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**FISCAL YEAR 2018 BUDGET**

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**Fund Summary**

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**Fund Name** : Water and Sewer Operating Fund  
**Business Area** : Public Works & Engineering  
**Fund No./Bus. Area No.** : 8300 / 2000

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|                             | <b>FY2017</b>         | <b>FY2017</b>   | <b>FY2018</b> |
|-----------------------------|-----------------------|-----------------|---------------|
|                             | <b>Current Budget</b> | <b>Estimate</b> | <b>Budget</b> |
| Beginning Fund Balance      | 38,647,408            | 38,647,408      | 221,111,060   |
| Provision for Bad Debt      | 0                     | 0               | 0             |
| Current Revenues            | 1,072,122,400         | 1,061,039,183   | 1,113,451,300 |
| Total Available Resources   | 1,110,769,808         | 1,099,686,591   | 1,334,562,360 |
| Maintenance and Operations  | 463,768,900           | 438,677,836     | 470,980,800   |
| Debt Services               | 0                     | 0               | 0             |
| Operating Transfers         | 440,564,000           | 439,897,695     | 468,327,300   |
| Total Expenditures          | 904,332,900           | 878,575,531     | 939,308,100   |
| Planned Ending Fund Balance | 206,436,908           | 221,111,060     | 395,254,260   |
| Total Budget                | 1,110,769,808         | 1,099,686,591   | 1,334,562,360 |

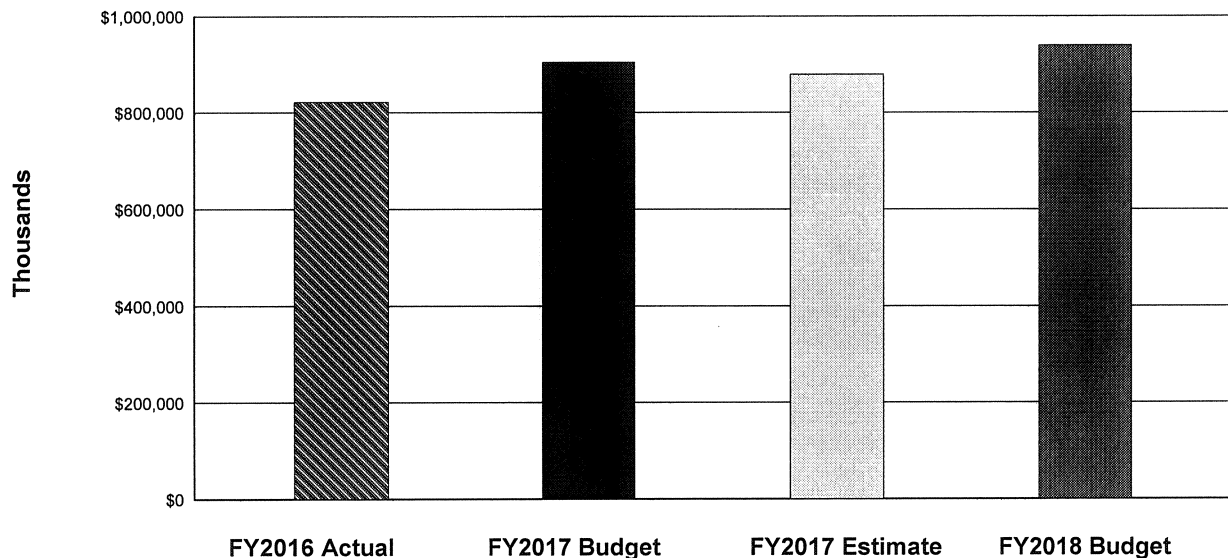
**FISCAL YEAR 2018 BUDGET**

**Business Area Budget Summary**

**Fund Name :** Water and Sewer Operating Fund  
**Business Area :** Public Works & Engineering  
**Fund No. /Bus. Area No. :** 8300 / 2000

