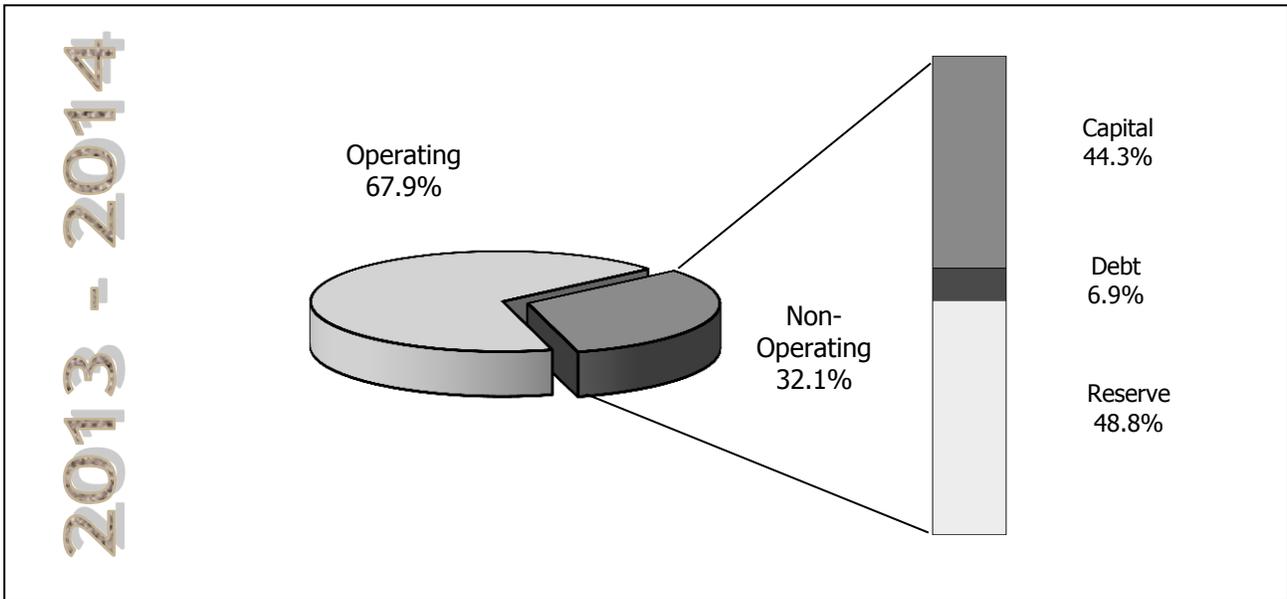


**CITY OF KIRKLAND  
 WATER/SEWER UTILITY  
 2013-2014 BUDGET OVERVIEW: BY FUND TYPE/FUND**



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	2011-12 Budget	2013-14 Budget	Percent Change
<b>Operating Fund</b>			
411 Water/Sewer Operating	45,948,241	52,829,481	14.98%
<b>Total Operating Fund</b>	<b>45,948,241</b>	<b>52,829,481</b>	<b>14.98%</b>
<b>Non-Operating Funds</b>			
412 Water/Sewer Debt Service	2,962,187	2,567,358	-13.33%
413 Utility Capital Projects	18,054,238	22,415,061	24.15%
<b>Total Non-Operating Funds</b>	<b>21,016,425</b>	<b>24,982,419</b>	<b>18.87%</b>
<b>Total Water/Sewer Utility Funds</b>	<b>66,964,666</b>	<b>77,811,900</b>	<b>16.20%</b>

**CITY OF KIRKLAND  
CHANGE IN FUND BALANCE (Beginning 2011 to Ending 2014)  
WATER/SEWER UTILITY FUNDS**

	Water/Sewer Operating	Non-Operating		Total
		Water/Sewer Debt Service	Utility Capital Projects <sup>1</sup>	
<b>2011 Actual Beginning Fund Balance</b>	<b>5,597,922</b>	<b>822,274</b>	<b>9,872,222</b>	<b>16,292,418</b>
<i>Reserved</i>	<i>4,664,255</i>	<i>822,274</i>	<i>9,537,742</i>	<i>15,024,271</i>
<i>Unreserved Working Capital</i>	<i>933,667</i>	<i>-</i>	<i>334,480</i>	<i>1,268,147</i>
Plus: 2011-12 Estimated Revenues	39,599,106	2,461,012	9,082,503	<b>51,142,621</b>
Less: 2011-12 Estimated Expenditures	40,138,504	2,453,470	3,987,736	<b>46,579,710</b>
<b>2011-12 Estimated Ending Fund Balance</b>	<b>5,058,524</b>	<b>829,816</b>	<b>14,966,989</b>	<b>20,855,329</b>
Less: Funding for Carryovers to 2013	366,194	-	-	<b>366,194</b>
<b>2013 Budgeted Beginning Fund Balance</b>	<b>4,692,330</b>	<b>829,816</b>	<b>14,966,989</b>	<b>20,489,135</b>
Plus: 2013-14 Budgeted Revenues	48,137,151	1,737,542	7,448,072	<b>57,322,765</b>
Less: 2013-14 Budgeted Expenditure	48,216,378	1,727,151	15,841,518	<b>65,785,047</b>
<b>2014 Budgeted Ending Fund Balance</b>	<b>4,613,103</b>	<b>840,207</b>	<b>6,573,543</b>	<b>12,026,853</b>
<i>Reserved</i>	<i>2,414,471</i>	<i>840,207</i>	<i>6,573,543</i>	<i>9,828,221</i>
<i>Unreserved Working Capital</i>	<i>2,198,632</i>	<i>-</i>	<i>-</i>	<i>2,198,632</i>
<b>Change in Fund Balance: Beginning 2011 to Ending 2014</b>	<b>(984,819)</b>	<b>17,933</b>	<b>(3,298,679)</b>	<b>(4,265,565)</b>

**Notes:**

<sup>1</sup> The 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. The water/sewer construction reserve within the Utility Capital Projects Fund accumulates resources for future projects.

