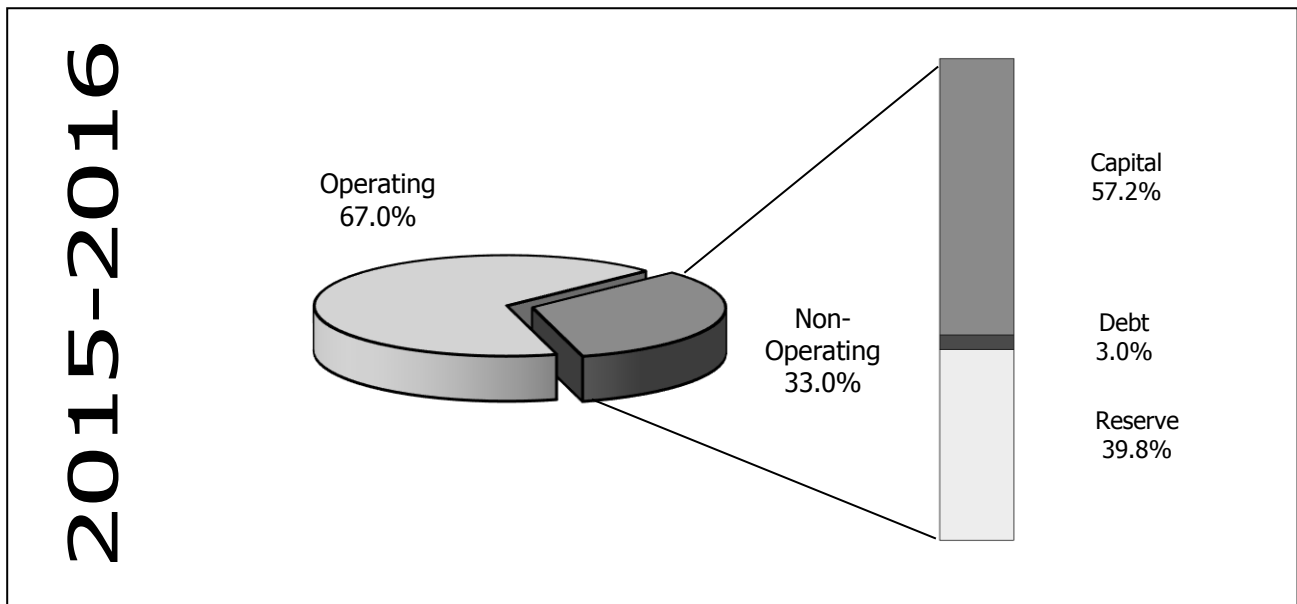


CITY OF KIRKLAND

WATER/SEWER UTILITY

2015-2016 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	2013-14 Budget	2015-16 Budget	Percent Change
<i>Operating Fund</i>			
411 Water/Sewer Operating	54,516,992	59,759,516	9.62%
Total Operating Fund	54,516,992	59,759,516	9.62%
<i>Non-Operating Funds</i>			
412 Water/Sewer Debt Service	2,225,742	1,368,834	-38.50%
413 Utility Capital Projects	23,349,803	28,019,650	20.00%
Total Non-Operating Funds	25,575,545	29,388,484	14.91%
Total Water/Sewer Utility Funds	80,092,537	89,148,000	11.31%

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2013 to Ending 2016)
WATER/SEWER UTILITY FUNDS