|   |   | <b>FY2016<br/>Actual</b> | <b>FY2017<br/>Current Budget</b> | <b>FY2017<br/>Estimate</b> | <b>FY2018<br/>Budget</b> |
|---|---|--------------------------|----------------------------------|----------------------------|--------------------------|
| Expenditures                              | Personnel Services  | 169,512,083              | 187,231,760                      | 180,086,763                | <b>190,960,500</b>       |
|   | Supplies  | 43,729,723               | 44,095,800                       | 43,398,947                 | <b>45,295,200</b>        |
|   | Other Services and Charges  | 213,794,438              | 229,874,840                      | 212,828,199                | <b>232,023,000</b>       |
|   | Equipment   | 101,085                  | 203,200                          | 203,200                    | <b>383,700</b>           |
|   | Non-Capital Equipment   | 3,319,128                | 2,363,300                        | 2,160,727                  | <b>2,318,400</b>         |
|   | Total M & O Expenditures  | 430,456,457              | 463,768,900                      | 438,677,836                | <b>470,980,800</b>       |
|   | Debt Service & Other Uses   | 390,877,524              | 440,564,000                      | 439,897,695                | <b>468,327,300</b>       |
|   | Total Expenditure   | 821,333,981              | 904,332,900                      | 878,575,531                | <b>939,308,100</b>       |
| Revenues                                  |   | 1,034,296,503            | 1,072,122,400                    | 1,061,039,183              | <b>1,113,451,300</b>     |
| Staffing                                  | Full-Time Equivalents - Civilian  | 2,031.6                  | 2,233.9                          | 2,133.2                    | <b>2,225.4</b>           |
|   | Full-Time Equivalents - Classified  | 0.0                      | 0.0                              | 0.0                        | <b>0.0</b>               |
|   | Full-Time Equivalents - Cadets  | 0.0                      | 0.0                              | 0.0                        | <b>0.0</b>               |
|   | Total   | 2,031.6                  | 2,233.9                          | 2,133.2                    | <b>2,225.4</b>           |
|   | Full-Time Equivalents - Overtime  | 160.1                    | 123.5                            | 152.1                      | <b>126.9</b>             |
| Significant Budget Changes and Highlights | <ul style="list-style-type: none"> <li>o The FY2018 Budget provides funding for health benefits, pension contribution and municipal employees contractual pay increases.</li> <li>o Chemical increase of \$871,000 from FY2017 Budget due to increase in market prices and higher dosage for raw water turbidity.</li> <li>o Indirect Cost Recovery Payment increase of \$890,000 from FY2017 Budget.</li> <li>o Increased contract utilization of \$1 million needed for continued operational and preventive maintenance efforts.</li> <li>o Includes \$15 million for continued wastewater maintenance, regulatory compliance, and assessment activities such as enhanced sewer cleaning, restaurant inspections, system inspections and investigations, Sanitary Sewer Overflow (SSO) response, data modelling support, and public outreach, and education.</li> <li>o Electricity and Natural Gas increase of \$1.7 million from FY2017 Budget due to volume increases for repumped groundwater.</li> <li>o Contract Water Authority (CWA) Debt savings of \$805,000 from FY2017 Budget based on lower interest payments on the CWA debt series.</li> <li>o Revenue increase includes a water and sewer rate adjustment of 3.4%.</li> <li>o Decreased Facility Rental of \$4.9 million for the deferred annual payment for the 611 Walker Building.</li> </ul> |                          |                                  |                            |                          |