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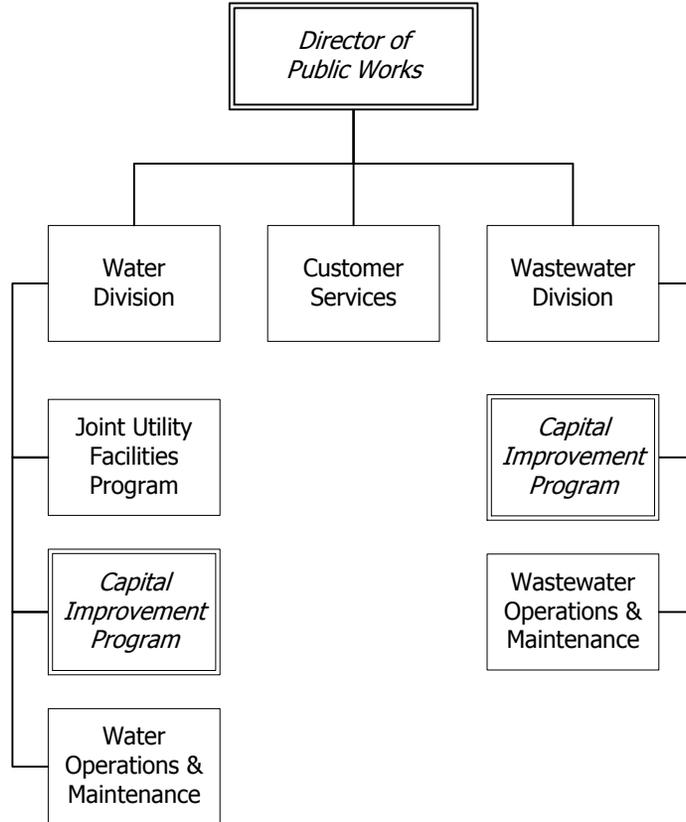
**OPERATING**



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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.*

## 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/Sewer Division of Public Works oversees 169.3 miles of water mains, 34 pressure-reducing stations (PRVs), three water supply/pump stations, two water reservoirs, and 1,773 fire hydrants. The Wastewater Division operates, maintains, and repairs 120 miles of sewer mains, 3,164 manholes, and six sewer lift stations.

The Water/Sewer Division provides for construction of all new services such as installation of new single-family water connections, manhole construction, and water valve construction 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.

## RELATIONSHIP TO COUNCIL GOALS

### Financial Stability

- Implement and maintain a rate structure that ensures financial stability of the Water/Sewer Utility and maintenance of reserves.

### Environment

- Inspect food preparation establishments to educate and help reduce fats, oil and grease accumulation in Kirkland's sewer system.

### Dependable Infrastructure

- Provide the necessary inspections, repairs, and maintenance to provide a high quality, dependable source of drinking water to City of Kirkland residents, along with responding to direct customer service requests and reading water meters for utility billing.
- Provide the necessary inspections, repairs and maintenance to ensure the proper collection and conveyance of wastewater to treatment facilities.

## BUDGET HIGHLIGHTS

### 2013-2014 Reductions and Efficiencies

- Eliminate the use of seasonal laborers for fire hydrant painting and meter change outs.
- Condense Water Comprehensive Plan process with the Department of Health.
- Clean concrete sewer lines that historically have plugged. Spot checked the remaining system and cleaned based on inspection results.

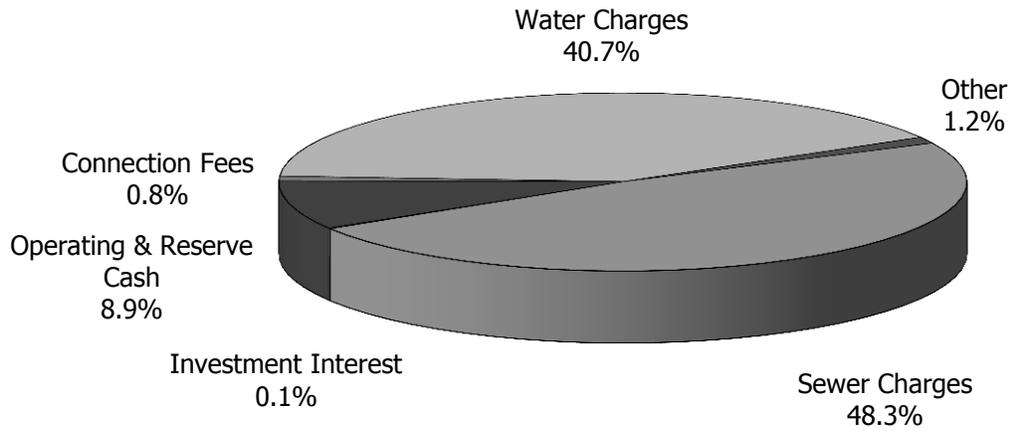
### 2013-2014 Additions

- Increase in Cascade Water Alliance Membership - \$490,849.
- Increase in wastewater treatment costs to King County Metro - \$1,433,940.
- Increase in water quality testing requirements by the Department of Health - \$10,000.
- Increase for street cut/utility patch fees - \$94,000.

