

Enterprise Funds

WATER & SEWER UTILITIES: Walter “Buzz” Pishkur, Director

Department Narrative

The Water Utilities Department is responsible for treating and delivering drinking water and collecting wastewater for Arlington residents and businesses. The Water Utilities Department administers the billing system to support these services. The mission of the department is to provide a continuous supply of high quality drinking water and ensure safe disposal of wastewater in a responsive, cost-effective manner while improving service to citizens and planning for future needs. In addition, the Water Utilities Department coordinates water conservation programs and education, as well as, provides geographic information support to other City departments. Divisions in the department include Business Services (Financial Services, Water Resource Services, Customer Services, Meter Maintenance, and Meter Reading), Operations (Field Operations and Operations Support), and Treatment (Water Treatment and Laboratory). The three divisions are supported by in-house Administration, Engineering, and Information Services staff.

At A Glance

- 204 Total Authorized Positions
- Budget Break Down
- Personnel Services \$14,774,283
- Operating Expenses 94,901,585
- Capital Outlay 700,000
- **Total** **\$110,375,869**

Goals and Objectives

- **Goal:** Seek New or Alternative Funding Sources
 - **Objective:** Organize to Improve Cost Recovery & Enhance Funding
- **Goal:** Improve Operational Efficiency
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- **Goal:** Plan, Manage, & Maintain Public Assets
 - **Objective:** Maintain City Standards for all Public Infrastructure
- **Goal:** Support & Expand Programs to Reduce Environmental Impacts
 - **Objective:** Mitigate Operating Costs & Impact on Environment

Budget Highlights

- Increased Recurring Funding for Electrical System Testing \$130,734
- Increased Recurring Funding for Field Operations Overtime \$102,210
- Increased Recurring Funding for Maintenance of Water Mains \$61,529
- Increased Recurring Funding for Water Quality Monitoring Stations \$53,000
- Increased Recurring Funding for Trinity River Authority (Wastewater Water Treatment) Rate Increase \$803,904
- Increased Recurring Funding for Reclassification of Operations Support Supervisor \$16,402
- One-time Funding for Fleet Replacements \$700,000
- Elimination of Utilities Engineer Position (\$117,444)
- Elimination of GIS Tech II Position (\$57,446)
- Elimination of Customer Service Positions (\$47,193)
- Elimination of 3 Dispatcher Positions (\$140,532)

City-wide Budget Impacts

FY 2016 Expenditures are impacted by a targeted 3.5-7.5% compensation adjustment for employees depending on their job classification effective January 2016

Enterprise Funds

Scorecard

Water and Sewer Fund Key Measures	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target
Clean a minimum of 20% of sewer lines size 6" - 15" estimated to assure compliance with the TCEQ Sanitary Sewer Overflow Initiative	42.32%	27.69%	20.9%	20%
Linear footage of water and sewer lines designed by the City Engineering staff	New Measure in FY 2014	36,766	34,767	40,000
Radio Transmitter installations	New Measure in FY 2014	8,049	9,825	9,000
Employee training hours (10 hours per employee)	New Measure in FY 2014	29.17%	95%	100%
Maintain annual unaccounted for water percent below 12%	New Measure in FY 2014	11.42%	11.93%	<12%
Permitted Industrial Pretreatment Inspections completed	New Measure in FY 2014	82	124	53
High hazard backflow assemblies with certified testing completed	New Measure in FY 2014	97%	100%	100%
Avoid any TCEQ, OSHA, SDWA and NPDES violations	New Measure in FY 2014	100%	100%	100%
Achieve an employee workplace injury of ≤2 injuries per 1,000 hours	New Measure in FY 2014	0.0085	0.022	≤ 2
Bad Debt Ratio	New Measure in FY 2014	0.436%	0.322%	≤0.5%
Replace 20,000 linear feet of high breakage frequency water main	New Measure in FY 2015		27,941	20,000