**Water and Sewer Operating Fund  
Public Works & Engineering  
Expenditure Summary**



**FISCAL YEAR 2018 BUDGET**

| <b>Business Area Performance Measures</b>  |                      |                      |                        |                      |
|--|----------------------|----------------------|------------------------|----------------------|
| <b>Fund Name : Water and Sewer Operating Fund</b><br><b>Business Area : Public Works &amp; Engineering</b><br><b>Fund No. /Bus. Area No. : 8300 / 2000</b> |                      |                      |                        |                      |
| <b>Performance Measures</b>  | <b>FY2016 Actual</b> | <b>FY2017 Budget</b> | <b>FY2017 Estimate</b> | <b>FY2018 Budget</b> |
| Accept and Process Complete Water District Consent Applications within 30 Days of Receipt  | 90.0%                | 90.0%                | 90.0%                  | 90.0%                |
| Accounts Billed from Automated Reads   | 94.0%                | 93.0%                | 91.0%                  | 93.0%                |
| Number of Utility Customer Calls Received  | 569,837              | 604,500              | 590,917                | 600,000              |
| Percentage of TCEQ/EPA Required Tests Performed  | 100.0%               | 100.0%               | 100.0%                 | 100.0%               |
| Respond to Sewer in Residence/Business within 1 Day  | 82.4%                | 99.9%                | 100.0%                 | 100.0%               |
| Respond to Water Quality/Taste/Color/Odor within 2 Business Days   | 92.0%                | 95.0%                | 90.0%                  | 95.0%                |
| Sanitary Sewer Overflows Confirmed within 4 Hours of Notification  | 100.0%               | 100.0%               | 100.0%                 | 100.0%               |
| Systems Availability - WiMax Networks  | 99.5%                | 99.5%                | 99.5%                  | 99.5%                |
| Treatment Plant Permit Compliance Rate   | 99.7%                | 99.8%                | 99.7%                  | 99.7%                |
| Utility Billing Accuracy Rate  | 99.0%                | 99.0%                | 99.0%                  | 99.0%                |
| Utility Customer Calls Answered within 5 Minutes   | 54.0%                | 75.0%                | 71.0%                  | 75.0%                |
| Wastewater Capacity Reserve Letters Sent within 10 Business Days   | 98.0%                | 90.0%                | 90.0%                  | 90.0%                |
| Wastewater Collected and Treated (millions of gallons per year)  | 94,389               | 82,855               | 86,870                 | 86,970               |
| Wastewater-Pipe Cleaning Completed (millions of linear feet)   | 2.6                  | 2.0                  | 2.0                    | 2.5                  |
| Wastewater-Pipe Renewal Completed (linear feet)  | 785,000              | 600,000              | 600,000                | 600,000              |
| Water Gallons Delivered (millions of gallons per year)   | 163,012              | 163,885              | 163,276                | 169,360              |
| Water Service Requests Investigated within Next Business Day.  | 98.0%                | 95.0%                | 95.0%                  | 95%                  |
| Expenditures Adopted Budget vs Actual Utilization  | 90%                  | 98%                  | 97%                    | 98%                  |
| Revenues Adopted Budget vs Actual Utilization  | 96%                  | 100%                 | 99%                    | 100%                 |
|  |                      |                      |                        |                      |

**FISCAL YEAR 2018 BUDGET**

| <b>Division Summary</b>  |  |                                       |                 |                        |                 |                      |                 |
|--|--|---------------------------------------|-----------------|------------------------|-----------------|----------------------|-----------------|
| <b>Fund Name</b> :   |  | <b>Water and Sewer Operating Fund</b> |                 |                        |                 |                      |                 |
| <b>Business Area</b> :   |  | <b>Public Works &amp; Engineering</b> |                 |                        |                 |                      |                 |
| <b>Fund No. /Bus Area No.</b> :  |  | <b>8300 / 2000</b>                    |                 |                        |                 |                      |                 |
| <b>Division Description</b>  |  | <b>FY2016 Actual</b>                  |                 | <b>FY2017 Estimate</b> |                 | <b>FY2018 Budget</b> |                 |
|  |  | <b>FTEs</b>                           | <b>Costs \$</b> | <b>FTEs</b>            | <b>Costs \$</b> | <b>FTEs</b>          | <b>Costs \$</b> |
| <b>Office of the Director 200003</b>   |  |                                       |                 |                        |                 |                      |                 |
| Provides leadership and oversight in the operation of the PWE Department. Provides information to the media, responds to citizen inquiries and open record requests. Manages the utilization of small and minority businesses. Provides fleet, communication, learning and development support services to the PWE Department.   |  | 21.4                                  | 3,014,561       | 23.1                   | 3,036,038       | 36.5                 | 4,476,100       |
| <b>Public Utilities Division 200004</b>  |  |                                       |                 |                        |                 |                      |                 |
| Produces and supplies potable drinking water throughout Harris County and portions of surrounding counties. Treats domestic and industrial wastewater, meets all regulatory mandates and requirements, and plans future water supply for the region.   |  | 1,427.1                               | 317,084,395     | 1,492.1                | 323,830,673     | 1,530.8              | 347,588,700     |
| <b>PWE - Finance 200005</b>  |  |                                       |                 |                        |                 |                      |                 |
| Manages, monitors and controls the department's financial and accounting activities including budgeting, financial analysis and planning, fiscal services, fixed assets, capital projects, and debt service management.  |  | 388.1                                 | 470,339,967     | 414.0                  | 515,076,199     | 40.0                 | 506,292,200     |
| In FY18, Material Management Branch is merging into Management Support Division, and Utility Customer Service is a newly created division (cost center group 200010).  |  |                                       |                 |                        |                 |                      |                 |
| <b>Planning &amp; Development Services Division 200006</b>   |  |                                       |                 |                        |                 |                      |                 |
| Responsible for infrastructure planning to meet the City's short and long term needs for water and wastewater systems. Provides protection of the sanitary sewer collection system and wastewater treatment plants through issuance of wastewater capacity reservations. Reviews requests for new water districts and long range planning for water/sewer projects. Manages the Brownsfield Redevelopment Program. |  | 64.8                                  | 6,931,045       | 67.8                   | 7,526,263       | 69.9                 | 8,319,200       |
| <b>Information Technology 200008</b>   |  |                                       |                 |                        |                 |                      |                 |
| Implements, installs, configures, supports, and maintains PWE computer hardware, software, telecommunication, Supervisory Control and Data Acquisition (SCADA), WiMAX network, and security systems that enable the development, modification and maintenance of core application programs for mission critical systems. Provides data management, business continuity and disaster recovery services.             |  | 58.9                                  | 12,855,537      | 53.9                   | 15,834,886      | 57.6                 | 17,481,000      |