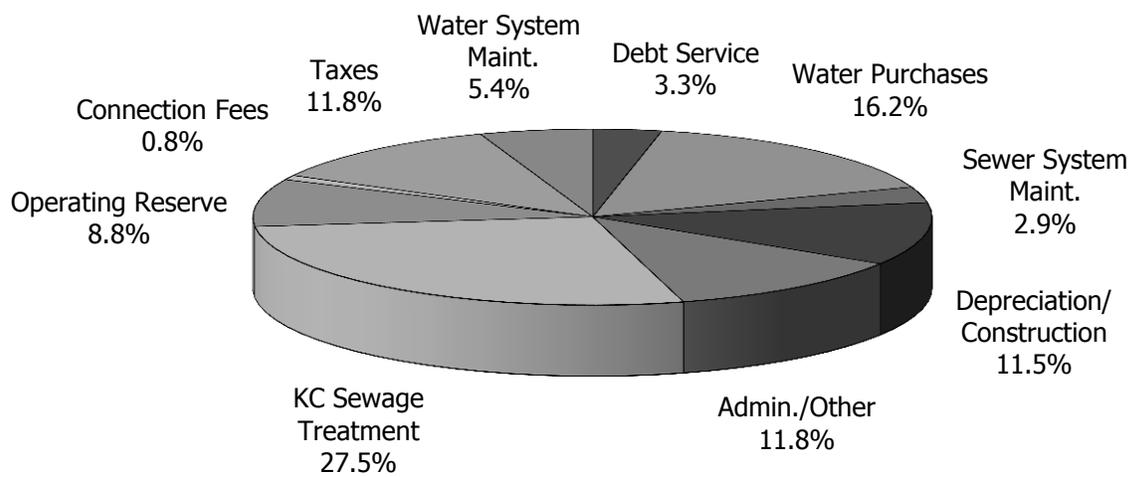
- Increase in Department of Health operating permit fee - \$10,000.
- Increase state taxes based on recent interpretation of generally accepted accounting principles for recording of the City's utility tax. The City tax revenue now shows as a revenue of the utility, offset by a transfer to the General Fund - \$4,946,669. A corresponding reduction in the City's utility tax rate will result in no net increase to customers.
- Reserves assume that the interfund loan to fund the purchase of the Cross Kirkland Corridor will be repaid by the end of the biennium. Note that the repayment may occur as early as December 2012.

# 2013-2014 BUDGET WATER/SEWER OPERATING FUND

## Sources of Funds



## Uses of Funds



**2013 - 2014 FINANCIAL OVERVIEW**

***WATER/SEWER OPERATING FUND***

**FINANCIAL SUMMARY BY OBJECT**

	<b>2009-2010 Actual</b>	<b>2011-2012 Estimate</b>	<b>2011-2012 Budget</b>	<b>2013-2014 Budget</b>	<b>Percent Change</b>
Salaries and Wages	2,596,103	2,511,733	2,634,767	2,527,819	-4.06%
Benefits	1,062,780	1,173,409	1,269,516	1,305,034	2.80%
Supplies	7,662,592	8,719,226	8,993,042	9,211,184	2.43%
Other Services	5,210,529	5,970,447	5,951,539	6,064,715	1.90%
Government Services	20,611,683	22,938,726	22,340,689	28,796,258	28.90%
Capital Outlay	51,025	130,771	283,605	180,457	-36.37%
Reserves	-	-	4,475,083	4,744,014	6.01%
<b>TOTAL</b>	<b>37,194,712</b>	<b>41,444,312</b>	<b>45,948,241</b>	<b>52,829,481</b>	<b>14.98%</b>

**FINANCIAL SUMMARY BY DIVISION**

	<b>2009-2010 Actual</b>	<b>2011-2012 Estimate</b>	<b>2011-2012 Budget</b>	<b>2013-2014 Budget</b>	<b>Percent Change</b>
Utility Operations/Maint.	20,651,879	25,061,447	25,954,997	28,143,535	8.43%
Administration	8,828,080	9,257,278	14,057,842	18,270,217	29.96%
Capital Construction	7,425,428	6,801,026	5,554,296	6,043,179	8.80%
Utility Joint Facilities	289,325	324,561	381,106	372,550	-2.25%
<b>TOTAL</b>	<b>37,194,712</b>	<b>41,444,312</b>	<b>45,948,241</b>	<b>52,829,481</b>	<b>14.98%</b>

**POSITION SUMMARY BY DIVISION**

	<b>2009-2010 Actual</b>	<b>Adjustments</b>	<b>2011-2012 Budget</b>	<b>Adjustments</b>	<b>2013-2014 Budget</b>
Utility Operations/Maint.	16.20	-0.90	15.30	0.00	15.30
Administration	5.01	-0.50	4.51	0.00	4.51
Capital Construction	0.00	0.00	0.00	0.00	0.00
Utility Joint Facilities	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>21.21</b>	<b>-1.40</b>	<b>19.81</b>	<b>0.00</b>	<b>19.81</b>

2013-2014 POSITION SUMMARY

***WATER/SEWER OPERATING FUND***

**POSITION SUMMARY BY CLASSIFICATION**

<u>Classification</u>	<u>2011-2012 Positions</u>	<u>Budget Reductions</u>	<u>Service Packages</u>	<u>2013-2014 Positions</u>	<u>Budgeted 2013 Salary Range</u>
Internal Services Manager	0.15			0.15	6,645 - 8,575
Stormwater/Sewer Division Manager	0.50			0.50	6,645 - 8,575
Water Manager	1.00			1.00	6,645 - 8,575
Management Analyst	0.60			0.60	5,559 - 6,540
Leadperson	1.25			1.25	5,100 - 6,154
Yard Maint. & Inventory Control	0.60			0.60	4,279 - 5,527
Senior Maintenance Person	4.50			4.50	4,279 - 5,527
Utility Craftsperson	1.75			1.75	3,988 - 5,098
Permit Technician	0.40			0.40	4,300 - 5,058
Accounting Support Assoc. IV	0.70			0.70	4,107 - 4,832
Grounds Technician	0.10			0.10	3,368 - 4,362
Utilityperson	7.10			7.10	3,368 - 4,362
Public Works Office Specialist	0.50			0.50	3,675 - 4,323
Utility Data Entry Clerk	0.66			0.66	3,326 - 3,913
<b>TOTAL</b>	19.81	0.00	0.00	19.81	

