



Cleveland Water
**2017 BUDGET
PRESENTATION**

Cleveland Water

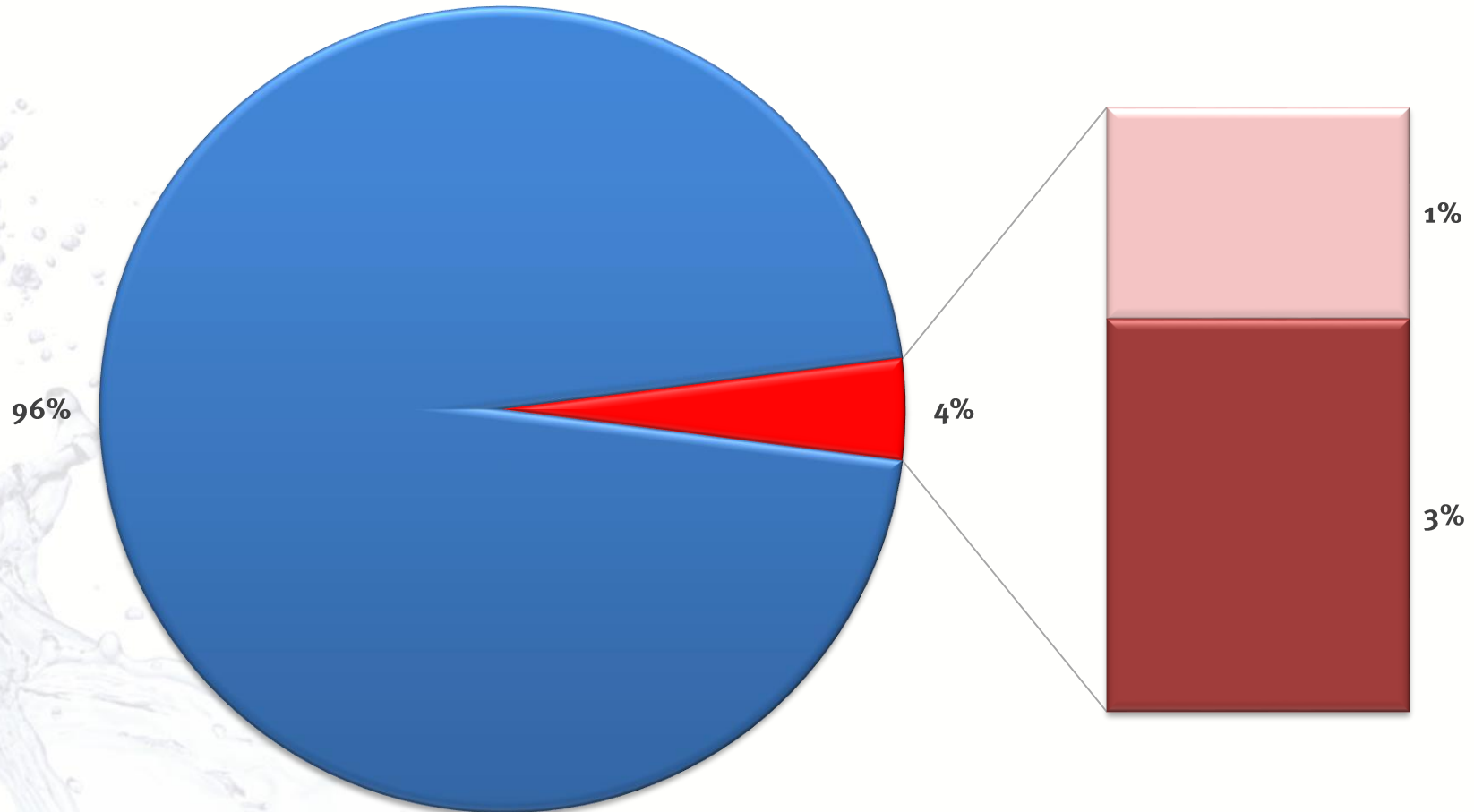


2016 Select Accomplishments

- 0% Rate Increase in 2016, 2017 and 2018
- **Started Monthly Billing Transition**
 - Approximately 2/3 of customers transitioned
 - Remaining 1/3 transition in March
- **Successful completion of AMR upgrades**
 - 94.6% installation rate (over 392,000 meters upgraded)
 - 99% network performance
- **Installed multiple water quality monitoring tools**
- **Curb to Curb Resurfacing Pilot Project with Engineering and Construction**
- **Transitioned Cleveland Heights from Master Meter to Direct Service**
- **Conducted extensive public education on water quality**
 - Developed Online Lead Lookup Tool

