



Cleveland Water

BUDGET OVERVIEW



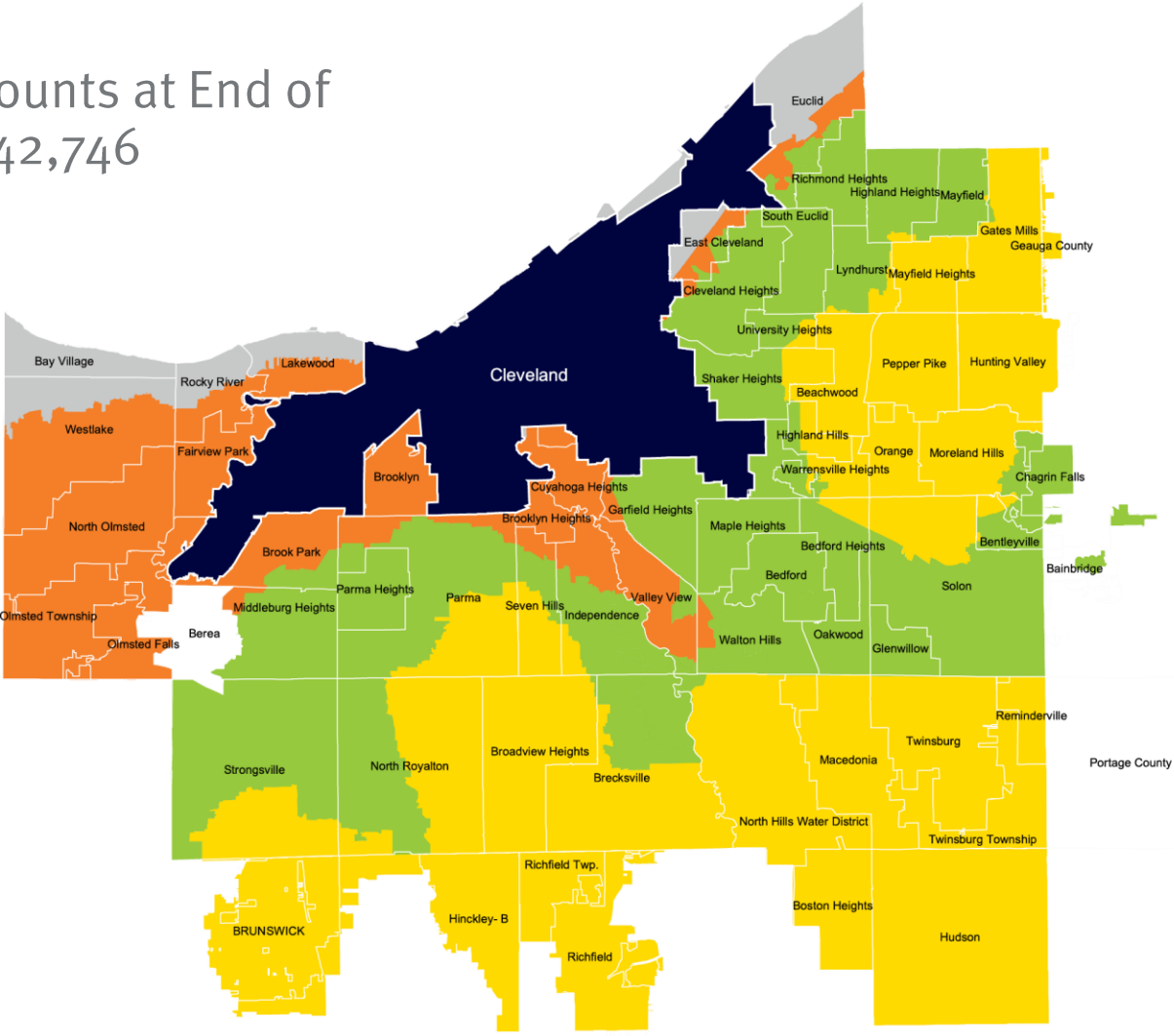
System Overview

- Cleveland Water provides a reliable supply of safe drinking water to more than 1.4 million people in 80 communities
 - 9th largest water system in the United States
 - Provide three types of service:
 - Direct Service (retail) –sell water directly to customers; providing treatment, distribution and customer service
 - Master Meter (wholesale) – sell water to communities, who then resell to residents
 - Emergency (back-up) – sell water on an as needed basis to other water systems during emergencies
- Major infrastructure includes:
 - Four interconnected water treatment plants
 - Five major pump stations
 - Eleven secondary pump stations
 - Twenty-one water tanks and towers
 - 5,300 miles of water mains