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

		2009 -2010	2011 - 2012	2011- 2012	2013 -2014	Percent
		Actual	Estimate	Budget	Budget	Change
<b>Fund:</b>	<b>WaterSewer Utility Operating (411)</b>					
<b>Department:</b>	<b>General</b>					
<b>Division:</b>	<b>Not Applicable</b>					
<b>Key:</b>	<b>Water Sewer Utility Operating (411000000)</b>					
<b>Intergovernmental Revenue</b>						
Dept of Homeland Security	3319703	2,816	0	0	0	0.00%
Indirect FEMA	3339703	0	2,505	0	0	0.00%
Military Department	3340180	469	387	0	0	0.00%
Intergovt*Other Gen Govt Svcs	3381901	134,690	129,722	99,282	0	0.00%
<b>Total for Intergovernmental Revenue:</b>		<b>137,975</b>	<b>132,614</b>	<b>99,282</b>	<b>0</b>	<b>0.00%</b>
<b>Charges for Goods and Services</b>						
Other*General Government Svcs	3419001	13,434	10,772	10,000	0	0.00%
General Govt Services	3419601	0	0	0	130,000	0.00%
Residential Water Sales	3434001	9,794,782	8,868,857	10,422,604	9,600,414	-7.88%
Multi-Family Water Service	3434003	3,898,792	4,581,532	4,130,773	4,984,830	20.67%
Commercial Water Sales	3434004	3,342,552	3,559,505	3,480,108	1,897,091	-45.48%
Water Service Penalties	3434005	113,938	123,418	110,000	120,000	9.09%
Eff Utility Tax Revenue Wtr	3434008	0	0	0	2,524,566	0.00%
Residential Sewer Svc-City	3435001	10,729,120	12,161,377	12,095,967	13,389,057	10.69%
Multi-Family Sewer Svc-City	3435003	3,984,645	4,566,545	4,683,887	5,181,383	10.62%
Commercial Sewer Svc-City	3435005	3,412,583	3,826,578	3,927,479	4,356,028	10.91%
Sewer Service Penalties	3435007	119,514	139,434	120,000	150,000	25.00%
Eff Utility Tax Revenue Swr	3435008	0	0	0	2,422,103	0.00%
Misc Utility Revenue	3438901	0	56,721	0	0	0.00%
Water OffOn Charge	3439001	264,997	211,708	280,000	232,000	-17.14%
Estimated Final Bill Fee	3439003	0	25,940	0	0	0.00%
Interfund Personnel Services	3491601	0	17,545	0	0	0.00%
Interfund-Other Gen Govmnt	3491901	40,908	28,524	5,000	36,000	620.00%
<b>Total for Charges for Goods and Services:</b>		<b>35,715,265</b>	<b>38,178,456</b>	<b>39,265,818</b>	<b>45,023,472</b>	<b>14.66%</b>
<b>Fines and Forfeits</b>						
Forfeiture of Bonds Deposits	3591001	0	6,805	0	0	0.00%
<b>Total for Fines and Forfeits:</b>		<b>0</b>	<b>6,805</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	3611101	309,015	94,917	83,248	70,000	-15.91%
Int on Sales Tax Contract AR	3614001	9,004	0	0	0	0.00%
Facilities Leases LT-Other	3625002	123,394	112,055	113,700	116,000	2.02%
Housing Rental Leases	3626001	8,835	0	0	0	0.00%
Interfund Loan Interest	3661001	5,000	0	0	0	0.00%
Hydrant*Rental-Interfund	3662001	200,494	471,557	471,557	455,679	-3.36%

**City of Kirkland  
2013 - 2014 Budget  
Revenues**

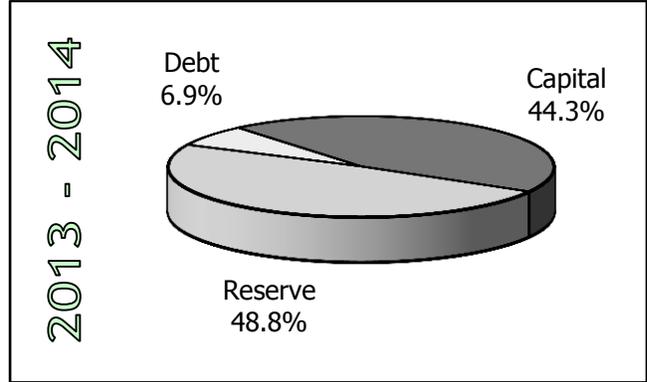
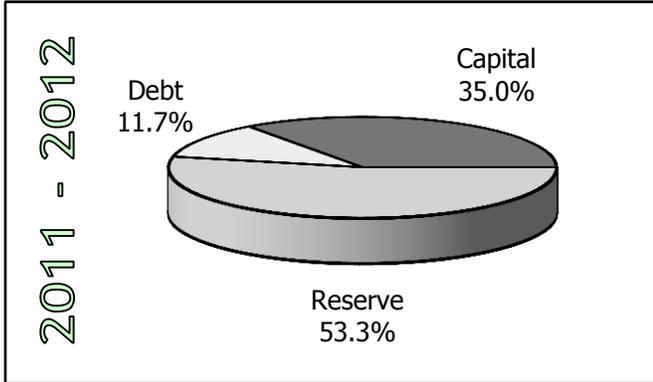
		<b>2009 -2010 Actual</b>	<b>2011 - 2012 Estimate</b>	<b>2011- 2012 Budget</b>	<b>2013 - 2014 Budget</b>	<b>Percent Change</b>
Contributions Private	3679901	15,000	0	0	0	0.00%
Sale of Scrap Material	3691001	12,853	35,958	7,000	30,000	328.57%
Other Judgements Settlements	3694001	14,292	25,445	5,000	20,000	300.00%
Other Misc Revenue	3699001	98,296	2,512	2,000	2,000	0.00%
<b>Total for Miscellaneous Revenues:</b>		796,183	742,444	682,505	693,679	1.63%
<b>Proprietary Other Income</b>						
Regional Water Connection Chg	3791003	401,829	538,266	300,000	440,000	46.66%
Emergency Sewer Program Coll	3791006	5,202	8,248	0	0	0.00%
<b>Total for Proprietary Other Income:</b>		407,031	546,514	300,000	440,000	46.66%
<b>Non-Revenues</b>						
Prop Intergovt Loan Proceeds	3828001	2,000,000	0	0	0	0.00%
<b>Total for Non-Revenues:</b>		2,000,000	0	0	0	0.00%
<b>Other Financing Sources</b>						
Proceeds Sales of Fixed Assets	3951001	799	0	0	0	0.00%
Resources Forward	3999901	0	5,597,922	5,597,922	4,692,330	-16.17%
<b>Total for Other Financing Sources:</b>		799	5,597,922	5,597,922	4,692,330	-16.17%
<b>Total for Water Sewer Utility Operating (4110000000):</b>		39,057,253	45,204,755	45,945,527	50,849,481	10.67%
<b>Total for Not Applicable:</b>		39,057,253	45,204,755	45,945,527	50,849,481	10.67%
<b>Total for General:</b>		39,057,253	45,204,755	45,945,527	50,849,481	10.67%
<b>Total for WaterSewer Utility Operating:</b>		39,057,253	45,204,755	45,945,527	50,849,481	10.67%

