

Enterprise Funds Overview

Introduction

Enterprise funds account for certain fee-based or rate-based business activities. The City has eight enterprise funds.

Water Utility

The Water Utility accounts for the operation and maintenance of the City's water supply and distribution system meeting state and federal water quantity and quality standards and provides for fire protection.

Water Capital

The Water Capital Fund accounts for capital improvements and major maintenance of the City's water distribution system.

Gold Mountain Golf Complex

This fund was established to provide for the two golf courses owned, operated and maintained by the City at its Gold Mountain Golf complex.

Wastewater Utility

The City's two wastewater treatment plants and its wastewater collection system protect the environment by providing for collection, treatment, and disposal services meeting federal and state discharge limits for flow, pollutant concentration and loading, and receiving water quality.

Wastewater Capital

The Wastewater Capital Fund provides for capital improvements and major maintenance of the wastewater collection system and treatment plants.

Stormwater Utility

The Stormwater utility provides a City-wide storm drainage maintenance program.

Stormwater Capital

The Stormwater Capital Fund provides a city-wide storm drainage capital improvement program.

Utility Debt Reserve

This fund was established to account for the reserve funds needed to meet debt reserve requirements for the three City Utilities.

Enterprise Funds Overview

Enterprise Funds Overview

Combined Staffing Levels

<u>Division</u>	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Budget 2019</u>	<u>Budget 2020</u>
PW&U Administration	12.00	13.00	13.00	14.00
Water Resources	12.19	12.39	12.50	13.50
Wastewater	21.00	21.00	21.00	21.00
Utilities Operations & Facilities	41.66	42.94	43.32	43.32
Forestry	3.68	3.68	3.68	4.68
Total PW&U Operations	90.53	93.01	93.50	96.50

Enterprise Funds Overview

Enterprise Funds

	Actual 2017	Actual 2018	Budget 2019	Budget 2020
Revenue				
Taxes	\$95,359	\$85,109	\$102,000	\$102,000
Licenses & permits	0	0	0	0
Intergovernmental	36,647	6,088	124,000	70,000
Charges for services	35,890,133	37,973,998	38,386,243	40,568,438
Fines & forfeits	82,967	-142,755	78,000	27,000
Other revenue	7,858,076	15,218,368	10,135,014	10,740,650
Debt proceeds	0	0	0	0
Total revenue	43,963,182	53,140,808	48,825,257	51,508,088
Expenditures				
Personnel	7,471,119	7,417,807	9,514,476	10,156,000
Supplies, services & taxes	20,557,613	22,119,734	22,614,410	24,235,744
Capital expenditures	10,249,859	6,811,776	16,577,026	15,191,514
Debt service	4,715,735	4,530,896	4,113,614	4,001,364
Transfers	2,466,801	7,741,099	6,025,754	4,545,000
Total expenditures	45,461,127	48,621,312	58,845,280	58,129,622
Revenue over(under) expenditures	-1,497,945	4,519,496	-10,020,023	-6,621,534
Beginning fund balance	31,252,919	29,754,974	28,524,138	22,982,581
Ending fund balance	\$29,754,974	\$34,274,470	\$18,504,115	\$16,361,047
Fund totals - Expenditures only				
Water Utility	12,734,892	14,626,242	16,891,850	15,962,160
Water Capital	7,187,580	3,038,201	4,526,279	6,588,166
Gold Mountain Golf Course	4,193,082	4,556,977	4,448,497	4,644,749
Wastewater Utility	13,578,183	17,249,399	16,587,953	16,898,124
Wastewater Capital	2,139,005	4,599,157	8,855,000	4,023,200
Stormwater Utility	3,361,105	4,205,411	4,339,954	4,574,075
Stormwater Capital	2,243,279	255,194	3,195,747	5,439,148
Utility Debt Reserve	24,001	90,731	0	0
Total Enterprise Funds	\$45,461,127	\$48,621,312	\$58,845,280	\$58,129,622

Water Utility

Enterprise Fund

Summary:

The City's Water Utility provides safe drinking water to a population of approximately 56,000 people and the Puget Sound Naval Shipyard. The Utility provides all activities associated with the operation and maintenance of the water system, which includes managing water supplies and treatment, meter reading and billing, processing utility service requests, development reviewing, permitting,

responding to repairs and emergency break-downs, inspecting facilities, monitoring, providing public outreach and conservation, maintenance management, managing the watershed and forestry activities, biosolids program operations and management, and providing other labor, material, equipment, and overhead costs.