Cleveland Water Service Area

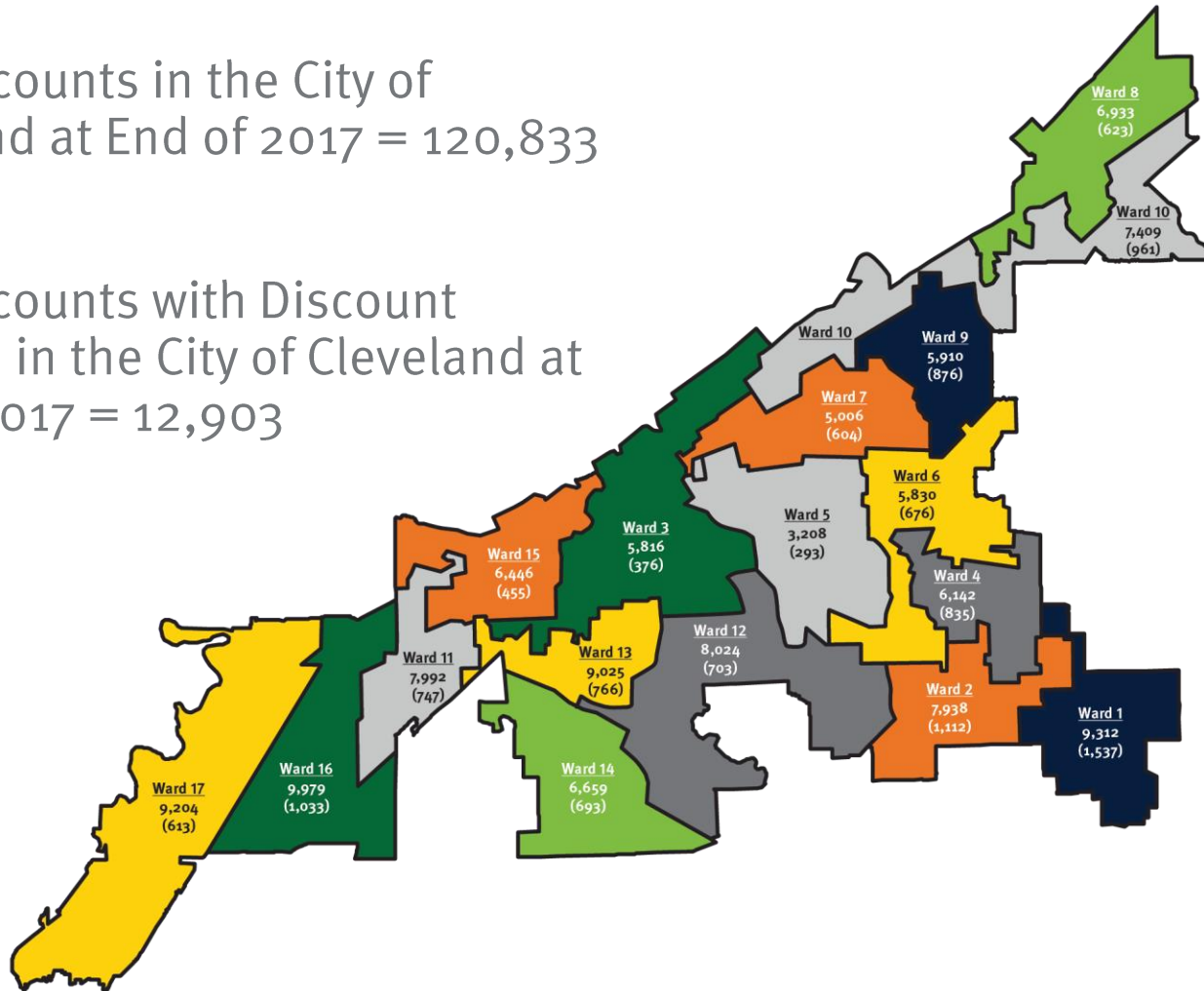
Total Accounts at End of 2017 = 442,746



Cleveland Water Accounts by Ward

Total Accounts in the City of Cleveland at End of 2017 = 120,833

Total Accounts with Discount Program in the City of Cleveland at End of 2017 = 12,903