	Water/Sewer Operating ¹	Non-Operating		Total
		Water/Sewer Debt Service	Utility Capital Projects ²	
2013 Actual Beginning Fund Balance	5,939,841	488,200	15,110,898	21,538,939
<i>Reserved</i>	<i>2,414,471</i>	<i>488,200</i>	<i>6,623,306</i>	<i>9,525,977</i>
<i>Unreserved Working Capital</i>	<i>3,525,370</i>	<i>-</i>	<i>8,487,592</i>	<i>12,012,962</i>
Plus: 2013-14 Estimated Revenues	50,260,950	1,810,644	8,989,770	61,061,364
Less: 2013-14 Estimated Expenditures	49,798,833	1,805,010	5,561,139	57,164,982
2014 Estimated Ending/2015 Budgeted Beginning Fund Balance	6,401,958	493,834	18,539,529	25,435,321
Plus: 2015-16 Budgeted Revenues	53,357,558	875,000	9,480,121	63,712,679
Less: 2015-16 Budgeted Expenditures	53,945,015	867,810	16,814,443	71,627,268
2016 Budgeted Ending Fund Balance	5,814,501	501,024	11,205,207	17,520,732
<i>Reserved</i>	<i>2,659,932</i>	<i>501,024</i>	<i>11,205,207</i>	<i>14,366,163</i>
<i>Unreserved Working Capital</i>	<i>3,154,569</i>	<i>-</i>	<i>-</i>	<i>3,154,569</i>
Change in Fund Balance: Beginning 2013 to Ending 2016	(125,340)	12,824	(3,905,691)	(4,018,207)

Notes:

¹The small decrease in the Operating Fund is due to investment in one-time projects related to the implementation of the master plans.

²The 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.

OPERATING

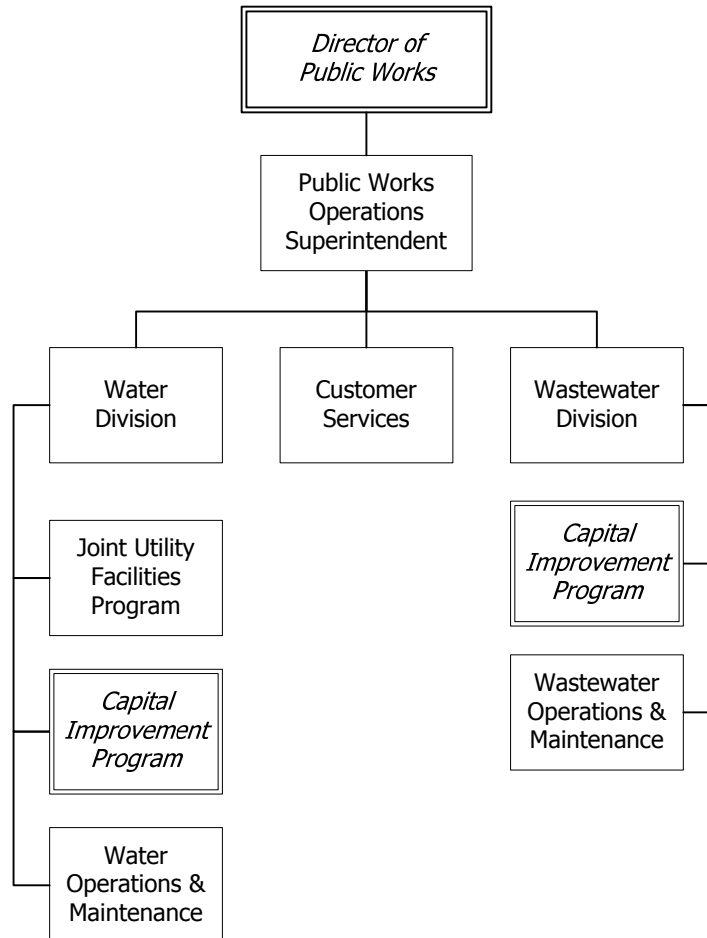


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CITY OF KIRKLAND

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, and 1,899 fire hydrants. The Wastewater Division operates, maintains, and repairs 122 miles of sewer mains, 3,184 manholes, and six sewer lift stations.

The Water/Sewer utility 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.

