

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 Customer Care and Business Services, Operations (Field Operations, Meter Reading, and Meter Services), Treatment (Water Treatment, Laboratory, and Water Resource Services), and Engineering and Support Services (Engineering – Operations, Engineering – Planning, Engineering – Design, Engineering – Treatment, and Operations Support Services). The divisions are supported by the Administration, Financial Services, and Communications staff.

At A Glance

- 198 Authorized Positions
- Budget Break Down

Personnel Services	\$16,127,612
Operating Expenses	109,527,595
Capital Outlay	700,000
Total	\$126,355,207

Goals and Objectives

- **Goal:** Continue Responsible Fiduciary Emphasis for the Organization and Council
 - **Objective:** Comply with all Financial Regulations and Policies
- **Goal:** Improve Operational Efficiency
 - **Objective:** Organize to Improve Operational Efficiency
- **Goal:** Promote Organization Sustainability by Recruiting, Retaining, and Developing Outstanding Employees
 - **Objective:** Foster and Maintain a Work and Learning Environment that is Inclusive, Welcoming, and Supportive
- **Goal:** Support & Expand Programs to Reduce Environmental Impacts
 - **Objective:** Mitigate Operating Costs & Impact on Environment

Budget Highlights

- Eliminated six vacant positions (\$311,408)
- Increased recurring funding for Raw Water Purchases \$62,460
- Increased recurring funding for Wastewater Treatment \$2,594,134
- Increased recurring funding for Fleet Replacement \$700,000
- New Senior Management Analyst \$86,094
- New Civil Engineer \$94,426

City-wide Budget Impacts

FY 2018 expenditures are impacted by a targeted 4.3% - 9.5% compensation adjustment depending on their job classification effective February 2018. Additionally, the city's contribution to employee health coverage will increase by 2.7% in FY 2018.

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Scorecard

Water and Sewer Fund Key Measures	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Target
Clean a minimum of 20% of sewer lines size 6" – 15" estimated to assure compliance with the TCEQ Sanitary Sewer Overflow Initiative	20.9%	20.2%	22%	20%
Linear footage of water and sewer lines designed by the City Engineering staff	34,767	56,110	50,000	40,000
Radio Transmitter installations	9,825	9,845	9,000	9,000
Employee training hours (10 hours per employee)	95%	100%	100%	100%
High hazard backflow assemblies with certified testing completed	100%	100%	100%	100%
Avoid any TCEQ, OSHA, SDWA and NPDES violations	100%	100%	1005	100%
Achieve an employee workplace injury of ≤2 injuries per 1,000 hours	0.022	0.011	<2	<2
Bad Debt Ratio	0.322%	0.322%	<0.5%	<0.5%
Maintain metered ratio rolling average above 88%	New Measure in FY 2018			>88%
Achieve non-financial controllable expense cost reductions of \$1,000,000	New Measure in FY 2018			\$1,000,000

Water Utilities Expenditures

	Actual FY 2016	Budgeted FY 2017	Estimated FY 2017	Adopted FY 2018
Administration	\$ 80,996,248	\$ 93,159,636	\$ 94,299,641	\$ 99,384,433
Financial Services	252,641	264,243	271,572	299,591
Conservation Program	316,607	5,920	10,879	288,700
Engineering	1,308,169	1,012,944	914,853	1,177,605
Information Services	1,765,457	979,881	1,012,104	1,056,522
Customer Services	2,558,221	2,907,350	2,343,985	2,350,774
Meter Maintenance	1,428,067	1,574,789	1,437,456	1,456,051
Meter Reading	526,205	529,452	515,241	484,743
Water Treatment PB	6,838,750	2,840,120	4,314,275	2,628,054
Water Treatment JK	-	3,519,592	1,849,823	3,370,272
Treatment Maintenance	2,812,751	2,486,880	2,494,758	2,564,703
Laboratory	809,392	843,543	843,141	886,167
Water Resource Services	552,138	682,982	689,644	751,867
Field Operations South	6,695,186	7,409,523	6,998,123	7,474,344
Operations Support Office	912,728	2,300,133	2,086,031	2,181,381
TOTAL	\$ 107,772,560	\$ 120,516,988	\$ 120,081,525	\$ 126,355,207

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Authorized Positions and Expenditures by Category

	Actual FY 2016	Budgeted FY 2017	Estimated FY 2017	Adopted FY 2018
Authorized Positions	204	202	202	198
Personnel Services	\$ 13,966,037.93	\$ 15,617,564	\$ 14,675,087	\$ 16,127,612
Operating Expenses	93,180,546	104,199,426	104,670,438	109,527,595
Capital Outlay	625,976	700,000	736,000	700,000
TOTAL	\$ 107,772,560	\$ 120,516,990	\$ 120,081,525	\$ 126,355,207

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WATER UTILITIES FUND FY 2018 Operating Position

	Actual FY 2016	Budgeted FY 2017	Estimated FY 2017	Adopted FY 2018
BEGINNING BALANCE	\$ 202	\$ 798,910	\$ 800,000	\$ -
REVENUES:				
Sewer Charges	\$ 53,713,871	\$ 57,810,110	\$ 58,402,894	\$ 62,410,319
Water Sales	69,378,426	74,005,930	74,024,497	75,030,038
Other Revenue	8,616,252	6,969,733	8,502,201	7,669,980
TOTAL REVENUES	\$ 131,708,549	\$ 138,845,773	\$ 140,929,592	\$ 145,110,337
INTERFUND TRANSFERS:				
General Fund - Indirect Cost	\$ (3,861,304)	\$ (4,118,690)	\$ (4,118,690)	\$ (4,226,514)
To APFA Fund	(63,811)	-	-	-
From Storm Water Fund - Indirect Cost	170,122	170,122	170,122	170,122
To Debt Service, Municipal Office Tower	(63,229)	(60,889)	(60,889)	-
Debt Service Reserve	(2,442,008)	-	(3,173,358)	(2,582,040)
Operating Reserve	(263,437)	(1,525,649)	(1,525,649)	(705,623)
To Innovation/Venture Capital Fund	(400,000)	(400,000)	(400,000)	-
Rate Stabilization Fund	(2,431,074)	1,900,000	2,360,397	2,285,837
Renewal / Rehabilitation Fund	(13,301,683)	(15,000,000)	(15,000,000)	(13,000,000)
Fleet Reserve	-	100,000	100,000	100,000
TOTAL INTERFUND TRANSFERS	\$ (22,656,424)	\$ (18,935,106)	\$ (21,648,067)	\$ (17,958,218)
TOTAL AVAILABLE FUNDS	\$ 109,052,327	\$ 120,709,578	\$ 120,081,525	\$ 127,152,119
TOTAL EXPENDITURES	\$ 107,772,560	\$ 120,516,988	\$ 120,081,525	\$ 126,355,207
ENDING BALANCE	\$ 1,279,767	\$ 192,590	\$ -	\$ 796,912

The two largest revenue sources for the Water Utilities Department are the Water Sales and Sewer Charges, \$75,030,038 and \$62,410,319 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.