

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2013**



**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

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**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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# **INTRODUCTORY SECTION**

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## MESSAGE FROM THE CITY MANAGER

During the fiscal year ended September 30, 2013, the Weatherford Municipal Utility System continued to experience some customer growth in the residential and commercial sectors. Single-family residential building permits increased from 108 in fiscal year 2011-12 to 189 in fiscal year 2012-13, and commercial building permits had 8 recorded in fiscal year 2011-12 compared to 22 during fiscal year 2012-13.

The Electric Department saw a service connection increase of 186 or 1.35%. There was a minimal increase in kWh sales of 0.24% due to another mild summer.

The Electric Department continued new infrastructure construction to keep up with and ahead of this growth. During the 2012-13 fiscal year, 12 commercial construction projects, 2 commercial subdivisions, and 2 residential subdivisions were completed. Also, system improvements of existing feeders were continued to more efficiently utilize substation capacity and to build redundancy into the system. Approximately one mile of distribution feeder was upgraded on Santa Fe Drive, one mile of distribution feeder was upgraded on East Lake Drive, and one mile of distribution feeder was upgraded on the western loop.

Electric deregulation began in Texas on January 1, 2002. Still, none of the 72 municipally owned electric systems in the State of Texas have opted in to the competitive market. Weatherford Electric continues to evaluate market conditions for the best services and costs for its customers.

Weatherford Electric retained Schneider Engineering of Boerne, Texas to consult with the Weatherford Municipal Utility Board on the electric utility's future wholesale power supply needs. Weatherford Electric's current wholesale power supply contract expires on December 31, 2013, but the Board has approved a set of new wholesale power supply contracts that begin January 1, 2014. In an effort to diversify wholesale power suppliers and the percentage of Weatherford Electric's load to be bid on the market in any given year, Weatherford Electric has entered into three wholesale power supply agreements with three different wholesale power suppliers: Garland Power and Light, Bryan Texas Utilities, and American Electric Power. Each supplier supplies one-third of Weatherford Electric's power needs for differing contract term lengths: Garland Power and Light for five years, Bryan Texas Utilities for three years, and American Electric Power for two years. Weatherford Electric expects to have less volatility in their wholesale power supply costs by pursuing this strategy.

The Water Department saw a service connection increase of 239 connections or 2.2%. That increase was offset by another wet year and water restriction programs put into place causing annual water sales in gallons to drop 7.8% for fiscal year 2012-13. Fiscal year 2013 was the third year of the three-year phase in rate increases for water services.

During fiscal year 2012-13, the Water Department maintenance crews installed 206 new water meters, 14 new water taps, replaced 467 water meters, 56 water services, 44 water main breaks, and 8 fire hydrants. In addition, the Water Department replaced the waterline at 400 E. Lee Street, 200 Live Oak Lane, and 200 Case Street and installed a waterline on the western loop.

In the wastewater collection system, the wastewater maintenance crews repaired 33 wastewater services, and 75 wastewater main breaks. Crews also jetted 733,575 feet of wastewater lines; inspected 27,559 feet of wastewater line, smoke tested 34,403 feet of wastewater line, responded to 266 stop-ups, 223 grinder pump malfunctions, and 234 call-outs to lift stations and inspected all the grinder pumps operated by the City. The in-house water/wastewater crews replaced over 2,490 feet of sewer mains, installed 14 sewer taps, and repaired 32 manholes. Some of these projects occurred at Love Street alley, 1400 Liberty Street, 600 N. Merrimac, Vine Street Park, 200 Live Oak Lane and Mosley Court.

The Utility Administration and Engineering departments continued to provide support to other departments and the City. Transfers are made from other funds to cover the expenses that are shared.

Public utilities are extremely capital intensive. Quality management, construction, operation, and maintenance demand a high degree of professionalism and dedication from employees and Utility Board Members. Training and development of these qualities continues to enhance teamwork and pay dividends for the ratepayers of the Weatherford Municipal Utility System. The employees are to be congratulated for their dedication to the overall development and cohesiveness of the Utility Department. The City of Weatherford values our employees and continues to invest in training that provides superior job, supervisory management, and customer service skills.

Likewise, the dedication of the Weatherford Municipal Utility Board of Trustees has also paid many dividends for the citizens of Weatherford and the Utility's ratepayers. This unselfish dedication of time and effort to make sure the Utility System, under their direction, is operated with foresight and vision has enabled the system to accommodate Weatherford's expected growth.

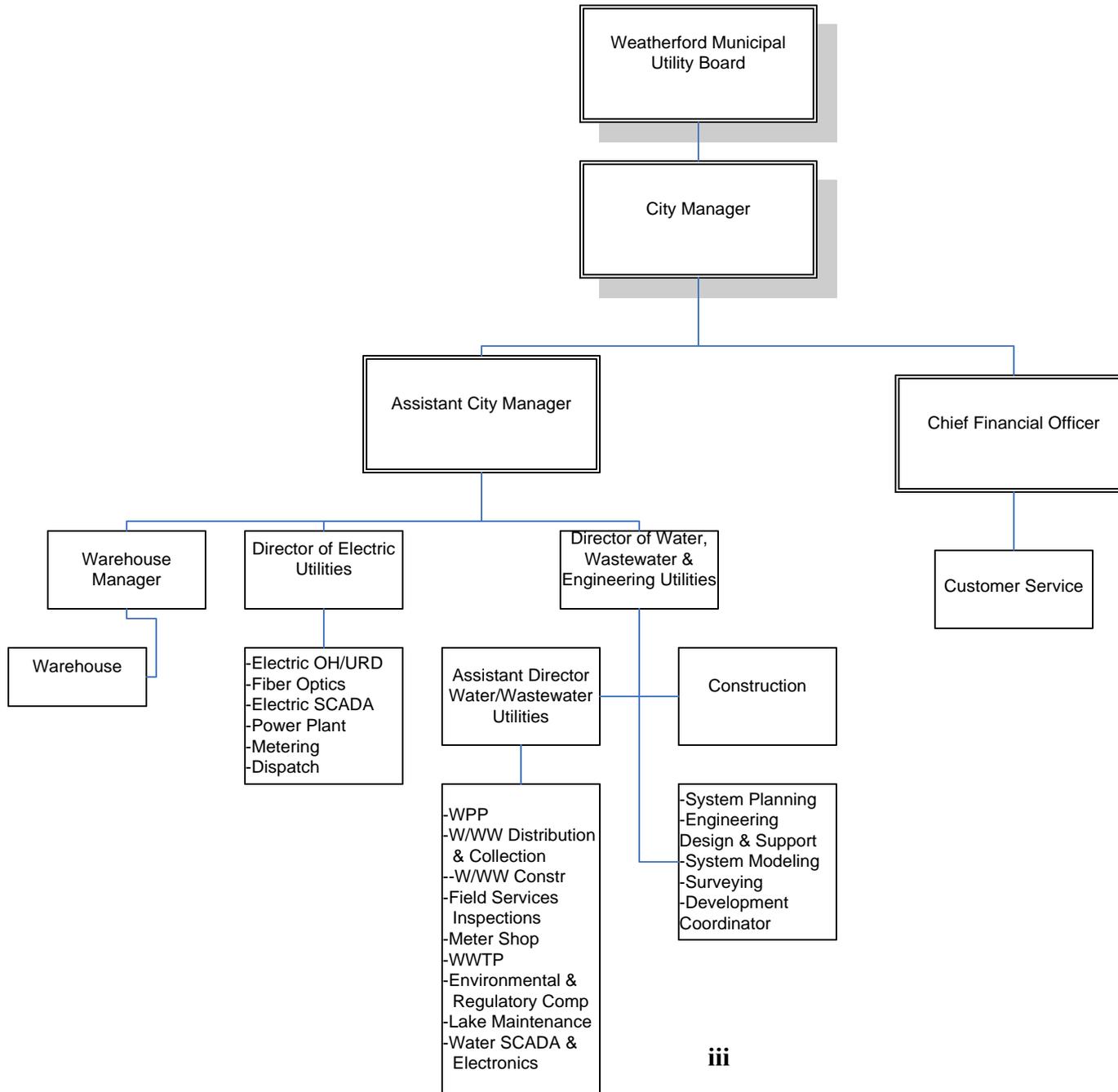
The Board's commitment to policy direction is very much appreciated.

A handwritten signature in black ink, appearing to read "Jerry L. Blaisdell". The signature is fluid and cursive, with a large initial "J" and "B".

Jerry Blaisdell  
City Manager

# Organizational Chart

Weatherford Municipal Utilities



**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY BOARD**

**PRINCIPAL OFFICIALS**

**YEAR ENDED  
SEPTEMBER 30, 2013**

**ELECTED  
CITY COUNCIL**

Dennis Hooks – Mayor

Craig Swancy – Mayor Pro Tem  
Council Member

Waymon Hamilton – Council Member

Jeff Robinson – Council Member

Heidi Wilder – Council Member

**APPOINTED/DESIGNATED  
MUNICIPAL UTILITY BOARD**

Dennis Hooks – Mayor – Chairman

Craig Swancy – Designated Council Member

Heidi Wilder – Designated Council Member

Ken Davis – Appointed Public Member

James Dickason – Appointed Public Member

Bob Glenn – Vice Chair

Howard McClurkin – Appointed Public Member

**SENIOR STAFF**

Jerry Blaisdell – City Manager

Sharon Hayes – Assistant City Manager

Sidney Kirk – Interim Finance Director

**ADVISORY/CONSULTATION**

Malinda Nowell – City Secretary

Zellers & Zellers – City Attorney

**OPERATIONS STAFF**

Joe Farley – Director of Utilities – Electric

Troy Garvin – Director of Information Technology

James Hotopp – Director of Utilities – Engineering, Water & Wastewater

## INDEPENDENT AUDITORS' REPORT

The Municipal Utility System  
Board of Trustees  
City of Weatherford, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Municipal Utility System Enterprise Fund of the City of Weatherford, Texas, as of and for the years ended September 30, 2013 and 2012, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Municipal Utility District of the City of Weatherford, Texas, as of September 30, 2013 and 2012, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the Municipal Utility System of the City of Weatherford, Texas, and do not purport to, and do not, present fairly the financial position of the City of Weatherford, Texas, as of September 30, 2013 and 2012, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the schedules of funding progress on pages 30 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Municipal Utility System Enterprise Fund of the City of Weatherford, Texas' financial statements as a whole. The introductory, capital assets, statistical, capital project, and budget sections are presented for purposes of additional analysis and are not a required part of the financial statements.

The capital assets section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory, statistical, capital project and budget sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
March 26, 2014

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# **FINANCIAL SECTION**

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**COMPARATIVE STATEMENTS OF NET POSITION**

**SEPTEMBER 30, 2013 AND 2012**

	2013	2012
<b>ASSETS</b>		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 16,086,723	\$ 16,935,547
Investments	3,759,451	3,190,930
Receivables:		
Accounts, net of allowances for uncollectible of \$2,580,029 and \$2,527,170 for 2013 and 2012, respectively	3,655,988	3,134,422
Earned but unbilled customer accounts	2,411,249	1,996,169
Other	21,653	97,567
Inventory	3,372,761	3,382,022
Prepaid expenses	-	100
Restricted assets:		
Cash and cash equivalents		
Revenue bond debt service	843,744	838,690
Revenue bond reserve	43,492	1,918,456
Construction	7,393,581	6,105,306
Investments - revenue bond reserve	3,953,048	2,081,250
Accrued interest	49,587	9,146
Derivative instrument	84,094	-
Total current assets	41,675,371	39,689,605
Noncurrent assets:		
Deferred charges	-	364,823
Capital assets:		
Nondepreciable	4,912,769	3,362,485
Depreciable, net of accumulated depreciation	110,149,806	109,824,035
Total noncurrent assets	115,062,575	113,551,343
Total assets	156,737,946	153,240,948
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding	142,071	190,968
Change in fair value of derivative instrument	186,196	-
Total deferred outflows of resources	328,267	190,968

**The accompanying notes are an integral part of these financial statements.**

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**COMPARATIVE STATEMENTS OF NET POSITION**

**SEPTEMBER 30, 2013 AND 2012**

	2013	2012
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 3,352,861	\$ 1,847,859
Accrued wages	123,215	131,626
Retainage payable	25,957	-
Accrued interest	18,510	22,484
Derivative instrument	155,428	-
Unearned revenue	3,296,156	2,918,964
Customer deposits	1,406,640	1,167,255
Notes payable	241,852	165,163
Capital lease	16,267	45,790
Revenue bonds	2,859,805	2,602,500
Compensated absences	152,502	155,745
Payable from restricted assets:		
Accrued interest	138,646	149,904
Revenue bonds payable	250,000	237,500
Total current liabilities	12,037,839	9,444,790
Noncurrent liabilities:		
Notes payable	663,429	1,096,253
Capital lease	515,402	543,227
Revenue bonds	32,427,865	35,562,475
Compensated absences	864,181	814,582
Net pension obligation	535,765	516,402
Net OPEB obligation	837,601	665,082
Total noncurrent liabilities	35,844,243	39,198,021
Total liabilities	47,882,082	48,642,811
<b>NET POSITION</b>		
Net investment in capital assets	79,041,976	74,802,941
Restricted for:		
Debt service	4,473,564	4,460,138
Construction	5,023,217	4,381,741
Unrestricted	20,645,374	21,144,285
Total net position	\$ 109,184,131	\$ 104,789,105

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**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

	2013	2012
<b>OPERATING REVENUES</b>		
Electric sales	\$ 30,611,410	\$ 27,231,266
Electric services	576,504	421,194
Water sales	9,045,213	8,418,620
Water services	28,230	38,582
Wastewater services	<u>4,663,157</u>	<u>4,481,825</u>
Total operating revenues	<u>44,924,514</u>	<u>40,591,487</u>
<b>OPERATING EXPENSES</b>		
Personnel services	4,849,724	4,863,596
Contractual services	3,991,863	3,047,899
Purchased power	18,635,708	15,092,644
Materials and supplies	1,951,900	1,776,323
Depreciation	<u>4,634,673</u>	<u>4,477,723</u>
Total operating expenses	<u>34,063,868</u>	<u>29,258,185</u>
<b>OPERATING INCOME</b>	<u>10,860,646</u>	<u>11,333,302</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings	44,564	47,769
Miscellaneous	50,349	26,822
Rentals	1,047,515	1,013,765
Loss on sale of assets	( 56,137)	15,524
Interest and fiscal charges	<u>( 1,725,257)</u>	<u>( 1,912,348)</u>
Total nonoperating revenues (expenses)	<u>( 638,966)</u>	<u>( 808,468)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	10,221,680	10,524,834
Capital contributions	912,459	919,439
Transfers in	191,097	41,581
Transfers out	<u>( 6,565,386)</u>	<u>( 5,535,442)</u>
<b>NET CHANGE IN NET POSITION</b>	4,759,850	5,950,412
<b>NET POSITION, BEGINNING</b>	104,789,105	98,838,693
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>	<u>( 364,824)</u>	<u>-</u>
<b>NET POSITION, ENDING</b>	<u>\$ 109,184,131</u>	<u>\$ 104,789,105</u>