**NON-OPERATING**



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# CITY OF KIRKLAND WATER/SEWER UTILITY



## 2011-2012 BUDGET SUMMARY: BY PURPOSE

Fund	2011-12 Budget	Purpose			
		Reserve	Debt	Capital	Other
412 Debt Service	2,962,187	508,717	2,453,470	-	-
413 Utility Capital Projects	18,054,238	10,705,372	-	7,348,866	-
<b>Total Non-Operating Funds</b>	<b>21,016,425</b>	<b>11,214,089</b>	<b>2,453,470</b>	<b>7,348,866</b>	<b>-</b>

## 2013-2014 BUDGET SUMMARY: BY PURPOSE

Fund	2013-14 Budget	Purpose			
		Reserve	Debt	Capital	Other
412 Debt Service	2,567,358	840,207	1,727,151	-	-
413 Utility Capital Projects	22,415,061	11,339,061	-	11,076,000	-
<b>Total Non-Operating Funds</b>	<b>24,982,419</b>	<b>12,179,268</b>	<b>1,727,151</b>	<b>11,076,000</b>	<b>-</b>

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 five outstanding one percent loans and two 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 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  
 2013-2014 PAYMENT AND RESERVE SUMMARY**

2011-2012 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
412 Water/Sewer Debt Service	2,269,356	184,114	508,717	2,962,187
<b>Total Debt Service Fund</b>	<b>2,269,356</b>	<b>184,114</b>	<b>508,717</b>	<b>2,962,187</b>

2013-2014 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
412 Water/Sewer Debt Service	1,666,021	61,129	840,207	2,567,358
<b>Total Debt Service Fund</b>	<b>1,666,021</b>	<b>61,129</b>	<b>840,207</b>	<b>2,567,358</b>

**City of Kirkland  
2004 Water/Sewer Revenue and Refunding Bonds**

**Purpose: Water/Sewer Capital Improvements  
Refunds 1995 Water/Sewer Revenue Bonds and  
Reissues 1992 Water/Sewer Refunding**

Denomination	\$5,000	Date of Bond Sale	8/1/2004
Amount of Issue	\$3,090,000	Net Interest Rate	3.613%
Ordinance	3955	Org:	4120009041

**DEBT SERVICE SCHEDULE**

Year	Interest Dates		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2004	0	33,304	2.00%	6/1/2004	0	33,304	3,090,000
2005	49,956	46,656	2.00%	6/1/2005	330,000	426,613	2,760,000
2006	46,656	42,719	2.50%	6/1/2006	315,000	404,375	2,445,000
2007	42,719	38,444	3.00%	6/1/2007	285,000	366,163	2,160,000
2008	38,444	34,019	3.00%	6/1/2008	295,000	367,463	1,865,000
2009	34,019	29,444	3.00%	6/1/2009	305,000	368,463	1,560,000
2010	29,444	24,325	3.25%	6/1/2010	315,000	368,769	1,245,000
2011	24,325	21,700	3.50%	6/1/2011	150,000	196,025	1,095,000
2012	21,700	18,700	3.75%	6/1/2012	160,000	200,400	935,000
2013	18,700	9,500	4.00%	6/1/2013	460,000	488,200	475,000
2014	9,500	0	4.00%	6/1/2014	475,000	484,500	0
Totals	315,463	298,810			3,090,000	3,704,273	

**City of Kirkland**

**1993 Public Works Trust Fund Loan**

**Purpose: Lake Street Sewer Line Replacement**

Amount of Loan	\$823,368	Initial Loan Draw	8/5/1993
Ordinance	3371	Net Interest Rate	1.000%
		Org:	4120008941

**DEBT SERVICE SCHEDULE**

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
1993						123,505 *
1994	3,637	1.00%	7/1/1994	0	3,637	823,368 *
1995	7,820	1.00%	7/1/1995	43,335	51,155	780,033
1996	7,800	1.00%	7/1/1996	43,335	51,135	736,698
1997	7,367	1.00%	7/1/1997	43,335	50,702	693,363
1998	6,934	1.00%	7/1/1998	43,335	50,269	650,027
1999	6,500	1.00%	7/1/1999	43,335	49,835	606,692
2000	6,067	1.00%	7/1/2000	43,335	49,402	563,357
2001	5,634	1.00%	7/1/2001	43,335	48,969	520,022
2002	5,200	1.00%	7/1/2002	43,335	48,535	476,687
2003	4,767	1.00%	7/1/2003	43,335	48,102	433,352
2004	4,334	1.00%	7/1/2004	43,335	47,669	390,016
2005	3,900	1.00%	7/1/2005	43,335	47,235	346,681
2006	3,467	1.00%	7/1/2006	43,335	46,802	303,346
2007	3,033	1.00%	7/1/2007	43,335	46,369	260,011
2008	2,600	1.00%	7/1/2008	43,335	45,935	216,676
2009	2,167	1.00%	7/1/2009	43,335	45,502	173,341
2010	1,733	1.00%	7/1/2010	43,335	45,069	130,005
2011	1,300	1.00%	7/1/2011	43,335	44,635	86,670
2012	867	1.00%	7/1/2012	43,335	44,202	43,335
2013	433	1.00%	7/1/2013	43,335	43,768	0
Totals	85,559			823,368	908,927	