**FISCAL YEAR 2018 BUDGET**

| Division Summary   |  |                |                    |                 |                    |                |                    |
|--|--|----------------|--------------------|-----------------|--------------------|----------------|--------------------|
| <b>Fund Name : Water and Sewer Operating Fund</b><br><b>Business Area : Public Works &amp; Engineering</b><br><b>Fund No. /Bus Area No. : 8300 / 2000</b>  |  |                |                    |                 |                    |                |                    |
| Division Description   |  | FY2016 Actual  |                    | FY2017 Estimate |                    | FY2018 Budget  |                    |
|  |  | FTEs           | Costs \$           | FTEs            | Costs \$           | FTEs           | Costs \$           |
| <b>Management Support Branch 200009</b>  |  |                |                    |                 |                    |                |                    |
| Provides support in the areas of Safety, Security, Workers' Compensation, Records Management and Internal Review. Renders building maintenance support to the Learning and Development Center (LDC) and the 611 Walker building. Processes and coordinates procurement and contract-related activities, as well as the warehousing and distribution of general inventory items for the Department. |  | 71.3           | 11,108,476         | 82.3            | 13,271,472         | 144.9          | 19,967,400         |
| <b>PWE - UCS Division 200010</b>   |  |                |                    |                 |                    |                |                    |
| Reads and maintains water/sewer meters; produces water/sewer/drainage bills; receives and processes invoice payments, manages credit and collections processes, and responds to billing inquiries for water/wastewater/drainage utility customers within the City of Houston.  |  | 0.0            | 0                  | 0.0             | 0                  | 345.7          | 35,183,500         |
| <b>Total</b>   |  | <b>2,031.6</b> | <b>821,333,981</b> | <b>2,133.2</b>  | <b>878,575,531</b> | <b>2,225.4</b> | <b>939,308,100</b> |

**FISCAL YEAR 2018 BUDGET**

**Business Area Revenues Summary**

**Fund Name :** Water and Sewer Operating Fund  
**Business Area :** Public Works & Engineering  
**Fund No./Bus. Area No. :** 8300 / 2000

| Category                    | FY2016<br>Actual            | FY2017<br>Current Budget    | FY2017<br>Estimate          | FY2018<br>Budget            |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Licenses and Permits        | 758,203                     | 910,000                     | 910,000                     | 910,000                     |
| Intergovernmental           | 12,317                      | 0                           | 0                           | 0                           |
| Charges for Services        | 1,019,336,682               | 1,044,703,400               | 1,044,703,400               | 1,087,298,500               |
| Direct Interfund Services   | 847,786                     | 855,500                     | 855,500                     | 872,400                     |
| Indirect Interfund Services | 5,997,400                   | 6,468,400                   | 6,468,400                   | 6,190,300                   |
| Other Fines and Forfeits    | 118,414                     | 51,100                      | 51,100                      | 51,100                      |
| Interest                    | 2,452,315                   | 2,624,000                   | 2,624,000                   | 2,186,000                   |
| Miscellaneous/Other         | 2,853,698                   | 310,000                     | 310,000                     | 293,000                     |
| Other Resources             | 1,919,688                   | 16,200,000                  | 5,116,783                   | 15,650,000                  |
| <b>Grand Total Revenues</b> | <b><u>1,034,296,503</u></b> | <b><u>1,072,122,400</u></b> | <b><u>1,061,039,183</u></b> | <b><u>1,113,451,300</u></b> |