**The accompanying notes are an integral part of these financial statements.**

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 44,680,359	\$ 41,978,592
Cash paid to employees for services	( 4,619,897)	( 4,797,916)
Cash paid to suppliers for goods and services	( 22,993,774)	( 20,695,249)
Net cash provided by operating activities	17,066,688	16,485,427
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash received from rentals	1,047,515	1,013,765
Cash received for miscellaneous items	50,349	42,346
Transfers from other funds	191,097	41,581
Transfers to other funds	( 6,565,386)	( 5,535,442)
Net cash used by noncapital financing activities	( 5,276,425)	( 4,437,750)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of capital assets	54,424	-
Proceeds from developers for contributions in aid of construction	853,774	510,296
Proceeds from long-term debt	-	1,212,891
Principal payments on long-term debt	( 3,153,469)	( 3,018,304)
Acquisition and construction of capital assets	( 6,536,647)	( 5,256,582)
Interest and fiscal charges on debt	( 2,002,608)	( 1,934,748)
Net cash used by capital and related financing activities	( 10,784,526)	( 8,486,447)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	48,687	89,560
Purchase of investments	( 2,484,883)	( 1,271,349)
Net cash used by investing activities	( 2,436,196)	( 1,181,789)
<b>NET INCREASE (DECREASE) IN CASH</b>	( 1,430,459)	2,379,441
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	25,797,999	23,418,558
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ 24,367,540	\$ 25,797,999
<b>RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS</b>		
Current assets - cash and cash equivalents	16,086,723	16,935,547
Restricted assets - cash and cash equivalents	8,280,817	8,862,452
Total cash and cash equivalents	\$ 24,367,540	\$ 25,797,999

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**COMPARATIVE STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

	2013	2012
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 10,860,646	\$ 11,333,302
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,634,673	4,477,723
Decrease (increase) in accounts receivable	( 445,652)	352,680
Decrease (increase) in earned but unbilled customer accounts	( 415,080)	364,169
Decrease (increase) in inventory	9,261	( 203,537)
Decrease (increase) in prepaid expenses	100	35,082
Decrease (increase) in other assets	( 84,094)	-
Increase (decrease) in accounts payable	1,660,430	( 609,928)
Increase (decrease) in accrued wages payable	( 8,411)	1,204
Increase (decrease) in unearned revenue	377,192	605,369
Increase (decrease) in customer deposits	239,385	64,887
Increase (decrease) in compensated absences	46,356	( 159,239)
Increase (decrease) in net pension obligation	19,363	54,080
Increase (decrease) in net OPEB obligation	172,519	169,635
Net cash provided by operating activities	\$ 17,066,688	\$ 16,485,427
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
Capital lease	\$ -	\$ -
Contributions of capital assets	58,685	409,143
Change in fair value of investments	44,564	47,769

**The accompanying notes are an integral part of these financial statements.**

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**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

These financial statements present only the Municipal Utility System, a separate fund of the City of Weatherford, Texas (the “City”). They are not intended to present the financial position, results of operations or cash flows of the City as a whole.

The Municipal Utility System (the “Utility System”) Board of Trustees, consisting of the Mayor, two Council members and four trustees appointed by the Council, exercises management control of the electric, water and wastewater systems that serve the City. The Trustees are appointed by the City Council. The rates for user charges and bond issuance authorizations are also approved by the Council. The Municipal Utility Fund is used to account for the operations of the City’s electric distribution system, water treatment and distribution system and wastewater treatment and collection system.

**B. Fund Accounting**

The accounts of the Municipal Utility System are organized as an Enterprise Fund. The operations of the fund is accounted with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues and expenses. Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**C. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Utility System is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. Total net assets are segregated into the following categories: net assets, invested in capital assets, net of related debt; restricted; and unrestricted. The Utility System operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in financial statements. The Utility System is accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Unbilled receivables for electric and water utility service are recorded at year-end.

When both restricted and unrestricted resources are available for use, it is the Utility System's policy to use restricted resources first, then unrestricted as they are needed.

The Utility System distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Utility System's principal ongoing operations. Operating expenses for the Utility System include the cost of personal and contractual services supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **D. Cash, Cash Equivalents and Investments**

The Utility System's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Cash equivalents include investments in the Texas Local Governments Investment Pool, Texas Short-term Asset Reserve Program and U. S. Government Securities. State statutes authorize the City to invest in obligations of the U. S. Treasury, the State of Texas or its agencies; other states, counties, cities and state agencies with an "A" rating or equivalent; fully insured or collateralized bank certificates of deposit and fully collateralized direct repurchase agreements.

For purposes of the statement of cash flows, the Utility System considers cash, certificates of deposit and other investments with maturities of three months or less from the date of purchase to be cash and cash equivalents.

#### **E. Restricted Assets**

Certain resources set aside for repayment of bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond ordinances.

#### **F. Inventory**

The Utility System inventory is valued at cost using the moving average cost method.

#### **G. Capital Assets**

Property, plant and equipment are recorded at cost, or, if contributed property, fair market value at the date of contribution. Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets.

Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	40
Water, electric and sewer system	40 - 60
Machinery and equipment	5 - 10

Renewals and betterments of property and equipment are capitalized, whereas normal repairs and maintenance are charged to expense as incurred. Individual items with an initial cost greater than \$5,000 and with estimated useful life of at least two years following the date of acquisition are capitalized.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The Utility System calculates capitalized interest by applying the interest rate of the debt to the weighted average construction expenditures.

**H. Utility Deferred Expenses or Credits**

The Utility electric fund is allowed to recover fuel and purchased power costs through fuel charges to its electric customers. The Utility System defers and accrues any under/over recovered fuel and purchased power costs in excess of the fuel charges until such costs are reflected in billings to customers. This fuel recovery allows for the pass-through of fuel costs to customers and has no impact on the change in net position.

**I. Accumulated Unpaid Vacations, Sick Leave and Other Employee Benefit Amounts**

Employees are paid for up to 720 hours of unused sick leave upon retirement or annually for one-half of the accumulated sick leave in excess of 720 hours. With the exception of sick leave for employees eligible for retirement, sick leave less than 720 hours is expensed when paid. Vacation is earned in varying amounts. Unused vacation leave is carried forward from one year to the next without limit. The Utility System has accrued for the estimated liability for compensated absences.

**J. Long-term Obligations**

In the Utility System financial statements, the long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds.

**K. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Utility System is reporting balances for deferred losses on bond refundings in both the government-wide Statement of Net Position and the Statement of Net Position – Proprietary Funds. A deferred loss on a bond refunding results when the reacquisition price of the refunded debt exceeds the carrying value. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**L. Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital asset consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Utility System or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**M. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

**N. Concentration of Credit Risk**

The Utility System grants credit to utility customers located in the City and the surrounding area.

**O. Reclassifications**

Certain amounts presented for the prior year have been reclassified in order to be consistent with the current year's presentation.

**P. Change in Accounting Principles**

As the result of implementing GASB Statement Nos. 63 and 65, the Utility System has restated the beginning net position, effectively decreasing net position as of October 1, 2012 and 2011, by \$364,824 and \$414,542 respectively. This decrease is a result from no longer deferring and amortizing bond issuance costs.

Further, the Utility System has restated its long-term liabilities to reflect that components of those liabilities as of October 1, 2012, deferred loss on bond refunding and deferred gain on bond refunding, are now reported as deferred outflows and deferred inflows of resources in the financial statements. The effect of this change increases the long-term liabilities by \$142,071 and \$190,968 for the years ended September 30, 2013 and 2012 respectively. These increases in long-term liabilities correspond to an increase in deferred outflows and deferred inflows of resources.

## II. DETAILED NOTES ON ALL FUNDS

### A. Deposits and Investments

*Interest Rate Risk:* In compliance with the Utility System's Investment Policy the Utility System minimizes interest rate risk or the decrease in market value of securities in the Utility System's portfolio due to changes in interest through strong cash flow projections so that market value losses are reduced and through investments in short-term securities with maturity dates that do not exceed five years from the date of purchase with the exception of security purchases related to reserve funds or that are matched to other specific cash flows and by investing operating funds in short-term securities or government investment pools. By doing this, the Utility System avoids the need to sell securities in the secondary market prior to the maturity date.

*Credit Risk:* The Utility System has no formal policy addressing credit risk. However, safety of principal is the primary objective of the Utility System's investment policy. In accordance with this objective, the Utility System limits its investments to those that have been issued one of the top ratings by a nationally recognized credit rating agency. As of September 30, 2012, the Utility System's investment in TexPool and TexStar were rated AAAM by Standard & Poor's and the U. S. Government Securities were rated AAA by Moody.

*Concentration of Credit Risk:* In accordance with the Utility System's investment policy, the Utility System limits their exposure of concentration of credit risk by restricting investments in a single security type or financial institute to less than 50% of the Utility System's total investment portfolio with the exception of U. S. Treasury and Agency Securities and authorized pools.

It is the Utility System's policy to report all debt securities held at the end of the reporting period at fair value, regardless of the remaining maturity at time of purchase. The fair value of investments is based on quoted market prices for the same or similar security with like stated interest and maturity characteristics.

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool, the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAAM by Standard & Poor's. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as the office of the Comptroller of Public Accounts for review. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

The Texas Short-term Asset Reserve Program, TexStar, is managed by a five-member Board of Directors in accordance with its bylaws which set forth procedures governing the selection of, and actions taken by the Board. Board oversight is maintained through daily, weekly, and monthly reporting contracts. Administration of TexStar is maintained by JP Morgan Chase, Inc. and First Southwest Asset Management, Inc. who serve as co-administrators for TexStar under contract with the Board. The contract may be extended periodically to a term of two years or less. In accordance with the Public Funds Investment Act, TexStar maintains an advisory board. The members of the Board are composed of participants and other persons who do not have a business relationship with TexStar. Members are appointed and serve at the will of the Board of Directors. TexStar operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost rather than market value. Accordingly, the fair value of the position in TexStar is the same as the value of the TexStar shares.

The Utility System's investments as of September 30, 2013 and 2012, are shown below.

**As of September 20, 2013:**

Description	Maturity Date	Fair Value	% of Total	Weighted Average Maturity (Days)
Local Government Investment				
Pools (2a-7 like pools):				
TexPool	10/01/13	\$ 11,665,959	45.93%	60
TexStar	10/01/13	7,045,177	27.73%	52
U.S. Government Securities:				
Federal Home Loan Bank	05/27/15	1,028,700	4.05%	604
Federal Home Loan Mortgage Corp	08/20/14	656,799	2.59%	324
Federal National Mortgage Association	08/28/14	1,005,000	3.96%	332
U.S. Treasury Note	05/31/15	1,959,090	7.71%	608
U.S. Treasury Note	08/31/14	2,041,250	8.04%	335
Total		<u>6,690,839</u>	<u>26.34%</u>	
Total investments		<u>\$ 25,401,975</u>	<u>100.00%</u>	

**As of September 20, 2012:**

Description	Maturity Date	Fair Value	% of Total	Weighted Average Maturity (Days)
Local Government Investment				
Pools (2a-7 like pools):				
TexPool	10/01/11	\$ 13,003,242	45.21%	41
TexStar	10/01/11	10,483,428	36.45%	49
U.S. Government Securities:				
U.S. Treasury Note	08/13/14	2,081,250	7.24%	316
Federal Home Loan	09/27/13	519,355	1.81%	362
Federal Home Loan Mortgage Corp	08/20/14	660,385	2.30%	689
Federal National Mortgage Association	08/28/14	1,010,950	3.52%	332
Federal Home Loan Bank	02/24/14	1,000,340	3.48%	512
Total		<u>5,272,280</u>	<u>18.33%</u>	
Total investments		<u>\$ 28,758,950</u>	<u>100.00%</u>	

## B. Interfund Transfers

Transfers of resources during the year occurred between the Utility System and other funds of the City as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
City's General Fund	Utility System	\$ 6,565,386
Utility System	Solid Waste Fund	41,581
Utility System	Other Governmental	<u>149,516</u>
Total Transfers		<u>\$ 6,756,483</u>

Transfers were used 1) to transfer franchise fees to the City's General Fund from the Utility System; 2) to transfer funds from the Utility System to the City's General Fund for return on investment of the City owned utility system; 3) to transfer funds from the Solid Waste Fund to the Utility System for billing services; and 4) to transfer funds from the Utility System to the City's General Fund for administrative services provided by the City's General Fund.

## C. Capital Assets

Capital asset activity for the years ended September 30, 2013 and 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Ending Balance</u>
<b>September 30, 2013</b>				
Capital assets, not being depreciated:				
Land	\$ 2,249,797	\$ 264,457	\$ -	\$ 2,514,254
Construction in progress	<u>1,112,688</u>	<u>1,572,589</u>	<u>( 286,762)</u>	<u>2,398,515</u>
Total assets not being depreciated	<u>3,362,485</u>	<u>1,837,046</u>	<u>( 286,762)</u>	<u>4,912,769</u>
Capital assets, being depreciated:				
Buildings and improvements	19,476,681	28,449	-	19,505,130
Other improvements	144,813,449	3,989,378	281,354	149,084,181
Machinery and equipment	<u>6,862,309</u>	<u>766,416</u>	<u>( 1,288,396)</u>	<u>6,340,329</u>
Total capital assets being depreciated	<u>171,152,439</u>	<u>4,784,243</u>	<u>( 1,007,042)</u>	<u>174,929,640</u>
Less accumulated depreciation:				
Buildings and improvements	( 8,719,686)	( 450,785)	-	( 9,170,471)
Other improvements	( 47,823,675)	( 3,703,225)	-	( 51,526,900)
Machinery and equipment	<u>( 4,785,043)</u>	<u>( 480,663)</u>	<u>1,183,243</u>	<u>( 4,082,463)</u>
Total accumulated depreciation	<u>( 61,328,404)</u>	<u>( 4,634,673)</u>	<u>1,183,243</u>	<u>( 64,779,834)</u>
Total capital assets being depreciated, net	<u>109,824,035</u>	<u>149,570</u>	<u>176,201</u>	<u>110,149,806</u>
Municipal Utility capital assets, net	<u>\$ 113,186,520</u>	<u>\$ 1,986,616</u>	<u>\$ ( 110,561)</u>	<u>\$ 115,062,575</u>

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
<b>September 30, 2012</b>				
Capital assets, not being depreciated:				
Land	\$ 2,224,486	\$ 25,311	\$ -	\$ 2,249,797
Construction in progress	<u>1,394,837</u>	<u>1,153,409</u>	<u>( 1,435,558)</u>	<u>1,112,688</u>
Total assets not being depreciated	<u>3,619,323</u>	<u>1,178,720</u>	<u>( 1,435,558)</u>	<u>3,362,485</u>
Capital assets, being depreciated:				
Buildings and improvements	18,936,156	540,525	-	19,476,681
Other improvements	140,226,304	3,281,004	1,306,141	144,813,449
Machinery and equipment	<u>6,305,294</u>	<u>664,154</u>	<u>( 107,139)</u>	<u>6,862,309</u>
Total capital assets being depreciated	<u>165,467,754</u>	<u>4,485,683</u>	<u>1,199,002</u>	<u>171,152,439</u>
Less accumulated depreciation:				
Buildings and improvements	( 8,281,288)	( 438,398)	-	( 8,719,686)
Other improvements	( 44,361,267)	( 3,585,151)	122,743	( 47,823,675)
Machinery and equipment	<u>( 4,435,019)</u>	<u>( 454,174)</u>	<u>104,150</u>	<u>( 4,785,043)</u>
Total accumulated depreciation	<u>( 57,077,574)</u>	<u>( 4,477,723)</u>	<u>226,893</u>	<u>( 61,328,404)</u>
Total capital assets being depreciated, net	<u>108,390,180</u>	<u>7,960</u>	<u>1,425,895</u>	<u>109,824,035</u>
Municipal Utility capital assets, net	<u>\$ 112,009,503</u>	<u>\$ 1,186,680</u>	<u>\$ ( 9,663)</u>	<u>\$ 113,186,520</u>

