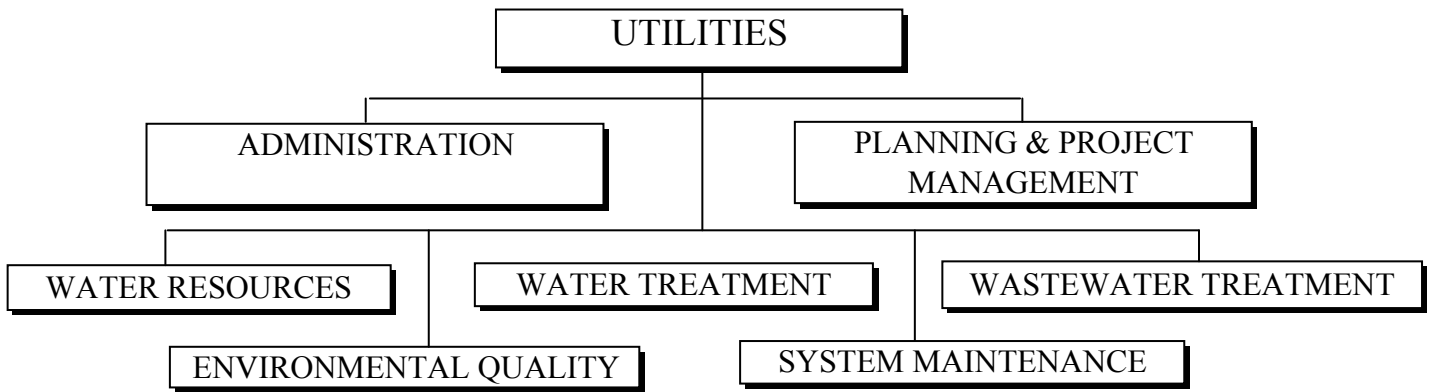
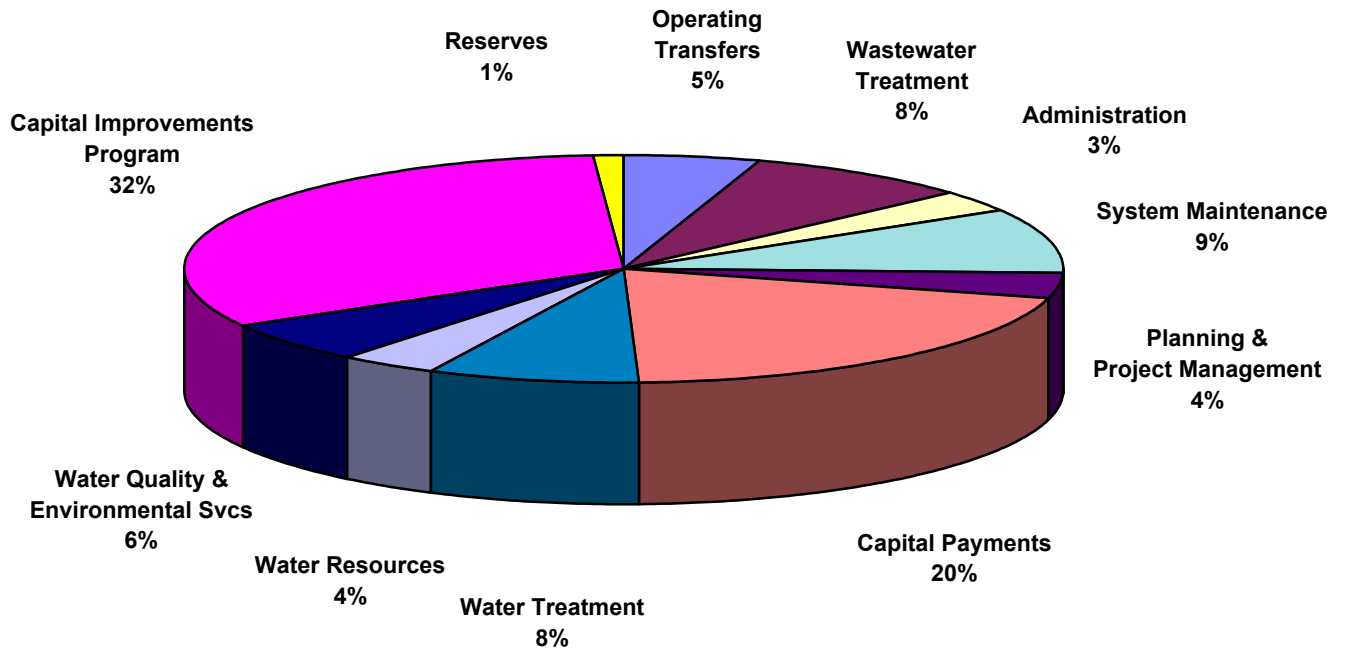


