

# 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 2018</u>	<u>Actual 2019</u>	<u>Budget 2020</u>	<u>Budget 2021</u>
PW&U Administration	13.00	13.00	14.00	13.00
Water Resources	12.39	12.50	13.50	13.50
Wastewater	21.00	21.00	21.00	21.00
Utilities Operations & Facilities	42.94	43.32	43.32	43.32
Forestry	<u>3.68</u>	<u>3.68</u>	<u>4.68</u>	<u>4.68</u>
Total PW&U Operations	93.01	93.50	96.50	95.50

## Enterprise Funds Overview

<b>Enterprise Funds</b>				
	Actual 2018	Actual 2019	Budget 2020	Budget 2021
<b>Revenue</b>				
Taxes	\$85,109	\$109,744	\$102,000	\$102,000
Licenses & permits	0	0	0	0
Intergovernmental	6,088	21,501	70,000	0
Charges for services	37,973,998	38,818,575	40,568,438	40,979,965
Fines & forfeits	-142,755	38,849	27,000	45,000
Other revenue	15,218,368	4,712,310	10,843,650	16,348,900
Debt proceeds	0	5,129,812	0	0
<b>Total revenue</b>	<b>53,140,808</b>	<b>48,830,792</b>	<b>51,611,088</b>	<b>57,475,865</b>
<b>Expenditures</b>				
Personnel	7,417,807	7,755,083	10,156,000	10,054,800
Supplies, services & taxes	22,119,734	21,040,951	24,441,744	23,947,366
Capital expenditures	6,811,776	11,069,451	16,289,014	20,515,726
Debt service	4,530,896	4,066,921	4,001,364	3,674,067
Transfers	7,741,099	4,517,590	4,545,000	6,020,000
<b>Total expenditures</b>	<b>48,621,312</b>	<b>48,449,997</b>	<b>59,433,122</b>	<b>64,211,959</b>
Revenue over(under) expenditures	4,519,496	380,795	-7,822,034	-6,736,094
Beginning fund balance	29,754,974	34,209,134	28,014,335	23,099,553
<b>Ending fund balance</b>	<b>\$34,274,470</b>	<b>\$34,589,929</b>	<b>\$20,192,301</b>	<b>\$16,363,459</b>
<b>Fund totals - Expenditures only</b>				
Water Utility	14,626,242	14,551,674	15,962,160	16,030,472
Water Capital	3,038,201	1,471,884	6,775,666	6,842,085
Gold Mountain Golf Course	4,556,977	4,499,531	4,644,749	4,651,435
Wastewater Utility	17,249,399	14,104,629	16,898,124	17,148,347
Wastewater Capital	4,599,157	8,304,743	4,933,200	9,041,446
Stormwater Utility	4,205,411	3,954,290	4,780,075	5,080,979
Stormwater Capital	255,194	1,563,246	5,439,148	5,417,195
Utility Debt Reserve	90,731	0	0	0
<b>Total Enterprise Funds</b>	<b>\$48,621,312</b>	<b>\$48,449,997</b>	<b>\$59,433,122</b>	<b>\$64,211,959</b>

## 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.

<b>Water Utility</b>				
	Actual 2018	Actual 2019	Budget 2020	Budget 2021
<b>Revenue</b>				
Taxes	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0
Intergovernmental	0	0	0	0
Charges for services	14,100,551	14,770,886	14,885,857	14,945,857
Fines & forfeits	-157,259	16,114	20,000	20,000
Other revenue	1,061,627	581,087	545,000	533,000
Debt proceeds	0	0	0	0
<b>Total revenue</b>	<b>15,004,919</b>	<b>15,368,086</b>	<b>15,450,857</b>	<b>15,498,857</b>
<b>Expenditures</b>				
Personnel	3,802,368	3,379,416	4,857,877	4,981,600
Supplies, services & taxes	7,037,037	6,677,264	7,941,804	7,580,526
Capital expenditures	0	0	0	0
Debt service	1,163,571	950,628	912,479	923,346
Transfers	2,623,266	3,544,366	2,250,000	2,545,000
<b>Total expenditures</b>	<b>14,626,242</b>	<b>14,551,674</b>	<b>15,962,160</b>	<b>16,030,472</b>
Revenue over(under) expenditures	378,677	816,412	-511,303	-531,615
Beginning fund balance	2,595,889	2,974,566	4,007,677	2,079,768
<b>Ending fund balance</b>	<b>\$2,974,566</b>	<b>\$3,790,978</b>	<b>\$3,496,374</b>	<b>\$1,548,153</b>

### 2021 Budget Highlights:

- Water System Plan Update completion.
- Manganese Assessment and Management Strategies Study to quantify potential utility impacts from manganese and develop management strategies.
- Watershed Security Improvements.
- Kitsap Lake Management Plan Implementation.