\*Principal received in three installments: \$123,205 on 8/5/93, \$617,526 on 2/2/94 and \$82,337 on 12/31/94

**City of Kirkland****1994A Public Works Trust Fund****Purpose: Lake Washington Boulevard Water Line Replacement**

Amount of Loan	\$1,231,700	Initial Loan Draw	7/26/1994
Ordinance	3418	Net Interest Rate	1.000%
		Org:	4120008941

**DEBT SERVICE SCHEDULE**

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
1994						207,900 *
1995	6,508	1.00%	7/1/1995	0	6,508	1,247,400 *
1996	12,463	1.00%	7/1/1996	65,270	77,733	1,166,430 *
1997	11,664	1.00%	7/1/1997	64,802	76,466	1,101,628
1998	11,016	1.00%	7/1/1998	64,802	75,818	1,036,827
1999	10,368	1.00%	7/1/1999	64,802	75,170	972,025
2000	9,720	1.00%	7/1/2000	64,802	74,522	907,223
2001	9,072	1.00%	7/1/2001	64,802	73,874	842,422
2002	8,424	1.00%	7/1/2002	64,802	73,226	777,620
2003	7,776	1.00%	7/1/2003	64,802	72,578	712,818
2004	7,128	1.00%	7/1/2004	64,802	71,930	648,017
2005	6,480	1.00%	7/1/2005	64,802	71,282	583,215
2006	5,832	1.00%	7/1/2006	64,802	70,634	518,413
2007	5,184	1.00%	7/1/2007	64,802	69,986	453,612
2008	4,536	1.00%	7/1/2008	64,802	69,338	388,810
2009	3,888	1.00%	7/1/2009	64,802	68,690	324,008
2010	3,240	1.00%	7/1/2010	64,802	68,042	259,206
2011	2,592	1.00%	7/1/2011	64,802	67,394	194,405
2012	1,944	1.00%	7/1/2012	64,802	66,746	129,603
2013	1,296	1.00%	7/1/2013	64,802	66,098	64,801
2014	648	1.00%	7/1/2014	64,802	65,450	0
Totals	129,783			1,231,700	1,361,483	

\*Principal received: \$207,900 on 8/3/94, \$1,039,500 on 1/20/95 and \$15,700 refunded on 5/1/96

**City of Kirkland**

**1994B Public Works Trust Fund Loan**

**Purpose: Lake Washington Boulevard Sewer Line Replacement**

Amount of Loan	\$1,165,500	Initial Loan Draw	7/26/1994
Ordinance	3419	Net Interest Rate	1.000%
		Org:	4120008941

**DEBT SERVICE SCHEDULE**

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
1994						174,825 *
1995	5,473	1.00%	7/1/1995	0	5,473	1,048,950 *
1996	10,490	1.00%	7/1/1996	55,208	65,697	993,742 *
1997	10,566	1.00%	7/1/1997	61,683	72,248	1,048,609
1998	10,486	1.00%	7/1/1998	61,683	72,169	986,926
1999	9,869	1.00%	7/1/1999	61,683	71,552	925,243
2000	9,252	1.00%	7/1/2000	61,683	70,935	863,560
2001	8,636	1.00%	7/1/2001	61,683	70,319	801,877
2002	8,019	1.00%	7/1/2002	61,683	69,702	740,195
2003	7,402	1.00%	7/1/2003	61,683	69,085	678,512
2004	6,785	1.00%	7/1/2004	61,683	68,468	616,829
2005	6,168	1.00%	7/1/2005	61,683	67,851	555,146
2006	5,551	1.00%	7/1/2006	61,683	67,234	493,463
2007	4,935	1.00%	7/1/2007	61,683	66,618	431,780
2008	4,318	1.00%	7/1/2008	61,683	66,001	370,097
2009	3,701	1.00%	7/1/2009	61,683	65,384	308,414
2010	3,084	1.00%	7/1/2010	61,683	64,767	246,731
2011	2,467	1.00%	7/1/2011	61,683	64,150	185,049
2012	1,850	1.00%	7/1/2012	61,683	63,533	123,366
2013	1,234	1.00%	7/1/2013	61,683	62,917	61,683
2014	617	1.00%	7/1/2014	61,683	62,300	0
Totals	120,903			1,165,500	1,286,403	

\* Principal received: \$174,825 on 8/3/94, \$874,125 on 1/20/95 and \$116,550 on 12/16/96

**City of Kirkland**

**1995 Public Works Trust Fund Loan**

**Purpose: Lake Shore Plaza Lift Station**

Amount of Loan	\$794,850	Initial Loan Draw	6/09/1995
Ordinance	3419	Net Interest Rate	1.000%
		Org:	4120008941