#### **D. Long-term Liabilities**

Long-term liability activity for the years ended September 30, 2013 and 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>September 30, 2013</b>					
Bonds payable:					
Revenue bonds	\$ 37,425,000	\$ -	\$ 2,840,000	\$ 34,585,000	\$ 2,985,000
Issuance premium/discount	<u>1,077,473</u>	<u>-</u>	<u>124,803</u>	<u>952,670</u>	<u>124,805</u>
Total bonds payable	38,502,473	-	2,964,803	35,537,670	3,109,805
Tax note	315,000	-	100,000	215,000	105,000
State infrastructure loans	846,416	-	156,135	690,281	136,852
Capital lease obligation	589,017	-	57,348	531,669	16,267
OPEB obligation	665,082	258,851	86,332	837,601	-
Pension obligation	516,402	802,070	782,707	535,765	-
Compensated absences	<u>970,327</u>	<u>327,617</u>	<u>281,261</u>	<u>1,016,683</u>	<u>152,502</u>
Municipal Utility long-term liabilities	<u>\$ 42,404,717</u>	<u>\$ 1,388,538</u>	<u>\$ 4,428,586</u>	<u>\$ 39,364,669</u>	<u>\$ 3,520,426</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>September 30, 2012</b>					
Bonds payable:					
Revenue bonds	\$ 40,140,000	\$ -	\$ 2,715,000	\$ 37,425,000	\$ 2,840,000
Issuance premium/discount	<u>1,202,278</u>	<u>-</u>	<u>124,805</u>	<u>1,077,473</u>	<u>124,805</u>
Total bonds payable	41,342,278	-	2,839,805	38,502,473	2,964,805
Tax note	415,000	-	100,000	315,000	100,000
State infrastructure loans	353,931	650,000	157,515	846,416	156,135
Capital lease obligation	71,915	562,891	45,789	589,017	57,334
OPEB obligation	495,447	250,315	80,680	665,082	-
Pension obligation	462,322	823,595	769,515	516,402	-
Compensated absences	<u>1,129,566</u>	<u>177,695</u>	<u>336,934</u>	<u>970,327</u>	<u>145,549</u>
Municipal Utility long-term liabilities	<u>\$ 44,270,459</u>	<u>\$ 2,464,496</u>	<u>\$ 4,330,238</u>	<u>\$ 42,404,717</u>	<u>\$ 3,423,823</u>

The Utility System had capitalized interest expense of \$26,194 and \$24,406, on various construction projects in progress during fiscal year 2013 and 2012, respectively.

Bonds payable at September 30, 2013 and 2012, consist of the following individual issues:

	<u>2013</u>	<u>2012</u>
\$21,055,000 2005 Utility System Refunding Bonds, due in annual installments through September 1, 2018, 3.00% - 5.00% .	12,195,000	14,300,000
\$20,000,000 2006 Utility System Improvement Bonds, due in annual installments through September 1, 2026, 4.00% - 5.125%.	19,105,000	19,250,000
\$6,575,000 2008 Utility System Refunding Bonds, due in annual installments through September 1, 2018, 3.46%.	<u>3,285,000</u>	<u>3,875,000</u>
	<u>\$ 34,585,000</u>	<u>\$ 37,425,000</u>

The annual debt payment requirements for bonds payable as of September 30, 2013, are as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 2,985,000	\$ 1,655,752	\$ 4,640,752
2015	3,115,000	1,517,523	4,632,523
2016	3,255,000	1,372,909	4,627,909
2017	3,390,000	1,243,486	4,633,486
2018	3,545,000	1,085,733	4,630,733
2019-2023	11,780,000	3,405,315	15,185,315
2024-2028	<u>6,515,000</u>	<u>676,226</u>	<u>7,191,226</u>
Total	<u>\$ 34,585,000</u>	<u>\$ 10,956,944</u>	<u>\$ 45,541,944</u>

The revenue bonds are collateralized by the revenue of the combined utility system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds. Any remaining revenues may then be used for any lawful purpose. The ordinances also contain provisions which, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amounts and certain financial ratios are met. The Utility System is in compliance with these financial requirements.

Below is a summary of the various restricted asset accounts required by the bond ordinances along with the actual cash reserved as of September 30, 2013 and 2012.

	2013		2012	
	Required	Actual	Required	Actual
Reserve fund	\$ 3,987,280	\$ 3,996,540	\$ 3,987,280	\$ 3,999,706
Bond fund	448,646	843,744	444,904	838,690

The following is a summary of notes payable as of September 30, 2013 and 2012:

Description and Terms	2013	2012
Bank of America: \$690,000 2009 Tax Notes, due in annual installments through March 1, 2015, 3.63%.	\$ 215,000	\$ 315,000
Texas Department of Transportation: May 2003, the City received a State Infrastructure Bank Loan in the amount of \$193,525, payable in 10 annual installments of \$24,098, including interest at 4.2%, for assistance in funding, the relocation of the water line located in Santa Fe Drive.	-	23,127
Texas Department of Transportation: March 2009, the City received a State Infrastructure Bank Loan in the amount of \$320,000, payable in 10 annual installments of \$39,061, including interest at 3.8%, to fund utility relocations in connection with replacement of two bridges over railroad tracks on US 180.	206,105	236,190
Texas Department of Transportation: March 2009, the City received a State Infrastructure Bank Loan in the amount of \$70,000, payable in five annual installments of \$15,504, including interest at 3.5%, for sewer line relocation along FM 51.	14,979	29,452
Texas Department of Transportation: February 2012, the City received a State Infrastructure Bank Loan in the amount of \$650,000. Payable in five annual installments of \$101,034, including interest at 2.45% For sewer line relocation along FM 51/SH 171.	469,197	557,647
	<u>\$ 905,281</u>	<u>\$ 1,161,416</u>

The annual debt payment requirements for notes payable as of September 30, 2013, are as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 241,852	\$ 24,646	\$ 266,498
2015	235,308	16,784	252,092
2016	128,844	11,252	140,096
2017	132,483	7,612	140,095
2018	129,163	3,949	133,112
2019-2023	<u>37,631</u>	<u>1,430</u>	<u>39,061</u>
Total	<u>\$ 905,281</u>	<u>\$ 65,673</u>	<u>\$ 970,954</u>

The Utility System has entered into a lease agreement as lessee for financing the acquisition of computers of various departments. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their minimum lease payments as of the inception date. The assets acquired through the capital lease were below the Utility System’s capitalization threshold; therefore, the items were not capitalized.

The annual debt payment requirements for the capital leases as of September 30, 2013, are as follows:

Fiscal Year	Capital Lease
2014	\$ 45,731
2015	45,731
2016	45,731
2017	45,731
2018	45,731
2019-2023	228,736
2024-2028	<u>183,031</u>
Total minimum lease payments	640,422
Less: amount representing interest	<u>(108,739)</u>
Present value of minimum lease payments	<u>\$ 531,683</u>

### III. OTHER INFORMATION

#### A. Retirement Plan

##### **Plan Description**

The City provides pension benefits for all of its eligible employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publically available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P. O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS’ website at [www.TMRS.com](http://www.TMRS.com).

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. A summary of plan provisions for the City were as follows:

	<u>Plan Year 2012</u>	<u>Plan Year 2013</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity increase to retirees	70% of CPI repeating	70% of CPI repeating

Under the state law that governs TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for the City. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

The annual pension cost and net pension obligation are as follows:

Fiscal Year	<u>2012</u>	<u>2013</u>
Annual required contribution (ARC)	\$ 3,148,531	\$ 3,127,860
Interest on net pension obligation	122,979	140,923
Adjustment to ARC	( 105,713)	( 123,813)
Annual pension cost	3,165,797	3,144,970
Contributions made	( 2,909,441)	(3,057,391)
Change in net pension obligation	256,356	87,579
Net pension obligation, beginning of year	<u>1,756,836</u>	<u>2,013,192</u>
 Net pension obligation, end of year	 <u>\$ 2,013,192</u>	 <u>\$ 2,100,771</u>
 Percentage of APC contributed	 91.9%	 97.2%

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Annual Contribution Made</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
09/30/2011	\$ 3,315,328	\$ 2,666,331	80%	\$ 1,138,119
09/30/2012	3,476,369	2,857,839	82%	1,756,836
09/30/2013	3,165,797	2,909,441	93%	2,013,192

The Utility System's portion of the net pension obligation was \$535,765 and \$516,402 as of September 30, 2013 and 2012, respectively.

The required contribution rates for fiscal year 2013 were determined as part of the December 31, 2010 and 2011, actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

### Actuarial Liabilities and Funding Progress

Actuarial Valuation Date	12/31/10	12/31/11	12/31/12
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	27.2 years; closed period	26.2 years; closed period	25.2 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years
Asset valuation method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial Assumptions:			
Investment rate of return*	7.0%	7.0%	7.0%
Projected salary increases*	varies by age and service	varies by age and service	varies by age and service
*Includes inflation at	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	2.1%	2.1%

### Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/12	\$ 70,899,980	\$ 87,798,347	\$ 16,898,367	80.8%	\$ 17,909,673	94.4%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits. The funded status as of December 31, 2012, is the most recent actuarial valuation.

## **B. Other Postemployment Benefits**

### **Retiree Health Plan**

#### Plan Description

The City offers its retired employees health insurance benefits through a single-employer defined benefit OPEB plan, under City policy. This plan is administered by the City and no separate audited financial statements are available.

After October 2000, the City began paying for 100 percent of the premiums of health, dental and vision care for employees who retire from full time service with the City. On March 1, 2007, the City changed this policy to only pay the medical premiums for those retirees who attain age 55 with 20 years of continuous service before retirement and meet the requirements under TMRS. On September 23, 2008, eligibility was further limited to those employees that were hired regular, full time before October 1, 2008.

Therefore, under the existing plan, the City will pay 100% medical, dental and vision premiums for those retirees who were hired regular fulltime before October 1, 2008, retire after October 1, 2008, and meet the following qualifications:

1. Employed by the City of Weatherford in a fulltime status for a period of at least 20 years continuously prior to retirement;
2. Meet eligibility requirements under TMRS; and
3. Attain minimum age 55 at retirement date.

The City will not pay any portion of medical premiums for retirees hired after October 1, 2008.

Retirees are responsible for payment of premiums for any dependent coverage. Retirement under TMRS is attainment of 20 years of service, any age or five years of service and age 60. Only fulltime employees who attain age 55 with 20 years of continuous service with the City are eligible for health benefits. Employees retiring early under retirement conditions or who terminate employment are not eligible for retiree health benefits. Survivors of employees who die while actively employed are not eligible for retiree health care benefits. Employees who retire under a disability retirement must meet the eligibility requirements stated above to be eligible for health care benefits. Spouses and the dependents of retired employees are eligible to continue health care, dental and vision benefits or Medicare Supplement with payment of 100% of premiums, until death of retiree. Upon death of retiree, all benefits cease. Retirees are required to enroll in Medicare Part A and B when eligible. Retiree pays full Medicare premiums with the City paying the costs of the Medicare Supplement policy for retiree. The City does not offer life insurance coverage for retirees or their dependents. Retirees who decide to opt-out of the health care plan are not eligible to opt back.

## Funding Policy

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB Statement No. 45. The ARC represents an amount that is projected to recognize the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The City had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008, as required by GASB. The City's annual OPEB cost for the fiscal years ending September 30, 2013 and 2012, are as follows:

	<u>2013</u>	<u>2012</u>
Annual required contribution	\$ 949,431	\$ 923,281
Interest on OPEB obligation	111,123	83,281
Adjustment to ARC	<u>( 102,954)</u>	<u>( 77,159)</u>
Annual OPEB cost (expense) end of year	957,600	929,403
Net estimated employer contributions	<u>( 328,361)</u>	<u>( 310,683)</u>
Increase in net OPEB obligation	629,239	618,720
Net OPEB obligation - as of beginning of the year	<u>2,469,404</u>	<u>1,850,684</u>
Net OPEB obligation - as of end of the year	<u>\$ 3,098,643</u>	<u>\$ 2,469,404</u>

The Utility System's portion of the net OPEB obligation was \$837,601 and \$665,082 as of September 30, 2013 and 2012, respectively.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the prior three years (4.5% discount rate, and level percent of pay amortization) follow:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation End of Year</u>
09/30/11	900,509	295,480	32.8%	1,850,684
09/30/12	929,403	310,683	33.4%	2,469,404
09/30/12	957,600	328,361	34.3%	3,098,643

## Funded Status and Funding Progress

The funded status of the City's retiree health care plan, as of the most recent actuarial valuation date is as follows:

### **Schedule of Funding Progress – Other Post-Employment Health Care Benefits**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/12	\$ -	\$ 11,451,759	\$ 11,451,759	- %	\$ 17,909,673	63.94%

Actuarial valuations of an ongoing plan involve estimates of the value reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. A schedule of funding progress presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The funded status as of December 31, 2012 is the most recent actuarial valuation.

Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City’s retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projects of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the City’s employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Inflation rate	3.00% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected unit credit cost
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year, open amortization
Payroll growth	3.00% per annum
Healthcare cost trend rate	Initial rate of 7.5% declining to an ultimate rate of 4.50% after 8 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City’s retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## **Supplemental Death Benefits Plan for Retirees**

### Plan Description

The City participates in the cost sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

### Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers. Contributions are made on a monthly basis on the covered payroll of employee members of the City. The City's contributions to the TMRS SDBF for the years ended 2013, 2012 and 2011, were \$29,374, \$31,129 and \$37,773, respectively, which equaled the required contributions each year.

### **C. Deferred Compensation Plan**

The Utility System offers its employees a tax-deferred compensation plan meeting the requirements of Internal Revenue Code Section 457 through the City. The plan was established by City ordinance that appointed ICMA Retirement Corporation as plan administrator. The City's fiduciary responsibility is to remit employee deferred compensation to the administrator on a regular basis. The deferred compensation is not available to employees until termination, retirement, death, or emergency.

### **D. Risk Management**

The Utility System is exposed to various risks of loss related to theft or damage of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the Utility System's participation in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for liability, property, and workers' compensation and in the Texas Municipal League Intergovernmental Employee Benefits Pool (TMLIEBP) for employee health insurance in conjunction with the City. These are self-sustaining risk pools operated on a statewide basis for the benefit of several hundred Texas cities and other public entities. Annual premiums are paid to the TMLIRP, which retains risk of loss up to \$3,000,000 and obtains independent coverage for losses in excess of that amount. Monthly premiums are paid to the TMLIEBP, which retains risk of loss up to \$500,000 per individual and obtains independent coverage for losses in excess of that amount.

The Utility System retains no risk except for the deductible amounts as shown below:

<u>Type of Coverage</u>	<u>Limit Per Occurrence</u>	<u>Annual Aggregate</u>	<u>Deductible</u>
General liability	\$ 2,000,000	\$ 4,000,000	\$ 5,000
Law enforcement liability	2,000,000	4,000,000	5,000
Errors and omissions liability	2,000,000	4,000,000	50,000
Auto liability	2,000,000	N/A	5,000
Auto physical damage	ACV*	N/A	2,500
Real and personal property**	57,277,073	57,277,073	5,000
Mobile equipment*	2,237,894	2,237,894	5,000
Boiler and machinery	11,000,000	N/A	5,000
Sewage backup	50,000	N/A	1,000

\*Actual cash value

\*\*Blanket limit

There have been no reductions in coverage from the coverage in the previous two years, and there have been no settlements that exceeded coverage in the current or past four fiscal years. On October 1, 2012, the Utility System's insurance deductibles increased significantly from prior years.

#### **E. Contingencies**

There are various lawsuits pending in which the Utility System is involved. In the opinion of legal counsel and Utility System management, the settlement of these lawsuits will not have a material adverse effect on the Utility System's financial position.