Water Utilities Expenditures

	Actual FY 2014	Budgeted FY 2015	Estimated FY 2015	Adopted FY 2016
Administration	\$ 77,871,588	\$ 81,635,791	\$ 81,250,774	\$ 83,448,893
Financial Services	219,830	242,487	240,731	249,107
Conservation Program	218,948	275,412	245,637	291,699
Engineering	1,064,959	1,253,574	1,245,852	1,258,101
Information Services	2,091,838	1,968,633	1,855,919	1,861,957
Customer Services	2,935,599	3,069,428	3,037,749	2,673,201
Meter Maintenance	2,408,725	1,474,666	1,400,708	1,527,631
Meter Reading	509,560	496,108	503,035	512,700
Water Treatment	6,209,607	6,899,781	6,334,698	6,597,360
Treatment Maintenance	1,895,244	1,988,197	2,152,981	2,449,454
Laboratory	832,004	782,178	769,289	790,600
Water Resource Services	498,123	519,578	497,682	552,799
Field Operations	7,062,292	6,467,718	7,413,966	6,994,403
Operations Support Office	869,381	892,722	833,434	1,167,964
Operations Support Warehouse	474,333	447,899	383,242	-
TOTAL	\$ 105,162,031	\$ 108,414,170	\$ 108,165,697	\$ 110,375,869

Enterprise Funds

Authorized Positions and Expenditures by Category

	Actual FY 2014	Budgeted FY 2015	Estimated FY 2015	Adopted FY 2016
Authorized Positions	223	218	218	204
Personnel Services	\$ 14,473,215	\$ 14,920,799	\$ 14,529,693	\$ 14,774,283
Operating Expenses	90,009,806	92,793,362	92,932,390	94,901,585
Capital Outlay	679,002	700,000	703,614	700,000
TOTAL	\$ 105,162,031	\$ 108,414,170	\$ 108,165,697	\$ 110,375,869

Enterprise Funds

WATER UTILITIES FUND FY 2016 Operating Position

	Actual FY 2014	Budgeted FY 2015	Estimated FY 2015	Adopted FY 2016
BEGINNING BALANCE	\$ 500,790	\$ -	\$ 179,986	\$ 540
REVENUES:				
Sewer Charges	51,145,108	52,874,457	52,787,530	55,104,900
Water Sales	59,636,256	65,669,815	60,647,661	67,782,065
Other Revenue	<u>6,418,029</u>	<u>6,005,606</u>	<u>6,976,506</u>	<u>6,377,109</u>
TOTAL REVENUES	\$ 117,199,393	\$ 124,549,878	\$ 120,411,697	\$ 129,264,074
INTERFUND TRANSFERS:				
General Fund - Indirect Cost	\$ (3,322,291)	\$ (3,547,879)	\$ (3,547,879)	\$ (3,861,304)
To APFA Fund	(63,811)	(63,811)	(63,811)	(63,811)
Storm Water - Indirect Cost	170,122	170,122	170,122	170,122
Debt Service, Municipal Office Tower	(67,811)	(65,544)	(65,544)	(63,229)
Operating Reserve	(707,688)	(566,928)	(566,928)	(263,437)
To Innovation/Venture Capital Fund	-	-	-	(400,000)
Rate Stabilization Fund	1,594,203	1,838,332	985,068	-
Renewal / Rehabilitation Fund	(10,168,471)	(14,000,000)	(9,436,474)	(14,500,000)
Fleet Reserve	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
TOTAL INTERFUND TRANSFERS	\$ (12,465,747)	\$ (16,135,708)	\$ (12,425,446)	\$ (18,881,659)
TOTAL AVAILABLE FUNDS	\$ 105,234,436	\$ 108,414,170	\$ 108,166,237	\$ 110,382,955
TOTAL EXPENDITURES	\$ 105,162,031	\$ 108,414,170	\$ 108,165,697	\$ 110,375,869
ENDING BALANCE	\$ 72,405	\$ -	\$ 540	\$ 7,086

The two largest revenue sources for the Water Utilities Department are the Water Sales and Sewer Charges, \$67,782,065 and \$55,104,900 respectively, comprising 95% of the total revenue generated by the department. Water Sales are revenues generated by customers of the Water Utilities Department for purchase of water and the various fees associated with the transactions. Sewer Charges are based upon the amount and strength of the wastewater a customer discharges to the sewer system. Water Utilities also generates \$1,782,155 from Special Service Charges, which are charges associated with late fees, lock off fees, and tampering fees and is the largest portion of the Other Revenue category.