

Water Division

MISSION STATEMENT

The Water Division will operate and maintain the Rockford public water system in a manner that:

- Protects public health and enhances the community (*Our Product*)
- Focuses on our customers (*Our Service*)
- Upholds the highest standards of public trust (*Our Reputation*)

PRIMARY FUNCTIONS

The Water Division is comprised of three operating sections and Administration. The Division is responsible for production, quality control, storage, distribution, and related services to approximately 52,000 water customers.

- **Production** - The Production Section is responsible for overseeing the operation of the water system wells/booster pumps, ground-level and elevated storage, water treatment equipment, water quality, cross-connection control, and facility maintenance.
- **Distribution** - The Distribution Section oversees the maintenance, repair, and replacement of water mains and associated service branches, valves, and fire hydrants.
- **Customer Service** - The Customer Service Section is primarily responsible for responding to customer concerns, meter readings, installation/replacement of water meters, and responding to service calls.
- **Administration** - The Administrative Section is responsible for all division administration, fiscal control, system planning, service contract administration, and payroll.

OBJECTIVES FOR FISCAL YEAR 2014

- Initiate asset management in Distribution Section.
- Develop long-term infrastructure replacement program.
- Continue to reduce water loss through leak detection program.
- Improve the quality of water delivered to customers by reducing iron, manganese, and radium concentrations through the use of new water filtration facilities and reducing excursions in concentration of treatment chemicals.
- Continue to improve customer service by reducing number of complaints throughout Water Division operations and improving responsiveness when a complaint is received.
- Implement drought response plan.
- Enhance community awareness of the importance of drinking water and the Rockford water system (public service announcements, secondary school demonstrations and presentations, etc.).
- Promote Rockford Environmental Laboratory and increase number of outside customers.
- Improve customer service by improving internal systems and responsiveness.
- Continue to promote worker safety and reduce number of on the job injuries by training employees and addressing all safety concerns in a timely manner.
- Continue to develop and implement Rockford Water Academy to train and cross-train employees with a goal averaging over 10 hours per employee of training per year.
- Continue to improve office environment at 1111 Cedar Street.
- Improve organizational efficiency through enhancing communication (SharePoint) across the organization and through implementation of accountability programs for managers and supervisors.
- Continue implementation of laptop program to make field operations more efficient.
- Implement stakeholder participation program.
- Complete cost of service study.

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WATER FUND BUDGET SUMMARY

	2011	2012	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$5,771,279	\$5,496,979	\$6,027,302	\$6,193,677	\$166,375
CONTRACTUAL	4,338,844	4,405,760	6,100,330	6,215,455	115,125
SUPPLIES	986,501	943,990	1,527,920	1,306,230	(221,690)
OTHER	7,321,149	8,653,045	8,240,214	8,886,526	646,312
INTEREST	<u>2,242,842</u>	<u>2,078,758</u>	<u>2,127,000</u>	<u>1,950,000</u>	<u>(177,000)</u>
TOTAL	<u>\$20,660,615</u>	<u>\$21,578,532</u>	<u>\$24,022,766</u>	<u>\$24,551,888</u>	<u>\$529,122</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
WATER USER FEES	\$21,908,636	\$23,644,538	\$23,564,000	23,988,000	\$424,000
INSTALLATIONS & CONNECTIONS	639,556	862,130	636,000	581,000	(55,000)
INTEREST INCOME	820,656	316,638	200,000	200,000	-
FROM OTHER GOVERNMENTS	2,273,425	-	-	-	-
MISCELLANEOUS	34,380	149,996	115,000	65,000	(50,000)
PURCHASE OF SERVICES	<u>92,971</u>	<u>96,900</u>	<u>99,000</u>	<u>73,740</u>	<u>(25,260)</u>
TOTAL	<u>\$25,769,624</u>	<u>\$25,070,202</u>	<u>\$24,614,000</u>	<u>\$24,907,740</u>	<u>\$293,740</u>