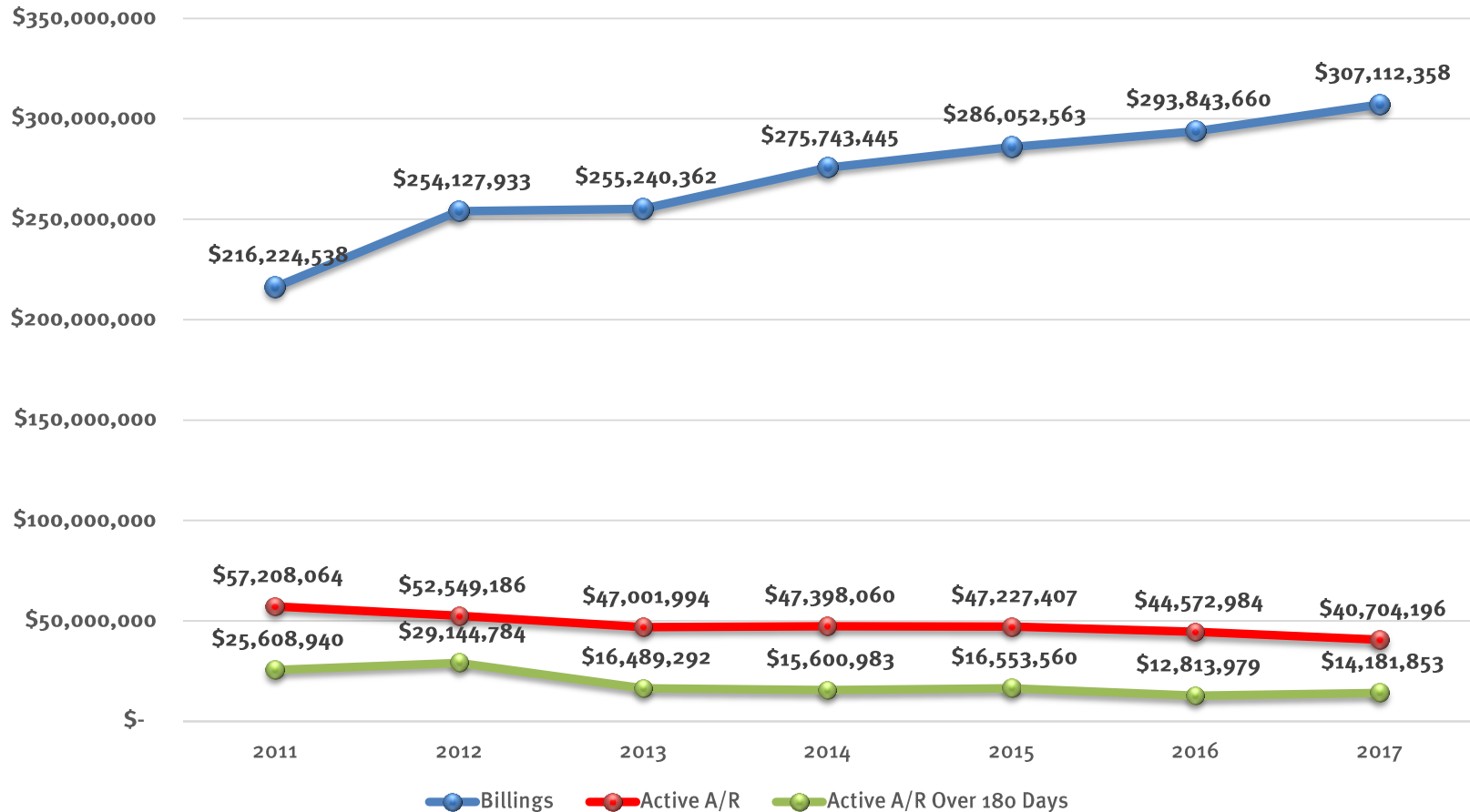


2017 Selected Accomplishments

- Transitioned all customers from quarterly to monthly billing
- Converted Cleveland Heights from Master Meter to Direct Service
- Launched CityWorks work management system for Hydraulics and Distribution and Maintenance
- Executed Restated Water Service Agreements with Macedonia, Valley View and Beachwood
 - 35 out of 60 eligible communities have signed
- Completed Water Audit and Phase 1 of System Leak Detection initiative