2016 Key Performance Measure

Summary of Bills Based on Actual v. Estimated Reads



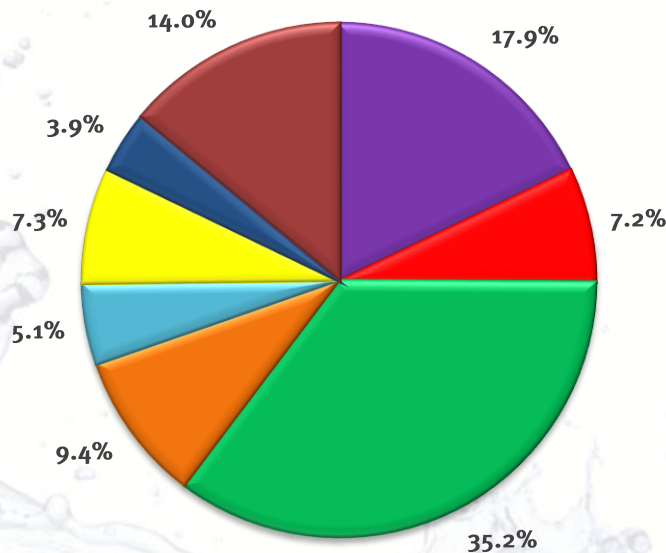
■ Bills Based on Actual Reads ■ AMR Estimates ■ Legacy Estimates

Cleveland Water



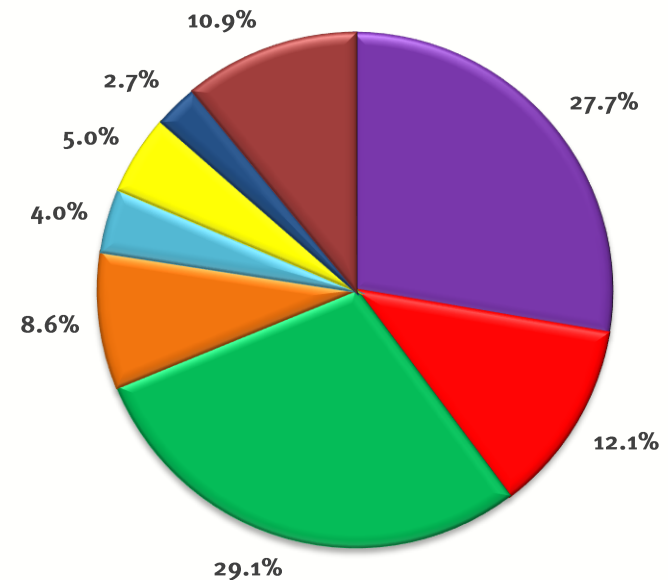
2016 Key Performance Measure Call Center Calls by Type