Water Utility

	Actual 2017	Actual 2018	Budget 2019	Budget 2020
Revenue				
Taxes	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0
Intergovernmental	0	0	0	0
Charges for services	13,294,075	14,100,551	13,910,775	14,885,857
Fines & forfeits	55,985	-157,259	50,000	20,000
Other revenue	263,460	1,061,627	543,000	545,000
Debt proceeds	0	0	0	0
Total revenue	13,613,520	15,004,919	14,503,775	15,450,857
Expenditures				
Personnel	4,007,428	3,802,368	4,598,700	4,857,877
Supplies, services & taxes	6,569,234	7,037,037	7,783,663	7,941,804
Capital expenditures	0	0	0	0
Debt service	1,282,330	1,163,571	965,121	912,479
Transfers	875,900	2,623,266	3,544,366	2,250,000
Total expenditures	12,734,892	14,626,242	16,891,850	15,962,160
Revenue over(under) expenditures	878,628	378,677	-2,388,075	-511,303
Beginning fund balance	1,717,261	2,595,889	3,989,773	2,072,144
Ending fund balance	\$2,595,889	\$2,974,566	\$1,601,698	\$1,560,841

2020 Budget Highlights:

- Water System Plan Update completion
- Risk and Resiliency Assessment as required by 2018 America’s Water Infrastructure Act
- Manganese Assessment and Management Strategies Study to quantify potential utility impacts from manganese and develop management strategies
- Anderson Creek dam removal and stream restoration and enhancement
- Kitsap Lake Management Plan development and implementation

2020 Capital Considerations:

- Capital Projects for Water Resources are budgeted in the Water Capital Projects Fund

2019 Accomplishments:

- Zero lost time accidents
- Complied with all drinking water treatment, monitoring, reporting, and dam safety requirements and stormwater discharge permit requirements
- Successfully completed annual watershed inspection and 3-year main system sanitary survey
- Made significant progress on water system plan update to include wellhead protection area update
- Submitted Lead and Cooper Rule Optimization Study and Recommendation
- Completed tree-removal and replanting at Reservoir 4
- Completed vulnerability assessment of critical water source and treatment facilities
- Funded UW Research *Forest Health Assessment and Forest Management Practices Recommendations* in Union River Watershed
- Designed installation of domestic generator at Booster Station 10
- Designed and obtained Department of Health approval for addition of hypochlorite treatment to Well 19
- Wells 2A and 7 redevelopment
- Completed exterior cleaning of 6 reservoirs

2020 Goals:

- Zero lost time accidents
- Comply with all drinking water treatment, monitoring, reporting, and dam safety requirements
- Comply with all stormwater discharge permit requirements
- Complete all projects highlighted here and on the 2020 Water Utility and Stormwater Utility Capital Improvement Plans

2020 Budget Highlights:

- Maintain 269 miles of distribution mains, 30 miles of transmission mains, over 7,055 valves, 1820 fire hydrants and nearly 20,000 customer accounts.
- Perform locates in support of the one-call utility locate program.
- Maintain the cross-connection control program
- Perform customer response (First Response/ Bremerton1) program.
- Read meters, provide door notices and deactivate services as required.
- Tap and set meters.

2020 Capital Considerations:

- Perform as much budgeted capital improvements that time allows.
- Perform all development taps which appears to be over 500 in 2020.

2019 Accomplishments:

- Replaced budgeted amount of residential and commercial meters.
- Performed fire hydrant cycling and repairs on our 2055 fire hydrants.
- Cycled less than 1/3 of our 7055 transmission and distribution valve.
- Replaced 300 feet of sub-standard water main on Henry Ave south of 15th Street.
- Flushed East Bremerton water mains and pigged transmission main from Gorst to Price road. (440 Zone)
- Performed 285 domestic service taps for new homes.
- Replaced 700' of sub standard water main on 9th Street from High to Veneta

2020 Goals:

- Start monthly billing which will be very challenging because the size of our water system.
- Continue to replace aging large water meters and testing of 1.5" and above models.
- Continue replacing residential meters (1200 per year)
- Finish replacing MXU's with smart point should we install Flexnet to read our meters.