**DEBT SERVICE SCHEDULE**

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
1995						119,228 *
1996	1,268	1.00%	7/1/1996	0	1,268	360,766 *
1997	2,494	1.00%	7/1/1997	18,988	21,482	341,778
1998	3,418	1.00%	7/1/1998	18,988	22,405	322,791
1999	3,674	1.00%	7/1/1999	44,522	48,196	712,353 *
2000	7,124	1.00%	7/1/2000	44,522	51,646	667,831
2001	6,678	1.00%	7/1/2001	44,522	51,200	623,309
2002	6,233	1.00%	7/1/2002	44,522	50,755	578,787
2003	5,788	1.00%	7/1/2003	44,522	50,310	534,265
2004	5,343	1.00%	7/1/2004	44,522	49,865	489,743
2005	4,897	1.00%	7/1/2005	44,522	49,419	445,221
2006	4,452	1.00%	7/1/2006	44,522	48,974	400,699
2007	4,007	1.00%	7/1/2007	44,522	48,529	356,177
2008	3,562	1.00%	7/1/2008	44,522	48,084	311,655
2009	3,117	1.00%	7/1/2009	44,522	47,639	267,133
2010	2,671	1.00%	7/1/2010	44,522	47,193	222,611
2011	2,226	1.00%	7/1/2011	44,522	46,748	178,089
2012	1,781	1.00%	7/1/2012	44,522	46,303	133,566
2013	1,336	1.00%	7/1/2013	44,522	45,858	89,044
2014	890	1.00%	7/1/2014	44,522	45,412	44,522
2015	445	1.00%	7/1/2015	44,522	44,967	0
Totals	71,404			794,850	866,254	

\* Principal received in three installments: \$119,228 on 6/7/95, \$241,538 on 12/9/96, and \$434,084 on 5/24/99.

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

**Purpose: Juanita Lift Station Replacement Project-Design**

Amount of Loan      \$227,500  
Resolution              4236

Initial Loan Draw 7/01/2000  
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%	7/1/2015	12,535	13,162	50,140
2016	501	1.00%	7/1/2016	12,535	13,036	37,605
2017	376	1.00%	7/1/2017	12,535	12,911	25,070
2018	251	1.00%	7/1/2018	12,535	12,786	12,535
2019	125	1.00%	7/1/2019	12,535	12,660	0
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  
Resolution 4236

Initial Loan Draw 9/15/03  
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%	7/1/2015	102,968	106,572	617,812
2016	3,089	0.50%	7/1/2016	102,969	106,058	514,843
2017	2,574	0.50%	7/1/2017	102,968	105,542	411,875
2018	2,059	0.50%	7/1/2018	102,969	105,028	308,906
2019	1,545	0.50%	7/1/2019	102,969	104,514	205,937
2020	1,030	0.50%	7/1/2020	102,968	103,998	102,969
2021	515	0.50%	7/1/2021	102,969	103,484	0
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  
Resolution 4451

Initial Loan Draw 9/01/04  
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	0	757	1,031,985 *
2006	7,846	0.50%	7/1/2006	57,333	62,221	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%	7/1/2015	57,333	60,199	515,993
2016	2,580	0.50%	7/1/2016	57,333	59,912	458,660
2017	2,293	0.50%	7/1/2017	57,333	59,626	401,328
2018	2,007	0.50%	7/1/2018	57,333	59,339	343,995
2019	1,720	0.50%	7/1/2019	57,333	59,052	286,663
2020	1,433	0.50%	7/1/2020	57,333	58,766	229,330
2021	1,147	0.50%	7/1/2021	57,333	58,479	171,998
2022	860	0.50%	7/1/2022	57,333	58,192	114,665
2023	573	0.50%	7/1/2023	57,333	57,906	57,333
2024	287	0.50%	7/1/2024	57,333	57,619	0
Totals	57,351			1,089,317	1,143,711	

\* Initial draw \$217,260 in 2004, balance expected to be drawn throughout 2005



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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.

**CITY OF KIRKLAND  
CAPITAL IMPROVEMENT PROGRAM  
2013-2014 BUDGET**

**WATER/SEWER CAPITAL PROJECTS FUND (413)**

Project Category/ Project Title	Project Number	Funding Source
<b>UTILITIES</b>		
<b>Water</b>		
Emergency Sewer Program Watermain Replacement Pgm	WA 0090	Connection Fees
132nd Ave NE/NE 80th St. Watermain Replacement	WA 0116	Water & Sewer Rates/Debt/Connection Fees
NE 109th Ave/106th Ct. NE Watermain Replacement	WA 0121	Water & Sewer Rates
NE 85th Street Watermain Replacement	WA 0140	Water & Sewer Rates/Connection Fees
Park Lane Watermain Replacement	WA 0148	Water & Sewer Rates
<b>Total Water</b>		
<b>Sewer</b>		
Emergency Sewer Construction Program	SS 0056	Water & Sewer Reserves
NE 80th St. Sewermain Replacement (Phase II)	SS 0067	Water & Sewer Rates/Debt
Rose Point Sewer Lift Station	SS 0073	Water & Sewer Rates
5th Avenue S Sewermain Replacement	SS 0078	Water & Sewer Rates
7th/8th Avenue West Alley Sewermain Replacement	SS 0081	Water & Sewer Rates
<b>Total Sewer</b>		
<b>TOTAL WATER/SEWER CAPITAL PROJECTS FUND</b>		

2013 Budget	2014 Budget	Estimated Total Project Cost	Additional Annual Maintenance & Operations	
			2013	2014
50,000	0	150,000	0	0
442,000	2,394,400	2,836,400	0	0
156,300	0	156,300	0	0
2,413,000	0	2,413,000	0	0
62,000	235,000	297,000	0	0
<b><u>3,123,300</u></b>	<b><u>2,629,400</u></b>	<b><u>5,852,700</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
922,000	478,000	4,200,000	0	0
600,000	1,836,000	2,436,000	0	0
0	944,400	2,287,400	0	0
0	188,900	226,900	0	0
354,000	0	354,000	0	0
<b><u>1,876,000</u></b>	<b><u>3,447,300</u></b>	<b><u>9,504,300</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>4,999,300</b>	<b>6,076,700</b>	<b>15,357,000</b>	<b>0</b>	<b>0</b>