WATER FUND AUTHORIZED PERSONNEL

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 EMPLOYEES	INCREASE/ (DECREASE)
WATER SUPERINTENDENT	E-12	1.00	1.00	0.00
WATER OPERATIONS MANAGER	E-10	1.00	1.00	0.00
ASSISTANT SUPERINTENDENT	E-9	1.00	1.00	0.00
WATER QUALITY SUPERVISOR	E-8	1.00	1.00	0.00
WATER OPERATIONS SUPERVISOR - DISTRIBUTION	E-8	3.00	3.00	0.00
WATER PLANT OP. & MAINT.SUPERVISOR	E-8	2.00	2.00	0.00
WATER SYSTEMS & SCADA SUPERVISOR	E-8	1.00	1.00	0.00
WATER SERVICES COORDINATOR	E-8	1.00	1.00	0.00
ACCOUNTANT	E-7	1.00	1.00	0.00
WATER QUALITY TECHNICIAN	A-26	2.00	2.00	0.00
WATER CONTROL SYSTEM TECHNICIAN	E-5	1.00	1.00	0.00
SENIOR ENGINEERING TECHNICIAN	E-6	1.00	0.00	(1.00)
ENGINEERING TECHNICIAN	E-5	1.00	0.00	(1.00)
PUBLIC WORKS CREW LEADER	A-28	5.00	5.00	0.00
WATER PLANT OPERATOR	A-28	12.00	12.00	0.00
WATER SERVICE INSPECTOR	A-26	8.00	8.00	0.00
EQUIPMENT OPERATOR	A-23	6.00	6.00	0.00
SENIOR ACCOUNT CLERK	A-21	1.00	1.00	0.00
MAINTENANCE WORKER	A-20	10.00	10.00	0.00
SENIOR SECRETARY	A-20	1.00	0.00	(1.00)
SENIOR CLERK	A-19	<u>4.00</u>	<u>4.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>64.00</u>	<u>61.00</u>	<u>(3.00)</u>

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BUDGET HIGHLIGHTS

- Personnel expenses increase as wages increase for general longevity and step increases, a budgeted 2% salary adjustment, and salary study recommendations to adjust pay bands. These increases are offset by a reduction in health insurance rates.
- Contractual expenses increase due to adjustments in purchase of services charges.
- Supply expenses decrease as expenses for meter purchases and treatment chemicals decline.
- Other expenses of \$646,312 will cover estimated lease interest and depreciation for vehicles acquired in 2012 and 2013.

WATER FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$25,808	\$26,737	\$27,700	\$28,697	\$29,730
Expenses	<u>25,779</u>	<u>27,068</u>	<u>28,421</u>	<u>29,842</u>	<u>31,334</u>
Excess (Deficit)	<u>29</u>	<u>(331)</u>	<u>(721)</u>	<u>(1,145)</u>	<u>(1,604)</u>
Beginning Balance	<u>123,826</u>	<u>123,855</u>	<u>123,524</u>	<u>122,803</u>	<u>121,658</u>
Ending Balance	<u>\$123,855</u>	<u>\$123,524</u>	<u>\$122,803</u>	<u>\$121,658</u>	<u>\$120,054</u>
Bond Issues	\$0	\$0	\$0	\$0	\$0
Rate Increases	3.6%	3.6%	3.6%	3.6%	3.6%

The 2015-2019 five-year forecast assumes annual 3.6% rate increases with consumption decreasing each year due to increased conservation efforts. Expenses for this forecast range from five to six percent. The City will finance future improvements on a pay as you go basis.

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CAPITAL EQUIPMENT

Planned capital replacements for 2014 include vehicles under the City-wide leasing program and other equipment:

FIXED ASSETS

EQUIPMENT	QUANTITY	BUDGET EACH	TOTAL BUDGET
FCS Software for Meter Reading	1	48,000	48,000
Analytics Software for Meter Reading	1	105,000	105,000
Upgrades to SCADA System	1	200,000	200,000
Rebuild Cage in Cedar St. Garage	1	175,000	<u>175,000</u>
TOTAL			\$528,000