 - Surveyed entire Low and 1st High pressure districts
- Refinanced debt, resulting in savings of \$12 million and improved bond rating

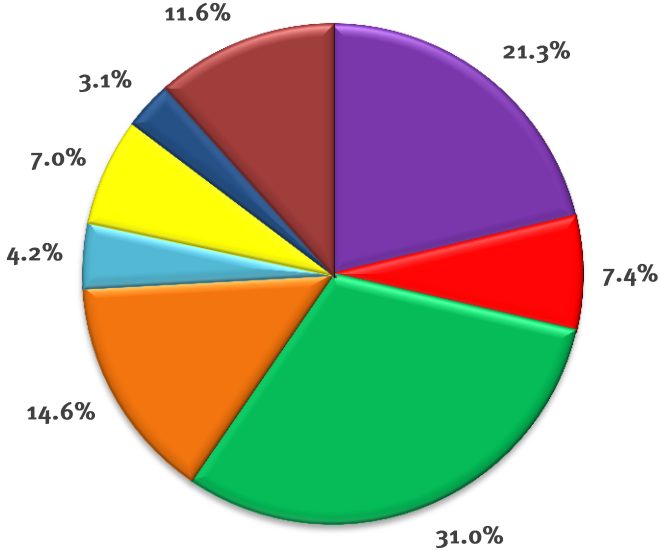


Active Accounts Receivable, 2011-2017



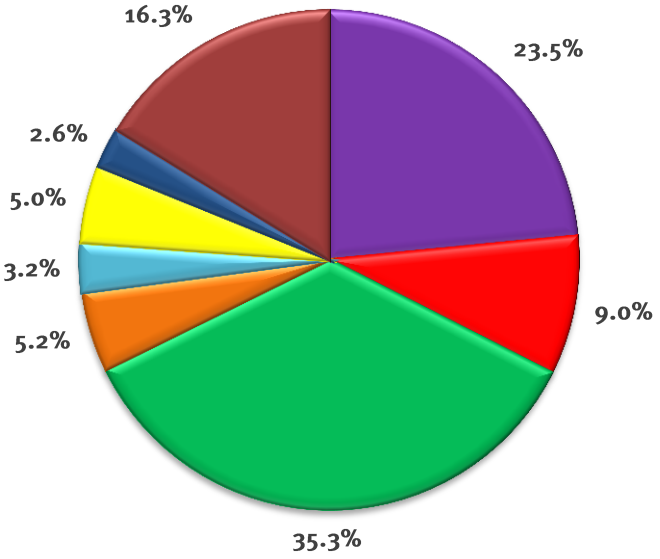
Call Center Calls by Type

2013



- Payments and Payment Plans
- Start/Stop
- Bill Inquiry
- Collections Inquiry
- Correspondence
- Bill Dispute
- Meter Inquiry
- Other