2012



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

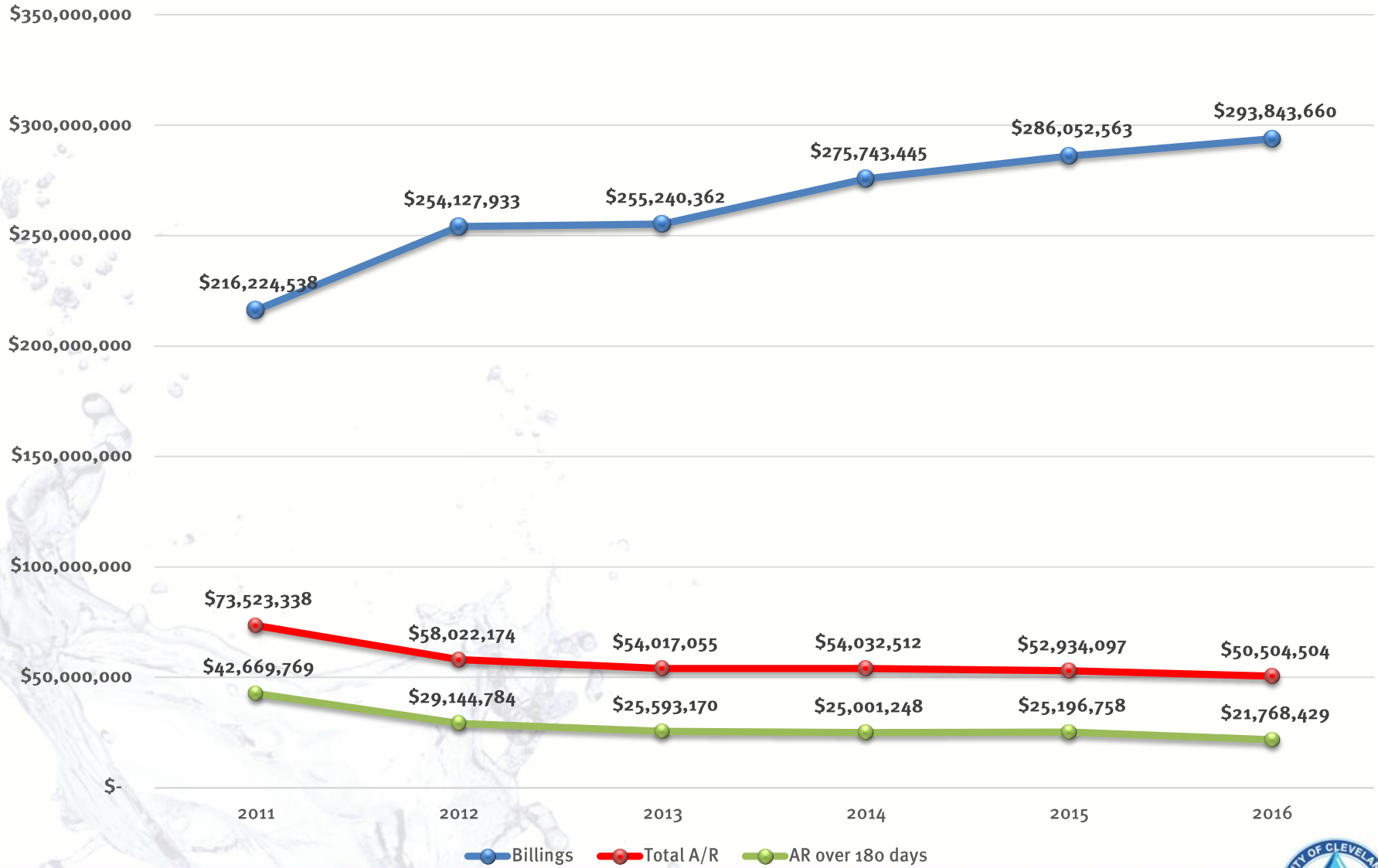
2016



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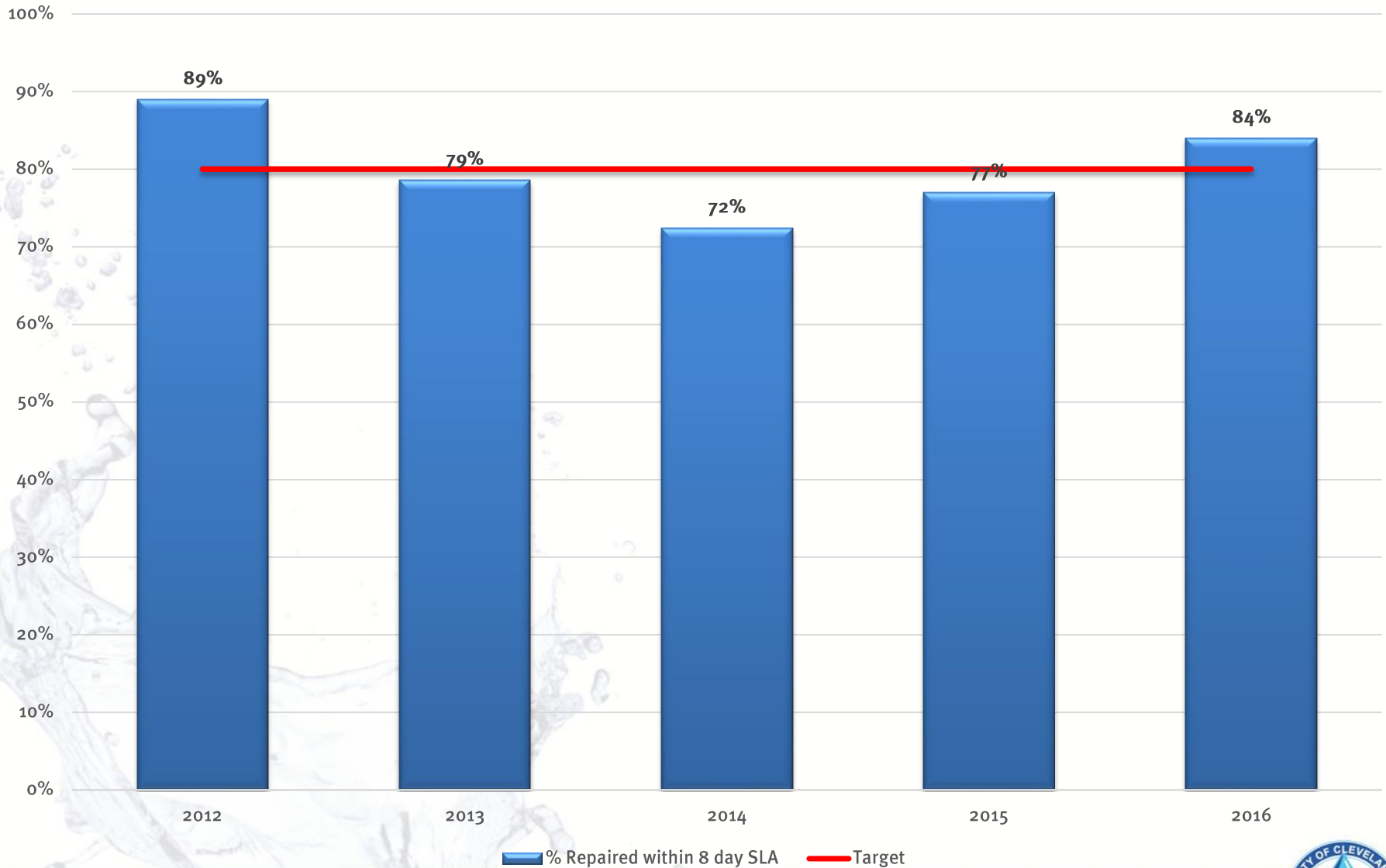
2016 Key Performance Measure

Past Due Accounts Receivable, 2011-2016



2016 Key Performance Measure

Percent Main Breaks Repaired Within 8 Day SLA, 2012-2016



Other Key Performance Measures

- **Distribution and Maintenance**
 - **Goal: Complete 90% of utility cut restoration in 45 days (including edge seal)**
 - 96% in 2016
 - 96% in 2015
 - 93% in 2014