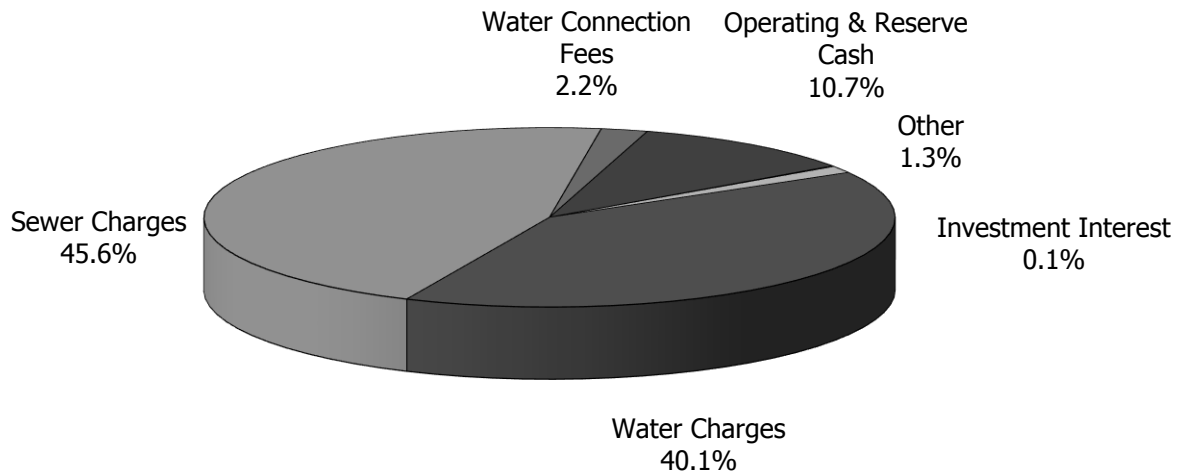
BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

Environment and Dependable Infrastructure

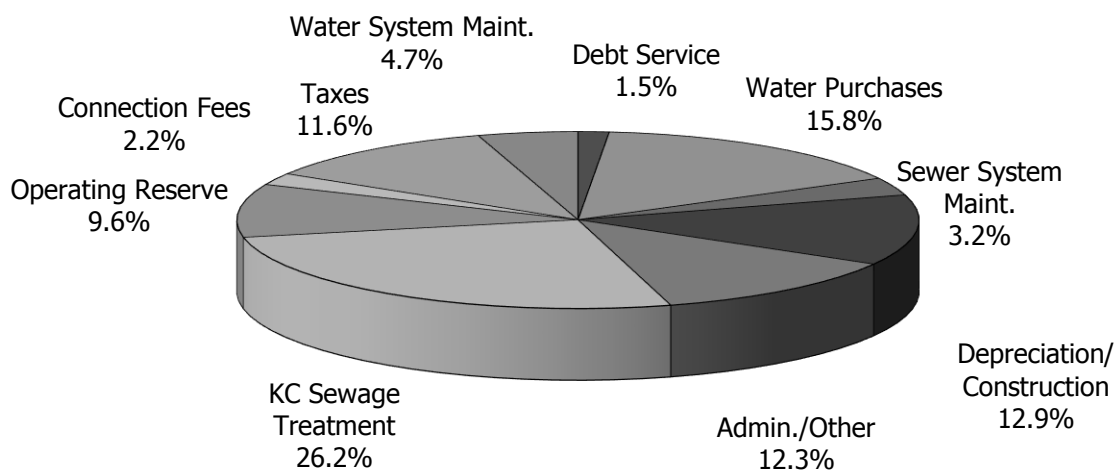
- Establish adequate rates to support the needs of the Water/Sewer resulting in:
 - 4.1% rate increase in 2015 and 1.2% increase in 2016 for Sewer
 - 4.9% increase in 2015 and 3.3% in 2016 for single family and irrigation customers and no increase in multifamily/commercial rates
- Expand the CCTV Inspection Program including 2.0 FTE, and CCTV vehicle, \$379,492 (Funded 50% from Surface Water and 50% from Sewer)
- Conduct a Reclaimed Water Study, \$120,000 one-time
- Restore the Sewer Improvement Opportunity Fund, \$20,000 onetime
- Add a .50 FTE Fats, Oils, and Grease (FOG) Inspector, \$104,173
- Complete Sewer Master Plan Update, \$180,000