2017



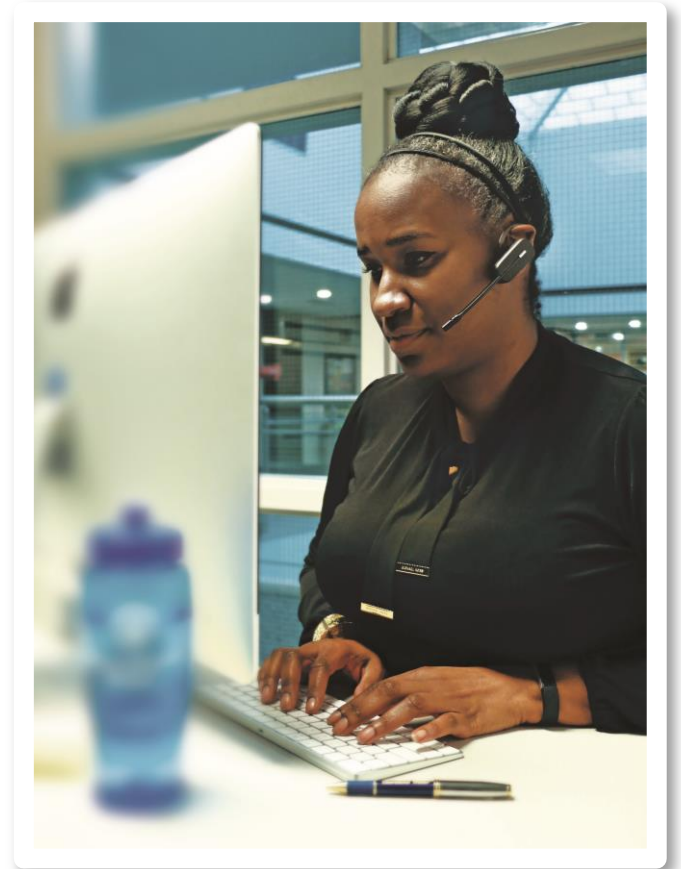
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Key Performance Measures

Customer Account Services

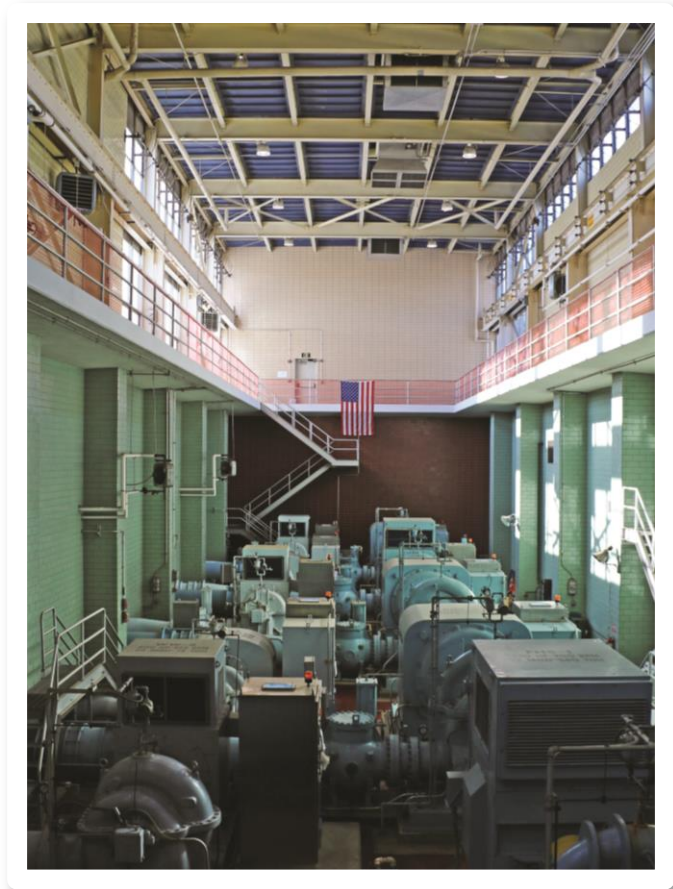
- Goal: Produce 99% of bills on-time
 - 99.7% in 2017; 99.8 % in 2016;
99.7% in 2015
- Goal: Maintain Collections Rate of 98%
 - 97.3% in 2017; 97.3% in 2016;
95.9% in 2015
- New Monthly Billing Goal: Generate 98% of AMR bills based on actual reads
 - 97.4% in 2017
- New Monthly Billing Goal: Answer 80% of calls in 90 seconds or less
 - 71.6% in 2017