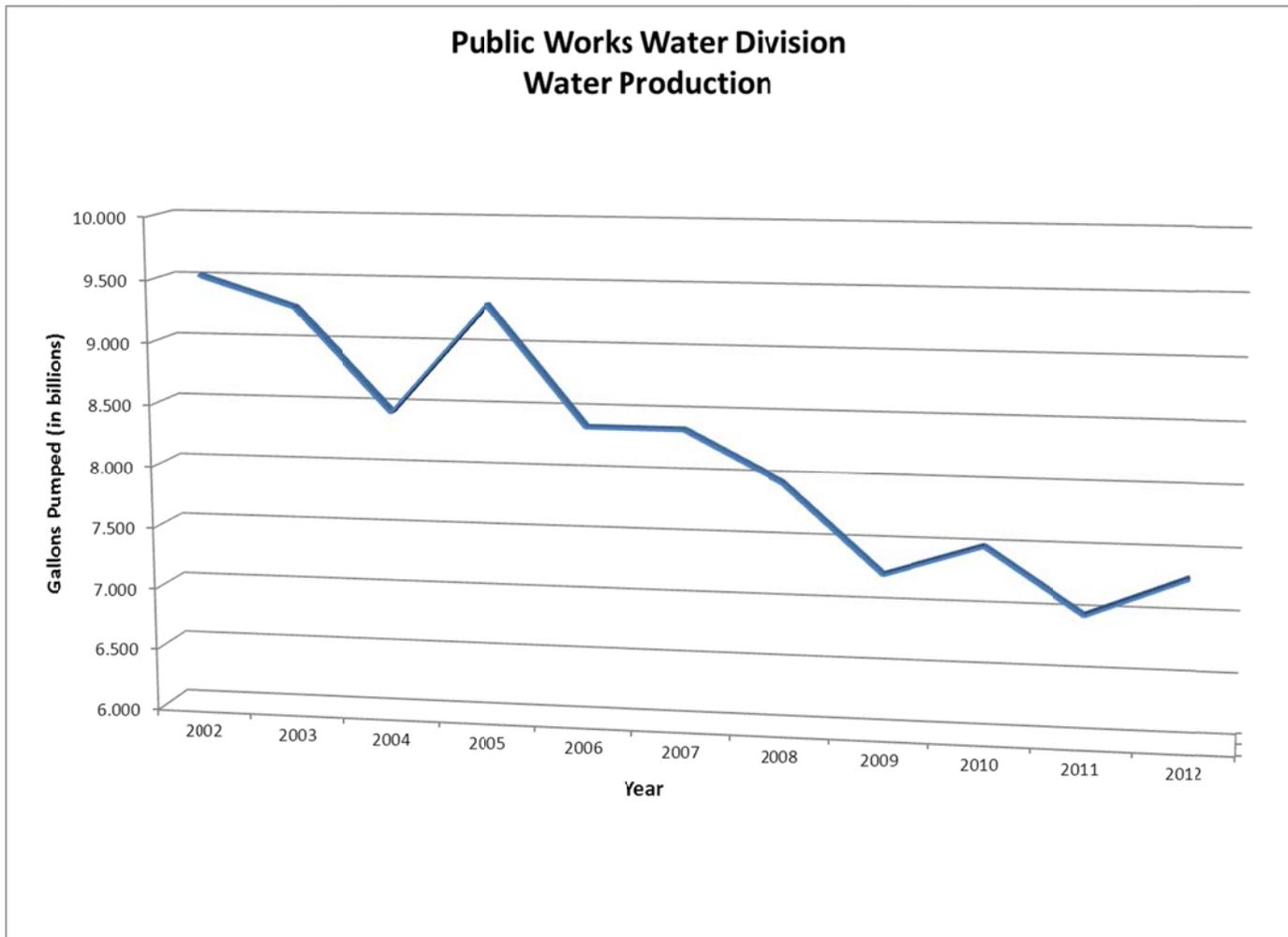
VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Double Axle Dump Truck	2	105,000	210,000
Heavy Duty Flatbed Truck	1	46,000	46,000
Sedan	1	19,000	19,000
Supervisor Pickup Truck	1	31,000	31,000
Service Pickup Truck	1	31,000	31,000
Service Truck	1	31,000	31,000
SUV	4	26,000	104,000
Van	3	23,000	69,000
Forklift	1	28,000	28,000
Backhoe	<u>2</u>	85,000	<u>170,000</u>
TOTAL	17		\$739,000