### 2021 Capital Considerations:

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

### 2020 Accomplishments:

- No reduction in level of service to water customers due to COVID-19.
- Complied with all drinking water treatment, monitoring, reporting, and dam safety requirements and stormwater discharge permit requirements.
- Successful water systems consolidation (West 517 Zone, Rocky Point, and Bremerton main system).
- Completed Risk and Resiliency Assessment as required by 2018 America's Water Infrastructure Act.
- ~70% completion of Water System Plan Update to include updates to Wellhead Protection Plan, Watershed Control Program, Water Use Efficiency Plan, Water Shortage Contingency Plan, and seven monitoring plans.
- Completed Well 6R redevelopment.
- Completed Reservoir 8 exterior re-coating and cathodic protection installation.
- Installed hypochlorite disinfection at Well 19.
- Installed permanent backup power supply at Booster Station 10.
- Completed Kitsap Lake Management Plan and implemented lake treatment and monitoring.

### 2021 Goals:

- Maintain level of service to water and stormwater customers.
- Comply with all drinking water treatment, monitoring, reporting, and dam safety requirements.
- Comply with all stormwater discharge permit requirements.
- Complete and submit Optimized Water Quality Parameters Recommendation for West 517 Zone as required by Department of Health.
- Secure requested water rights for wells 1R, 9, 21 and 22.
- Complete Water System Plan Update to include setting new Water Use Efficiency Goals.
- Update all Emergency Response and Action Plans as required by 2018 America's Water Infrastructure Act.
- Reduce Kitsap Lake Swimming Beach closures due to harmful algal blooms and continue vegetation management.
- Complete all projects highlighted here and on the 2021 Water Utility and Stormwater Utility Capital Improvement Plans.

### 2021 Budget Highlights:

- Maintain 269 miles of distribution water mains, 30 miles of transmission water 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 program.
- Perform customer response (First Response/ Bremerton).
- Read meters, provide door notices and deactivate services as required and Customer Service for Utility Billing.
- Tap and set new water meters projected to be around 400 new accounts.

### 2021 Capital Considerations:

- Perform all development taps.
- Support water capital projects being performed by contractors. (Pump station 14 relocation, 6th St, Perry Ave, etc.)

### 2020 Accomplishments:

- Replaced budget amount of residential and commercial meters.
- Perform fire hydrant cycling and repairs on our 2055 fire hydrants.
- Cycled less than 1/3 of our 7055 transmission and distribution water valves.
- Replaced 700 feet of sub-standard water main on Forrest Dr south of Kitsap Way.
- Performed 500 domestic service taps for new homes.
- Finished replacing MXU's with smart Point transmitters and installed Flexnet meter reading system.
- Roof replacement at well #14 generator Building.
- Security camera system installed at Oyster Bay facility—Phase I.
- Res. #4 Outlet building site improvements.
- Flooring replacement at Oyster Bay facility.

### 2021 Goals:

- Start monthly billing and restart deactivations and reactivations for non payment accounts.
- Continue to replace aging large water meters and testing of 1.5" and above models.
- Continue replacing residential water meters (1200 per year).
- Flush entire water system.

### 2021 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.

### 2021 Capital Considerations:

- No capital programs for 2021; forestry road maintenance and abandonment are budgeted in the Water Capital Improvement Fund.

### 2020 Accomplishments:

- No lost-time accidents.
- Pending receipt of approximately \$400K 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.

### 2021 Goals:

- No lost-time accidents.
- Generate \$600K from sustainable timber harvest program.
- Complete security evaluation of with the utility vulnerability assessment.
- 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.