2020 Budget Highlights:

- Timber Harvests
- Biosolids management, application, and environmental monitoring
- Stand Improvement and Plantation Maintenance
- Forest Road Timber Harvest Management
- Maintenance per Washington State Forest Practice regulations
- Reforestation
- Watershed security/surveillance
- Minor Forest Products - revenue

2020 Capital Considerations:

- Forestry road maintenance and abandonment are budgeted in the Water Capital Improvement Fund.

2019 Accomplishments:

- No lost-time accidents
- Pending receipt of approximately \$800K from sustainable timber harvest program by year-end
- Completed maintenance and culvert installations on forest roads per state mandated Road Maintenance and Abandonment Plan (RMAP) schedule
- Arranged for seedling procurement for required future reforestation needs
- Utilized 100% of biosolids generated by Bremer-ton's Wastewater Treatment Plant on permitted forest sites per federal, state and local regulations
- Complete development of additional biosolids application areas

2020 Goals:

- No lost-time accidents
- Generate \$600K from sustainable timber harvest program
- Plan and implement intermediate harvests for forest health and revenue
- Continue forest road maintenance and improvement per State Department of Natural Resources schedule
- Continue program for 100% beneficial utilization of biosolids on permitted forest lands
- Complete Forestry Management Analysis
- Continue with the reclamation of Port Orchard Sand & Gravel Pit back into forest lands for future biosolids applications

Water Capital

Enterprise Fund

Summary:

The Water Capital fund provides for the replacement and construction to improve the City's water distribution system. Previously, capital improvement was accounted for in the

Water Utility fund. The fund provides for the planning, engineering, labor, material, equipment, and overhead costs related to construction.

Water Capital				
	Actual 2017	Actual 2018	Budget 2019	Budget 2020
Revenue				
Taxes	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0
Intergovernmental	0	0	0	0
Charges for services	0	0	0	0
Fines & forfeits	0	0	0	0
Other revenue	3,346,647	4,366,986	4,484,966	3,310,600
Debt proceeds	0	0	0	0
Total revenue	3,346,647	4,366,986	4,484,966	3,310,600
Expenditures				
Personnel	29,102	37,966	0	0
Supplies, services & taxes	930,299	708,853	0	240,000
Capital expenditures	6,228,179	2,291,382	4,526,279	6,348,166
Debt service	0	0	0	0
Transfers	0	0	0	0
Total expenditures	7,187,580	3,038,201	4,526,279	6,588,166
Revenue over(under) expenditures	-3,840,933	1,328,785	-41,313	-3,277,566
Beginning fund balance	7,812,366	3,971,433	5,413,252	7,990,179
Ending fund balance	\$3,971,433	\$5,300,218	\$5,371,939	\$4,712,613

2020 Budget Highlights:

- Complete design of Marine Drive Water main project. \$300k design, \$1.4M construction.
- Complete 6th Street Phase II water main replacement. \$600k
- Design and construct miscellaneous distribution main improvements. \$400k
- Design PRV at 16th and Perry. \$125K
- Design Gold Mountain golf Course TM \$200K Design, \$1M construction.
- Construct PS14 Relocation \$300K design, \$1.3M construction.
- Anderson Creek Dam Removal \$600K
- Anderson Creek—Environmental Restoration \$200K
- Reservoir 8 Exterior Coating, \$750K
- Ongoing minor capital upgrades to pump stations, reservoirs, and treatment facilities.
- Continue Meter Replacement Program.
- Forestry road maintenance and abandonment.
- Water System Plan Update
- Risk and Resiliency Assessment, \$150K

2020 Capital Considerations:

- All capital work is funded by a combination of rates and revenue bonds.

