual Repl of Aging/Failing Infrastructure	SD 0047	Surface Water Rates
Forbes Creek/KC Metro Access Road Culvert Enh.	SD 0051	Surface Water Rates/King County
Forbes Creek/Coors Pond Channel Grade Controls	SD 0053	Surface Water Rates
Forbes Creek/BNSFRR Fish Passage Improvements	SD 0054	Surface Water Rates
Forbes Creek Ponds Fish Passage/Riparian Plantings	SD 0056	Surface Water Rates
Juanita Creek Channel Enh. at Juanita Beach Park	SD 0057	Community, Trade & Economic Dev. Grant
Totem Lake Blvd Flood Control Measures	SD 0059	Surface Water Rates
Juanita Creek/NE 121st St Bank Stabilization	SD 0060	Surface Water Rates
NE 120th Street Roadway Extension (east section)	ST 0057 423*	Surface Water Rates
124th Ave NE Roadway Improvements (north)	ST 0059 423*	Surface Water Rates
120th Ave NE Traffic Calming Pedestrian Enhan.	ST 0070 423*	Surface Water Rates
116th Avenue NE Sidewalk (Highlands)	NM 0044 423*	Surface Water Rates
NE 73rd Street Sidewalk	NM 0052 423*	Surface Water Rates
NE 112th Street Sidewalk	NM 0053 423*	Surface Water Rates
NE 68th St/108th Ave NE Intersection Improvements	TR 0085 423*	Surface Water Rates
Total Surface Water Management		
TOTAL SURFACE WATER CAPITAL PROJECTS FUND		

* A portion of these projects are funded through the General (310) or Grant (320) Capital Projects Fund.

2007 Budget	2008 Budget	Estimated Total Project Cost	Additional Annual Maintenance & Operations	
			2007	2008
339,400	0	539,400	0	0
450,200	0	625,200	0	0
0	84,800	418,100	0	0
142,100	0	184,100	0	0
144,200	0	189,200	0	0
0	237,600	237,600	0	0
200,000	200,000	1,000,000	0	0
179,200	0	279,200	0	0
110,200	0	260,200	0	0
51,500	173,000	224,500	0	0
0	93,300	93,300	0	0
200,000	0	450,000	0	0
82,400	583,500	1,238,000	0	0
3,300	0	103,300	0	0
0	207,900	4,626,100	0	0
566,500	0	3,624,400	0	0
113,300	0	527,000	0	0
103,000	45,500	609,400	0	0
50,500	0	204,400	0	0
0	50,900	205,100	0	0
40,000	0	468,000	0	0
<u>2,775,800</u>	<u>1,676,500</u>	<u>16,106,500</u>	<u>0</u>	<u>0</u>
2,775,800	1,676,500	16,106,500	0	0

**City of Kirkland
Revised 2006-2011 Capital Improvement Program**

SURFACE WATER MANAGEMENT UTILITY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2006	2007	2008	2009	2010	2011	2006-2011 Total	Funding Source		External Source
										Current Revenue	Reserve	
SD 0025	NE 85th Street Detention and Sediment Control	82,400	200,000	339,400					539,400			
SD 0029	124th Ave NE/NE 124th St Water Quality Treatment	41,000	175,000	450,200					625,200			
SD 0033	NE 90th Street/120th Ave NE Sediment Control	82,400	184,000						184,000			
SD 0037	Annual Streambank Stabilization Program					306,000		350,000	656,000			
SD 0537	Streambank Stabilization Program - NE 86th Street	50,000	42,000	142,100	84,800	333,300			418,100			
SD 0039	NE 126th Place/94th Ave NE Channel Restoration		45,000	144,200					184,100			
SD 0041	NE 125th Pl/95th Ave NE Sediment Pond Restoration		55,000						189,200			
SD 0043	124th Ave NE/NE 100th Pl Drainage Improvements	100,000							55,000			
SD 0045	Carillon Woods Erosion Control Measures			237,600					237,600			
SD 0046	Regional Detention in Forbes & Juanita Creek Basins							347,800	347,800			
SD 0047	Annual Repl of Aging/Falling Infrastructure							200,000	1,000,000			
SD 0048	Cochran Springs/Lk Washington Blvd Crossing Enh.							212,100	1,052,600			
SD 0049	Forbes Creek/108th Ave NE Fish Passage Impr		200,000						155,100			
SD 0051*	NE 95th St/126th Ave NE Flood Control Measures		100,000	179,200				52,100	52,100			47,000
SD 0052	Forbes Creek/Slater Ave Bank Stabilization								279,200			
SD 0053	Forbes Creek/Coors Pond Channel Grade Controls		150,000	110,200		44,000			60,400			
SD 0054	Forbes Creek/BNSFRR Fish Passage Improvements			51,500	173,000				260,200			
SD 0055	Forbes Creek/98th Ave NE Riparian Plantings					74,300			224,500			
SD 0056	Forbes Creek Ponds Fish Passage/Riparian Plantings		250,000	200,000					74,300			
SD 0057	Juanita Creek Channel Enh. at Juanita Beach Park	100,000							93,300			450,000
SD 0058	Surface Water Sediment Pond Reclamation Phase II							69,600	69,600			
SD 0059	Tolern Lake Blvd Flood Control Measures		100,000	82,400	583,500	327,800	244,300	69,600	1,238,000			
SD 0060	Juanita Creek/NE 121st St Bank Stabilization			3,300					103,300			
SD 0061	Everest Park Stream Channel/Riparian Enhancements						56,300	115,900	172,200			
SD 0062	Stream Flood Control Measures at Post Office							46,400	46,400			
Total Funded Surface Water Management Utility Projects			1,301,000	1,902,500	1,372,200	1,418,400	1,379,600	1,393,900	8,767,600	0	0	497,000

Unfunded Projects:

Project Number	Project Title	Six Year Total
Total Unfunded Surface Water Management Utility Projects		0

Notes:

- * = Modification in timing and/or cost (see Project Modification/Deletion Schedule for greater detail)
- + = Moved from unfunded status to funded status
- " = Moved from funded status to unfunded status
- Shaded year(s) = Previous timing
- Bold italics = New projects