2015-2016 BUDGET WATER/SEWER OPERATING FUND

Sources of Funds



Uses of Funds



2015 - 2016 FINANCIAL OVERVIEW
WATER/SEWER OPERATING FUND
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	2,513,745	2,536,970	2,596,428	2,779,210	7.04%
Benefits	1,179,067	1,348,734	1,359,425	1,586,774	16.72%
Supplies	8,701,316	9,123,619	9,211,184	10,040,795	9.01%
Other Services	5,918,393	6,325,340	6,286,698	6,957,957	10.68%
Government Services	21,786,182	30,213,763	29,376,258	32,300,722	9.96%
Capital Outlay	99,886	250,407	249,957	187,013	-25.18%
Reserves*	4,475,083	5,437,042	5,437,042	5,907,045	8.64%
TOTAL	44,673,672	55,235,875	54,516,992	59,759,516	9.62%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Utility Operations/Maint.	29,676,522	29,295,304	28,764,054	31,391,135	9.13%
Administration	9,317,338	19,428,240	19,267,709	20,354,371	5.64%
Capital Construction	5,418,944	6,123,812	6,092,679	7,648,168	25.53%
Utility Joint Facilities	260,868	388,519	392,550	365,842	-6.80%
TOTAL	44,673,672	55,235,875	54,516,992	59,759,516	9.62%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Utility Operations/Maint.	15.30	0.00	15.30	1.50	16.80
Administration	4.51	-0.05	4.46	0.00	4.46
TOTAL	19.81	-0.05	19.76	1.50	21.26

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

2015 - 2016 POSITION SUMMARY***WATER/SEWER OPERATING FUND*****POSITION SUMMARY BY CLASSIFICATION**

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Public Works Superintendent	0.25		0.25	7,483 - 9,656
Stormwater/Sewer Division Manager	0.50		0.50	6,811 - 8,790
Water Manager	1.00		1.00	6,811 - 8,790
Management Analyst	0.60		0.60	5,698 - 6,703
Leadperson	1.25		1.25	5,228 - 6,308
Yard Maint. & Inventory Control	0.45		0.45	4,386 - 5,665
Senior Maintenance Person	3.50	1.00	4.50	4,386 - 5,665
Senior Accounting Associate	0.70		0.70	4,606 - 5,419
Utility Craftsperson	1.75		1.75	4,088 - 5,225
Permit Technician	0.40		0.40	4,407 - 5,185
Grounds Technician	0.10		0.10	3,452 - 4,748
Utilityperson	8.10	0.50	8.60	3,452 - 4,748
Public Works Office Specialist	0.50		0.50	3,766 - 4,432
Utility Data Entry Clerk	0.66		0.66	3,409 - 4,011
TOTAL	19.76	1.50	21.26	