<b>Water Capital</b>				
	Actual 2018	Actual 2019	Budget 2020	Budget 2021
<b>Revenue</b>				
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	4,366,986	1,957,359	3,310,600	3,605,600
Debt proceeds	0	3,544,366	0	0
<b>Total revenue</b>	<b>4,366,986</b>	<b>5,501,725</b>	<b>3,310,600</b>	<b>3,605,600</b>
<b>Expenditures</b>				
Personnel	37,966	2,042	0	0
Supplies, services & taxes	708,853	196,271	240,000	135,000
Capital expenditures	2,291,382	1,273,571	6,535,666	6,707,085
Debt service	0	0	0	0
Transfers	0	0	0	0
<b>Total expenditures</b>	<b>3,038,201</b>	<b>1,471,884</b>	<b>6,775,666</b>	<b>6,842,085</b>
Revenue over(under) expenditures	1,328,785	4,029,841	-3,465,066	-3,236,485
Beginning fund balance	3,971,433	5,300,218	9,330,059	8,689,708
<b>Ending fund balance</b>	<b>\$5,300,218</b>	<b>\$9,330,059</b>	<b>\$5,864,993</b>	<b>\$5,453,223</b>



### 2021 Budget Highlights:

- Anderson Creek Dam Removal and Environmental Restoration, \$600K total.
- Recoat Casad Dam morning glory Overflow, \$150K.
- Reservoir 19 Exterior Coating, \$550K.
- Reservoir Interior Cleaning Inspection, \$55K.
- 6<sup>th</sup> Street Phase II, \$560K construction.
- PRV at 16th and Perry. Construction, \$125K.
- Distribution main improvements. Design and construct miscellaneous \$300K.
- Marine Drive Watermain project. Complete design and construction. \$2.1M.
- Pump Station 14 relocation, 2.4M construction.
- Ongoing minor capital upgrades to pump stations, reservoirs, and treatment facilities.

### 2021 Capital Considerations:

- All capital work is funded by rates.
- Pump Station 14 Relocation may have a late start in 2021 or be delayed until 2022 due to a property ownership concern with National Park Service.

### 2020 Accomplishments:

- Perform all development taps.
- Hired consultant for Marine Drive Watermain project.
- Completed PRV design at E. 16<sup>th</sup> and Perry.
- Ongoing design for North Lake Way PRV.
- Continued work on obtaining easement with U.S. Navy through railroad track for Gold Mountain Golf Course Raw Water Main project.
- Completed design Pump Station 14 Relocation.
- Reservoir 8 Exterior Coating completed.
- Completed exterior cleaning of six steel reservoirs.
- Coordination of Well 1R developer installed improvements in the W580 Zone.
- Rehabilitated Well 6R.
- Supported Water System Plan Update and CIP list preparation (WR).
- Coordination of ILA with the City of Port Orchard for the purchase of improvements in the W580 Zone (WR).
- Began design of Gold Mountain Golf Course Raw Water Main.

### 2021 Goals:

- Construct Marine Drive Water Main.
- Construct PS14 Relocation.
- Recoat Reservoir 19 exterior.
- Remove Anderson Creek Dams.
- Implement Well 1R improvements.
- Complete Water System Plan Update (WR).
- 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 2018	Actual 2019	Budget 2020	Budget 2021
<b>Revenue</b>				
Taxes	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0
Intergovernmental	0	0	0	0
Charges for services	4,598,053	4,615,728	4,760,031	4,734,564
Fines & forfeits	0	0	0	0
Other revenue	24,260	36,111	16,950	24,271
Debt proceeds	0	200	0	0
<b>Total revenue</b>	<b>4,622,313</b>	<b>4,652,039</b>	<b>4,776,981</b>	<b>4,758,835</b>
<b>Expenditures</b>				
Personnel	0	0	0	0
Supplies, services & taxes	4,055,671	3,992,559	4,210,079	4,219,240
Capital expenditures	0	45,091	0	0
Debt service	501,306	461,881	434,670	432,195
Transfers	0	0	0	0
<b>Total expenditures</b>	<b>4,556,977</b>	<b>4,499,531</b>	<b>4,644,749</b>	<b>4,651,435</b>
Revenue over(under) expenditures	65,336	152,508	132,232	107,400
Beginning fund balance	142,697	142,697	445,416	755,255
<b>Ending fund balance</b>	<b>\$208,033</b>	<b>\$295,205</b>	<b>\$577,648</b>	<b>\$862,655</b>

### 2021 Budget Highlights:

- Manage impacts of COVID pandemic to overall food and beverage revenue to less than a 10% anticipated reduction.
- Projected revenue increase in golf of \$110k over 2020.
- Greens Maintenance Equipment (\$85k).
- Cascade Course re-design and upgrade project (\$50k).
- Driving Range Improvements (\$35k).