DIVISION OF UTILITIES



2006 BUDGET \$48,188,182



**2006-07 APPROVED BUDGET
UTILITIES DIVISION**

| | 2004 ACTUAL | 2005 APPROVED | 2006 APPROVED | 2007 PROPOSED |
|------------------------------------|------------------------|--------------------------|--------------------------|--------------------------|
| <u>BUDGET BY PROGRAM</u> | | | | |
| UTILITIES DIVISION | | | | |
| Capital Payments | | | | |
| Windy Gap Payments | \$ 2,331,532 | \$ 2,079,657 | \$ 2,102,375 | \$ 2,144,423 |
| Debt Service Payments | 8,063,681 | 8,079,913 | 7,631,738 | 12,067,721 |
| TOTAL | <u>10,395,214</u> | <u>10,159,570</u> | <u>9,734,113</u> | <u>14,212,143</u> |
| Operating Transfers | | | | |
| Transfers/Cost Allocation | 5,040,124 | 2,457,476 | 2,393,801 | 2,429,708 |
| TOTAL | <u>5,040,124</u> | <u>2,457,476</u> | <u>2,393,801</u> | <u>2,429,708</u> |
| Reserves | | | | |
| Operating Reserves | 0 | 590,000 | 595,000 | 606,900 |
| TOTAL | <u>0</u> | <u>590,000</u> | <u>595,000</u> | <u>606,900</u> |
| Administration | | | | |
| Division Administration | 388,355 | 629,083 | 608,340 | 617,561 |
| Public Power | 0 | 100,000 | 0 | 0 |
| Rate Administration | 56,656 | 45,000 | 44,000 | 44,880 |
| Computer Replacement | 187,798 | 193,000 | 176,000 | 179,520 |
| Billing Services | 404,245 | 427,925 | 438,246 | 445,995 |
| Support Services | 0 | 185,589 | 192,512 | 195,732 |
| TOTAL | <u>1,037,055</u> | <u>1,580,596</u> | <u>1,459,099</u> | <u>1,483,688</u> |
| Planning & Project Management | | | | |
| Planning & Project Management | 904,153 | 735,008 | 838,924 | 852,932 |
| Unallocated Construction | 291,987 | 850,000 | 500,000 | 510,000 |
| Flood Management | 0 | 406,233 | 439,074 | 447,428 |
| TOTAL | <u>1,196,140</u> | <u>1,991,242</u> | <u>1,777,998</u> | <u>1,810,360</u> |
| Water Resources | | | | |
| Water Resources Management | 1,120,547 | 1,068,230 | 1,063,847 | 1,084,212 |
| Watershed Operations | 294,590 | 298,171 | 308,403 | 313,604 |
| Hydroelectric Operations | 380,925 | 348,104 | 357,385 | 363,540 |
| Stormwater Contract Management | 52,531 | 53,319 | 53,852 | 54,929 |
| TOTAL | <u>1,848,592</u> | <u>1,767,823</u> | <u>1,783,487</u> | <u>1,816,285</u> |
| Water Treatment | | | | |
| Betasso Treatment Plant | 1,851,388 | 1,856,965 | 1,908,908 | 1,941,709 |
| Boulder Reservoir Treatment Plant | 1,300,122 | 1469210.13 | 1,462,914 | 1,488,725 |
| System Controls | 132,080 | 275103.56 | 258,887 | 263,113 |
| WTP Residuals Handling | 27,672 | 124,134 | 125,386 | 127,883 |
| TOTAL | <u>3,311,262</u> | <u>3,725,413</u> | <u>3,756,096</u> | <u>3,821,430</u> |
| Water Quality Environment Services | | | | |
| Industrial Pretreatment | 254,072 | 288,009 | 311,386 | 316,356 |
| Water Conservation | 334,332 | 422,454 | 435,370 | 443,404 |
| Drinking Water Quality Services | 720,183 | 695,828 | 741,863 | 754,030 |
| Wastewater Quality Services | 453,754 | 469,783 | 479,829 | 487,959 |
| Stormwater Quality Services | 702,390 | 754,441 | 773,387 | 787,067 |
| TOTAL | <u>2,464,730</u> | <u>2,630,516</u> | <u>2,741,835</u> | <u>2,788,817</u> |