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015 - 2016 Budget	Percent Change
Fund:	WaterSewer Utility Operating (411)					
Department:	General					
Division:	Not Applicable					
Key:	Water Sewer Utility Operating (4110000000)					
Intergovernmental Revenue						
Indirect FEMA	3339703	2,505	0	0	0	0.00%
Military Department	3340180	417	0	0	0	0.00%
Other King County Grants	3370801	0	0	0	60,000	0.00%
Intergovt*Other Gen Govt Svcs	3381901	115,173	0	0	0	0.00%
Total for Intergovernmental Revenue:		118,095	0	0	60,000	0.00%
Charges for Goods and Services						
Other*General Government Svcs	3419001	22,982	0	0	0	0.00%
General Govt Services	3419601	0	110,982	130,000	130,000	0.00%
Residential Water Sales	3434001	8,908,574	9,796,319	9,600,414	10,813,660	12.63%
Multi-Family Water Service	3434003	4,620,663	5,073,619	4,984,830	5,300,009	6.32%
Commercial Water Sales	3434004	3,770,580	4,154,529	3,877,091	4,578,426	18.08%
Water Service Penalties	3434005	121,739	121,932	120,000	120,000	0.00%
Eff Utility Tax Revenue Wtr	3434008	0	2,568,197	2,524,566	2,768,602	9.66%
Residential Sewer Svc-City	3435001	12,254,336	13,385,200	13,389,057	14,455,549	7.96%
Multi-Family Sewer Svc-City	3435003	4,576,926	5,212,682	5,181,383	5,635,214	8.75%
Commercial Sewer Svc-City	3435005	4,017,006	4,273,093	4,356,028	4,410,167	1.24%
Sewer Service Penalties	3435007	138,721	154,121	150,000	150,000	0.00%
Eff Utility Tax Revenue Swr	3435008	0	2,405,687	2,422,103	2,536,569	4.72%
Misc Utility Revenue	3438901	61,733	102,785	0	100,000	0.00%
Water OffOn Charge	3439001	195,751	169,558	232,000	160,000	-31.03%
Estimated Final Bill Fee	3439003	28,767	45,353	0	40,000	0.00%
Interfund Personnel Services	3491601	16,093	4,181	0	0	0.00%
Interfund-Other Gen Govnmt	3491901	34,325	37,102	36,000	36,000	0.00%
Total for Charges for Goods and Services:		38,768,196	47,615,340	47,003,472	51,234,196	9.00%
Fines and Forfeits						
Forfeiture of Bonds Deposits	3591001	6,805	0	0	0	0.00%
Total for Fines and Forfeits:		6,805	0	0	0	0.00%
Miscellaneous Revenues						
Investment Interest	3611101	105,209	65,576	70,000	76,377	9.11%
Facilities Leases LT-Other	3625002	114,698	130,578	116,000	116,000	0.00%
Hydrant Rental-Interfund	3662001	471,557	455,679	455,679	519,985	14.11%
Sale of Scrap Material	3691001	35,529	27,348	30,000	30,000	0.00%
Other Judgements Settlements	3694001	31,738	17,899	20,000	20,000	0.00%
Other Misc Revenue	3699001	2,611	252	2,000	1,000	-50.00%

**City of Kirkland
2015 - 2016 Budget
Revenues**

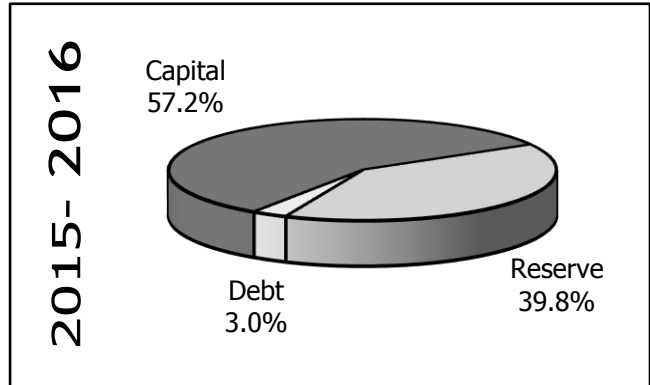
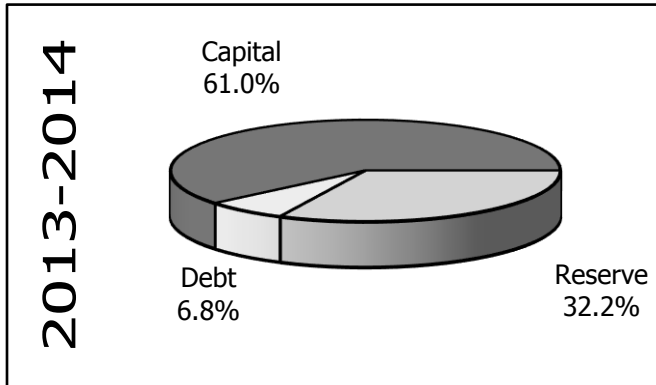
	2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Total for Miscellaneous Revenues:	761,342	697,332	693,679	763,362	10.04%
Proprietary Other Income					
Insur Recovery Prop IntSvc 3720001	0	7,428	0	0	0.00%
Regional Water Connection Chg3791003	871,584	1,590,850	880,000	1,300,000	47.72%
Emergency Sewer Program Coll3791006	14,487	0	0	0	0.00%
Total for Proprietary Other Income:	886,071	1,598,278	880,000	1,300,000	47.72%
Other Financing Sources					
Oper Transfer In-Intra Utility 3971002	0	100,000	0	0	0.00%
Resources Forward 3999901	0	6,189,841	5,939,841	6,401,958	7.77%
Total for Other Financing Sources:	0	6,289,841	5,939,841	6,401,958	7.77%
Total for Water Sewer Utility Operating (4110000000):	40,540,509	56,200,791	54,516,992	59,759,516	9.61%
Total for Not Applicable:	40,540,509	56,200,791	54,516,992	59,759,516	9.61%
Total for General:	40,540,509	56,200,791	54,516,992	59,759,516	9.61%
Total for WaterSewer Utility Operating:	40,540,509	56,200,791	54,516,992	59,759,516	9.61%