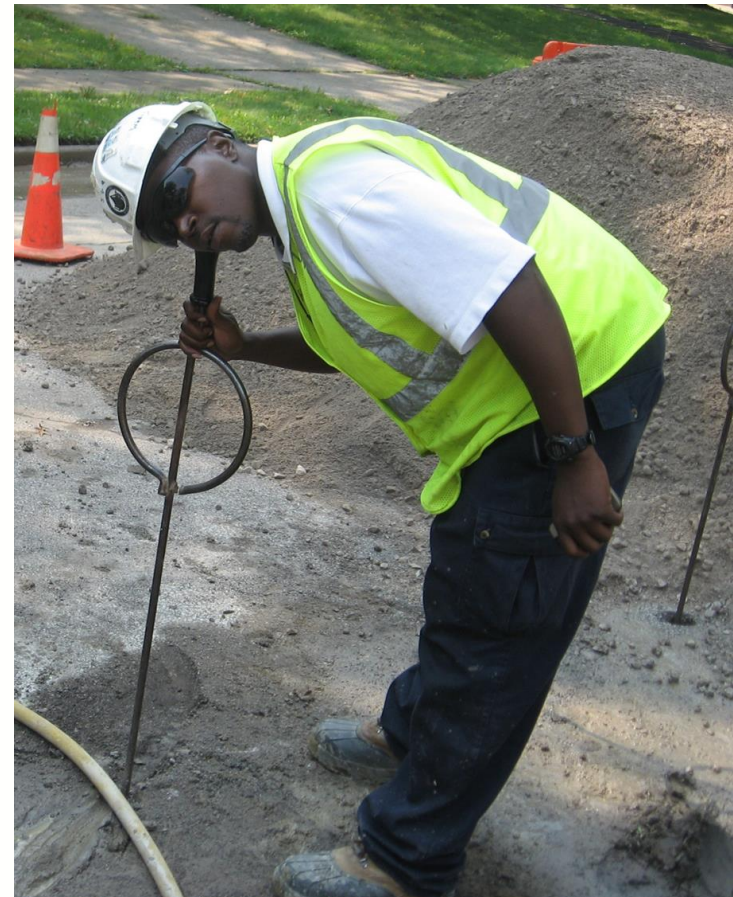


Other Key Performance Measures

- **Plant Operations**
 - **Goal: 0 Ohio EPA Treatment Violations**
 - 0 in 2016; 0 in 2015; 0 in 2014
- **Engineering**
 - **Goal: Complete capital projects on time and within budget**
 - 2016 – All completed on-time, within budget; 2015 – All completed on-time, within budget; 2014 – All completed on-time, within budget
- **Customer Account Services**
 - **Goal: Produce 99% of bills on-time**
 - 99.8 % at the end of 2016; 99.7% at end of 2015; 99.6% at end of 2014
 - **Goal: Answer 80% of calls in 30 seconds or less**
 - 82.7% in 2016; 79.1 % in 2015; 52.2% in 2014
 - **Goal: Maintain Collections Rate of 98%**
 - 97.3% in 2016; 95.9% in 2015; 95.4% in 2014