#### **F. Derivative Instruments**

The Utility System owns and operates its own electric distribution system and purchases all of its power from a wholesale supplier with the exception of small amounts generated by Utility System-owned gas/diesel-fired generators during emergencies. In an effort to mitigate the financial and market risk associated with the purchase of energy and congestion price volatility, the Utility System has established a Risk Management Program. This program was authorized by the Weatherford Municipal Utility Board and is led by the Risk Management Committee. Under this program, the Utility System enters into forward contracts for natural gas and congestion rights for the purpose of reducing exposure to energy and congestion price risk. Use of these types of instruments for the purpose of reducing exposure to price risk is performed as a hedging activity. These contracts are typically settled as a net settlement of cash. In order to hedge the Utility System's price risk, the Utility System has entered into corresponding power supply agreements with the entity's wholesale power supplier to hedge against energy price fluctuation in the market.

Congestion Revenue Rights (CRRs) function as financial hedges against the cost of resolving congestion in the Electric Reliability Council of Texas (ERCOT) market. These instruments allow the Utility System to hedge expected future congestion that may arise during a certain period. CRRs are purchased at auction, annually and monthly at market value. These instruments exhibit all three of the characteristics of settlement, leverage, and net settlement to classify them as derivative instruments. As of September 30, 2013, the CRRs had a fair value of \$84,094 and are reported as a derivative instrument. The fair value is an estimate of the forward mark-to-market value of CRR options held based on weighted CRR auction clearing prices and day-ahead market prices. The change in fair value of \$30,768 is reported as a deferred outflow of resources.

*Credit Risk.* The Utility System's agreements for natural gas and energy expose the Utility System to credit risk. In the event of default, the Utility System's operations will not be materially affected. However, the Utility System does not expect the wholesale power supplier to fail to meet their obligations. As of September 30, 2013, the Utility System had outstanding forward purchase contracts extending through January 31, 2014 that are expected to be settled through physical delivery. The Utility System monitors the credit ratings of all of its wholesale power suppliers to adhere to the Utility System's Risk Management Policy. Any counterparty that does not have at least a BBB- credit rating must be approved by the Risk Oversight Committee. The congestion revenue rights expose the Utility System to custodial credit risk in the event of default or nonperformance by ERCOT. In the event of default or nonperformance, the Utility System's operations will not be materially affected. However, the Utility System does not expect ERCOT to fail in meeting their obligations as they are a regulatory entity of the State of Texas.

*Basis Risk.* The Utility System is exposed to basis risk on its fuel hedges because the expected commodity purchases being hedged is priced based on NYMEX (Henry Hub) and the financial hedging contract is based on a fixed price. As of September 30, 2013, the NYMEX price per MMBtu was \$3.56, and the locked rate was \$4.34 and \$4.42 for the month of December 2013 and January 2014, respectively. The volume for each month was 8,265 MWh and 10,214 MWh. Changes in the fair value of the hedging instrument was \$155,428 and reported as a deferred outflow of resources.

*Termination Risk.* Termination risk is the risk that a derivative will terminate prior to its scheduled maturity date due to a contractual event. Contractual events include illegality, tax and credit events upon merger and other events. The Utility System's exposure to termination risk for these agreements is minimal due to the high credit rating of the counterparties. Termination risk is associated with all of the Utility System's derivatives up to their fair value of the instrument.

During the year ended September 30, 2013 and 2012, the total KWHs purchased, total cost, and cost per KWH were as follows:

<u>2013</u> <u>Power Supplier</u>	<u>KWH</u> <u>Purchased</u>	<u>Total Cost</u>	<u>Cost Per</u> <u>KWH</u>
American Electric Power	<u>398,321,449</u>	\$ <u>18,312,494</u>	\$ <u>0.0460</u>
<u>2012</u> <u>Power Supplier</u>	<u>KWH</u> <u>Purchased</u>	<u>Total Cost</u>	<u>Cost Per</u> <u>KWH</u>
American Electric Power	<u>395,708,595</u>	\$ <u>15,076,443</u>	\$ <u>0.0381</u>

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**REQUIRED SUPPLEMENTARY INFORMATION  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
SCHEDULE OF FUNDING PROGRESS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2010	59,110,509	78,326,714	19,216,205	75.5%	17,646,909	108.9%
12/31/2011	64,824,032	83,255,041	18,431,009	77.9%	17,280,980	106.7%
12/31/2012	70,899,980	87,798,347	16,898,367	80.8%	17,909,673	94.4%

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN  
FOR THE EMPLOYEES OF CITY OF WEATHERFORD, TEXAS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/08	\$ -	\$ 10,339,130	\$ 10,339,130	0.0%	\$ 16,311,246	63.39%
12/31/10	-	10,420,335	10,420,335	0.0%	18,204,776	57.24%
12/31/12	-	11,451,759	11,451,759	0.0%	17,909,673	63.94%

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# **CAPITAL ASSETS**

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**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**SCHEDULES OF CAPITAL ASSETS**

**SEPTEMBER 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Land	\$ 2,514,254	\$ 2,224,486
Buildings and improvements	19,505,130	18,936,156
Other improvements	149,084,181	140,226,304
Machinery and equipment	6,340,329	6,305,294
Construction in progress	<u>2,398,515</u>	<u>1,394,837</u>
	\$ 179,842,409	\$ 169,087,077
Less accumulated depreciation	<u>( 64,779,834)</u>	<u>( 57,077,574)</u>
Totals	<u>\$ 115,062,575</u>	<u>\$ 112,009,503</u>

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY**

**SEPTEMBER 30, 2013**

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Other Improvements</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>
Administration	\$ 5,251,093	\$ 326,764	\$ 3,346,266	\$ 1,108,248	\$ 469,815	\$ -
Water production	26,165,560	1,055,502	12,534,984	11,905,811	531,098	138,165
Water distribution	54,112,115	663,699	55,619	52,437,564	584,233	371,000
Wastewater	39,114,538	142,477	3,231,643	31,973,822	1,877,246	1,889,350
Electric production	1,192,893	11,334	336,618	13,203	831,738	-
Electric distribution	<u>54,006,210</u>	<u>314,478</u>	<u>-</u>	<u>51,645,533</u>	<u>2,046,199</u>	<u>-</u>
Total capital assets	<u>\$ 179,842,409</u>	<u>\$ 2,514,254</u>	<u>\$ 19,505,130</u>	<u>\$ 149,084,181</u>	<u>\$ 6,340,329</u>	<u>\$ 2,398,515</u>

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**SCHEDULE OF CHANGES IN CAPITAL ASSETS  
BY FUNCTION AND ACTIVITY**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<u>Function and Activity</u>	<u>Balance 09/30/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/13</u>
Administration	\$ 5,778,637	\$ 153,949	\$( 681,492)	\$ 5,251,094
Water production	25,782,798	674,185	( 291,423)	26,165,560
Water distribution	53,279,984	1,143,169	( 311,037)	54,112,116
Wastewater	37,472,213	1,683,441	( 41,118)	39,114,536
Electric production	1,192,893	-	-	1,192,893
Electric distribution	<u>51,008,399</u>	<u>3,322,811</u>	<u>( 325,000)</u>	<u>54,006,210</u>
Total capital assets	<u>\$ 174,514,924</u>	<u>\$ 6,977,555</u>	<u>\$( 1,650,070)</u>	<u>\$ 179,842,409</u>

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# **STATISTICAL SECTION**

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**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**PLEDGED REVENUE COVERAGE**

**SEPTEMBER 30, 2013  
(UNAUDITED)**

Fiscal Year	Utility System Revenue Bonds					
	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2003/04	\$ 35,042,210	\$ 26,856,979	\$ 8,185,231	\$ 1,870,000	\$ 1,901,654	2.17%
2004/05	42,666,318	32,453,744	10,212,574	1,955,000	1,820,361	2.71%
2005/06	50,133,799	39,001,632	11,132,167	2,035,000	2,089,058	2.70%
2006/07	47,313,004	37,605,675	9,707,329	2,215,000	2,495,105	2.06%
2007/08	60,783,520	49,251,229	11,532,291	2,300,000	2,408,986	2.45%
2008/09	55,326,626	46,126,060	9,200,566	2,400,000	2,222,336	1.99%
2009/10	44,648,091	34,190,600	10,457,491	2,515,000	2,111,215	2.26%
2010/11	48,143,263	32,655,996	15,487,267	2,615,000	2,015,352	3.34%
2011/12	40,639,256	24,787,800	15,851,456	2,715,000	1,912,988	3.43%
2012/13	44,969,078	29,429,195	15,539,883	2,840,000	1,787,416	3.36%

Notes: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

(1) Total operating revenues plus interest.

(2) Total operating expenses excluding depreciation and amortization.

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**SCHEDULE OF ELECTRIC SALES**

**LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Year Ended September 30</u>	<u>Power Sold (kwhr)</u>	<u>Daily Average (kwhr)</u>	<u>System Peak (kw)</u>
2004	289,880,920	794,194	71,857
2005	315,001,959	863,019	78,273
2006	338,176,662	926,511	82,721
2007	334,246,819	915,745	81,859
2008	354,818,755	972,106	82,317
2009	341,457,244	935,499	83,385
2010	365,673,529	1,001,845	90,289
2011	381,826,440	1,046,100	96,681
2012	371,081,397	1,016,661	92,705
2013	* 371,982,863	** 1,019,131	*** 94,161

\* 28.3% Increase since 2004 (KWHR)  
 \*\* 28.3% Increase since 2004 (KWHR)  
 \*\*\* 31.0% Increase since 2004 (KW)

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**SCHEDULE OF RETAIL WATER SALES**

**LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Year Ended September 30</u>	<u>Water Sold (1,000 Gallons)</u>	<u>Daily Average (1,000 Gallons)</u>	<u>Peak Day (1,000 Gallons)</u>
2004	983,680	2,695	5,951
2005	1,115,086	3,055	7,058
2006	1,464,155	4,011	8,289
2007	1,117,941	3,063	7,264
2008	1,281,104	3,510	7,991
2009	1,258,075	3,447	8,191
2010	1,107,183	3,033	7,316
2011	1,373,590	3,763	9,070
2012	1,289,037	3,532	9,003
2013	* 1,227,698	** 3,493	*** 7,708

- \* 24.8% Increase since 2004
- \*\* 29.6% Increase since 2004
- \*\*\* 29.5% Increase since 2004

21,900 pop. - 123.05 gals per day per person (2004)  
25,900 pop. - 129.86 gals per day per person (2013)

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**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**SCHEDULE OF WASTEWATER SALES**

**LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Year Ended September 30</u>	<u>Wastewater Treated (1,000 Gallons)</u>	<u>Daily Average (1,000 Gallons)</u>	<u>Peak Day (1,000 Gallons)</u>
2004	886,695	2,429	7,055
2005	790,227	2,165	5,544
2006	772,941	2,118	3,758
2007	811,311	2,223	5,308
2008	758,813	2,079	4,083
2009	706,666	1,936	4,307
2010	825,139	2,261	4,360
2011	778,677	2,133	4,840
2012	818,178	2,242	4,389
2013	* 771,975	** 2,115	*** 3,964

\* 12.9% Decrease since 2004

\*\* 12.9% Decrease since 2004

\*\*\* 43.8% Decrease since 2004

21,900 pop. - 110.92 gals per day per person (2004)

25,900 pop. - 81.66 gals per day per person (2013)

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**MISCELLANEOUS STATISTICS**

**SEPTEMBER 30, 2013  
(UNAUDITED)**

Date of incorporation	January 2, 1858
Form of government	Council/Manager
Number of full-time employees (excluding police and fire):	256
Area in square miles	26.76
Facilities and Services	
Miles of streets	226
Number of street lights	1,808
Culture and Recreation:	
Public libraries	1
Total library holdings	104,834
Community centers	2
Parks	10
Park acreage	301
Swimming pools	1
Tennis courts	3
Soccer fields	8
Softball and baseball fields	12
Multi-purpose fields and courts	3
Fire Protection:	
Number of stations	4
Number of paid fire personnel and officers	66
Number of trucks	18
Number of calls answered	4,505
Police Protection:	
Number of stations	1
Number of police personnel and officers	80
Number of patrol units	22
Number of law violations:	
Arrests	1,132
Violations other than parking	5,691
Parking violations	133

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**MISCELLANEOUS STATISTICS**

**SEPTEMBER 30, 2013  
(UNAUDITED)**

Sanitary Sewer System:

Miles of sanitary sewers	233
Number of treatment plants	1
Number of service connections	10,201
Daily average treatment in gallons	2,115,000
Permitted daily capacity of treatment plant in gallons	4,500,000

Water System:

Miles of water mains	272
Number of service connections	11,084
Number of fire hydrants	1,384
Daily average consumption in gallons	3,493,000
Maximum daily capacity of plant in gallons	14,000,000
Total water storage capacity	7,600,000
Annual water sales in gallons	1,227,698,000

Electric Distribution System:

Miles of distribution lines	326
Number of service connections	13,953
Total system peak demand (kw)	94,141
Annual kilowatt-hour sales (kwh)	371,982,863

Other Community Facilities:

Education:

Number of elementary schools	7
Number of elementary school instructors	290
Number of secondary schools	4
Number of secondary school instructors	231
Number of community colleges	1

Hospitals:

Number of hospitals	1
Number of patient beds	99

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**SERVICE RATE SCHEDULES**

**SEPTEMBER 30, 2013  
(UNAUDITED)**

**ELECTRIC RATES - (Effective October 1, 2012 - Ordinance 508-2010-46)**

Residential	\$10.08 customer charge \$0.0443 per KWH
Small General Service (Demand does not exceed 20)	\$19.55 customer charge plus \$.0490 per KWH
Large General Service - 1 (Demand 20 - 200)	\$45.50 customer charge \$3.80 per KW demand \$0.0256 per KWH
Large General Service - 2 (Demand 200 - 1000 KVA)	\$100.00 customer charge \$3.79 per KVA demand \$0.0260 per KWH
Large General Service - 3 (Demand 1000 KVA or more)	\$195.00 customer charge \$3.65 per KVA demand \$0.0230 per KWH

LGS-1, LGS-2 and LGS-3 customers are subject to minimum KW demand billing equal to 75% of highest demand billed within last 12 months.

MV Lighting	\$10.00 customer charge Estimated usage 40 KWH
-------------	---

Power cost adjustment factor (PCAF) - The energy charges stated in all rate schedules for the current billing month will be increased or decreased by the amount by which the average cost of purchased power plus production costs per kilowatt hour sold for the previous month exceeds \$0.0150.

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**SERVICE RATE SCHEDULES**

**AS OF SEPTEMBER 30, 2013  
(UNAUDITED)**

**WATER RATES - (Effective October 1, 2012 - Ordinance 508-2010-46)**

**RESIDENTIAL WATER CUSTOMER**

Customer Charge (minimum)	\$18.75
Per Cu. Ft. (0-1,000)	\$0.0337
Per Cu. Ft. (1,001-3,500)	\$0.0421
Per Cu. Ft. (3,501-5,000)	\$0.0527
Per Cu. Ft. (all over 5,000)	\$0.0660

**RURAL WATER CUSTOMER - Westridge/Southcrest Subdivisions**

Customer Charge (minimum)	\$18.75
Residential:	
Per Cu. Ft. (0-1,000)	\$0.0647
Per Cu. Ft. (1,001-3,500)	\$0.0731
Per Cu. Ft. (3,501-5,000)	\$0.0837
Per Cu. Ft. (all over 5,000)	\$0.0970
Commercial	\$0.0660

**COMMERCIAL RATES**

Customer Charge (minimum)	\$18.75
Per Cu. Ft.	\$0.0337

**OFFSITE COMMERCIAL/INDUSTRIAL**

Fire Hydrant Meters	
Customer Charge (minimum) - FH 2 inch	\$100.00
Customer Charge (minimum) - FH 3 inch	\$218.75
Per Cu. Ft. (all)	\$0.0637

**WASTEWATER RATES (Effective October 1, 2012 - Ordinance 508-2010-46)**

**RESIDENTIAL RATES**

Customer Charge (minimum)	\$15.00
Cu. Ft. Included in Minimum	400
Per Cu. Ft. > 400 CF (Maximum Billed - 2,000 CF)	\$0.0420

Residential wastewater volume based on lower month's actual use or average of water billed during months of December, January and February.

