



**CITY OF STANWOOD
2015-2016 BUDGET**

WATER SUMMARY:

The City owns, operates and maintains the entire water system to include source, treatment and distribution. The system consists of approximately 65 miles of water main, 5 reservoirs, 7 pressure zones, 11 pressure reducing stations, 2 booster pump stations, 3 well sites, spring source and WTP. We currently have 3 employees assigned to full time duties within the department.

Staff had been reduced in the water department by 1.50 FTE's since 2010. The 2014 budget included the hiring of 1 new employee and a seasonal employee. City staff will request maintaining the current staffing level, which includes 1,000 hours of seasonal help.

2015-2016 WATER OPERATING REVENUE:

The City completed an in-house water rate study in 2013. Based on the study, the finance committee recommended annual 5% sewer rate increases for six consecutive years on each January 1st, January 2014 through 2019. On October 10, 2013 the city council adopted Ordinance Number 1354 which adopted water rate increases of 5% at the beginning of each year from 2014 through 2019. The 2015-2016 budget projects that the city will receive \$1,462,000 in service charges in 2015. The annual sewer rate increases of 5% were adopted to achieve the following long term goals:

- Maintain minimum cash reserves of \$1.7 million per the city's financial policy
- Make capital improvements averaging \$778,000 per year over the next six (6) years
- Fully staff water operations with 5.50 FTEs
- "Self-fund water utility capital projects over the next six (6) years via modest rate increases and spending down capital reserves before additional borrowing is considered

Table 17 – Water Utility Revenues

Description	2013 Actual	2014 Budget	2015 Proposed	2016 Proposed
Beginning Balance	\$ 667,787	\$ 690,438	\$ 477,341	\$ 480,000
Revenues				
Charges for Services	\$ 1,394,435	\$ 1,092,360	\$ 1,462,600	\$ 1,490,600
Misc. Revenues	\$ 43,434	\$ 33,288	\$ 40,800	\$ 40,800
Interfund Transfers	\$ 65,337	\$ 153,642	\$ 204,856	\$ 204,856
Total Revenues	\$ 1,503,206	\$ 1,279,289	\$ 1,708,256	\$ 1,736,256



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2015-2016 WATER OPERATING BUDGET:

The water operating budget is part of the city's enterprise fund budget. Revenues collected for this utility fund the maintenance and operation as well as the personnel to perform these duties. The main focus for the water expenditures will be in the capital projects as we need to complete projects associated with the revenue bonds.

The total 2015 proposed water operating budget, including non-operating expenditures such as debt service and machinery and equipment, is \$1,378,719, which allows for \$312,863 transfers-out to capital funds and a projected ending cash balance of \$494,015.



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Table 18 – Water Utility Expenditures

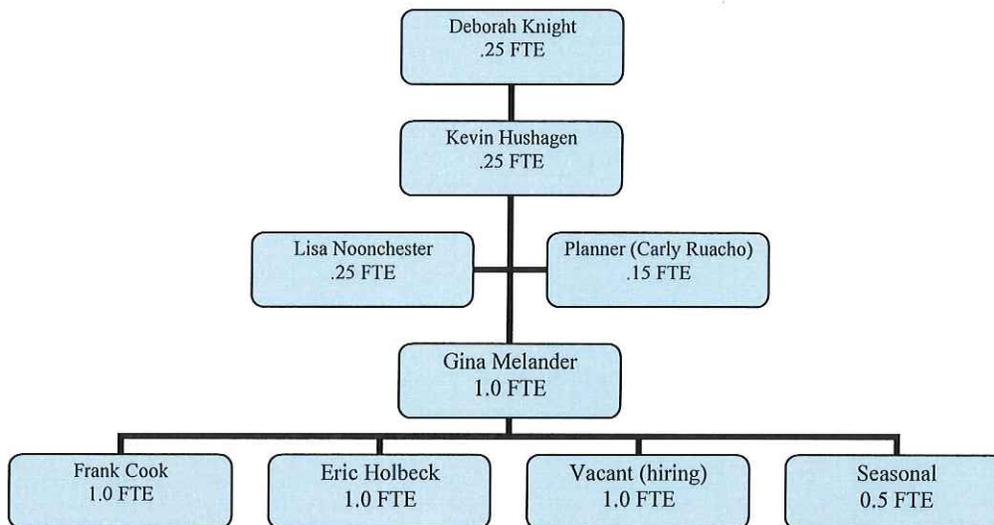
Description	2013 Actual	2014 Budget	2015 Proposed	2016 Proposed
Operating Expenditures				
Salaries & Wages	236,680	334,595	330,428	338,129
Overtime	3,807	1,618	4,276	6
Social Security	18,100	25,720	25,605	26,194
Retirement	19,223	33,621	33,965	36,796
Medical Benefits	57,086	71,683	69,568	73,046
L & I	4,204	5,306	6,528	6,724
Unemployment Insurance	7,215	10,086	10,041	10,272
Supplies	39,869	36,000	36,000	36,000
Uniforms	3,135	4,500	4,500	4,500
Chemicals	11,025	10,000	15,000	15,000
Fuel	8,994	10,000	15,000	12,000
Small Equipment	6,905	5,000	5,000	5,000
Meters/Installs	0	50,000	50,000	50,000
Professional Services	59,561	90,000	60,000	90,000
Communications	10,904	10,000	10,000	10,000
Advertising	26	500	500	500
Rentals	169	300	300	300
Insurance	28,518	30,600	30,600	30,600
Utilities	67,240	55,000	55,000	55,000
Repair/maintenance	16,178	15,000	25,000	20,000
B & O Tax	66,382	67,000	67,000	67,000
Dues	765	1,000	1,000	1,000
Meetings, Training & Travel	3,824	5,000	5,000	6,500
Testing	0	500	500	500
Operating Permits	3,031	6,000	6,000	6,000
Interfund Payment For Servic	160,335	156,987	156,987	156,987
Total Operating Expenditures	833,176	1,036,016	1,023,798	1,058,054
Non-Operating Expenditures				
Principal Payments	392,553	636,753	311,904	311,904
Interest Payments	33,376	30,134	18,017	16,457
Machinery & Equipment	0	25,000	25,000	25,000
Total Non-Operating Exp.	425,929	691,887	354,921	353,361
Total Expenditures	1,259,106	1,727,903	1,378,719	1,411,415
Less: Transfers Out	-221,450	-221,450	-312,863	-533,668
Ending Cash Balance	690,438	477,341	494,015	494,015



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2015 Water Staffing Levels

The 2015 budget includes 1 new staff hired at the end of 2014 and the addition of Carly Raucho. This is still minimal staffing to maintain Stanwood’s water system. There are approximately 5.40 full-time equivalent (FTE) dedicated staff to this department. The staff in this department maintains all source, disinfection and distribution system.



2014 Water Accomplishments

- PZ2 water system improvement
- Cedarhome Well retrofit project
- Fure Well water right transfer
- New water line on 101st
- Worked with RH2 on water comp plan

2015-2016 Water Goals

- Put new Bryant Well on line
- New water main on 92nd
- Water main replacement on Pioneer Highway
- Upgrade telemetry