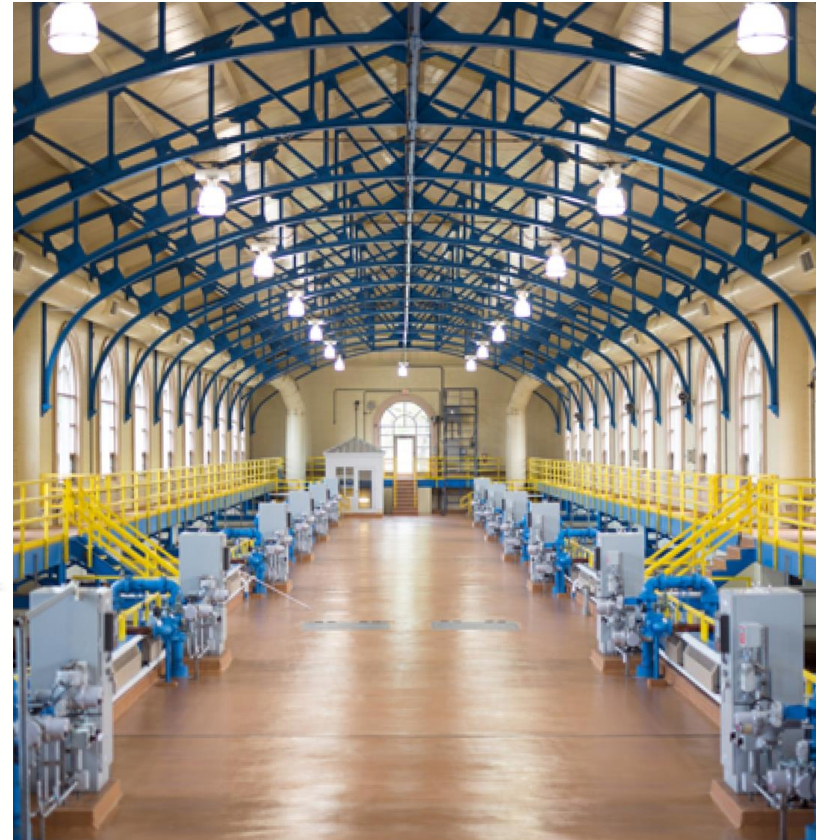
2017 Focus Areas

- Continue delivering reliable supply of safe water
- Build on customer service improvements
 - Continue monitoring Monthly Billing performance
- Engage in proactive compliance planning
- Increase public education activity
 - Discount Programs
 - Paperless Billing
- Develop Cleveland Water Apprenticeship Program
 - 2018 Rollout
- Develop Strategic Plan
- Continue on-time/budget capital project management
- Evaluate staffing levels
 - IT, Engineering, Field Crews, Customer Service
- Leverage technology to improve service delivery
 - CityWorks
- Complete Cleveland Heights Transition



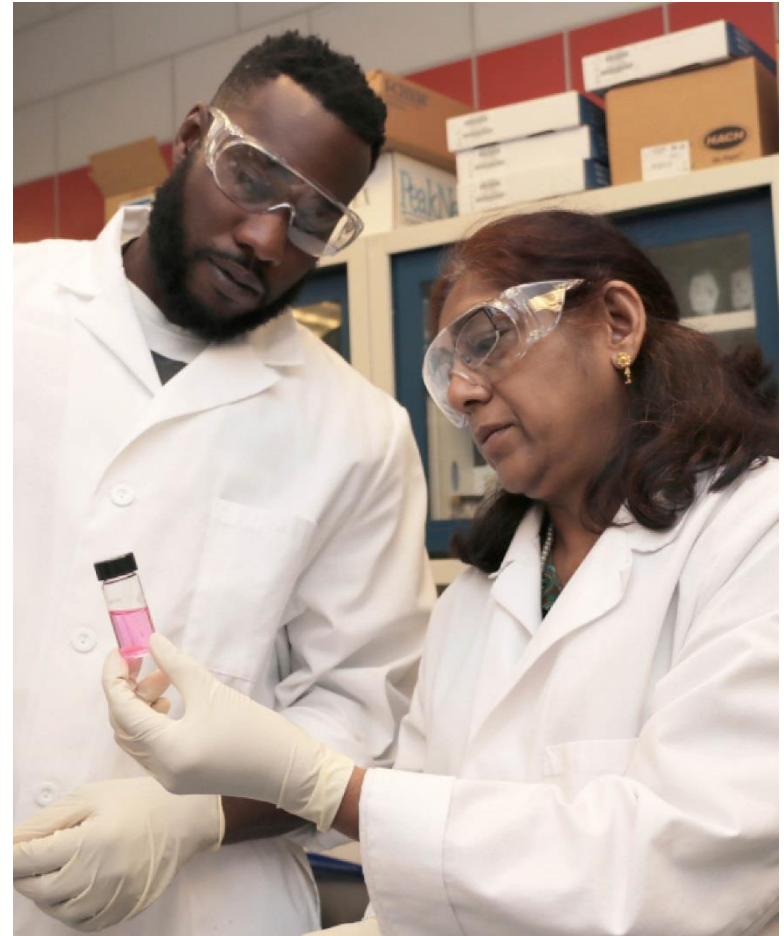
2017 Budget Snapshot (page 391-401)

- Total Budgeted Employees – 1,178
- Total Revenue -- \$311,000,000
- Total Expenditures -- \$344,934,068
 - Expenditures exceed revenue due to cash funding capital projects
- Debt Service Coverage – 2.15
- Bond Rating
 - Revenue
 - Moody's – Aa1
 - S&P -- AA