**COMMERCIAL RATES**

Customer Charge (minimum)	\$17.55
Cu. Ft. Included in Minimum	400
Per Cu. Ft. > 400 CF	\$0.0390

Commercial volume based on percent of actual water billed each month.

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# **CAPITAL PROJECTS SECTION**

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**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM  
September 30, 2013**

**MAJOR CAPITAL PROJECTS SUMMARY  
FOR THE PERIOD 10/01/12 - 09/30/13  
(Unaudited)**

	ORIGINAL BUDGET	BALANCE 9/30/2012	FISCAL YEAR 2012-2013	BALANCE 9/30/2013
<b><u>REVENUES</u></b>				
2009 Tax Notes				
Sales of Bonds	\$ 690,000.00	690,000.00	\$ -	\$ 690,000.00
Bond Issuance Costs	(23,000.00)	(23,000.00)	-	(23,000.00)
2006 Revenue Bond Funds				
Sale of Bonds	20,000,000.00	20,000,000.00	-	20,000,000.00
Original Issue Premium		835,310.45	-	835,310.45
Bond Issuance Costs	-	(357,318.50)	-	(357,318.50)
Change in Fair Value of Investments	-	(723.44)	-	(723.44)
Interest Earnings	-	1,789,351.62	1,519.18	1,790,870.80
EPA Grant Funds (Elevat. Storage Tank)	-	240,600.00	-	240,600.00
Prior Funding Sources				
Utility Revenues	523,342.00	523,342.03	-	523,342.03
1999 Revenue Bond Funds	905,894.00	905,894.18	-	905,894.18
Capitalized Interest - 1999 Bonds	20,952.00	25,716.03	-	25,716.03
Capitalized Interest - 2006 Bonds	-	516,051.23	26,193.59	542,244.82
Capitalized Interest - 2009 Tax Notes	-	40,104.77	-	40,104.77
<b>TOTAL REVENUES</b>	<b>\$ 22,117,188</b>	<b>\$25,185,328.37</b>	<b>\$ 27,712.77</b>	<b>\$25,213,041.14</b>
<b><u>PROJECT EXPENDITURES</u></b>				
Railroad Substation	\$ 1,567,000.00	\$ 1,178,008.43	\$ -	\$ 1,178,008.43
Water Purification Plant Expansion	6,045,000.00	6,173,464.65	-	6,173,464.65
Elevated Water Tank & Lines	2,797,250.00	4,096,684.18	-	4,096,684.18
Parallel Treated Water Line	9,035,000.00	6,609,496.23	-	6,609,496.23
Parallel Sewer Line-S Main to WWTP	1,700,000.00	1,517,208.33	-	1,517,208.33
Viaduct Relocation	109,238.10	139,848.60	-	139,848.60
Western Loop Water Line	-	93,461.32	18,214.61	111,675.93
SH 51 12" Water Line	-	175,781.13	-	175,781.13
12" Waterline Tin Top/I-20/BB Fielder	-	101,327.78	73,758.92	175,086.70
Lift Station #8 Relocation	600,000.00	1,048,891.34	-	1,048,891.34
Lift Station #6 Improvements	150,000.00	699,125.58	660,078.05	1,359,203.63
Unallocated Contingency	113,699.90	-	-	-
Interest Transfer to Utility System	-	1,676,155.19	-	1,676,155.19
<b>TOTAL PROJECT EXPENDITURES</b>	<b>\$22,117,188.00</b>	<b>\$23,509,452.76</b>	<b>\$ 752,051.58</b>	<b>\$24,261,504.34</b>
<b>ENDING BALANCE</b>	<b>\$ -</b>	<b>\$ 1,675,875.61</b>	<b>\$ (724,338.81)</b>	<b>\$ 951,536.80</b>

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
September 30, 2013**

**RAILROAD SUBSTATION CONSTRUCTION  
(Unaudited)**

	<b>BALANCE 9/30/2012</b>	<b>FISCAL YEAR 2012-2013</b>	<b>BALANCE 9/30/2013</b>
<b><u>PROJECT EXPENDITURES</u></b>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
CONSTRUCTION	303,588.85	-	303,588.85
MISC. & CONTINGENCY	834,314.81	-	834,314.81
CAPITALIZED INTEREST	40,104.77	-	40,104.77
<b><i>TOTAL EXPENDITURES</i></b>	<b>\$ 1,178,008.43</b>	<b>\$ -</b>	<b>\$ 1,178,008.43</b>

This 30 MVA (power for 5,000 homes) expansion of the Railroad Substation provides not only additional power handling capability, but enhances the overall flexibility and designed source redundancy for the utility's installed distribution system. This project became operational in May, 2009.

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
September 30, 2013**

**WATER PURIFICATION PLANT EXPANSION  
(Unaudited)**

	<b>BALANCE 9/30/2012</b>	<b>FISCAL YEAR 2012-2013</b>	<b>BALANCE 9/30/2013</b>
<b><u>PROJECT EXPENDITURES</u></b>			
ENGINEERING SERVICES	\$ 153,338.16	\$ -	\$ 153,338.16
CONSTRUCTION	5,905,999.79	-	5,905,999.79
MISC. & CONTINGENCY	11,573.20	-	11,573.20
CAPITALIZED INTEREST	102,553.50	-	102,553.50
<b><i>TOTAL EXPENDITURES</i></b>	<b>\$ 6,173,464.65</b>	<b>\$ -</b>	<b>\$ 6,173,464.65</b>

The 6 MG expansion of the water plant began in June 2005. The plant was substantially complete in July 2006 with final completion in August 2007.

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
September 30, 2013**

**ELEVATED WATER TANK AND LINES  
(Unaudited)**

	<b>BALANCE 9/30/2012</b>	<b>FISCAL YEAR 2012-2013</b>	<b>BALANCE 9/30/2013</b>
<b><u>PROJECT EXPENDITURES</u></b>			
ENGINEERING SERVICES	\$ 550,576.10	\$ -	\$ 550,576.10
LAND	81,100.00	-	81,100.00
LAND EASEMENTS/ROW'S	119,889.44	-	119,889.44
CONSTRUCTION	3,098,277.54	-	3,098,277.54
MISC. & CONTINGENCY	126,561.65	-	126,561.65
CAPITALIZED INTEREST	120,279.45	-	120,279.45
<b><i>TOTAL EXPENDITURES</i></b>	<b>\$ 4,096,684.18</b>	<b>\$ -</b>	<b>\$ 4,096,684.18</b>

An additional elevated water storage tank was needed in the southeast portion of the city. Bids were opened February 5, 2008, with construction starting in April 2008. The tank became operational in the summer of 2009.

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
September 30, 2013**

**PARALLEL TREATED WATER LINE  
(Unaudited)**

	<b>BALANCE 9/30/2012</b>	<b>FISCAL YEAR 2012-2013</b>	<b>BALANCE 9/30/2013</b>
<b><u>PROJECT EXPENDITURES</u></b>			
ENGINEERING SERVICES	\$ 1,153,655.00	\$ -	\$ 1,153,655.00
LAND EASEMENTS/RIGHT-OF-WAYS	484,059.00	-	484,059.00
CONSTRUCTION	4,756,443.91	-	4,756,443.91
MISC. & CONTINGENCY	9,130.68	-	9,130.68
CAPITALIZED INTEREST	206,207.64	-	206,207.64
<b><i>TOTAL EXPENDITURES</i></b>	<b>\$ 6,609,496.23</b>	<b>\$ -</b>	<b>\$ 6,609,496.23</b>

The parallel water line extends from the Water Purification Plant into various points within the distribution system. The waterline was designed in three segments. Construction of segment A-1 began June 2009 and was completed in January 2010. Construction of segment A-2 began in December 2009 and was completed in April 2010. Construction of segment A-3 began in January 2011 and was completed in July 2011.

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
September 30, 2013**

**WESTERN LOOP WATER LINE  
(Unaudited)**

	<b>BALANCE 9/30/2012</b>	<b>FISCAL YEAR 2012-2013</b>	<b>BALANCE 9/30/2013</b>
<b><u>PROJECT EXPENDITURES</u></b>			
ENGINEERING SERVICES	\$ 13,093.16	\$ -	\$ 13,093.16
MISC. & CONSTRUCTION	58,197.29	17,581.28	75,778.57
CAPITALIZED LABOR	19,579.96	-	19,579.96
CAPITALIZED INTEREST	2,590.91	633.33	3,224.24
<b><i>TOTAL EXPENDITURES</i></b>	<b>\$ 93,461.32</b>	<b>\$ 18,214.61</b>	<b>\$ 111,675.93</b>

Eight segments of twelve (12) inch PVC water line, ranging from sixty (60) to three hundred and thirty-three (333) linear feet, were installed at various locations along the proposed Western Loop, crossing under the future street, in order to accommodate future water lines. These lines were installed prior to construction of the loop in order to avoid excavation or boring under the street in the future. This project began in May 2011 and was completed in May 2013.

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
September 30, 2013**

**SH 51 12" WATER LINE  
(Unaudited)**

	<b>BALANCE 9/30/2012</b>	<b>FISCAL YEAR 2012-2013</b>	<b>BALANCE 9/30/2013</b>
<b><u>PROJECT EXPENDITURES</u></b>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
MISC. & CONSTRUCTION	121,745.64	-	121,745.64
SALARIES	48,036.74	-	48,036.74
CAPITALIZED LABOR	351.23	-	351.23
CAPITALIZED INTEREST	5,647.52	-	5,647.52
<b><i>TOTAL EXPENDITURES</i></b>	<b>\$ 175,781.13</b>	<b>\$ -</b>	<b>\$ 175,781.13</b>

Approximately 1,800 linear feet of twelve (12) inch PVC water line and associated appurtenances were installed along the west side of FM 51/SH 171 from Alford Drive to approximately 700 feet south of B.B. Fielder Road. This water line was installed to serve the southern annexation area. This project began in June 2011 and was completed by February 2012.

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
September 30, 2013**

**12" WATERLINE ALONG TIN TOP BETWEEN I-20 & BB FIELDER ROAD  
(Unaudited)**

	<b>BALANCE 9/30/2012</b>	<b>FISCAL YEAR 2012-2013</b>	<b>BALANCE 9/30/2013</b>
<b><u>PROJECT EXPENDITURES</u></b>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
MISC. & CONSTRUCTION	78,333.27	58,553.01	136,886.28
SALARIES	19,329.03	12,641.30	31,970.33
CAPITALIZED LABOR	-	-	-
CAPITALIZED INTEREST	3,665.48	2,564.61	6,230.09
<b><i>TOTAL EXPENDITURES</i></b>	<b>\$ 101,327.78</b>	<b>\$ 73,758.92</b>	<b>\$ 175,086.70</b>

Approximately 2,100 linear feet of twelve (12) inch PVC water line and associated appurtenances were installed along the east side of Tin Top Road from Interstate 20 to B.B. Fielder Road. This water line was installed to serve the southern annexation area. This project began in August 2012 and was completed in July 2013.

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
September 30, 2013**

**PARALLEL WASTEWATER LINE  
S. MAIN TO WWTP  
(Unaudited)**

	<b>BALANCE 9/30/2012</b>	<b>FISCAL YEAR 2012-2013</b>	<b>BALANCE 9/30/2013</b>
<b><u>PROJECT EXPENDITURES</u></b>			
ENGINEERING SERVICES	\$ 149,100.00	\$ -	\$ 149,100.00
CONSTRUCTION	1,298,590.27	-	1,298,590.27
MISC. & CONTINGENCY	18,459.50	-	18,459.50
CAPITALIZED INTEREST	51,058.56	-	51,058.56
<b><i>TOTAL EXPENDITURES</i></b>	<b>\$ 1,517,208.33</b>	<b>\$ -</b>	<b>\$ 1,517,208.33</b>

This line will replace the existing 12 inch line from I-20 to the Wastewater Treatment Plant with a 24 inch line. Design was completed in Fiscal Year 2008. Construction began in April 2009 and was completed in February 2010.

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
September 30, 2013**

**VIADUCT RELOCATION  
(Unaudited)**

	<b>BALANCE 9/30/2012</b>	<b>FISCAL YEAR 2012-2013</b>	<b>BALANCE 9/30/2013</b>
<b><u>PROJECT EXPENDITURES</u></b>			
CONSTRUCTION	\$ 135,081.84	-	\$ 135,081.84
CAPITALIZED INTEREST	4,766.76	-	4,766.76
<b><i>TOTAL EXPENDITURES</i></b>	<b>\$ 139,848.60</b>	<b>\$ -</b>	<b>\$ 139,848.60</b>

The Viaduct project relocated existing water and wastewater lines which were in conflict with the reconstruction of the Viaduct bridge. Construction began in September 2009 and was completed in April 2010.

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
September 30, 2013**

**LIFT STATION #6 IMPROVEMENTS  
(Unaudited)**

	<b>BALANCE 9/30/2012</b>	<b>FISCAL YEAR 2012-2013</b>	<b>BALANCE 9/30/2013</b>
<b><u>PROJECT EXPENDITURES</u></b>			
ENGINEERING SERVICES	\$ 2,345.00	\$ -	\$ 2,345.00
LAND EASEMENTS/RIGHT OF WAYS	8,000.00	4,000.00	12,000.00
MISC. & CONSTRUCTION	418,907.53	506,154.98	925,062.51
SALARIES	203,674.54	126,927.42	330,601.96
CAPITALIZED LABOR	43,605.65	-	43,605.65
CAPITALIZED INTEREST	22,592.86	22,995.65	45,588.51
<b><i>TOTAL EXPENDITURES</i></b>	<b>\$ 699,125.58</b>	<b>\$ 660,078.05</b>	<b>\$ 1,359,203.63</b>

Growing citizenry and a recent annexation south of I-20 are requiring the relocation and upgrade of the existing Lift Station #6. The existing lift station was constructed in 1980 and is quickly approaching the end of its useful life. Coupling that with the increasing demand for safe, reliable sewage disposal, the lift station will be moved south approximately one mile to serve the southern annexation area. The City is obligated to move the lift station as part of the required services from the annexation. Construction began in May 2011 and will be completed by January 2014.

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
September 30, 2013**

**LIFT STATION #8 RELOCATION  
(Unaudited)**

	<b>BALANCE 9/30/2012</b>	<b>FISCAL YEAR 2012-2013</b>	<b>BALANCE 9/30/2013</b>
<b><u>PROJECT EXPENDITURES</u></b>			
MISC. & CONSTRUCTION	773,150.13	-	773,150.13
SALARIES	127,654.10	-	127,654.10
CAPITALIZED LABOR	125,682.53	-	125,682.53
CAPITALIZED INTEREST	22,404.58	-	22,404.58
<b><i>TOTAL EXPENDITURES</i></b>	<b>\$ 1,048,891.34</b>	<b>\$ -</b>	<b>\$ 1,048,891.34</b>

Growing citizenry and a recent annexation south of I-20 are requiring the relocation and upgrade of the existing Lift Station #8. The existing lift station was constructed in 1980 and is quickly approaching the end of its useful life. Coupling that with the increasing demand for safe, reliable sewage disposal, the station will be moved south approximately one mile to serve the southern annexation. Construction began in March 2010 and was completed in May 2011.