2019 Accomplishments:

- Completed exterior cleaning of six steel reservoirs.
- Started design of PS14 Relocation Project
- Designed four Water Distribution Main Improvements projects.
- Coordination of Well 1R developer installed improvements in the W580 Zone.
- Supported Water System Plan Update and CIP list preparation.
- Coordination of ILA with the City of Port Orchard for the purchase of improvements in the W580 Zone.
- Well 19 Hypochlorite project. In-house design and construction.
- Predesign survey and Navy RR easement coordination for Gold Mountain Golf Course Irrigation TM
- Purchase of 3 acres north of Oyster Bay PW Facility
- Completed Well 2R and Well 7 Rehabilitation
- Completed design for Booster Station 10 Emergency Generator

2020 Goals:

- Reservoir 8 Exterior Coating Replacement
- Complete Marine Drive Water Main Design
- Complete Gold Mountain Golf Course TM Design
- Construct PS14
- Remove Anderson Creek Dams
- Implement Well 1R improvements.
- Complete Water System Plan Update
- Implement Asset Management approach to prioritizing capital improvement projects.

Gold Mountain Golf

Enterprise Fund

Summary:

The Gold Mountain Golf Complex is a full service facility with two 18 hole championship courses (the Cascade Course and the Olympic Course), four practice putting greens, two bunker practice areas, a 100 yard wide natural grass practice tee/driving range, a private covered teaching studio, pro-shop, and restaurant and banquet facilities to accommodate nearly 400 people.

Gold Mountain Golf Course

	Actual 2017	Actual 2018	Budget 2019	Budget 2020
Revenue				
Taxes	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0
Intergovernmental	0	0	0	0
Charges for services	4,290,294	4,598,053	4,429,730	4,760,031
Fines & forfeits	0	0	0	0
Other revenue	33,146	24,260	16,500	16,950
Debt proceeds	0	0	0	0
Total revenue	4,323,440	4,622,313	4,446,230	4,776,981
Expenditures				
Personnel	0	0	0	0
Supplies, services & taxes	3,702,256	4,055,671	4,012,267	4,210,079
Capital expenditures	0	0	0	0
Debt service	490,826	501,306	436,230	434,670
Transfers	0	0	0	0
Total expenditures	4,193,082	4,556,977	4,448,497	4,644,749
Revenue over(under) expenditures	130,358	65,336	-2,267	132,232
Beginning fund balance	12,339	142,697	285,095	422,800
Ending fund balance	\$142,697	\$208,033	\$282,828	\$555,032

2020 Budget Highlights:

- Projected revenue increase of \$266K over 2019
- Continued increase in wedding and banquet revenues
- Effectively manage minimum wage increase impact to expense budget
- Major maintenance items are as follows:
 - Greens maintenance equipment \$50K
 - Clubhouse carpet replacement \$35K
 - Restaurant table & chair upgrade \$25K
 - Restaurant and kitchen equipment upgrade \$30K

2020 Capital Considerations:

- There are no capital considerations budgeted in 2020.

2019 Accomplishments:

- Installed and implemented a new Point of Sale System for food and beverage
- Hired new Greens Superintendent
- Increased revenue over 2018 despite extended 41 day closure due to snow
- Entered into lease for new 120 carts fleet, new beverage and marshal carts
- Completed installation of fiber optic cable to provide improved internet access and stability
- Completed Cascade course cart path repair
- Purchase of maintenance equipment
- Solicited RFP for Golf Management Agreement
- Entered into new Golf Management Agreement following City Council approval

2020 Goals:

- Continued growth of customer database and use to drive rounds of play and fill available tee times
- Expand implementation of food and beverage point of sale to all areas
- Continue growth of wedding and special event customers through creation of seasonal packages, open houses for potential customers and attending shows
- Earn 96% or better on guest experience scores
- Continue capital investment to address deferred maintenance and facility needs and continue improvement in quality of play and facilities
- Meet or exceed total revenue projection of \$4.7M

Wastewater Utility

Enterprise Fund

Summary:

The Bremerton Wastewater Utility serves a population of approximately 39,000 people and the Puget Sound Naval Shipyard. The Utility provides all activities associated with the operation and maintenance of the wastewater system, which includes management, billing, meter reading, processing utility

service requests, development reviews, facilities inspections, responding to repairs and emergency breakdowns, permit fees, supplies and testing, maintenance management and all other labor, material, equipment and overhead costs associated with the operation and maintenance of this system.