WATER FUND PERFORMANCE MEASURES

	2012 ACTUAL	2013 BUDGET	2013 ESTIMATE	2014 BUDGET
EMERGENCY REPAIR TIME (HOURS)	1.30	3.00	1.00	2.00
% OF TOTAL REPAIRS THAT ARE PLANNED	84%	80%	68%	80%
EMERGENCY JULIE LOCATE RESPONSE TIME	0.50	2.00	0.50	1.00
BACKLOG OF NON-EMERGENCY REPAIRS (WKLY AVG)	20	25	16	65
WATER MAIN FLUSHED (MILES)	493	240	275	240
AVG DAYS TO CORRECT METER PROBLEM	23	30	24	30
% CITIZENS RECEIVING FIRST CHOICE SCHEDULE	96%	90%	96%	90%
% MEETING DEMAND FOR WATER PUMPED	149%	110%	167%	110%
WATER QUALITY COMPLAINTS	19	108	12	48
% OF TOTAL PRODUCTION FROM REHAB WELLS	84%	80%	86%	80%
NEW WATER CONNECTIONS	41	96	18	96

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OPERATIONAL INFORMATION



As the graph shows, water production has fluctuated somewhat in the last ten years. Since 1998, when gallons pumped was at 8.9 billion, production has decreased 21%, to an estimated 6.9 billion gallons in 2013. The average production for the past seven years is 7.719 billion gallons, which is more than estimated 2014 production of 6.9 billion. Weather conditions, particularly annual rainfall, impact water usage in the City.

**WATER DIVISION
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS**

Account	2012 ACTUAL	2013 BUDGET	8 MONTH ACTUAL	2014 BUDGET	CHANGE 14-13
71112 Salaries Permanent	3,085,698	3,310,394	2,131,228	3,487,916	177,522
71113 Salaries Temporary	24,623	102,900	34,608	102,900	-
71119 Out Of Class Pay	2,147	-	899	-	-
71122 Salaries Overtime Perm	451,580	485,000	381,797	508,000	23,000
71129 Salary Adjustment	-	66,208	-	70,628	4,420
71180 Employee Agency Wages	46,883	-	45,404	-	-
71251 IMRF	738,032	831,166	532,452	864,286	33,120
71253 Unemployment	12,579	11,520	9,449	11,520	-
71262 Workmen's Compensation	143,651	150,532	118,205	158,067	7,535
71263 Health Insurance	968,069	1,045,486	667,012	967,096	(78,390)
71264 Life Insurance	4,805	4,992	3,023	4,992	-
71265 Retiree Health Insurance	16,848	16,848	11,232	16,016	(832)
71271 Parking Benefits	2,064	2,256	1,504	2,256	-
TOTAL PERSONNEL	5,496,979	6,027,302	3,936,813	6,193,677	166,375
72203 Wireless Expense	24,805	23,300	20,509	31,000	7,700
72211 Printing & Publication	10,721	27,800	3,950	20,400	(7,400)
72212 Postage	13,179	20,200	4,636	6,300	(13,900)
72213 Telephone	25,408	25,200	10,413	24,300	(900)
72214 Travel	433	400	632	300	(100)
72215 Dues	9,735	10,005	8,820	10,180	175
72216 Subscriptions	613	1,900	-	1,700	(200)
72217 Advertising	-	2,000	-	2,000	-
72218 Service Contracts	945,510	2,347,000	1,077,900	2,301,000	(46,000)
72219 Other Contractual Service	72,652	115,835	59,754	141,425	25,590
72230 Water Power Expense	1,616,512	1,600,000	821,434	1,600,000	-
72231 Utilities-Bldg & Off	11,508	17,400	8,369	13,400	(4,000)
72235 Backwash Treatment	70,096	90,000	26,001	75,000	(15,000)
72251 Maint-Building	20,369	19,200	20,846	14,700	(4,500)
72252 Maint-Equipment	32,522	44,600	32,853	56,500	11,900
72253 Maint-Public Works	-	4,000	-	4,000	-
72258 Water Reservoir Repair	18,691	14,800	4,695	12,900	(1,900)
72263 Microcomputer	181,310	189,110	126,073	216,020	26,910
72264 Vehicle Repairs	359,420	335,000	205,463	378,000	43,000
72265 Fuel	211,897	233,340	165,588	222,110	(11,230)
72267 Risk Management	117,850	168,900	112,600	291,470	122,570
72268 Central Store Services	172,200	172,200	114,800	182,450	10,250
72271 Rental Equipment	94,373	127,540	98,008	169,920	42,380
72272 Rental Building	331,900	343,500	229,000	345,780	2,280
72273 Rental Land	2,167	3,000	5,033	4,500	1,500
72282 Prof Fee Auditing	11,403	10,500	-	11,500	1,000
72283 Prof Fee Engineering	30,971	100,000	45,046	40,000	(60,000)
72284 Medical	(520)	-	-	-	-
72288 Prof Fees - Misc	-	12,000	-	-	(12,000)
72290 Education And Training	17,137	35,700	6,427	32,700	(3,000)
72298 Garbage Disposal	950	5,900	591	5,900	-
72299 Miscellaneous Contractual	1,948	-	-	-	-
TOTAL CONTRACTUAL	4,405,760	6,100,330	3,209,441	6,215,455	115,125