# **BUDGET SECTION**

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**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM  
TRANSFER CALCULATION REPORT  
YEAR ENDED SEPTEMBER 30, 2013  
(Unaudited)**

**RETURN ON INVESTMENT TRANSFER CALCULATION**

As Adopted by City Council June 14, 2011

	Estimated Volume	Actual Volume	Rate of Return Per Unit Sold	Estimated Transfer	Actual Transfer
2012-13 Electric KWH Sales	374,464,299	371,982,863	\$0.0056	\$2,097,000	\$2,083,104
2012-13 Water (1,000 Gal.) Sales	1,244,309	1,274,842	\$0.2469	307,220	314,758
2012-13 Wastewater (1,000 Gal.) Treated	841,724	772,133	\$0.2716	228,612	209,711
				<u>\$2,632,832</u>	<u>\$2,607,573</u>

**GROSS RECEIPTS CHARGE CALCULATION**

As Adopted by City Council June 14, 2011

	Estimated Volume	Actual Volume	Gross Receipts Per Unit Sold	Estimated Gross Receipts	Actual Gross Receipts
2012-13 Electric KWH Sales	374,464,299	371,982,863	\$0.0044	\$1,647,643	\$1,636,725
2012-13 Water (1,000 Gal.) Sales	1,244,309	1,274,842	\$0.2223	276,610	283,397
2012-13 Wastewater (1,000 Gal.) Treated	841,724	772,133	\$0.1975	166,241	152,496
				<u>\$2,090,493</u>	<u>\$2,072,618</u>

**ADMINISTRATIVE SERVICES TRANSFER CALCULATION**

<u>DEPARTMENT</u>	<u>PROPOSED BUDGET</u>	<u>PERCENT ALLOCATED</u>	<u>ALLOCATED AMOUNT</u>	<u>TRANSFER ALLOCATION BASED ON SYSTEM REVENUES &amp; DIRECT EXPENDITURES</u>		
Administration	\$691,278	45.0%	\$311,075			
Human Resources	314,918	50.0%	157,459	ELECTRIC	76.000%	\$606,422
Finance Administration	474,286	50.0%	237,143			
City Attorney	141,490	50.0%	70,745	WATER	15.500%	\$403,678
Economic Development	219,500	50.0%	109,750			
City Hall (3,628sf)	(65,304)	100.0%	(65,304)	WASTEWATER	8.500%	\$67,823
Graduate Engineer	(96,290)	50.0%	(48,145)			
Lake Maintenance	280,000	100.0%	280,000			<u>\$1,077,923</u>
Audit Services	63,000	40.0%	25,200			
	<u>\$2,022,878</u>		<u>\$1,077,923</u>			

**SUMMARY - ALL TRANSFERS**

	ACTUAL 2011-2012	BUDGET 2012-2013	ACTUAL 2012-2013	ACTUAL INCREASE/ (DECREASE)
Gross Receipts Fee	\$2,090,393	\$2,090,493	\$2,072,618	(\$17,775)
Administrative Services	795,763	1,077,923	1,077,923	282,160
Return on Investment	2,629,079	2,632,832	2,607,573	(21,506)
	<u>\$5,515,235</u>	<u>\$5,801,248</u>	<u>\$5,758,114</u>	<u>\$242,879</u>
<b>TRANSFERS AS % OF REVENUES</b>	13.16%	12.63%	12.43%	-0.73%

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**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM  
UTILITY SYSTEM REVENUES  
YEAR ENDED SEPTEMBER 30, 2013  
(Unaudited)**

	<i>Actual</i> 2011-2012	<i>Amended</i> <i>Budget</i> 2012-2013	<i>Actual</i> 2012-2013	<i>Variance</i> <i>Positive</i> <i>(Negative)</i>
<b>Electric</b>				
415-Sale of Electricity	\$ 27,234,549	\$ 30,404,893	\$ 30,651,340	\$ 246,447
508-NSF Check Charge	8,880	10,000	7,050	(2,950)
601-Interest - Non-Restricted	44,217	25,000	77,966	52,966
602-Net Change in Fair Value - Investments	(16,533)	-	(51,469)	(51,469)
604-Sale of Fixed Assets	(716)	-	27,565	27,565
612-Sale of Salvage	-	5,000	1,324	(3,676)
632-Pole Rental - CATV	111,346	110,000	112,433	2,433
634-Electric Fiber Lease Fee	18,000	-	41,678	41,678
644-Late Payment Fees	148,313	160,000	151,155	(8,845)
645-Temp. Connect & Reconnect Fees	81,115	80,000	69,330	(10,670)
646-Service Connection Fees	84,390	85,000	85,620	620
647 Service Transfer Fees	10,600	12,000	11,745	(255)
651-Miscellaneous	69,896	120,000	209,926	89,926
808-Contributions-Aid of Construction	136,003	100,000	116,988	16,988
810-Proceeds From Lease/Purchase Agreement	-	-	-	-
832-Transfer From Utility Reserve	49,000	49,000	-	(49,000)
833-Transfer From Solid Waste	29,107	29,107	29,107	-
850-Proceeds From Insurance	-	-	434	434
<b>Total Electric</b>	<b>28,008,167</b>	<b>31,190,000</b>	<b>31,542,192</b>	<b>352,192</b>
<b>Water</b>				
410-Wholesale Water Sales	133,733	86,377	107,731	101,132
417-Retail Water Sales	8,264,114	8,810,521	8,884,689	74,168
418-Raw Water Sales	2,500	2,500	2,521	21
467-Water Taps	5,864	3,500	2,199	(1,301)
469-Water Main Pro-Rata Fees	26,730	15,000	22,292	7,292
604-Sale of Fixed Assets	2,721	-	-	-
612-Sale of Salvage	13,520	-	598	598
625-Lake Lot Leases	892,470	915,000	922,856	7,856
627-Lake Lot Transfers	8,850	5,000	12,796	7,796
629-Lake Concession Rental	9,949	9,500	12,226	2,726
633-Water Tower License Fee	17,875	16,375	37,375	21,000
641-Cash Shortage/Overage	96	-	163	163
651-Miscellaneous	5,988	8,000	3,739	(4,261)
833-Transfer From Solid Waste	12,474	12,474	12,474	-
850-Proceeds From Insurance	-	-	24,503	24,503
<b>Total Water</b>	<b>9,416,886</b>	<b>9,866,469</b>	<b>10,108,162</b>	<b>241,693</b>
<b>Wastewater</b>				
419-Wastewater Service Fees	4,273,966	4,712,025	4,466,060	(245,965)
420-Pre-Treatment Fees	28,826	26,000	28,740	2,740
463-Sewer Tap Fees	4,524	1,200	1,270	70
464-Non-system Wastewater Maint. Fees	3,490	-	-	-
466-Non-system Wastewater Service Fees	167,111	120,000	161,192	41,192
651-Miscellaneous	3,908	2,000	4,414	2,414
<b>Total Wastewater</b>	<b>4,481,825</b>	<b>4,861,225</b>	<b>4,661,676</b>	<b>(199,549)</b>
<b>TOTAL UTILITY SYSTEMS FUND</b>	<b>\$ 41,906,878</b>	<b>\$ 45,917,694</b>	<b>\$ 46,312,030</b>	<b>\$ 394,336</b>

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM  
SUMMARY BUDGET REPORT  
YEAR ENDED SEPTEMBER 30, 2013  
(Unaudited)**

	<i>Actual 2011-2012</i>	<i>Amended Budget 2012-2013</i>	<i>Actual 2012-2013</i>	<i>Variance Positive (Negative)</i>
<b>REVENUES</b>				
<b><i>ELECTRIC</i></b>				
<i>Sales of Power</i>	\$ 27,234,549	\$ 30,404,893	\$ 30,651,340	\$ 246,447
<i>Interest &amp; Other</i>	773,618	785,107	890,852	105,745
	<u>28,008,167</u>	<u>31,190,000</u>	<u>31,542,192</u>	<u>352,192</u>
<b><i>WATER</i></b>				
<i>Wholesale Water Sales</i>	153,735	68,599	169,731	101,132
<i>Retail Water Sales</i>	8,264,114	8,810,521	8,884,689	74,168
<i>Raw Water Sales</i>	2,500	2,500	2,521	21
<i>Lake Lot Leases</i>	892,470	915,000	922,856	7,856
<i>Interest &amp; Other</i>	104,067	69,849	128,365	58,516
	<u>9,416,886</u>	<u>9,866,469</u>	<u>10,108,162</u>	<u>241,693</u>
<b><i>WASTEWATER</i></b>				
<i>Wastewater Service Fees</i>	4,441,077	4,832,025	4,627,252	(204,773)
<i>Tap &amp; Pro-Rata Fees</i>	4,524	1,200	1,270	70
<i>Pre-Treatment Fees</i>	28,826	26,000	28,740	2,740
<i>Wastewater Maintenance Fees</i>	3,490	-	-	-
<i>Interest &amp; Other</i>	3,908	2,000	4,414	2,414
	<u>4,481,825</u>	<u>4,861,225</u>	<u>4,661,676</u>	<u>(199,549)</u>
<b><i>Total Revenues</i></b>	<u>41,906,878</u>	<u>45,917,694</u>	<u>46,312,030</u>	<u>394,336</u>
<b>EXPENDITURES</b>				
<b><i>ELECTRIC</i></b>				
<i>Administration</i>	181,523	334,924	293,389	41,535
<i>Customer Service</i>	688,597	809,760	764,707	45,053
<i>Utility Service Center</i>	168,325	202,900	183,759	19,141
<i>Technical Services</i>	566,199	27,873	26,311	1,562
<i>Distribution</i>	5,270,966	7,137,285	6,181,727	955,558
<i>Generation</i>	5,084	11,850	8,128	3,722
<i>Purchased Power</i>	15,092,644	19,074,715	18,363,695	711,020
<i>Purchased CRRs</i>	-	-	272,013	(272,013)
<i>Other/Contingency</i>	8,902	100,000	26,275	73,725
<i>Debt Service</i>	786,720	817,958	786,184	31,774
<i>Principal Expense</i>	-	53,860	-	53,860
<i>Fiscal Agent/Rating Fees</i>	622	700	623	77
<i>OPEB Contribution</i>	69,854	-	71,041	(71,041)
<i>Bad Debt Expense</i>	3,282	-	39,928	(39,928)
<i>Loss on Disposal of Assets</i>	-	-	96,798	(96,798)
<i>Change in Accounting Principal</i>	-	-	37,441	(37,441)
<i>Transfer-Admin. Services</i>	601,852	837,373	837,373	-
<i>Transfer-R.O.I.</i>	3,710,814	3,744,643	3,719,829	24,814
	<u>27,155,384</u>	<u>33,153,841</u>	<u>31,709,221</u>	<u>1,444,620</u>

**SUMMARY BUDGET REPORT**

	<i>Actual</i> 2011-2012	<i>Amended</i> <i>Budget</i> 2012-2013	<i>Actual</i> 2012-2013	<i>Variance</i> <i>Positive</i> <i>(Negative)</i>
<b>EXPENDITURES (Cont.)</b>				
<b>WATER</b>				
<i>Administration</i>	\$ 592,425	\$ 591,184	\$ 588,796	\$ 2,388
<i>Customer Services</i>	295,113	347,040	327,732	19,308
<i>Treatment Plant</i>	1,337,524	3,061,869	2,589,841	472,028
<i>Distribution Maintenance</i>	978,639	1,432,216	1,329,530	102,686
<i>Distribution Construction</i>	185,144	267,271	208,129	59,142
<i>Engineering</i>	349,961	376,200	277,048	99,152
<i>Lake &amp; Utility Maintenance</i>	274,016	-	-	-
<i>SIB Loan Projects</i>	395,861	-	-	-
<i>Debt Service</i>	3,213,958	3,213,465	3,214,156	(691)
<i>Fiscal Agent/Rating Fees</i>	3,630	3,700	3,630	70
<i>OPEB Contribution</i>	54,908	-	55,841	(55,841)
<i>Loan Requirements</i>	127,958	127,062	125,965	1,097
<i>Transfer-Admin. Services</i>	123,383	700,726	700,726	-
<i>Transfer-R.O.I.</i>	624,851	589,830	598,156	(8,326)
<i>Transfer-Street Maintenance</i>	20,206	44,000	30,626	13,374
<i>Transfer to Other Funds</i>	-	1,500,000	1,500,000	-
<i>Bad Debt Expense</i>	1,730	-	11,728	(11,728)
<i>Loss on Disposal of Assets</i>	-	-	13,763	(13,763)
<i>Change in Accounting Principal</i>	-	-	286,554	(286,554)
<i>Other/Contingency Expenses</i>	24,950	497,500	12,988	484,512
<i>Other Improvements</i>	-	-	252,190	(252,190)
	<b>8,604,257</b>	<b>12,752,063</b>	<b>12,127,399</b>	<b>624,664</b>
<b>WASTEWATER</b>				
<i>Collection Maintenance</i>	984,098	1,010,595	1,031,729	(21,134)
<i>Collection Construction</i>	384,538	565,671	579,480	(13,809)
<i>Engineering</i>	173,470	207,205	191,667	15,538
<i>Treatment</i>	814,019	982,542	870,846	111,696
<i>SIB Loan Projects</i>	125,009	-	-	-
<i>Transfer-Admin. Services</i>	70,529	316,468	316,468	-
<i>Debt Service</i>	740,208	740,208	740,439	(231)
<i>Fiscal Agent/Rating Fees</i>	748	1,400	747	653
<i>OPEB Contribution</i>	44,873	-	45,636	(45,636)
<i>Loan Requirements</i>	52,704	52,645	52,068	577
<i>Transfer-R.O.I.</i>	383,807	394,853	362,208	32,645
<i>Bad Debt Expense</i>	-	-	5,239	(5,239)
<i>Change in Accounting Principal</i>	-	-	40,828	(40,828)
<i>Other/Contingency Expenses</i>	24,950	40,000	-	40,000
	<b>3,798,953</b>	<b>4,311,587</b>	<b>4,237,355</b>	<b>74,232</b>
<b>Total Expenditures</b>	<b>39,558,594</b>	<b>50,217,491</b>	<b>48,073,975</b>	<b>2,143,516</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ 2,348,284</b>	<b>\$ (4,299,797)</b>	<b>\$ (1,761,945)</b>	<b>\$ 2,537,852</b>

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**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
BUDGET SUMMARY UTILITY ADMINISTRATION  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Expenditure Classification	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
Personal Services	\$ 92,488	\$ 217,964	\$ 202,060	\$ 15,904
Supplies	9,554	16,000	11,503	4,497
Services	79,481	100,960	79,826	21,134
<b>TOTAL EXPENDITURES</b>	<b>\$ 181,523</b>	<b>\$ 334,924</b>	<b>\$ 293,389</b>	<b>\$ 41,535</b>

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**UTILITY ADMINISTRATION**

Utility Administration is responsible for the overall management and administration of water and wastewater treatment, water distribution and wastewater collection, electric distribution and power generation, streets, sanitation, garage and other ancillary services.