Wastewater Utility

	Actual 2017	Actual 2018	Budget 2019	Budget 2020
Revenue				
Taxes	\$95,359	\$85,109	\$102,000	\$102,000
Licenses & permits	0	0	0	0
Intergovernmental	0	0	0	0
Charges for services	14,879,928	15,544,747	15,915,450	16,432,038
Fines & forfeits	17,636	17,079	18,000	0
Other revenue	1,199,607	1,852,854	47,000	3,000
Debt proceeds	0	0	0	0
Total revenue	16,192,530	17,499,789	16,082,450	16,537,038
Expenditures				
Personnel	2,044,611	2,583,830	3,448,000	3,621,605
Supplies, services & taxes	7,276,773	8,175,185	8,535,526	8,660,309
Capital expenditures	0	0	0	0
Debt service	2,794,799	2,724,813	2,557,688	2,501,210
Transfers	1,462,000	3,765,571	2,046,739	2,115,000
Total expenditures	13,578,183	17,249,399	16,587,953	16,898,124
Revenue over(under) expenditures	2,614,347	250,390	-505,503	-361,086
Beginning fund balance	4,063,263	6,677,610	2,250,449	1,880,781
Ending fund balance	\$6,677,610	\$6,928,000	\$1,744,946	\$1,519,695

2020 Budget Highlights:

Bremerton's Wastewater Utility operates and maintains the West & East Treatment Plants, 40 sewage pump stations and the 194 grinder pump stations located throughout the City. Items budgeted for 2020 accomplishment:

- Continue to upgrade our public outreach efforts
- Continue with the NPDES Permit required sediment sampling, of the Westside WWTP outfall
- Complete the NPDES permit timeline requirements for 2020
- Continue the SCADA upgrades to the WWTP's and Pump Stations
- System operation, routine preventive maintenance, and routine repair
- Achieve 100% compliance with the NPDES Discharge Permit

2020 Capital Considerations:

- Annual repair and replacement of Westside WWTP critical components & 39 pump stations.
- Preliminary non-destructive testing (NDT) of both anaerobic digester domes at the Westside WWTP
- ESTP UV disinfection system upgrade
- Continuing Wastewater Telemetry System (SCADA) upgrades, from copper wire technology to DSL
- Odor control upgrades at OCS (odor control stations) #1 & 3
- Installation of two in-line grinders for the raw sludge pumps
- Installation of two electric actuators for the two secondary splitter box sluice gates at the Westside WWTP
- Installation of a new Hybrid Blower, replacing aeration blower #1 grit chain for the west grit chamber at the Westside WWTP
- Recoat aluminum covers and walkway superstructures on primary clarifiers #1 & 2
- Site work and paving of the access road and the gate removal from the old headworks at the Westside WWTP

2019 Accomplishments:

- No lost time accidents
- Awarded the Outstanding Treatment Plant Award for 2018 from DOE
- On schedule to complete the energy efficiency upgrades and rehab at pump station CE-1. This upgrade included two (2) new large pumps and VFDs, the rehabilitation of the station wetwell, installation of a new discharge header and associated valves
- Completed the rehabilitation of the grit chain and buckets in the east grit chamber
- Completed the upgrades to the Centrisys centrifuge PLC, controls & operating system
- Completed the rehabilitation and complete overhaul of the Centrisys centrifuge

2020 Goals:

- Meet all listed goals and objective, and with no lost time accidents
- Repair and replace critical components at the Westside WWTP and 40 sewage pump stations
- Operate & maintain the West & East Treatment Plants & 39 sewage pump stations and over 194 private grinder pump stations within budget requirements
- Attain the Department of Ecology Outstanding Treatment Plant Award FY 2019
- Meet all of the NPDES Discharge Requirements for the Westside & Eastside Wastewater Treatment Facilities
- Complete the NPDES permit timeline requirements for 2020

2020 Budget Highlights:

- Maintain 269 miles of distribution mains, 30 miles of transmission mains, over 7,055 valves, 1820 fire hydrants and nearly 20,000 customer accounts.
- Perform locates in support of the one-call utility locate program.
- Maintain the cross-connection control program
- Perform customer response (First Response/ Bremerton1) program.
- Read meters, provide door notices and deactivate services as required.
- Tap and set meters.