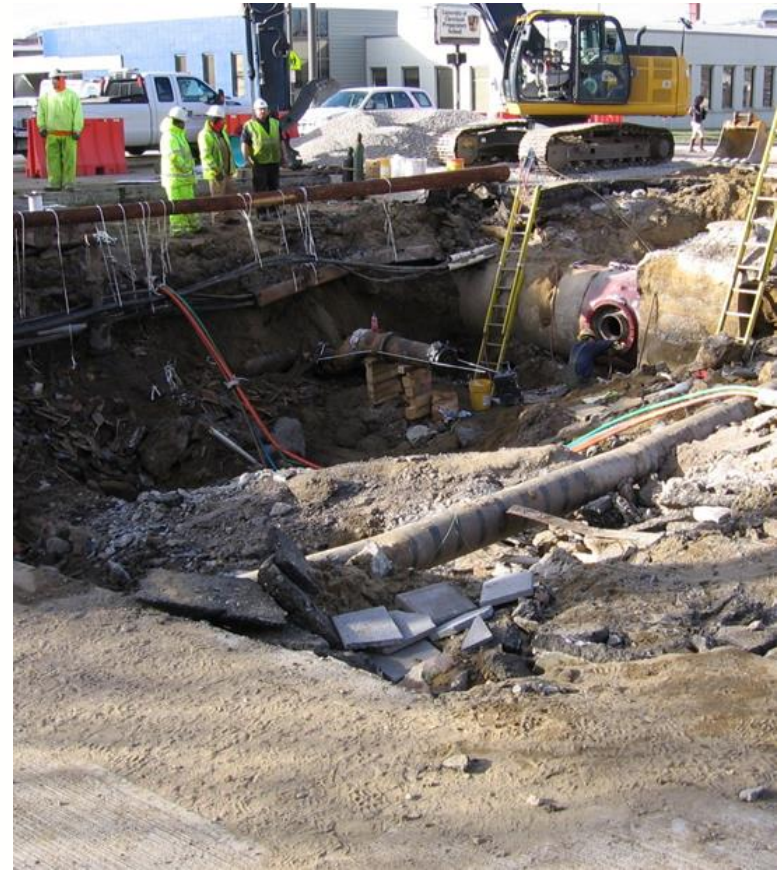
Cleveland Water Work Groups

- **Plant Operations – 172 employees**
 - Operates the 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 – 405 employees**
 - Maintains 5,300 miles of water mains and associated infrastructure
 - Dispatch, Pipe Repairmen, Meter Repairmen, Construction trades, supervisory staff, other maintenance/support staff



Cleveland Water Work Groups

- **Engineering – 125 employees**
 - Responsible for system planning, capital program, and diagnosing/correcting water quality, flow and pressure problems
 - Engineers, Technicians, Hydraulic Specialists and other support staff



Cleveland Water Work Groups

- **Customer Account Services – 226 employees**
 - Provide customer service, billing, collections and meter services support
 - Customer Service Representatives, Business Analysts, Meter Readers, supervisory staff, other support staff



Cleveland Water Work Groups

- Other functions – 250 employees
 - Risk Management, Safety, Regulatory Compliance, Budget/Purchasing, IT, Security