**2006-07 APPROVED BUDGET
UTILITIES DIVISION**

| | 2004 ACTUAL | 2005 APPROVED | 2006 APPROVED | 2007 PROPOSED |
|---|------------------------|--------------------------|--------------------------|--------------------------|
| <u>BUDGET BY PROGRAM</u> | | | | |
| System Maintenance | | | | |
| Distribution System Maintenance | 1,274,650 | 1,473,261 | 1,545,659 | 1,571,873 |
| Collection System Maintenance | 1,182,883 | 1,356,306 | 1,352,345 | 1,375,513 |
| Storm Sewer Maintenance | 404,574 | 573,061 | 572,480 | 582,283 |
| Flood Channel Maintenance | 200,185 | 232,960 | 231,655 | 235,648 |
| Meter Services | 683,794 | 720,336 | 707,097 | 719,342 |
| TOTAL | <u>3,746,086</u> | <u>4,355,925</u> | <u>4,409,236</u> | <u>4,484,659</u> |
| Wastewater Treatment | | | | |
| 75th Street Treatment Plant | 2,789,626 | 2,923,124 | 3,001,680 | 3,053,131 |
| Marshall Landfill Operations | 160,892 | 240,000 | 242,400 | 247,248 |
| Cogeneration | 122,966 | 120,908 | 122,189 | 124,257 |
| Biosolids Operations | 595,839 | 668,023 | 686,248 | 698,363 |
| TOTAL | <u>3,669,322</u> | <u>3,952,054</u> | <u>4,052,518</u> | <u>4,122,999</u> |
| Capital Improvements Program | | | | |
| Capital Improvements Program | 22,214,281 | 11,195,000 | 15,485,000 | 17,873,850 |
| TOTAL | <u>22,214,281</u> | <u>11,195,000</u> | <u>15,485,000</u> | <u>17,873,850</u> |
| TOTAL | <u>\$ 54,922,806</u> | <u>\$ 44,405,615</u> | <u>\$ 48,188,182</u> | <u>\$ 55,450,839</u> |
| <u>BUDGET BY CATEGORY</u> | | | | |
| Personnel Expenses | \$ 9,697,883 | \$ 10,058,980 | \$ 10,327,223 | \$ 10,482,131 |
| Operating Expenses | 15,045,069 | 9,809,914 | 9,746,941 | 9,941,880 |
| Interdepartmental Charges | 1,233,014 | 1,778,720 | 1,635,185 | 1,667,889 |
| Capital | 15,843,034 | 12,220,612 | 16,453,294 | 18,861,510 |
| Debt Service | 8,063,681 | 8,079,913 | 7,631,738 | 12,067,721 |
| Other Financing Uses | 5,040,124 | 2,457,476 | 2,393,801 | 2,429,708 |
| TOTAL | <u>\$ 54,922,806</u> | <u>\$ 44,405,615</u> | <u>\$ 48,188,182</u> | <u>\$ 55,450,839</u> |
| <u>BUDGET BY FUND</u> | | | | |
| General | \$ 16,481 | \$ 16,481 | \$ 16,646 | \$ 16,979 |
| Transportation | 152,934 | 156,317 | 155,916 | 158,826 |
| Water Utility | 39,710,222 | 27,462,084 | 30,869,336 | 26,162,576 |
| Wastewater Utility | 9,235,420 | 10,649,979 | 10,393,216 | 22,941,357 |
| Stormwater and Flood Management Utility | 5,807,749 | 6,120,754 | 6,753,069 | 6,171,101 |
| TOTAL | <u>\$ 54,922,806</u> | <u>\$ 44,405,615</u> | <u>\$ 48,188,182</u> | <u>\$ 55,450,839</u> |
| <u>AUTHORIZED FTE's</u> | | | | |
| Standard FTE's | 148.67 | 150.44 | 150.44 | 150.44 |
| Seasonal Temporary FTE's | 6.50 | 6.50 | 6.50 | 6.50 |
| TOTAL | <u>155.17</u> | <u>156.94</u> | <u>156.94</u> | <u>156.94</u> |