2020 Capital Considerations:

- Perform as much budgeted capital improvements that time allows.
- Perform all development taps which appears to be over 500 in 2020.

2019 Accomplishments:

- Replaced budgeted amount of residential and commercial meters.
- Performed fire hydrant cycling and repairs on our 2055 fire hydrants.
- Cycled less than 1/3 of our 7055 transmission and distribution valve.
- Replaced 300 feet of sub-standard water main on Henry Ave south of 15th Street.
- Flushed East Bremerton water mains and pigged transmission main from Gorst to Price road. (440 Zone)
- Performed 285 domestic service taps for new homes.
- Replaced 700' of sub standard water main on 9th Street from High to Veneta

2020 Goals:

- Start monthly billing which will be very challenging because the size of our water system.
- Continue to replace aging large water meters and testing of 1.5" and above models.
- Continue replacing residential meters (1200 per year)
- Finish replacing MXU's with smart point should we install Flexnet to read our meters.

Wastewater Capital

Enterprise Fund

Summary:

The Wastewater Capital fund provides for the replacement and construction to improve the City's wastewater collection system and treatment plants. Previously, capital improvement was accounted for in the Wastewater Utility

Fund. The fund provides for the planning, engineering, labor, material, equipment, and overhead costs related to construction.

Wastewater Capital				
	Actual 2017	Actual 2018	Budget 2019	Budget 2020
Revenue				
Taxes	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0
Intergovernmental	0	0	0	0
Charges for services	0	0	0	0
Fines & forfeits	0	0	0	0
Other revenue	1,844,267	4,455,379	2,917,339	3,040,600
Debt proceeds	0	0	0	0
Total revenue	1,844,267	4,455,379	2,917,339	3,040,600
Expenditures				
Personnel	4,580	7,395	0	0
Supplies, services & taxes	213,823	224,996	0	525,000
Capital expenditures	1,920,602	4,366,766	8,855,000	3,498,200
Debt service	0	0	0	0
Transfers	0	0	0	0
Total expenditures	2,139,005	4,599,157	8,855,000	4,023,200
Revenue over(under) expenditures	-294,738	-143,778	-5,937,661	-982,600
Beginning fund balance	10,797,311	10,502,573	10,358,795	4,149,395
Ending fund balance	\$10,502,573	\$10,358,795	\$4,421,134	\$3,166,795

2020 Budget Highlights:

- Design and construct Cure-In-Place Pipe (CIPP) project. \$700K
- Design the Decommission Beach Sewer in Manette OF4 to EB2. \$300K design, \$2M construction.
- Beach mitigation per DNR agreement. \$200K.
- Design Oyster Bay Beach Sewer Project (OB2 to OB1). \$400k design, \$3.4M construction.
- Complete Crosstown Pipeline Redundancy Study. \$50K.
- Coordination with Mason County for design of PSIC sewer improvements.
- Complete Navy salinity impact study.
- On-going minor capital upgrades to the collection system, pump stations, and treatment plants as identified in the CIP.
- Performed transient analysis of Gorst Sewer

2020 Capital Considerations:

- All capital expenditures are funded through a combination of rates, loans, and revenue bonds.

2019 Accomplishments:

- Completed PS CE-1 upgrade.
- Completed CW4 Upgrades project.
- Completed PS CE4 FM relocation.
- Completed emergency FM repair in Gorst at SB1.
- Completed Eastside Treatment Plant Outfall project.
- Started design of Oyster Bay Beach Sewer Project.
- Completed construction of WWTP Interceptor Upgrades Project.

2020 Goals:

- CIPP project delivery.
- Complete design of Oyster Bay Beach Sewer project.
- Complete Crosstown Pipeline Redundancy Study.
- Complete design of the Decommission Beach Sewer in Manette OF4 to EB2 project.
- Finalize PSIC sewer improvements planning with Mason County.
- Complete Navy salinity impact study.
- Negotiate and execute long term agreement with DNR for mitigation in lieu of beach main removal.
- Implement Asset Management approach to prioritizing capital improvement projects.