### 2021 Capital Considerations:

- There are no planned Capital projects for 2021.

### 2020 Accomplishments:

- Successfully adjusted to operations under restrictions due to COVID pandemic.
- Growth in GOP and NOI over 2019 despite 6 week closure due to COVID pandemic.
- Implemented new Point of Sale system for golf.
- Completed renovation of three teeing areas.
- Purchase of greens maintenance equipment including replacement fairway and greens mowers.
- Completed clubhouse carpet replacement.

### 2021 Goals:

- Continue to address the challenges to facility wide revenues presented by COVID related restrictions and impacts.
- Meet or exceed the total revenue projection of \$4.7M.
- Grow data base in new point of sale system and use promotional tools to increase rounds and revenue throughout the tee sheet.
- Completion of capital upgrades to course including Cascade course re-design and driving range improvements.
- Purchase of identified greens maintenance equipment.
- Achieve 80% or higher favorability annually through participant surveys.

## Wastewater Utility

*Enterprise Fund*

### Summary:

The Bremerton Wastewater Utility serves a population of approximately 41,750 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.

<b>Wastewater Utility</b>				
	Actual 2018	Actual 2019	Budget 2020	Budget 2021
<b>Revenue</b>				
Taxes	\$85,109	\$109,744	\$102,000	\$102,000
Licenses & permits	0	0	0	0
Intergovernmental	0	0	0	0
Charges for services	15,544,747	15,266,217	16,432,038	16,394,038
Fines & forfeits	17,079	15,829	0	18,000
Other revenue	1,852,854	38,286	3,000	23,000
Debt proceeds	0	0	0	0
<b>Total revenue</b>	<b>17,499,789</b>	<b>15,430,075</b>	<b>16,537,038</b>	<b>16,537,038</b>
<b>Expenditures</b>				
Personnel	2,583,830	2,980,266	3,621,605	3,517,500
Supplies, services & taxes	8,175,185	8,076,260	8,660,309	8,800,976
Capital expenditures	0	0	0	0
Debt service	2,724,813	2,509,528	2,501,210	2,094,871
Transfers	3,765,571	538,575	2,115,000	2,735,000
<b>Total expenditures</b>	<b>17,249,399</b>	<b>14,104,629</b>	<b>16,898,124</b>	<b>17,148,347</b>
Revenue over(under) expenditures	250,390	1,325,446	-361,086	-611,309
Beginning fund balance	6,677,610	6,928,000	3,504,738	2,147,047
<b>Ending fund balance</b>	<b>\$6,928,000</b>	<b>\$8,253,446</b>	<b>\$3,143,652</b>	<b>\$1,535,738</b>

### 2021 Budget Highlights:

Bremerton’s Wastewater Utility operates and maintains the West and East Treatment Plants, 40 sewage pump stations and over 200 grinder pump stations located throughout the City. Items budgeted for 2021 include:

- Continue to upgrade our public outreach efforts.
- Continue with the NPDES Permit required sediment sampling of the west side outfall.
- Perform required Industrial User Survey and O&M review for compliance with the NPDES permit.
- Ongoing upgrades to SCADA system.
- Ongoing coordination with Ecology regarding upcoming Nutrient General Permit.
- Achieve 100% compliance with the NPDES Discharge Permit.

### 2021 Capital Considerations:

- All Capital work is included in the Wastewater Capital Fund.

### 2020 Accomplishments:

- Pump station CE-1 exterior surfaces painted.
- Westside wastewater plant boiler was rehabilitated.
- Completed the installation of new grit chamber chains in the west grit chamber.
- Wastewater staff has completed 95% of LED lighting upgrades at the west side and east side treatment plants as well as the wastewater pump stations.
- On schedule to purchase and install two in-line grinders for the raw sludge pumps.
- Various pump station upgrades including several pump rebuilds and/or replacements.

### 2021 Goals:

- Obtain the Department of Ecology “Outstanding Wastewater Treatment Plant” Award.
- Continue working with Anchor QEA and Washington Department of Ecology on west side treatment plant outfall sediment sampling for permit compliance.
- Meet all sampling and permit requirements.
- Continue to train staff for professional growth.
- Continue to foster good working relationships with both internal and external customers.
- Operate and maintain the Wastewater Treatment Plant and corresponding facilities within budget constraints.
- Continue to assess and evaluate the condition of current equipment and facilities for future upgrades and replacements.