**City of Kirkland  
2013-2018 Capital Improvement Program**

**WATER/SEWER UTILITY PROJECTS**

**Funded Projects:**

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-18 Total	Funding Source				
										Current Revenue	Reserve	Debt	External Source	
WA 0090	Emergency Sewer Pgm Watermain Replacement Pgm		50,000		50,000			50,000	150,000	150,000				
WA 0102*	104th Ave NE Watermain Replacement						974,500		974,500	974,500				
WA 0116	NE 80th Street Watermain Replacement (Phase II)		442,000	2,394,400					2,836,400	869,000		1,967,400		
WA 0121	NE 109th Ave/106th Court NE Watermain Replacement	215,000	156,300						156,300	156,300				
<b>WA 0134+</b>	<b>5th Ave S / 8th St S Watermain Replacement</b>							850,000	<b>850,000</b>	<b>850,000</b>				
<b>WA 0139+</b>	<b>6th Street S Watermain Replacement</b>				<b>671,000</b>				<b>671,000</b>	<b>671,000</b>				
WA 0140*+	NE 85th Street Watermain Replacement	626,000	2,413,000						2,413,000	2,413,000				
<b>WA 0145</b>	<b>Kirkland Avenue/6th Street S Watermain Replacement</b>					<b>755,000</b>			<b>755,000</b>	<b>755,000</b>				
<b>WA 0148</b>	<b>Park Lane Watermain Replacement</b>		<b>62,000</b>	<b>235,000</b>					<b>297,000</b>	<b>297,000</b>				
WA 8888*	Annual Watermain Replacement Program						385,000	385,000	770,000	770,000				
WA 9999*	Annual Water Pump Station/System Upgrade Pgm				222,000			385,000	992,000	992,000				
SS 0056	Emergency Sewer Construction Program		922,000	478,000	969,000	431,000	950,000	450,000	4,200,000		4,200,000			
SS 0064*+	7th Avenue South Sewermain Replacement			-		593,000	1,053,000		1,646,000	1,646,000				
SS 0067*	NE 80th Street Sewermain Replacement (Phase II)		600,000	1,836,000					2,436,000	365,400		2,070,600		
SS 0073*+	Rose Point Sewer Lift Station Replacement			944,400	1,343,000				2,287,400	2,287,400				
<b>SS 0078</b>	<b>5th Avenue S Sewermain Replacement</b>			<b>188,900</b>	<b>38,000</b>				<b>226,900</b>	<b>226,900</b>				
<b>SS 0079</b>	<b>3rd Avenue S &amp; 2nd Street S Sewermain Replacement</b>			-	<b>487,000</b>	<b>740,000</b>			<b>1,227,000</b>	<b>1,227,000</b>				
<b>SS 0080</b>	<b>20th Avenue Sewermain Replacement</b>							812,000	<b>812,000</b>	<b>812,000</b>				
<b>SS 0081</b>	<b>7th / 8th Avenue West Alley Sewermain Replacement</b>		<b>354,000</b>					-	<b>354,000</b>	<b>354,000</b>				
SS 8888*	Annual Sanitary Pipeline Replacement Program				446,500	377,000	213,000	441,000	1,477,500	1,477,500				
SS 9999*	Annual Sanitary Pump Station/System Upgrade Pgm				446,500	377,000	212,500	400,000	1,436,000	1,436,000				
<b>Total Funded Water/Sewer Utility Projects</b>			<b>841,000</b>	<b>4,999,300</b>	<b>6,076,700</b>	<b>4,673,000</b>	<b>3,273,000</b>	<b>4,223,000</b>	<b>3,723,000</b>	<b>26,968,000</b>	<b>18,730,000</b>	<b>4,200,000</b>	<b>4,038,000</b>	<b>0</b>

**City of Kirkland  
2013-2018 Capital Improvement Program**

**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 0097	NE 80th Street Watermain Replacement (Phase III)	1,386,000
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
<b>WA 0146^</b>	<b>6th Street/Kirkland Way Watermain Replacement</b>	<b>693,000</b>
<b>WA 0147^</b>	<b>106th Avenue NE from NE 60th Street to NE 68th Street</b>	<b>661,500</b>
SS 0051	6th Street South Sewermain Replacement	804,000
SS 0052	108th Avenue NE Sewermain Replacement	5,110,000
SS 0062^	NE 108th Street Sewermain Replacement/Rehabilitation	4,405,000
SS 0068	124th Avenue NE Sewermain Replacement	1,315,000
SS 0069	1st Street Sewermain Replacement	3,945,000
SS 0070	5th Street Sewermain Replacement	1,354,000
SS 0071	6th Street Sewermain Replacement	308,000
SS 0072	Kirkland Avenue Sewermain Replacement	1,980,000
SS 0077	West Of Market Sewermain Replacement	21,681,000
<b>Subtotal Unfunded Water/Sewer Utility Projects</b>		<b>76,002,500</b>
<b>Funding Available from Annual Programs for Candidate Projects</b>		<b>4,675,500</b>
<b>Net Unfunded Water/Sewer Utility Projects</b>		<b>71,327,000</b>

**Prior Year(s) Funding (Budget to Actuals):**

Project Number	Project Title	Budget	Actual	Balance
WA 0121	NE 109th Ave/106th Court NE Watermain Replacement	215,000	0	215,000
<b>Total Prior Year(s) Funding (Budget to Actuals):</b>		<b>215,000</b>	<b>0</b>	<b>215,000</b>

Notes

- \* = Modification in timing and/or cost (see Project Modification Schedule for greater detail)
- + = Moved from unfunded status to funded status
- " = Moved from funded status to unfunded status
- ^ = Annual Watermain or Sanitary Pipeline Replacement Program Project Candidates
- # = Annual Pump Station/System Upgrade Program Project Candidates
- Shaded year(s) = Previous timing
- Bold italics = New projects***



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