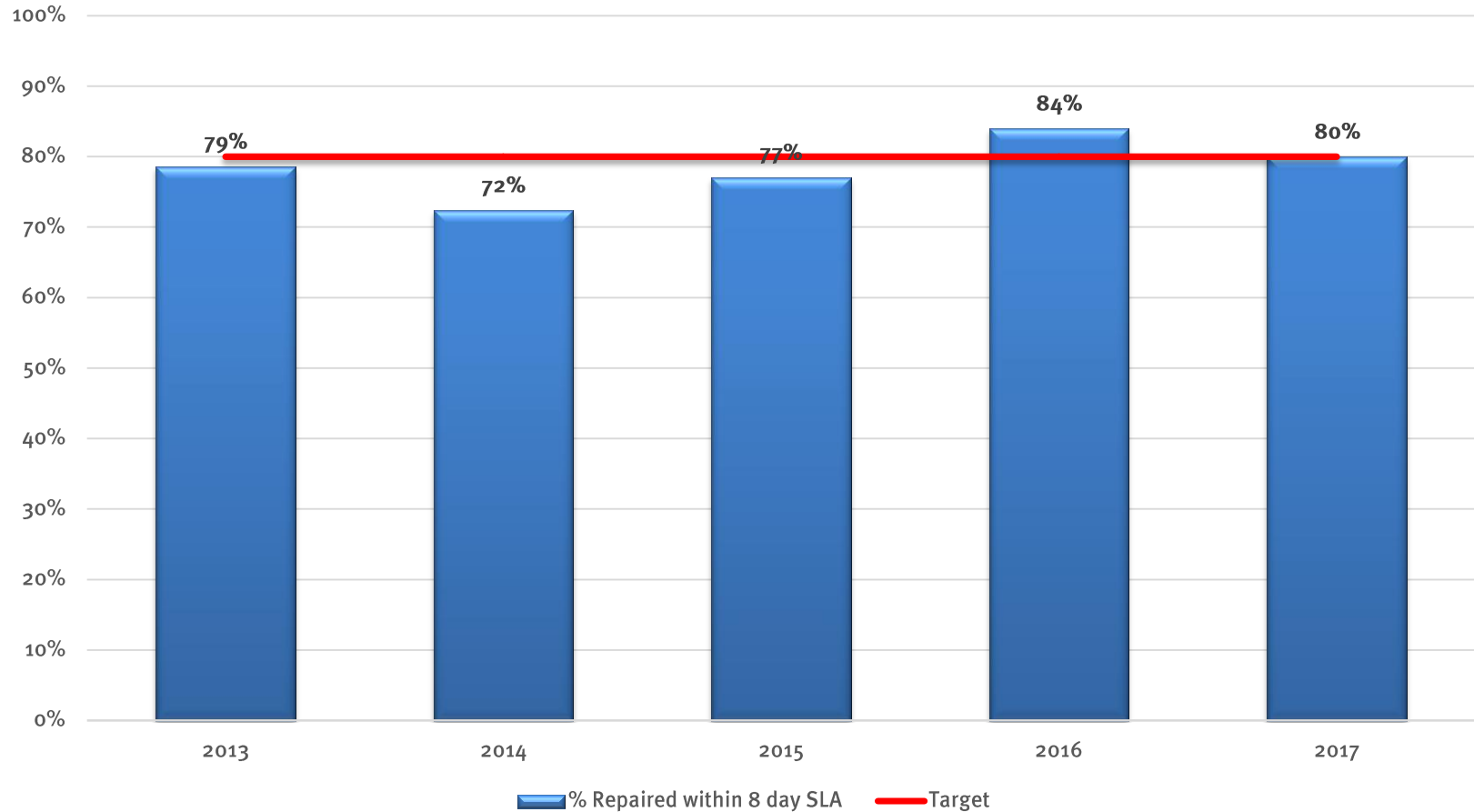
Key Performance Measures

Plant Operations

- Goal: 0 Ohio EPA Treatment Violations
 - 0 in 2017
 - 0 in 2016
 - 0 in 2015
- Goal: All 4 water treatment plants participating in the *Partnership for Safe Drinking Water*
 - 2017 – Crown awarded Phase IV; Baldwin, Morgan, and Nottingham awarded Phase III
 - 2016 – Crown awarded Phase IV; Baldwin, Morgan, and Nottingham awarded Phase III
 - 2015 – Baldwin, Crown, Morgan, and Nottingham awarded Phase III