**2021 Budget Highlights:**

- Train new employees in system maintenance and trouble shooting procedures.
- Train staff in proficient use of new technology.
- Maintain 152 miles of sewer collection mains and 4.6 miles of sewer force mains.

**2021 Capital Considerations:**

- Support upcoming project designs by video inspection and locating side sewers for rehabilitation.

**2020 Accomplishments:**

- Catalogue and tracked all grease traps and interceptors within city limits.
- Added grease traps and interceptors into GIS with pictures at 161 locations.
- Restored 27 sewer laterals as of September 30th using new Cure in Place technology.

**2021 Goals:**

- Complete annual maintenance.
- Support Capital Improvement design and construction.
- Continue advancing proficiency by use of new technology.
- Continue recurring maintenance in conformance with standards of the industry.
- Continue implementation of cure in place lining of sanitary sewer laterals with new equipment.
- Video the collection system; 20% annual goal.
- Continue the grease interceptor, manhole inspection, sewer lateral cleanout installation, and root control programs.
- Maintain excellent safety records.
- Maintain low overtime history.
- Continue to catalogue and track grease traps and interceptors and lend assistance where needed.

# 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.

<b>Wastewater Capital</b>				
	Actual 2018	Actual 2019	Budget 2020	Budget 2021
<b>Revenue</b>				
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	4,455,379	501,966	3,040,600	7,995,600
Debt proceeds	0	538,575	0	0
<b>Total revenue</b>	<b>4,455,379</b>	<b>1,040,541</b>	<b>3,040,600</b>	<b>7,995,600</b>
<b>Expenditures</b>				
Personnel	7,395	21,022	0	0
Supplies, services & taxes	224,996	68,163	525,000	450,000
Capital expenditures	4,366,766	8,215,558	4,408,200	8,591,446
Debt service	0	0	0	0
Transfers	0	0	0	0
<b>Total expenditures</b>	<b>4,599,157</b>	<b>8,304,743</b>	<b>4,933,200</b>	<b>9,041,446</b>
Revenue over(under) expenditures	-143,778	-7,264,202	-1,892,600	-1,045,846
Beginning fund balance	10,502,573	10,358,795	3,097,243	2,228,538
<b>Ending fund balance</b>	<b>\$10,358,795</b>	<b>\$3,094,593</b>	<b>\$1,204,643</b>	<b>\$1,182,692</b>

**2021 Budget Highlights:**

- Cure-In-Place (CIPP) Project. Design and construction, \$700K.
- Decommission Beach Sewer in Manette (OF4 to EB2.) Design, \$200K
- Beach mitigation per DNR agreement. \$200K.
- Oyster Bay Beach Sewer Project (OB2 to OB1). Construction, \$6.4M
- PSIC Sewer. Continued coordination with Mason County.
- E. 11th St and Perry Avenue Reconstruction, sewer portion. Construction \$500K
- Navy salinity study to be completed. \$250K
- On-going minor capital upgrades to the collection system, pump stations, and treatment plants as identified in the CIP,

**2021 Capital Considerations:**

- All capital expenditures are funded through a combination of rates, loans, and revenue bonds.
- Decommission Beach Sewer in Manette and Oyster Bay Beach Sewer are funded by CWSRF loans.

**2020 Accomplishments:**

- Design and construction Cure-In-Place Pipe (CIPP) project.
- Select consultant for Decommission Beach Sewer in Manette (OF4 to EB2).
- Design DNR beach mitigation per agreement.
- Designed Oyster Bay Beach Sewer Project (OB2 to OB1).
- Continued coordination with Mason county for PSIC Sewer.
- Renegotiated Navy salinity study to include threshold loadings and advisement for nutrient general permit.
- 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 (final report pending)
- Completed CW4 Upgrades project.

**2021 Goals:**

- CIPP project delivery.
- Construct Oyster Bay Beach Sewer project.
- Design 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.
- Cleaning and inspection of both anaerobic digester domes to determine rehabilitation scope
- Installation of protective coating for both grit chamber tank surfaces



# Stormwater Utility

## Enterprise Fund

**Summary:**

The Stormwater Utility serves a population of approximately 41,750 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.