Cleveland Water Expenditures

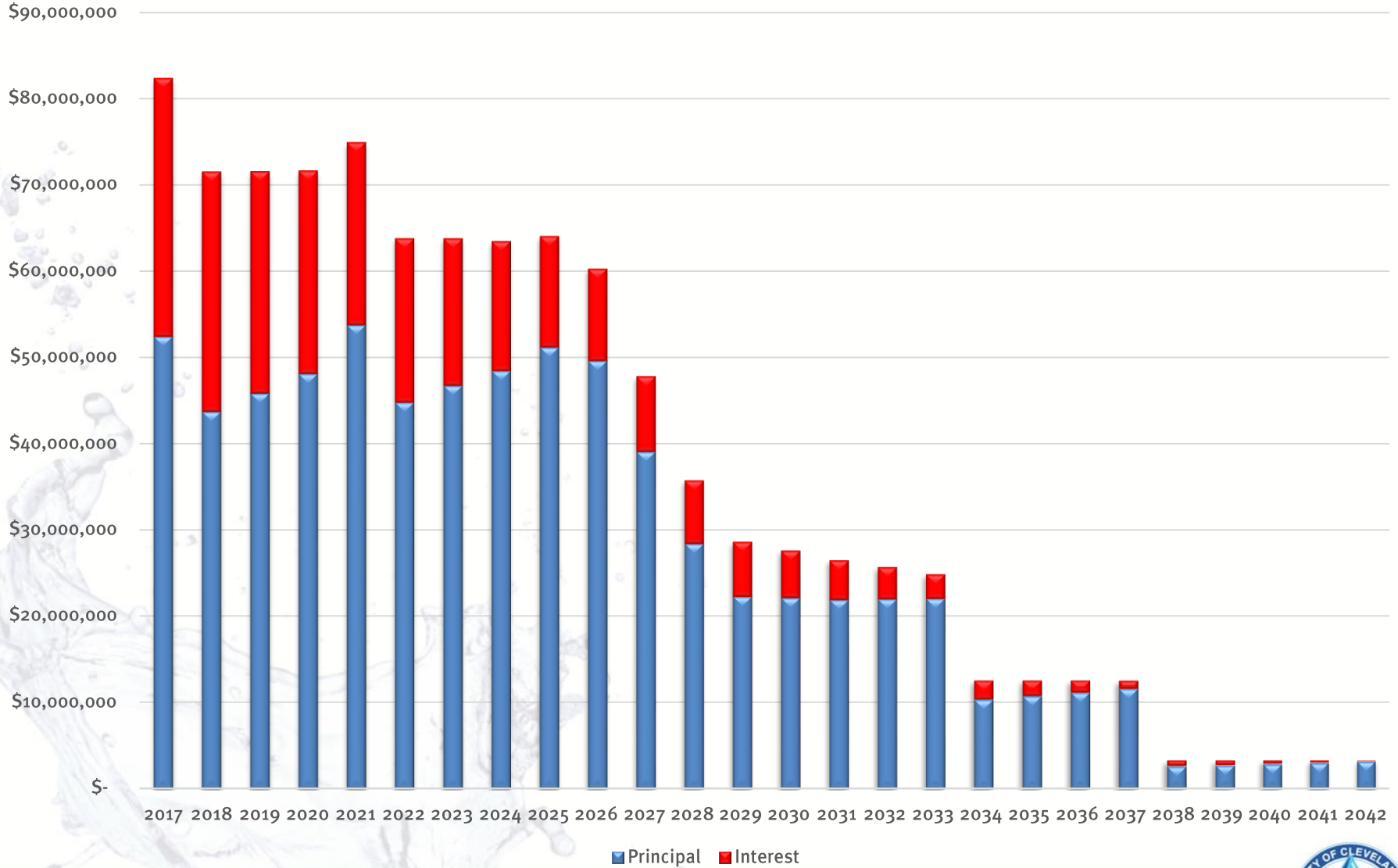
Category	Budgeted Expenditures
Salaries and Wages	\$61,635,110
Benefits	\$24,971,653
Other Training & Professional Dues	\$678,891
Utilities	\$31,150,888
Contractual Services	\$25,523,489
Materials and Supplies	\$21,101,382
Maintenance	\$28,028,663
Claims, Refunds, Maintenance	\$4,587,118
Interdepartmental Charges	\$13,318,542
Capital Outlay	\$60,557,300
Debt Service	\$73,381,032

Cleveland Water Capital

Capital Outlay	2016 Unaudited	2017 Budget
Infrastructure	\$27,983,552	\$27,500,000
Professional Services	\$1,944,287	\$5,606,000
Building Betterments -- Existing	\$8,299,007	\$16,788,000
Computer Software	\$2,983,473	\$1,250,000
Computer Hardware	\$1,549,112	\$1,251,300
Automobiles, Trucks & Motorized Equipment	\$2,748,485	\$4,409,000
Machinery & Other Equipment	\$12,810	\$3,753,000
TOTAL	\$45,520,726	\$60,557,300

Cleveland Water Debt Payments 2017-2042

(Total Outstanding Principal \$720,290,098)



A large, artistic splash of water in shades of light blue and white, originating from the bottom left and spreading upwards and to the right, creating a sense of movement and freshness.

Questions?

Cleveland Water