Stormwater Utility

Enterprise Fund

Summary:

The Stormwater Utility serves a population of approximately 41,500 residents. The Utility supports the Wastewater Utility in the CSO Control Program and completes all activities associated with the operation and maintenance of the stormwater system, including

management, billing, development reviews, facilities inspections, public education and involvement, maintenance management, and overhead costs.

Stormwater Utility				
	Actual 2017	Actual 2018	Budget 2019	Budget 2020
Revenue				
Taxes	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0
Intergovernmental	0	6,088	23,000	70,000
Charges for services	3,425,836	3,730,647	4,130,288	4,490,512
Fines & forfeits	9,346	-2,575	10,000	7,000
Other revenue	859,212	1,367,647	10,500	4,000
Debt proceeds	0	0	0	0
Total revenue	4,294,394	5,101,807	4,173,788	4,571,512
Expenditures				
Personnel	1,385,398	986,248	1,467,776	1,676,518
Supplies, services & taxes	1,723,027	1,843,093	2,282,954	2,564,552
Capital expenditures	0	0	0	0
Debt service	147,780	141,206	154,575	153,005
Transfers	104,900	1,234,864	434,649	180,000
Total expenditures	3,361,105	4,205,411	4,339,954	4,574,075
Revenue over(under) expenditures	933,289	896,396	-166,166	-2,563
Beginning fund balance	1,083,202	2,016,491	634,803	521,002
Ending fund balance	\$2,016,491	\$2,912,887	\$468,637	\$518,439

2020 Budget Highlights:

- Addition of one new FTE to support new and existing stormwater discharge permit requirements and support program goals and objectives
- Develop watershed plans for urban stormwater drainage basins and modeling/mapping the stormwater system to meet new permit requirements
- Assist Kitsap Lake property owners with formation of a Lake Management District to improve water quality
- Program support from Ecology's capacity grant
- Expand the Rain Garden Program city-wide
- Asset management
- Continued stormwater infrastructure maintenance, replacement, and improvement
- Utilize new technology in stormwater piping repairs.
- Train Staff in maintenance procedures for various new stormwater pre-treatment devices.

2020 Capital Considerations:

- Support upcoming projects through video and locating.

2019 Accomplishments:

- Improved programs to comply with stormwater discharge permit requirements
- Developed Stormwater Management Plan and submitted annual report
- Secured up to \$2 million in grants through Ecology's Stormwater Financial Assistance Program
- Purchased compact vacuum sweeper to clean sidewalks, commons areas and parking lots
- Initiated Kitsap Lake Management Plan update and implementation
- Installed temporary weirs in Gorst Creek to mitigate the fish barrier
- Coordinated two Sinclair Inlet Cleanup events with over 60 volunteers
- Represented regional cities on the Puget Sound Partnership's Salmon Recovery Council
- Maintained over 50 pet waste bag dispenser with more than 170,000 bags used
- Initiated 2019-21 Rain Garden Program
- Developed permitting and guidance program for charity carwashes
- Completed habitat assessment for McDougal & Anderson Creeks and a preliminary report for removal of Anderson Creek dams

2020 Goals:

- Continue to effectively manage surface and stormwater resources
- Improve Staff knowledge related to surface and stormwater protection
- Maintain compliance with stormwater discharge permit and other regulatory requirements
- Protect all property and streets from runoff damage
- Provide pollution prevention guidance and actions to staff and public
- Improve public education and outreach
- Complete annual maintenance
- Support Capital Projects
- Continue to pursue proficiency in maintenance of stormwater treatment devices.
- Increase staff knowledge in Erosion Control BMP's.
- Eliminate potential flooding problems.
- Maintain excellent safety record.

Stormwater Capital

Enterprise Fund

Summary:

The Stormwater Capital fund provides for the replacement and construction to improve the City's stormwater system. Previously, capital improvement was accounted for in the Storm-

water Utility fund. The fund provides for the planning, engineering, labor, material, equipment, and overhead costs related to construction.