<b>Stormwater Utility</b>				
	Actual 2018	Actual 2019	Budget 2020	Budget 2021
<b>Revenue</b>				
Taxes	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0
Intergovernmental	6,088	19,457	70,000	0
Charges for services	3,730,647	4,165,744	4,490,512	4,905,506
Fines & forfeits	-2,575	6,907	7,000	7,000
Other revenue	1,367,647	9,807	107,000	82,500
Debt proceeds	0	0	0	0
<b>Total revenue</b>	<b>5,101,807</b>	<b>4,201,916</b>	<b>4,674,512</b>	<b>4,995,006</b>
<b>Expenditures</b>				
Personnel	986,248	1,372,337	1,676,518	1,555,700
Supplies, services & taxes	1,843,093	2,002,420	2,770,552	2,561,624
Capital expenditures	0	0	0	0
Debt service	141,206	144,885	153,005	223,655
Transfers	1,234,864	434,649	180,000	740,000
<b>Total expenditures</b>	<b>4,205,411</b>	<b>3,954,290</b>	<b>4,780,075</b>	<b>5,080,979</b>
Revenue over(under) expenditures	896,396	247,625	-105,563	-85,973
Beginning fund balance	2,016,491	2,912,887	947,446	607,645
<b>Ending fund balance</b>	<b>\$2,912,887</b>	<b>\$3,160,512</b>	<b>\$841,883</b>	<b>\$521,672</b>

### **2021 Budget Highlights:**

- Finalize Stormwater Comprehensive Plan Update.
- Develop watershed plans for urban stormwater drainage basins for the stormwater system to meet new permit requirements.
- Continue working with Kitsap Lake property owners to implement water quality cleanup efforts to improve water quality.
- Program support from Ecology's capacity grant.
- Support and direct city-wide rain garden Program.
- Asset management, implement program.
- Continued stormwater infrastructure maintenance, replacement, and improvement.
- Repair storm lines using new CIPP equipment.
- Train Staff in maintenance procedures for various new stormwater treatment devices.
- Develop source control program for permit compliance.
- Implement new stormwater inspection and compliance tracking software program.
- Support stormwater GIS data collection.
- Stormwater system modeling training for staff.

### **2021 Capital Considerations:**

- Support upcoming projects through video and locating.
- Basin planning for priority drainages in the City.
- Kitsap Lake basin pollution source identification.
- PSIC basin assessment and planning to define stormwater assets and needs to support development and SW Permit compliance.
- Stormwater Management Action Planning (SMAP) development to identify and prioritize water quality improvement project areas.
- Stormwater system modeling to support SMAP.

### **2020 Accomplishments:**

- Hired new Environmental Technician and new Stormwater Engineer to support stormwater Permit and Capital Program
- Improved programs to comply with stormwater discharge permit requirements
- Developed Stormwater Management Plan and submitted annual report
- Secured \$2 million in grants through Ecology's Stormwater Financial Assistance Program
- Implemented Kitsap Lake water quality improvement program, completed annual algae control and aquatic vegetation harvesting
- Installed temporary weirs in Gorst Creek to mitigate the fish barrier
- Represented regional cities on the Puget Sound Partnership's Salmon Recovery Council
- Represented City on various stormwater coordination and environmental restoration boards
- Maintained over 50 pet waste bag dispenser with more than 170,000 bags used
- 2019-21 Rain Garden Program continued
- 90% completion of the Kitsap Lake and Oyster/Ostrich Bay Watershed plans.

### **2021 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.
- Provide pollution prevention guidance and actions to staff and public.
- Improve public education and outreach.
- Complete annual maintenance of city infrastructure.
- Support Capital Projects.
- Continue to pursue proficiency in maintenance of stormwater treatment devices.
- Increase staff knowledge in Erosion Control BMP's.
- Train staff in modeling and complete SMAP basin prioritization evaluation of all drainage basins.
- Maintain excellent safety record.
- Continue to catalogue and track all private stormwater systems and ponds.