**CITY OF WEATHERFORD, TEXAS**  
**MUNICIPAL UTILITY SYSTEM**  
**UTILITY ADMINISTRATION**  
**2012-2013 ANNUAL BUDGET**  
(Unaudited)

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 20,093	\$ 144,515	\$ 131,641	\$ 12,874
102	Overtime	1,408	600	2,521	(1,921)
104	Salary Package	-	-	-	-
107	Group Medical/Life Insurance	31,759	34,830	33,576	1,254
108	FICA	10,832	10,916	10,004	912
109	Retirement (TMRS)	25,506	24,002	22,346	1,656
110	Workers Compensation	732	769	689	80
111	Unemployment Tax (TWC)	1,078	1,080	71	1,009
112	Longevity	1,080	1,252	1,212	40
	Total Personal Services	92,488	217,964	202,060	15,904
<u>Supplies</u>					
202	General Office Supplies	4,723	6,500	5,467	1,033
204	Computer & Office Equip	1,240	2,000	673	1,327
215	Food & Beverage	2,614	2,500	3,622	(1,122)
219	Uniforms & Protective Clothing	450	1,000	1,061	(61)
220	Vehicle Fuel & Oil	24	1,000	115	885
221	Vehicle Parts & Labor	194	1,000	53	947
228	Safety Equipment	-	500	-	500
229	Miscellaneous	221	1,000	505	495
281	Small Tools & Equipment	88	500	7	493
	Total Supplies	9,554	16,000	11,503	4,497
<u>Services</u>					
301	Auditing & Accounting	-	-	-	-
302	Architect & Engineer	-	-	-	-
303	Legal Services	-	-	-	-
304	Medical Services	-	60	60	-
305	Seminar & Training Fees	365	500	-	500
306	Other Professional Services	24,037	35,000	27,774	7,226
308	Telephone	3,434	4,000	3,970	30
309	Postage	162	1,000	107	893
310	Auto/Housing Allowance	600	-	-	-
311	Travel Expense	770	1,000	-	1,000
313	Other Advertising	250	5,000	-	5,000
314	Printing & Binding	154	500	61	439
318	Insurance	11,986	12,000	10,766	1,234
326	Office Copy Equipment Rental	2,469	4,800	2,377	2,423

**UTILITY ADMINISTRATION**

<b>Account Number</b>	<b>Account Title</b>	<b>Actual 2011-2012</b>	<b>Amended Budget 2012-2013</b>	<b>Actual 2012-2013</b>	<b>Variance Positive (Negative)</b>
<u>Services (Cont.)</u>					
328	Other Rental	\$ 1,381	\$ 1,000	\$ 832	\$ 168
330	Membership Dues/Subscriptions	31,386	33,500	31,779	1,721
336	Utility Board	2,050	2,100	2,100	-
361	Awards	437	500	-	500
	Total Services	79,481	100,960	79,826	21,134
	<b>TOTAL EXPENDITURES</b>	<b>\$ 181,523</b>	<b>\$ 334,924</b>	<b>\$ 293,389</b>	<b>\$ 41,535</b>

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
BUDGET SUMMARY CUSTOMER SERVICES  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Expenditure Classification	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
Personal Services	\$ 630,300	\$ 668,341	\$ 672,026	\$ (3,685)
Supplies	31,818	43,769	29,823	13,946
Services	321,592	409,224	352,125	57,099
Capital Outlay	-	35,466	38,465	(2,999)
<b>TOTAL EXPENDITURES</b>	<b>\$ 983,710</b>	<b>\$ 1,156,800</b>	<b>\$ 1,092,439</b>	<b>\$ 64,361</b>

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**CUSTOMER SERVICES**

The Customer Services Department is responsible for the reading and billing of approximately 26,000 electric and water meters and timely and accurate billing of 15,200 accounts each month. Of the utility accounts billed, approximately 1,450 each month require some degree of collection action.

The Customer Services Department issues approximately 10,000 work orders annually, not only for customer requested services (connects, disconnects, transfers, etc.), but repair/replacement of electric and water meters, water and sewer taps.

**CITY OF WEATHERFORD, TEXAS**  
**MUNICIPAL UTILITY SYSTEM**  
**CUSTOMER SERVICES**  
**2012-2013 ANNUAL BUDGET**  
(Unaudited)

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Personal Services</u>					Actual
101	Salaries & Wages	\$ 434,470	\$ 468,439	\$ 466,357	\$ 2,082
102	Overtime	2,027	2,500	2,406	94
104	Salary Package	-	-	-	-
107	Group Medical/Life Insurance	72,495	75,778	79,193	(3,415)
108	FICA	33,522	35,726	35,705	21
109	Retirement (TMRS)	78,695	76,433	82,151	(5,718)
110	Workers Compensation	1,727	1,805	1,618	187
111	Unemployment Tax (TWC)	3,480	3,584	772	2,812
112	Longevity	3,884	4,076	3,824	252
Total Personal Services		630,300	668,341	672,026	(3,685)
<u>Supplies</u>					
202	General Office Supplies	7,976	8,102	6,249	1,853
204	Computer & Office Equipment	-	-	-	-
219	Uniforms & Protective Clothing	1,818	3,900	3,580	320
220	Vehicle Fuel & Oil	14,152	17,232	13,565	3,667
221	Vehicle Parts & Labor	4,029	10,724	4,250	6,474
229	Miscellaneous	599	561	85	476
281	Small Tools & Equipment	3,244	3,250	2,094	1,156
Total Supplies		31,818	43,769	29,823	13,946
<u>Services</u>					
304	Medical Services	245	280	60	220
305	Seminars & Training Fees	-	1,000	-	1,000
306	Other Professional Services	225,933	298,400	255,049	43,351
308	Telephone/Communication Services	4,325	4,800	3,986	814
309	Postage	87,966	100,126	89,716	10,410
311	Travel Expense	-	600	15	585
318	Insurance	1,933	2,500	1,933	567
324	Office Equipment Maintenance	1,190	1,500	1,335	165
326	Office & Copy Equipment Rental	-	18	31	(13)
Total Services		321,592	409,224	352,125	57,099
<u>Capital Outlay</u>					
410	Motor Vehicles	-	35,466	38,465	(2,999)
Total Capital Outlay		-	35,466	38,465	(2,999)
<b>TOTAL EXPENDITURES</b>		<b>\$ 983,710</b>	<b>\$ 1,156,800</b>	<b>\$ 1,092,439</b>	<b>\$ 64,361</b>

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
BUDGET SUMMARY UTILITY SERVICE CENTER  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Expenditure Classification	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
Personal Services	\$ 105,118	\$ 120,007	\$ 115,408	\$ 4,599
Supplies	10,026	14,015	11,958	2,057
Services	53,181	68,878	56,393	12,485
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	\$ 168,325	\$ 202,900	\$ 183,759	\$ 19,141

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**UTILITY SERVICE CENTER**

The Weatherford Municipal Warehouse is housed in the Utility Service Center. The warehouse maintains utility and general fund inventories of materials and supplies, requisitions, receives, stores, and transfers to all departments specific quantities as required. The warehouse and personnel are under the supervision of the Warehouse Manager.

The Service Center serves as the center of utility operations. Water, wastewater and electric crews and supervisors, utility engineering, technical services, and support services office at this facility.

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM  
UTILITY SERVICE CENTER  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 68,108	\$ 71,693	\$ 77,759	\$ (6,066)
102	Overtime	3,266	8,000	5,552	2,448
104	Salary Package	-	-	-	-
107	Group Medical/Life Insurance	11,698	17,414	9,331	8,083
108	FICA	5,222	6,004	5,927	77
109	Retirement (TMRS)	12,874	13,098	14,173	(1,075)
110	Workers Compensation	2,072	2,178	1,952	226
111	Unemployment Tax (TWC)	522	540	18	522
112	Longevity	1,356	1,080	696	384
	Total Personal Services	105,118	120,007	115,408	4,599
<u>Supplies</u>					
202	General Office Supplies	434	750	467	283
204	Computers & Office Equip	-	500	489	11
215	Food & Meals	5,712	5,779	5,306	473
217	Janitorial Supplies	-	2,250	1,420	830
219	Uniforms & Protective Clothing	430	400	280	120
222	Equipment Parts & Labor	1,056	1,000	937	63
223	Equipment Fuel & Oil	-	500	-	500
228	Safety Equipment	173	121	121	-
229	Miscellaneous	237	500	447	53
235	Building & Grounds Maint.	1,963	1,765	2,491	(726)
281	Small Tools & Equipment	21	450	-	450
	Total Supplies	10,026	14,015	11,958	2,057
<u>Services</u>					
304	Employee Physical	-	60	-	60
305	Seminars & Training	10	-	-	-
306	Other Professional Services	(13)	-	-	-
308	Telephone/Communication Services	1,122	1,600	1,199	401
318	Insurance	5,706	5,700	4,406	1,294
319	Utilities	37,258	49,233	38,248	10,985
320	Building & Structures Maint.	3,697	7,585	7,244	341
325	Other Maintenance	407	-	-	-
326	Office & Copy Equipment Rental	-	50	33	17
331	Laundry & Sanitation	4,994	4,650	5,263	(613)
	Total Services	53,181	68,878	56,393	12,485
<u>Capital Outlay</u>					
403	Buildings	-	-	-	-
420	Other Equipment	-	-	-	-
	Total Capital Outlay	-	-	-	-
	<b>TOTAL EXPENDITURES</b>	<b>\$ 168,325</b>	<b>\$ 202,900</b>	<b>\$ 183,759</b>	<b>\$ 19,141</b>

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
BUDGET SUMMARY TECHNICAL SERVICES  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Expenditure Classification	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
Personal Services	\$ 238,911	\$ -	\$ -	\$ -
Supplies	36,586	-	-	-
Services	242,052	27,873	26,311	1,562
Capital Outlay	48,650	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 566,199</b>	<b>\$ 27,873</b>	<b>\$ 26,311</b>	<b>\$ 1,562</b>

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**TECHNICAL SERVICES**

During the budget process for FY 12-13 it was decided the the Technical Services Division would be expensed out of the General funds only. There was one payment remaining on the Dell lease which was required to be paid out of the Utility fund. This division is responsible for ensuring the efficient operations of the City's computers and voice/data networking systems. The Wide Area Network (WAN), Geographical Information System, and HelpDesk/Desktop Support are managed under Technical Services. Technical Services is under the direction of the Director of Information Technology and reports directly to the Assistant City Manager. Maintenance of the WAN involves networking hardware and software troubleshooting, networking equipment upgrades, contract negotiations, fiber optic coordination, data management, and network administration duties. GIS employees coordinate and manage functions of mapping services to all users including database integrity and data validation. The GIS system is used by internal employees and outside consultants to make decisions and recommendations regarding the City's public infrastructure improvements and changes. HelpDesk/Desktop Support performs PC hardware and software troubleshooting, incident management for all city staff, HelpDesk problem resolution for approximately 516 computers, thin clients, IP telephones, printers/copiers, and mobile devices throughout the City. Additional functions of this group include business application support and systems analysis.

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM  
TECHNICAL SERVICES  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 146,213	\$ -	\$ -	\$ -
102	Overtime	2,802	-	-	-
107	Group Medical/Life Insurance	33,366	-	-	-
108	FICA	15,104	-	-	-
109	Retirement (TMRS)	36,622	-	-	-
110	Workers Compensation	1,480	-	-	-
111	Unemployment Tax (TWC)	1,942	-	-	-
112	Longevity	1,382	-	-	-
	Total Personal Services	238,911	-	-	-
<u>Supplies</u>					
202	General Office Supplies	6,167	-	-	-
204	Computers & Office Equipment	23,994	-	-	-
215	Food & Beverage	63	-	-	-
220	Vehicle Fuel & Oil	424	-	-	-
221	Vehicle Parts & Labor	371	-	-	-
228	Safety Equipment	159	-	-	-
229	Miscellaneous	673	-	-	-
281	Small Tools & Equipment	4,735	-	-	-
	Total Supplies	36,586	-	-	-
<u>Services</u>					
304	Medical Services	30	-	-	-
305	Seminar & Training Fees	6,345	-	-	-
306	Other Professional Services	20,484	-	-	-
308	Telephone/Communication Services	17,971	-	-	-
309	Postage	249	-	-	-
310	Auto Allowance	2,400	-	-	-
311	Travel Expense	1,775	-	-	-
318	Insurance	647	-	-	-
325	Other Maintenance Service	1,372	-	-	-
326	Office & Copy Equipment Rental	1,011	-	-	-
330	Membership Dues/Subscriptions	498	-	-	-
350	Software Repair/Maintenance	128,278	-	-	-
352	Interest Expense	2,105	1,745	186	1,559
382	Principal	58,887	26,128	26,125	3
	Total Services	242,052	27,873	26,311	1,562
<u>Capital Outlay</u>					
413	Office Equipment	12,278	-	-	-
451	Specialized Equipment	36,372	-	-	-
	Total Capital Outlay	48,650	-	-	-
	<b>TOTAL EXPENDITURES</b>	<b>\$ 566,199</b>	<b>\$ 27,873</b>	<b>\$ 26,311</b>	<b>\$ 1,562</b>

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**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
BUDGET SUMMARY ELECTRIC DISTRIBUTION  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Expenditure Classification	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
Personal Services	\$ 1,025,256	\$ 2,011,635	\$ 1,110,723	\$ 900,912
Supplies	472,759	530,000	560,822	(30,822)
Services	1,038,366	1,287,473	1,187,372	100,101
Capital Outlay	2,734,585	3,308,177	3,322,810	(14,633)
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,270,966</b>	<b>\$ 7,137,285</b>	<b>\$ 6,181,727</b>	<b>\$ 955,558</b>

**ELECTRIC DISTRIBUTION**

The function of the Electric Distribution Division is to provide construction, operation and maintenance of the Electric Distribution System in accordance with industry standards. Duties include the repair or replacement of obsolete or failed equipment, preventative maintenance, and coordination of the electric system with other utility companies, City and the State. The Electric Department provides the customer the highest quality service at the most economical cost. Electric meter calibration, recordkeeping, testing, inventory, and repair are also part of this division. The Electric Department is under the supervision of the Director of Electric Utilities.