**2006-07 BUDGET
PUBLIC WORKS DEPARTMENT
UTILITIES DIVISION**

MISSION STATEMENT

The Utilities Division's mission is to provide quality water services, as desired by the community, in a manner which emphasizes efficient management of fiscal and natural resources, and protects human and environmental health. Our services include:

- ◆ Potable Water Treatment and Distribution
- ◆ Water Resources and Hydroelectric Management
- ◆ Wastewater Collection and Treatment
- ◆ Stormwater Collection and Conveyance
- ◆ Water Quality Protection and Enhancement
- ◆ Infrastructure Planning, Construction and Maintenance
- ◆ Emergency Planning and Response

BUSINESS PLAN NARRATIVE

Each of the city's three utilities (Water, Wastewater and Stormwater/Flood Management) is a separate enterprise fund established to finance and account for the acquisition, operation and maintenance of each utility's facilities and services. The utility funds receive a majority of their revenues from monthly user charges and utility system development fees. Therefore, the changes in the city's economic climate which have reduced sales tax revenues and impacted departments which depend on sales tax revenues have not impacted the utility funds. However, the 2002 Drought dramatically reduced water usage (both indoors and outdoors) and correspondingly water and wastewater fund revenues. Subsequent year's revenues have also been reduced because of customers' on-going conservation efforts (2003-04) and above average precipitation (2004). In addition to drought induced conservation behavior, several commercial accounts have implemented cooling towers and other conservation efforts that have resulted in less water returning through the wastewater system and thus lowering wastewater revenues. Wastewater revenue projections for monthly user charges were reduced in 2004 by approximately \$1 million to reflect the reduction in wastewater services.

These on-going revenue reductions have demanded that programs and projects be reviewed and re-prioritized in an effort to reduce expenditures. Some capital projects have been deferred to future years, and projects to expand the water system's treatment and delivery capacity are being re-evaluated.

For 2006, funds are being reallocated within the Water Fund to provide financial resources needed to comply with new federal regulations regarding water data collection, testing and analysis. This reallocation shifts existing funds (\$20,000) from discretionary

programs in Division Administration and Water Treatment Process Optimization to Water Treatment for ongoing microparticulate analysis. In addition \$40,000 is needed for a one-time regulatory data collection effort in 2006. This effort will be funded from Raw Water Acquisition (\$15,000) and Water Quality Operations (\$25,000).

Additional resources are also needed in the Wastewater fund as new federal regulations for local pretreatment limits and pharmaceutical requirements come into effect in 2006 (\$20,000). In addition, in order to fully utilize the new treatment and capacity improvements at the Wastewater Treatment Plant a Process Control Specialist will be needed beginning in the fall of 2006 (\$22,000). These additional needs will be funded by reallocating \$42,000 from existing discretionary and desirable programs within Division Administration, Wastewater Data and Analysis, and Wastewater Process Optimization.

