

ENTERPRISE FUNDS

530 - WATER DIVISION / OPERATING & MAINTENANCE

The mission of the Water Division of the Department of Public Service (DPS) is to effectively maintain the City's water supply system in order to ensure uninterrupted water service to its customers.

The Water Division is responsible for providing municipal water supply services to approximately 22,570 residential and business customers. Water revenues are collected exclusively through fees and user charges. The water supply system consists of over 425 miles of water main, over 4,200 isolation valves, 4 master meter facilities, and approximately 31,000 water meters. The water is purchased wholesale from the Detroit Water & Sewer Department (DWSD) and is then distributed throughout the City's water supply network to customers.

Goals:

- Provide seamless service in order to protect the health, safety, and welfare of our customers.
- Respond to customer requests in a prompt, courteous, and efficient manner.
- Improve the reliability and performance of the overall water system through preventative maintenance, technological enhancements, and timely capital improvements.
- Administer the City of Rochester Hills Code of Ordinances, Chapter 102-Utilities.

Objectives:

- Conduct an evaluation, under the EPA's Stage 2 DBP rule, of the City's water distribution system, known as an Initial Distribution System Evaluation (IDSE), to identify the locations with high disinfection by-product concentrations. These locations will then be used as sampling sites for Stage 2 DBP rule compliance monitoring.
- Utilize the City's Geographic Information System (GIS) and Asset Management system to determine lifecycle cost of water facilities, so that usage rates can most accurately reflect the cost of service.
- Complete the Automatic Meter Reading Program within the City.
- Continue the program to check, test, repair, and/or replace 3" and larger water meters to assure that they are properly calibrated so that correct revenues are being realized from high-volume users.

Significant Revenue, Expense, Staff, & Program Notes:

- 452006 / Licenses & Permits - Water Inspections decreased [(33%) / (\$5,000)] due to an anticipated reduction in the number of new water connections and inspections.
- 606003 / Interfund - DPS increased [35% / \$32,000] due to increased fire hydrant maintenance trends.
- 607001 / Charge for Service - Administrative Fees decreased [(33%) / (\$5,000)] due to an anticipated reduction in the number of private development plan review services.
- 607010 / Charge for Service - Legal Review decreased [(75%) / (\$1,500)] due to recent trends.
- 610005 / Charge for Services - Engineering Consultant decreased [(25%) / (\$10,000)] due to an anticipated reduction in the number of wetland and geotechnical plan reviews.
- 632001 / Fees - Water Meter decreased [(38%) / (\$45,000)] due to an anticipated reduction in the number of new water connections.
- 655003 / Fines - W/S Penalties increased [25% / \$15,000] due to recent trends.

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- 659000 / Water – Commodity Charge increased [9% / \$1,134,730] due to updated 2008-09 and projected 2009-10 water rate increases.
- 659001 / Water – Customer Charge decreased [(25%) / (\$226,300)] due to the completion of the Radio Meter Reading Program (WS-30) collection in FY 2008.
- 661002 / Water Capital & Lateral / 20 Year decreased [(40%) / (\$8,000)] due to an anticipated reduction in the number of water system connections.
- 664001 / Interest Earnings decreased [(14%) / (\$20,000)] due to lower cash balances and lower interest rates anticipated.
- 664002 / Interest Earned At County decreased [(58%) / (\$7,000)] due to lower cash balances and lower interest rates anticipated.
- 703000 / Salaries & Wages decreased [(7%) / (\$100,720)] due to the elimination of the Contract Specialist (-0.30 FTE), Pump Maintenance Operator I (-0.75 FTE), and Permit Clerk – DPS (-0.30 FTE) positions and also due to the employee shift of a Laborer II (-0.50 FTE) to the Major Road & Local Street Funds.
- 740000 / Operating Supplies increased [18% / \$7,500] due to an increase in the manhole repair and replacement program.
- 801000 / Professional Services decreased [(39%) / (\$47,250)] due to an anticipated reduction in the number of wetland and geotechnical plan reviews.
- 802000 / Interfund Charges - Administration increase [10% / \$81,680] as the water department is a greater proportion of the overall FY 2009 City Budget.
- 802001 / Interfund Charges - MIS increased [18% / \$30,460] due to a greater proportion of Water Division supported applications and maintenance (primarily the Asset Management system).
- 802005 / Interfund Charge - Facilities increased [35% / \$50,150] due to an increase in the square footage proportion dedicated for water & sewer activities at the DPS Facility as well as additional utility expenses at the DPS Facility.
- 802006 / Interfund Charge - Insurance increased [7% / \$7,260] due to recent favorable experience.
- 802371 / Interfund Charges - Cross Connection increased [20% / \$17,060] due to an increase in the proportion of time spent by Building Trades Inspector performing water cross-connection inspections.
- 805002 / Legal Fees - Labor increased [73% / \$11,000] due to the upcoming Local #2491 union labor contract negotiations.
- 927000 / Water Charges increased [9% / \$807,050] due to 2008-09 and projected 2009-10 water rate increases from DWSD.
- 930002 / Maintenance Pumping Meters increased [25% / \$2,000] due to the need to repair/replace aging pump station meters.
- 999593 / Transfer Out – W&S Capital decreased [(10%) / (\$266,520)] due to the near completion of Automatic Meter Reading Program (WS-30) in FY 2008.

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2009 Budget Summary Report					
530 Water / Operating & Maintenance Revenues	2007 Amended Budget	2007 Audited Actual	2008 Amended Budget	2008 June YTD Actual	2009 Adopted Budget
Retained Earnings to Balance	\$ 724,480	\$ -	\$ 608,080	\$ -	\$ 247,850
Licenses & Permits	12,250	11,829	15,250	6,383	10,250
Charges for Service	14,443,090	14,641,690	15,552,030	4,296,244	16,477,980
Fines & Forfeitures	70,000	72,064	60,000	36,178	75,000
Investment Earnings	191,020	235,712	152,020	65,864	125,020
Other Revenue	31,120	31,122	4,000	11,612	4,000
TOTAL	\$ 15,471,960	\$ 14,992,417	\$ 16,391,380	\$ 4,416,281	\$ 16,940,100
<i>Per Capita</i>	<i>224.80</i>	<i>217.83</i>	<i>238.16</i>	<i>n/a</i>	<i>246.13</i>
530 Water / Operating & Maintenance Expenses	2007 Amended Budget	2007 Audited Actual	2008 Amended Budget	2008 June YTD Actual	2009 Adopted Budget
Personnel Services	\$ 1,813,340	\$ 1,783,462	\$ 2,103,110	\$ 880,348	\$ 1,954,390
Supplies	266,000	233,282	285,500	84,859	293,000
Other Services	1,760,180	1,612,473	2,229,900	958,315	2,381,850
Commodity Services	8,700,000	8,766,058	9,017,950	2,764,497	9,825,000
Transfer - Out	2,932,440	2,932,440	2,754,920	1,412,125	2,485,860
TOTAL	\$ 15,471,960	\$ 15,327,716	\$ 16,391,380	\$ 6,100,144	\$ 16,940,100
<i>Per Capita</i>	<i>224.80</i>	<i>222.71</i>	<i>238.16</i>	<i>n/a</i>	<i>246.13</i>