NON-OPERATING



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CITY OF KIRKLAND WATER/SEWER UTILITY



2013-2014 BUDGET SUMMARY: BY PURPOSE

Fund	2013-14 Budget	Purpose			
		Reserve	Debt	Capital	Other
412 Debt Service	2,225,742	498,591	1,727,151	-	-
413 Utility Capital Projects	23,349,803	7,730,906	-	15,618,897	-
Total Non-Operating Funds	25,575,545	8,229,497	1,727,151	15,618,897	-

2015-2016 BUDGET SUMMARY: BY PURPOSE

Fund	2015-16 Budget	Purpose			
		Reserve	Debt	Capital	Other
412 Debt Service	1,368,834	501,024	867,810	-	-
413 Utility Capital Projects	28,019,650	11,205,207	-	16,814,443	-
Total Non-Operating Funds	29,388,484	11,706,231	867,810	16,814,443	-

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 two outstanding one percent loans 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
2015-2016 PAYMENT AND RESERVE SUMMARY**

2013-2014 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
412 Water/Sewer Debt Service	1,666,021	61,129	498,591	2,225,742
Total Debt Service Fund	1,666,021	61,129	498,591	2,225,742

2015-2016 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
412 Water/Sewer Debt Service	815,247	52,564	501,024	1,368,835
Total Debt Service Fund	815,247	52,564	501,024	1,368,835

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	-	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	-
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	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%	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	-
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%	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	-
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%	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	-
Totals	53,243			1,086,300	1,139,543	

* 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, and provides a one-time solution to address short term or time-limited funding needs.

**CITY OF KIRKLAND
CAPITAL IMPROVEMENT PROGRAM
2015-2016 BUDGET**

WATER/SEWER CAPITAL PROJECTS FUND (413)

Project Category/ Project Title	Project Number	Funding Source
UTILITIES		
Water		
Emergency Sewer Program Watermain Replacement Pgm	WA 0090	Connection Fees
Kirkland Avenue / 6th Street S. Watermain Replacement	WA 0145	Water & Sewer Rates
6th Street Watermain Replacement	WA 0150	Water & Sewer Rates
7th Avenue S. Watermain Replacement	WA 0151	Water & Sewer Rates
4th Street Watermain Replacement	WA 0152	Water & Sewer Rates
Total Water		
Sewer		
Rose Point Sewer Lift Station	SS 0073	Water & Sewer Rates/Connection Fees
5th Avenue S. Sewermain Replacement	SS 0078	Water & Sewer Rates
3rd Avenue S. & 2nd Street S. Sewermain Replacement	SS 0079	Connection Fees
Annual Sanitary Pipeline Replacement Program	SS 8888	Water & Sewer Rates
Annual Sanitary Pump Station/System Upgrade Program	SS 9999	Water & Sewer Rates
Total Sewer		
TOTAL WATER/SEWER CAPITAL PROJECTS FUND		