GUIDING PRINCIPLES AND/OR INVESTMENT STRATEGY

The **Guiding Principles** Utilities will use to fulfill its mission include:

- ◆ Providing reliable utility services
- ◆ Complying with all city, county, state and federal laws, taking direction from both regulatory standards and community goals
- ◆ Planning work activities and expenditures in a manner which demands fiscal responsibility and accountability
- ◆ Incorporating environmental stewardship, public health, and public safety in all aspects of our work
- ◆ Understanding that our community is dynamic, not static, and as a result, so must be plans and programs
- ◆ Treating people with respect, dignity and honesty
- ◆ Setting high standards and consistently managing performance to achieve those standards
- ◆ Promoting staff as a team and resource
- ◆ Maintaining a safe work environment
- ◆ Realizing that the quality of our work is as important as the quantity of our work
- ◆ Promoting personal responsibility, contributions and growth
- ◆ Recognizing that we are a part of a larger organization and, as such, strive to understand other needs and use resources in a collaborative manner

Investment Strategy

- 1.) Highly Reliable Treatment and Delivery Systems (Essential Services) –** Includes services and programs that meet federal and state regulatory criteria. These services and programs include treatment operations, maintenance of existing facilities, watershed protection of raw water quality, pretreatment program, utility billing operations, financial management, planning and analysis, raw water supply management and emergency response programs.

- 2.) **Expansion of Treatment and Delivery Systems (Desirable Services)** – Includes services and programs that are desired to respond to impacts of future growth, meet federal or state goals, or which support city goals. These services and programs include conservation and public education programs, hydroelectric operations and household hazardous waste program.
- 3.) **Enhancement of Treatment and Delivery Systems (Discretionary Services)** – Includes services and programs that enhance the existing systems or to help others (but not required) perform their basic business service. These services and programs include the acquisition of new water supplies beyond that needed for build-out projections, treatment optimization programs and some facility maintenance projects.

CITY COUNCIL GOALS

The Utilities Division most directly supports the following three City Council Goals:

Economic Sustainability

- As enterprise funds, all three utilities are self-sustaining in that revenues are predominantly derived from user fees and services.
- Boulder's monthly user fees are mostly dependent upon the current customer base, and are not dependent on future (or growth) customers, therefore making the utility services more sustainable.

Environmental Sustainability

- The hydroelectric and cogeneration facilities assist in reducing the city's reliance on fossil-fuel energy and support the city's Kyoto goal.
- Implementation of the new utility billing system and water budget rate structure and the enhancement of the Water Conservation Program will promote the efficient use of water, both indoors and outdoors, and promote practices that conserve and protect this natural resource.
- The implementation of "City PACE", an environmental management system within the Utilities Maintenance and Wastewater Treatment work programs including: installation of automated meter reading devices, recycling of appropriate metals, and use of environmentally preferable products.
- The application of the Integrated Pest Management (IPM) policies into land management plans and programs associated with the Silver Lake Watershed, Barker Reservoir facilities, Caribou Ranch area, and the Water and Wastewater Treatment Plants.
- Continued support for regional water quality protection programs, such as BASIN (Boulder Area Sustainability Information Network) and WASH (Watershed Approach to Stream Health.)

- Continued development and implementation of instream flow programs for Boulder Creek and South Boulder Creek

Community Sustainability

- Continue to provide regular website updates on utility information, meetings, programs and projects.

CHANGES TO BUDGET BETWEEN 2005 AND 2006 APPROVED BUDGETS

There were no changes to the Public Works Department/Utility Division’s base budget between the 2005 and 2006 approved budgets.

PERFORMANCE MEASURES

| | Actuals 2004 | Target 2005 | Target 2006 | Target 2007 |
|--|-------------------------|------------------------|------------------------|------------------------|
| 1. Average length of time for an unplanned water service outage - not to exceed 5 hours | 100% less than 5 hours | 100% less than 5 hours | 100% less than 5 hours | 100% less than 5 hours |
| 2. Water Treatment – percent of compliance (based on days per quarter) in which all of the reportable regulatory standards are met. | 100% Compliance | 100% Compliance | 100% Compliance | 100% Compliance |
| 3. Wastewater Treatment – percent of compliance (based on days per quarter) in which all of the reportable regulatory standards are met. | 100% Compliance | 100% Compliance | 100% Compliance | 100% Compliance |
| 4. City of Boulder Community Rating System (CRS) for Flood Insurance Purposes. | Rating = 8 | Rating = 8 | Rating = 8 | Rating = 8 |