Stormwater Capital				
	Actual 2017	Actual 2018	Budget 2019	Budget 2020
Revenue				
Taxes	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0
Intergovernmental	36,647	0	101,000	0
Charges for services	0	0	0	0
Fines & forfeits	0	0	0	0
Other revenue	301,577	2,062,811	2,101,209	3,798,500
Debt proceeds	0	0	0	0
Total revenue	338,224	2,062,811	2,202,209	3,798,500
Expenditures				
Personnel	0	0	0	0
Supplies, services & taxes	142,201	74,899	0	94,000
Capital expenditures	2,101,078	153,628	3,195,747	5,345,148
Debt service	0	0	0	0
Transfers	0	26,667	0	0
Total expenditures	2,243,279	255,194	3,195,747	5,439,148
Revenue over(under) expenditures	-1,905,055	1,807,617	-993,538	-1,640,648
Beginning fund balance	4,039,614	2,134,559	3,942,176	4,268,985
Ending fund balance	\$2,134,559	\$3,942,176	\$2,948,638	\$2,628,337

2020 Budget Highlights:

- Implements components of the Kitsap Lake Management Plan
- Implements Sinclair and Dyes Inlets cleanup program (TMDL) actions to improve Ostrich Bay Creek and Ostrich Bay
- Implements safe route to school for Kitsap Lake Elementary
- Continues on-going minor capital upgrades to the collection system, including ditches and culverts
- Continues annual storm drain replacement/CIPP program

2020 Capital Considerations:

NOTE: All capital expenditures are funded through a combination of rates, PWTF loans, grants, and revenue bonds.

- Ostrich Creek Stormwater Treatment Retrofit Construction, Ecology grant , \$1.7 M
- Ostrich Creek Culvert Improvement, \$2.2M
- Kitsap Lake Elementary (Safe Routes to School, stormwater system), \$684K
- Schley Canyon CIPP, \$250K
- Kitsap Lake Stormwater Outfall Treatment design, Ecology grant, \$200K
- Northlake Way Fish Passage feasibility and preliminary design, SRFB grant, \$101K
- Stormwater Outfall Dive Inspection/Assessment, \$50K
- Kitsap Lake Algae Control Planning, \$50K
- Perry Ave Reconstruction, \$32K
- Inflow and Infiltration (Rain Gardens), \$30K
- 19th and Bloomington Flood Control, \$25K
- Kitsap Lake Management Plan (aquatic vegetation and phosphorus control), \$20K

2019 Accomplishments:

- Initiated E 11th Street stormwater treatment retrofit design with Perry Ave street redevelopment
- Completed Ostrich Creek Stormwater Treatment Retrofit design
- Completed mitigation required for East Park Outfall beach armoring at Lions Field
- Completed construction of Marine Dr and Kitsap Way stormwater treatment retrofit
- Start design for Pine Rd stormwater basin, and Eagle and Dibb flooding control project design
- Started design for Ostrich Creek culvert replacement designs at Price Rd, Kitsap Way, and Brentwood

2020 Goals:

- Complete construction of the Ostrich Creek Culvert Replacements project.
- Complete design and permitting for the Pine Road Sub Basin Stormwater Improvements project.

Utility Debt Reserve

Enterprise Fund

Summary:

The Utility Debt Reserve Fund accumulates and holds reserves equal to the average annual debt service on loans obtained by the utilities through the State's Centennial Clean Water Fund (CCWF) and Water Pollution Control Revolving Fund (WPCRF) loan programs, as well as for the outstanding revenue bonds issued by the combined utility system.

Utility Debt Reserve				
	Actual 2017	Actual 2018	Budget 2019	Budget 2020
Revenue				
Taxes	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0
Intergovernmental	0	0	0	0
Charges for services	0	0	0	0
Fines & forfeits	0	0	0	0
Other revenue	10,160	26,804	14,500	22,000
Debt proceeds	0	0	0	0
Total revenue	10,160	26,804	14,500	22,000
Expenditures				
Personnel	0	0	0	0
Supplies, services & taxes	0	0	0	0
Capital expenditures	0	0	0	0
Debt service	0	0	0	0
Transfers	24,001	90,731	0	0
Total expenditures	24,001	90,731	0	0
Revenue over(under) expenditures	-13,841	-63,927	14,500	22,000
Beginning fund balance	1,727,563	1,713,722	1,649,795	1,677,295
Ending fund balance	\$1,713,722	\$1,649,795	\$1,664,295	\$1,699,295