Main Breaks Repaired in 8 Days or Less



Key Performance Measures

Distribution and Maintenance

- Goal: Complete 90% of utility cut restoration in 45 days (including edge seal)
 - 94% in 2017
 - 96% in 2016
 - 96% in 2015

Engineering

- Goal: Complete capital projects on time and within budget
 - 2017 – All completed on-time, within budget
 - 2016 – All completed on-time, within budget
 - 2015 – All completed on-time, within budget



2018 Focus Areas

- Continue delivering reliable supply of safe water
- Build on customer service improvements
- Begin Rate Study and 10-Year Financial Plan
- Implement Apprenticeship Program
- Implement CityWorks for Plant Operations
- Complete Cleveland Heights AMR implementation



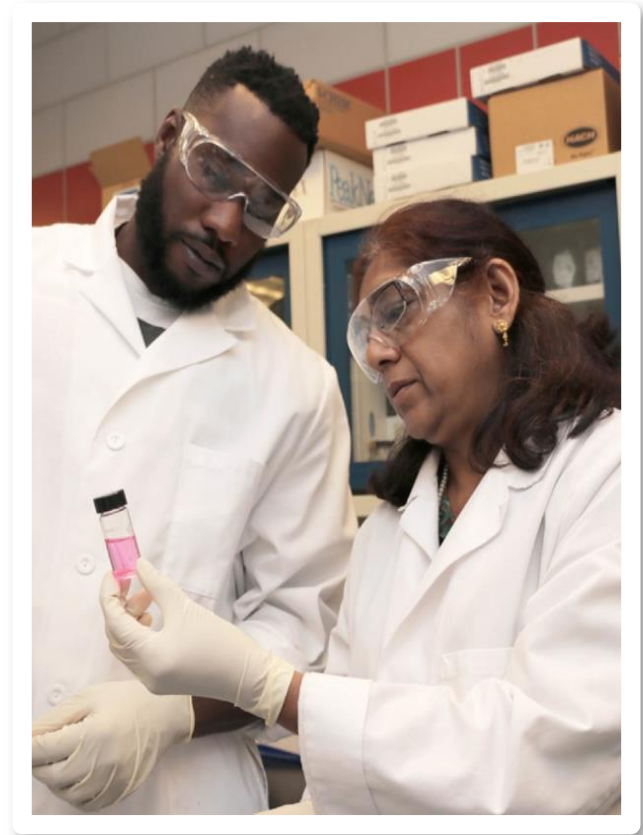
2018 Budget Snapshot

Cleveland Water	
Total Budgeted Employees	1,188
Beginning Balance	\$208,277,847
Revenue Estimate	\$298,159,530
Total Resources	\$506,437,017
Expense Estimate	\$361,078,645
Projected Ending Balance	\$145,358,372
Debt Service Coverage	2.50
Bond Rating Revenue – Moody’s	Aa1
Bond Rating Revenue – S&P	AA+