2015 Budget	2016 Budget	Estimated Total Project Cost**	Additional Annual Maintenance & Operations	
			2015	2016
50,000	-	150,000	-	-
-	785,000	785,000	-	-
148,000	-	520,500	-	-
53,000	-	378,000	-	-
440,000	-	440,000	-	-
691,000	785,000	2,273,500	-	-
1,088,400	1,471,400	2,559,800	-	-
38,000	-	226,900	-	-
487,000	740,000	1,227,000	-	-
497,800	138,300	1,818,400	-	-
497,800	138,300	1,818,500	-	-
2,609,000	2,488,000	7,650,600	-	-
3,300,000	3,273,000	9,924,100	-	-

City of Kirkland
2014 Update to 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
Prior Year Active Projects:													
WA 0093	Vulnerability Analysis	367,900											
WA 0115	Telemetry Upgrades	150,000											
SS 0075	Inflow/Infiltration Reduction Upgrade	200,000											
Subtotal Prior Year Active Projects with no new funding planned		717,900											
Current 2013-18 CIP:													
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			
WA 0134	5th Ave S / 8th St S Watermain Replacement							850,000	850,000	850,000			
WA 0140	NE 85th Street Watermain Replacement	626,000	2,494,400	871,800					3,366,200	3,366,200			
WA 0145	Kirkland Avenue/6th Street S Watermain Replacement					785,000			785,000	785,000			
WA 0148	Park Lane Watermain Replacement		62,000	235,000					297,000	297,000			
WA 0150	6th Street Watermain Replacement			372,500	148,000				520,500	520,500			
WA 0151	7th Avenue S Watermain Replacement			325,000	53,000				378,000	378,000			
WA 0152	4th Street Watermain Replacement				440,000				440,000	440,000			
WA 8888	Annual Watermain Replacement Program						562,100	402,700	964,800	964,800			
WA 9999	Annual Water Pump Station/System Upgrade Pgm						562,100	402,700	964,800	964,800			
SS 0056	Emergency Sewer Construction Program		100,000	30,000					130,000		130,000		
SS 0064	7th Avenue South Sewermain Replacement			897,800					897,800	897,800			
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				1,088,400	1,471,400			2,559,800	2,559,800			
SS 0078	5th Avenue S Sewermain Replacement			188,900	38,000				226,900	226,900			
SS 0079	3rd Avenue S & 2nd Street S Sewermain Replacement				487,000	740,000			1,227,000	1,227,000			
SS 0080	20th Avenue Sewermain Replacement							812,000	812,000	812,000			
SS 0081	7th / 8th Avenue West Alley Sewermain Replacement		354,000						354,000	354,000			
SS 8888	Annual Sanitary Pipeline Replacement Program			217,400	497,800	138,300	562,100	402,800	1,818,400	1,818,400			
SS 9999	Annual Sanitary Pump Station/System Upgrade Pgm			217,400	497,800	138,300	562,200	402,800	1,818,500	1,818,500			
Total Funded Water/Sewer Utility Projects		1,558,900	4,258,700	7,586,200	3,300,000	3,273,000	3,273,000	3,273,000	24,963,900	20,795,900	130,000	4,038,000	0

Notes

* = Modification in timing and/or cost

^ = Annual Watermain or Sanitary Pipeline Replacement Program Project Candidates

= Annual Pump Station/System Upgrade Program Project Candidates

" = Moved from funded status to unfunded status

Shaded year(s) = Previous timing

Bold italics = New projects

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
WA 0139"	6th Street S Watermain Replacement	785,000
WA 0146^	6th Street/Kirkland Way Watermain Replacement	693,000
WA 0147^	106th Avenue NE from NE 60th Street to NE 68th Street	661,500
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
SS 0082	3rd Street & Central Way Sanitary Sewer Crossing	270,000
Subtotal Unfunded Water/Sewer Utility Projects		77,057,500
Funding Available from Annual Programs for Candidate Projects		5,566,500
Net Unfunded Water/Sewer Utility Projects		71,491,000

Notes

* = Modification in timing and/or cost

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= Annual Pump Station/System Upgrade Program Project Candidates

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