## 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.

<b>Stormwater Capital</b>				
	Actual 2018	Actual 2019	Budget 2020	Budget 2021
<b>Revenue</b>				
Taxes	\$0	\$0	\$0	\$0
Licenses & permits	0	0	0	0
Intergovernmental	0	2,044	0	0
Charges for services	0	0	0	0
Fines & forfeits	0	0	0	0
Other revenue	2,062,811	1,543,554	3,798,500	4,062,929
Debt proceeds	0	1,046,671	0	0
<b>Total revenue</b>	<b>2,062,811</b>	<b>2,592,269</b>	<b>3,798,500</b>	<b>4,062,929</b>
<b>Expenditures</b>				
Personnel	0	0	0	0
Supplies, services & taxes	74,899	28,014	94,000	200,000
Capital expenditures	153,628	1,535,232	5,345,148	5,217,195
Debt service	0	0	0	0
Transfers	26,667	0	0	0
<b>Total expenditures</b>	<b>255,194</b>	<b>1,563,246</b>	<b>5,439,148</b>	<b>5,417,195</b>
Revenue over(under) expenditures	1,807,617	1,029,024	-1,640,648	-1,354,266
Beginning fund balance	2,134,559	3,942,176	4,987,820	4,875,256
<b>Ending fund balance</b>	<b>\$3,942,176</b>	<b>\$4,971,200</b>	<b>\$3,347,172</b>	<b>\$3,520,990</b>

**2021 Budget Highlights:**

- Kitsap Lake water quality with algae and aquatic vegetation control, and pollutant source tracing.
- Kitsap Lake Stormwater Treatment design.
- Kitsap Lake Park Modular Wetland Treatment.
- Ostrich Creek stormwater treatment retrofit construction.
- Implement Sinclair and Dyes Inlets cleanup program (TMDL) actions to improve Ostrich Bay Creek and Ostrich Bay.
- Continue on-going minor capital upgrades to the collection system, including ditches and culverts.
- Continue annual storm drain replacement/CIPP program.
- Gorst Creek fish barrier: temporary repair.
- E 11th and Perry Ave construction.

**2021 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, Kitsap Way \$2.2M
- Kitsap Lake Stormwater Outfall Treatment design, Ecology grant, \$200K
- Kitsap Lake Stormwater Treatment design \$70K
- Kitsap Lake Algae and aquatic vegetation control \$150K
- Perry Ave Reconstruction, \$665K
- Rain Gardens, \$30K
- Gorst Creek Temporary repair, \$50K

**2020 Accomplishments:**

- Identifying and working towards solutions with the E 11th Street/Perry Avenue project with the stormwater treatment retrofit design.
- Received Ostrich Creek Stormwater Treatment Retrofit construction grant.
- Continuing design for Pine Rd stormwater basin, and Eagle and Dibb flooding control projects.
- Design for Ostrich Creek culvert replacement at Kitsap Way, and beginning design for the Price and Brentwood culvert replacements.
- Kitsap Lake: completed annual algae control and aquatic vegetation harvesting, improved water quality, weekly monitoring performed.
- Completed Northlake Way Culvert replacement preliminary design to eliminate fish barrier.
- Rain Garden program expanded to cover city.
- Completed design of Second Street stormwater treatment system.
- Completed construction of the Marine Drive stormwater retrofit project.

**2021 Goals:**

- Complete design and permitting for:  
Pine Road Basin Stormwater Improvements  
Brentwood and Price Road Culvert Replacements  
Kitsap Lake Stormwater Treatment  
Kitsap Lake Outfall Improvements(Frances Drive)
- Complete construction for:  
Ostrich Creek Stormwater Treatment Retrofit  
Kitsap Way Culvert Replacement.
- Complete Kitsap Lake Algae and aquatic vegetation control and pollutant source tracing.

## 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.

<b>Utility Debt Reserve</b>				
	Actual 2018	Actual 2019	Budget 2020	Budget 2021
<b>Revenue</b>				
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	26,804	44,142	22,000	22,000
Debt proceeds	0	0	0	0
<b>Total revenue</b>	<b>26,804</b>	<b>44,142</b>	<b>22,000</b>	<b>22,000</b>
<b>Expenditures</b>				
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	90,731	0	0	0
<b>Total expenditures</b>	<b>90,731</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue over(under) expenditures	-63,927	44,142	22,000	22,000
Beginning fund balance	1,713,722	1,649,795	1,693,936	1,716,336
<b>Ending fund balance</b>	<b>\$1,649,795</b>	<b>\$1,693,937</b>	<b>\$1,715,936</b>	<b>\$1,738,336</b>