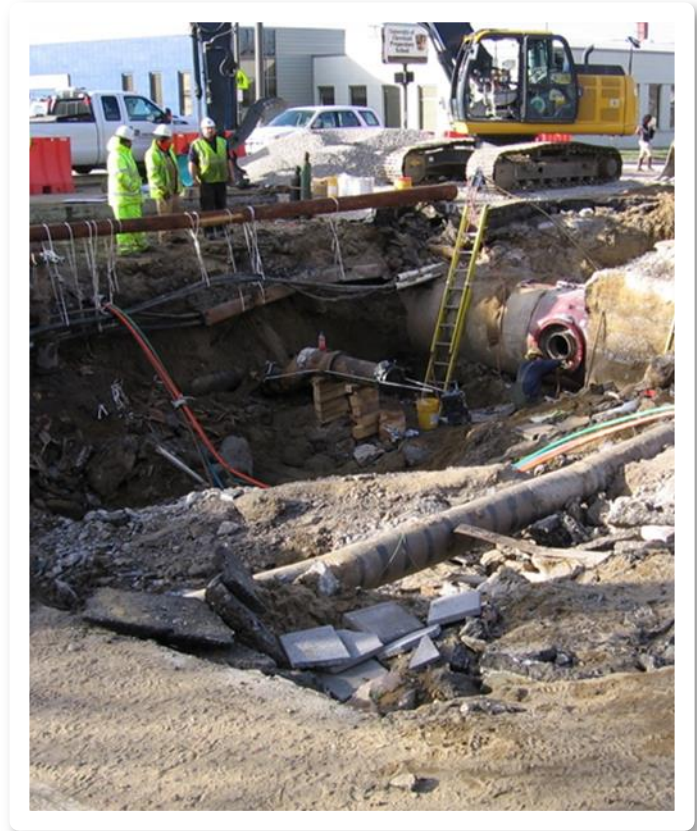
Cleveland Water Work Groups

- Plant Operations – 177 employees
 - Operates:
 - Water treatment facilities (4);
 - Water storage facilities (21);
 - Major pumping stations (5); and
 - Secondary pump stations (11)
 - Plant Managers
 - Assistant Plant Managers
 - Plant Operators
 - Instrumentation Techs
 - Chemists
 - Water Purification and Quality Managers
 - Other maintenance/support staff



Cleveland Water Work Groups

- Distribution and Maintenance – 341 employees
 - Responsible for:
 - 5,300 miles of water mains
 - 442,746 active water connections
 - 74,971 fire hydrants
 - 67,733 valves
 - Dispatch
 - Pipe Repairmen
 - Construction trades
 - Supervisory staff
 - Other maintenance/support staff



Cleveland Water Work Groups

- Engineering – 81 employees
 - Responsible for
 - System planning
 - Capital program
 - Diagnosing/correcting water quality, flow and pressure problems
 - Engineers
 - Technicians
 - Hydraulic Specialists
 - Other support staff



Cleveland Water Work Groups

- Customer Account Services – 305 employees
 - Includes:
 - Meter services
 - Billing services
 - Call Center
 - Credit and Collections
 - Permits and Sales
 - Customer Service Representatives
 - Business Analysts
 - Meter Technicians
 - Supervisory staff
 - Other support staff
- KEY CHANGE: Reclassified Meter Services Employees in 2017
 - Combined Meter Repairmen and Meter Readers to improve efficiency



Cleveland Water Work Groups

- Other functions – 284 employees
 - Commissioner's Office
 - Communications
 - Human Resources
 - Risk Management
 - Regulatory Compliance
 - Budget/Purchasing
 - IT
 - Security
 - 1201 Building Maintenance



Cleveland Water 2018 Budgeted Expenditures

Category	Budgeted Expenditures
Salaries and Wages	\$61,769,114
Benefits	\$25,442,563
Other Training & Professional Dues	\$678,891
Utilities	\$30,240,143
Contractual Services	\$23,069,612
Materials and Supplies	\$21,099,982
Maintenance	\$31,621,149
Claims, Refunds, Maintenance	\$4,735,992
Interdepartmental Charges	\$13,600,963
Capital Outlay	\$77,630,000
Debt Service	\$71,190,236



Cleveland Water Select Capital Projects

2017 Select Projects

- Cleveland Water Distribution Main Renewal -- \$5,375,593
 - E. 71st – Harvard to Grant
 - Linn – Lima to Tuscarora
 - Orange – E. 22nd to E. 30th
 - Kirtland Crib Rehabilitation -- \$3,968,735
 - Post-PEP Phase B -- \$7,500,000
-

2018 Select Projects

- Cleveland Water Distribution Main Renewal -- \$5,000,000
 - Camden – W. 73rd to W. 82nd
 - Fleet – Broadway to Aetna
 - Lakeview – Earle to Greenview
- Engle Road Pump Improvements-- \$2,000,000
- Nottingham Water Treatment Plant Improvements Phase A -- \$8,000,000



Questions



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