**WATER DIVISION
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS**

Account	2012 ACTUAL	2013 BUDGET	8 MONTH ACTUAL	2014 BUDGET	CHANGE 14-13
75502 Water Supplies & Material	767,282	1,166,800	433,812	1,074,300	(92,500)
75520 Small Equipment And Tools	48,405	43,250	13,684	34,700	(8,550)
75521 Medicine And Drugs	73	-	54	-	-
75522 Laboratory	31,339	45,800	19,320	37,400	(8,400)
75524 Clothing	675	1,900	230	1,600	(300)
75525 Food	1,525	2,650	997	2,650	-
75526 Fuel And Lubricants	7,418	9,200	1,402	9,000	(200)
75527 Linens And Laundry	8,351	8,800	4,774	7,850	(950)
75540 Maint-Building	388	5,000	261	3,000	(2,000)
75543 Maint-Equipment	26,764	62,200	18,323	62,000	(200)
75544 Maint-Vehicles	-	93,720	2,067	-	(93,720)
75546 Maint-Janitorial & Cng	101	500	-	200	(300)
75560 Office General Supplies	12,476	17,200	6,704	17,100	(100)
75561 Photography & Reproductn	2,100	2,000	-	2,000	-
75565 Public Relations	4,782	10,000	35	10,000	-
75569 Miscellaneous Supplies	-	500	-	500	-
75570 Computer Noncapital	17,009	43,900	3,883	38,000	(5,900)
75592 Equip & Furniture Noncapital	15,302	14,500	2,628	5,930	(8,570)
TOTAL SUPPLIES	943,990	1,527,920	508,174	1,306,230	(221,690)
76780 Depreciation	5,567,434	5,542,530	2,876,520	5,955,050	412,520
76799 Loss From Asset Disposal	76,896	-	-	-	-
77725 Purch Service-General Fd	2,660,390	2,619,505	1,746,337	2,702,438	82,933
77733 Tranf To Bldg Maint	5,404	5,404	3,603	5,404	-
78751 Debt Service Fee	4,100	4,500	2,675	4,500	-
78833 Interest Gob	2,078,758	2,127,000	411,449	1,950,000	(177,000)
78839 Capital Lease Interest	-	-	-	167,434	167,434
78885 Amortization	338,821	68,275	25,340	51,700	(16,575)
TOTAL OTHER	10,731,803	10,367,214	5,065,924	10,836,526	469,312
TOTAL WATER DIVISION	21,578,532	24,022,766	12,720,352	24,551,888	529,122