**CITY OF WEATHERFORD, TEXAS**  
**MUNICIPAL UTILITY SYSTEM**  
**ELECTRIC DISTRIBUTION**  
**2012-2013 ANNUAL BUDGET**  
(Unaudited)

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 410,206	\$ 1,383,200	\$ 497,994	\$ 885,206
102	Overtime	92,856	100,000	87,290	12,710
107	Group Medical/Life Insurance	148,898	145,116	155,344	(10,228)
108	FICA	98,733	111,516	103,224	8,292
109	Retirement (TMRS)	245,842	243,213	246,495	(3,282)
110	Workers Compensation	9,671	9,158	8,208	950
111	Unemployment Tax (TWC)	6,506	6,480	392	6,088
112	Longevity	12,544	12,952	11,776	1,176
	Total Personal Services	1,025,256	2,011,635	1,110,723	900,912
<u>Supplies</u>					
202	General Office Supplies	1,209	1,500	1,546	(46)
204	Computer & Office Equipment	4,352	28,500	14,315	14,185
205	Radio & Communication Equipment	-	1,000	575	425
215	Food & Beverage	593	500	459	41
219	Uniforms & Protective Clothing	18,275	28,000	27,553	447
220	Vehicle Fuel & Oil	58,725	65,000	61,558	3,442
221	Vehicle Parts & Labor	52,641	50,000	52,330	(2,330)
228	Safety Equipment	10,343	10,000	10,795	(795)
229	Miscellaneous	21,078	22,000	24,288	(2,288)
235	Building Maintenance Supplies	6	-	-	-
244	Meters	563	2,000	568	1,432
249	Overhead Electric Lines	74,319	84,000	93,382	(9,382)
250	Underground Electric Lines	96,563	100,000	78,626	21,374
251	Transformers	10,743	2,500	5,394	(2,894)
252	Overhead Electric Service	8,161	22,500	27,261	(4,761)
253	Underground Electric Service	5,940	7,000	5,039	1,961
254	Line Equipment & Controls	3,786	5,000	2,934	2,066
255	Substation Repair/Maint. Supplies	10,383	25,000	24,778	222
257	Street & Public Lights	52,803	35,000	37,914	(2,914)
259	MV Security Lights	8,798	7,000	56,902	(49,902)
261	Tree Trimming	626	1,000	648	352
270	SCADA Parts	9,131	5,000	2,080	2,920
281	Small Tools & Equipment	23,721	27,500	31,877	(4,377)
	Total Supplies	\$ 472,759	\$ 530,000	\$ 560,822	\$( 30,822)

**ELECTRIC DISTRIBUTION**

<b>Account Number</b>	<b>Account Title</b>	<b>Actual 2011-2012</b>	<b>Amended Budget 2012-2013</b>	<b>Actual 2012-2013</b>	<b>Variance Positive (Negative)</b>
<u>Services</u>					
302	Engineering Services	\$ 32,666	\$ -	\$ -	\$ -
303	Legal Services	54,356	40,500	40,917	(417)
304	Employee Physicals	280	500	215	285
305	Seminar & Training Fees	24,967	25,000	26,244	(1,244)
306	Other Professional Services	205,501	286,508	262,614	23,894
308	Telephone	10,085	12,100	11,569	531
309	Postage	1,769	1,000	756	244
310	Auto Allowance	4,800	4,800	4,800	-
311	Travel Expense	15,125	10,000	10,911	(911)
316	Tree Trimming	198,446	178,771	178,771	-
318	Insurance	11,273	10,600	8,194	2,406
321	Radio & Comm. Equip. Maint.	1,351	4,500	1,745	2,755
325	Other Maintenance	9,347	34,294	32,099	2,195
327	Equipment Rental	31,860	68,400	61,413	6,987
330	Membership Dues/Subscriptions	3,444	3,500	3,396	104
331	Laundry & Sanitation	1,011	1,000	1,026	(26)
334	Regulatory Testing/Monitoring	2,907	20,000	18,455	1,545
362	Meter Maintenance	-	1,000	12	988
363	Transformers	107,273	72,000	72,865	(865)
364	O/H Electrical Line Repair	110,633	228,000	176,370	51,630
365	U/G Electrical Line Repair	211,272	275,000	275,000	-
370	SCADA Maintenance	-	10,000	-	10,000
	<b>Total Services</b>	<b>1,038,366</b>	<b>1,287,473</b>	<b>1,187,372</b>	<b>100,101</b>
<u>Capital Outlay</u>					
401	Land	-	250,000	264,456	(14,456)
402	Land Easement/Right-of-Ways	18,247	20,000	-	20,000
410	Motor Vehicles	111,568	160,743	160,743	-
415	Heavy Construction Equip.	-	326,576	206,455	120,121
420	Other Equipment	-	28,962	14,481	14,481
423	New Electric Meters	138,590	60,000	86,372	(26,372)
426	Other Improvements	-	730,250	-	730,250
427	Street & Public Lights	58,633	60,000	125,628	(65,628)
432	Overhead Electric Line	815,765	521,315	668,168	(146,853)
433	Underground Electric Line	850,753	550,000	1,070,518	(520,518)
434	Transformers	350,298	270,007	332,289	(62,282)
435	Overhead Electric Services	19,874	10,000	80,658	(70,658)
436	Underground Electric Services	127,884	50,000	60,961	(10,961)
437	Line Equipment & Controls	92,522	67,383	71,420	(4,037)
439	Fiber Optic System	44,491	50,000	43,237	6,763
441	Rent Lights	15,127	10,000	6,180	3,820
444	SCADA Improvements	90,833	-	-	-
451	Specialized Equipment	-	142,941	131,244	11,697
	<b>Total Capital Outlay</b>	<b>2,734,585</b>	<b>3,308,177</b>	<b>3,322,810</b>	<b>(14,633)</b>
	<b>TOTAL EXPENDITURES</b>	<b>\$ 5,270,966</b>	<b>\$ 7,137,285</b>	<b>\$ 6,181,727</b>	<b>\$ 955,558</b>

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
BUDGET SUMMARY ELECTRIC PRODUCTION  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Expenditure Classification	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
Personal Services	\$ -	\$ -	\$ -	\$ -
Supplies	1,283	6,000	2,647	3,353
Services	3,801	5,850	5,481	369
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,084</b>	<b>\$ 11,850</b>	<b>\$ 8,128</b>	<b>\$ 3,722</b>

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**ELECTRIC PRODUCTION**

The Weatherford Municipal Generating Plant is maintained and operated for electric production during the times dispatched by ERCOT as needed. The power plant is also capable of generating during switching procedures or other emergency situations.

**CITY OF WEATHERFORD, TEXAS**  
**MUNICIPAL UTILITY SYSTEM**  
**ELECTRIC PRODUCTION**  
**2012-2013 ANNUAL BUDGET**  
**(Unaudited)**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Personal Services</u>					
107	Group Medical/Life Insurance	\$ -	\$ -	\$ -	\$ -
111	Unemployment Tax (TWC)	-	-	-	-
	Total Personal Services	-	-	-	-
<u>Supplies</u>					
204	Computers & Office Equipment	-	250	-	250
217	Janitorial Supplies	-	100	-	100
220	Vehicle Fuel & Oil	-	200	-	200
221	Vehicle Parts & Labor	-	100	-	100
222	Equipment Parts & Labor	-	1,000	620	380
223	Equipment Fuel & Oil	-	1,000	-	1,000
224	Fuel for Electric Generation	450	1,000	450	550
228	Safety Equipment	11	100	105	(5)
229	Miscellaneous	800	500	502	(2)
235	Building & Grounds Maint.	-	750	970	(220)
247	Pumps & Controls	-	500	-	500
281	Small Tools & Equipment	22	500	-	500
	Total Supplies	1,283	6,000	2,647	3,353
<u>Services</u>					
306	Other Professional Services	-	-	-	-
308	Telephone/Communication Services	999	1,000	1,056	(56)
318	Other Insurance	2,035	2,050	1,585	465
319	Utility Services	544	2,500	2,840	(340)
322	Plant Equipment Maintenance	-	100	-	100
325	Other Repair & Maintenance	223	100	-	100
335	Regulatory Permit Fees	-	100	-	100
	Total Services	3,801	5,850	5,481	369
	<b>TOTAL EXPENDITURES</b>	<b>\$ 5,084</b>	<b>\$ 11,850</b>	<b>\$ 8,128</b>	<b>\$ 3,722</b>

**CITY OF WEATHERFORD, TEXAS**  
**MUNICIPAL UTILITY SYSTEM**  
**ELECTRIC NON-DEPARTMENTAL**  
**2012-2013 ANNUAL BUDGET**  
**(Unaudited)**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
332	Administrative Services Transfer	\$ 601,852	\$ 837,373	\$ 837,373	\$ -
343	Return on Investment Transfer	3,710,814	3,744,643	3,719,829	24,814
346	Debt Service Requirements	786,720	817,958	786,184	31,774
350	OPEB Contribution	69,854	-	71,041	(71,041)
352	Interest Expense	-	-	-	-
357	Bad Debt Expense	3,282	-	39,928	(39,928)
371	Fiscal Agent/Rating Fees	622	700	623	77
373	Purchased Power	15,092,644	19,074,715	18,363,695	711,020
376	Purchased CRRs	-	-	272,013	(272,013)
380	Loss on Disposal of Assets	-	-	96,798	(96,798)
382	Principal Expense	-	53,860	-	53,860
395	Change in Accounting Principal	-	-	37,441	(37,441)
399	Other/Contingency Expenses	8,902	100,000	26,275	73,725
<b>TOTAL EXPENDITURES</b>		<b>\$ 20,274,690</b>	<b>\$ 24,629,249</b>	<b>\$ 24,251,200</b>	<b>\$ 378,049</b>

**CITY OF WEATHERFORD, TEXAS**  
**MUNICIPAL UTILITY SYSTEM**  
**WATER NON-DEPARTMENTAL**  
**2012-2013 ANNUAL BUDGET**  
**(Unaudited)**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
332	Administrative Services Transfer	\$ 123,383	\$ 700,726	\$ 700,726	\$ -
343	Return on Investment Transfer	624,851	589,830	598,156	(8,326)
346	Debt Service Requirements	3,213,958	3,213,465	3,214,156	(691)
347	Transfer to Other Funds	-	1,500,000	1,500,000	-
350	Offsite Water Sales Transfer	20,206	44,000	30,626	13,374
352	Loan Interest Expense	16,155	16,545	15,448	1,097
353	OPEB Contribution	54,908	-	55,841	(55,841)
357	Bad Debt Expense	1,730	-	11,728	(11,728)
371	Fiscal Agent/Rating Fees	3,630	3,700	3,630	70
380	Loss on Disposal of Assets	-	-	13,763	(13,763)
382	Loan Requirements	111,803	110,517	110,517	0
395	Change in Accounting Principal	-	-	286,554	(286,554)
399	Other/Contingency Expenses	24,950	497,500	12,988	484,512
426	Other Improvements	-	-	252,190	(252,190)
	<b>TOTAL EXPENDITURES</b>	<b>\$ 4,195,574</b>	<b>\$ 6,676,283</b>	<b>\$ 6,806,323</b>	<b>\$( 130,040)</b>

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM  
WASTEWATER NON-DEPARTMENTAL  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
332	Administrative Services Transfer	\$ 70,529	\$ 316,468	\$ 316,468	\$ -
343	Return on Investment Transfer	383,807	394,853	362,208	32,645
346	Debt Service Requirements	740,208	740,208	740,439	(231)
352	Loan Interest Expense	6,991	7,012	6,435	577
353	OPEB Contribution	44,873	-	45,636	(45,636)
357	Bad Debt Expense	-	-	5,239	(5,239)
371	Fiscal Agent/Rating Fees	748	1,400	747	653
382	Loan Requirements	45,713	45,633	45,633	0
395	Change in Accounting Principal	-	-	40,828	(40,828)
399	Other/Contingency Expenses	24,950	40,000	-	40,000
<b>TOTAL EXPENDITURES</b>		<b>\$ 1,317,819</b>	<b>\$ 1,545,574</b>	<b>\$ 1,563,633</b>	<b>\$ ( 18,059)</b>

**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
BUDGET SUMMARY WATER/WASTEWATER  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Expenditure Classification	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
Personal Services	\$ 2,167,060	\$ 2,540,316	\$ 2,289,140	\$ 251,176
Supplies	1,035,613	1,116,935	1,203,449	(86,514)
Services	936,638	2,185,946	1,880,725	305,221
Capital Outlay	1,367,356	1,669,014	1,422,906	246,108
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,506,667</b>	<b>\$ 7,512,211</b>	<b>\$ 6,796,220</b>	<b>\$ 715,991</b>

**WATER/WASTEWATER ADMINISTRATION**

The Water/Wastewater Administration Division is responsible for the supervision of all Water and Wastewater employees and the functions of these systems. This includes the management of the Water Purification Plant, Lake Maintenance, the Distribution System, and the Wastewater Treatment Plant and Collection System, as well as operation, construction, maintenance, and inspection of these systems. This division also reviews plans and specifications for utility projects, coordinates all construction projects on a day-to-day basis, oversees contractors, and ensures that all requirements of the EPA, TCEQ, and Texas Health Department are met. This division oversees and operates and maintains a superior Pretreatment Program for industrial and domestic discharges to the sewer system.

**WATER TREATMENT**

The Weatherford Water Purification Plant is responsible for safely treating water and delivering under sufficient pressure an adequate supply of water for the City of Weatherford customers. This includes meeting all current and proposed state and federal regulations and preparing appropriate reports. The Water Purification Plant treated 1,516,120 MG in FY 2013.

**WATER/WASTEWATER MAINTENANCE**

The Water/Wastewater Maintenance division is responsible for the maintenance of 272 miles of water lines, 233 miles of wastewater lines, 1,384 fire hydrants, 23 lift stations, 10 water sites, 1 well system, and over 400 grinder pumps. This department includes a pump and motor maintenance crew which is responsible for the preventative maintenance and repairs of the lift stations, raw water pump station, distribution pump stations, and the water and wastewater treatment plants. Also included is a water meter shop which is responsible for the installation, repair, and testing of 10,889 commercial and residential meters.

**WATER/WASTEWATER CONSTRUCTION**

The Water/Wastewater Construction Division is responsible for the replacement of infrastructure in the water distribution and wastewater collection systems to improve the delivery of water and wastewater services to citizens of Weatherford in a cost efficient manner.

**ENGINEERING**

The Engineering Division is responsible for the design and management of all water/wastewater capital and rehabilitation projects. This department also reviews all new development plans within the City of Weatherford for compliance water, wastewater, streets and drainage design standards and state regulations. The Engineering department is responsible for the management of the floodplain within the City of Weatherford.

**SIB LOAN PROJECTS**

The City received a loan from the State Infrastructure Bank through the Texas Department of Transportation to reconstruct and/or relocate existing water and sanitary sewer facilities to accommodate the reconstruction of State Highway 171/Farm to Market Road 51, from approximately 800 feet north of intersection of FM 1884 (Bethel Road) and SH 171/FM 51 to Interstate 20.

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM  
WATER/WASTEWATER ADMINISTRATION  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 374,319	\$ 375,724	\$ 379,609	\$ (3,885)
102	Overtime	5,037	4,500	6,025	(1,525)
103	Education/Certification Pay	222	240	249	(9)
107	Group Medical/Life Insurance	39,336	40,632	40,333	299
108	FICA	26,824	28,597	27,722	875
109	Retirement (TMRS)	65,764	62,877	65,025	(2,148)
110	Workers Compensation	7,071	7,042	6,311	731
111	Unemployment Tax (TWC)	1,868	1,890	323	1,567
112	Longevity	3,280	3,432	3,792	(360)
	Total Personal Services	523,721	524,934	529,388	(4,454)
<u>Supplies</u>					
202	General Office Supplies	1,031	2,029	1,076	953
204	Computers & Office Equipment	-	-	395	(395)
205	Radio & Communication Equipment	-	-	142	(142)
215	Food & Beverage	47	450	246	204
219	Uniforms & Protective Clothing	1,455	3,000	2,655	345
220	Vehicle Fuel & Oil	11,683	12,500	13,666	(1,166)
221	Vehicle Parts & Labor	5,694	6,200	7,049	(849)
228	Safety Equipment	1,387	1,500	383	1,117
229	Miscellaneous	731	700	943	(243)
270	SCADA Parts	171	1,500	1,815	(315)
281	Small Tools & Equipment	2,784	10,971	11,527	(556)
	Total Supplies	24,983	38,850	39,897	(1,047)
<u>Services</u>					
303	Legal Services	-	-	-	-
304	Employee Physicals	70	50	30	20
305	Seminar & Training Fees	3,691	5,000	7,246	(2,246)
306	Other Professional Services	1,860	10,000	459	9,541
308	Telephone/Communication Services	3,984	4,000	5,591	(1,591)
309	Postage	774	1,000	667	333
311	Travel Expense	3,410	2,000	1,348	652
314	Printing & Reproduction	-	200	-	200
318	Insurance	1,738	1,750	1,353	397
321	Radio & Comm. Equip. Maint.	1,085	400	-	400
330	Membership Dues/Subscriptions	103	500	111	389
370	SCADA Maintenance	2,742	2,500	2,706	(206)
	Total Services	19,457	27,400	19,511	7,889

**WATER/WASTEWATER ADMINISTRATION**

<b>Account Number</b>	<b>Account Title</b>	<b>Actual 2011-2012</b>	<b>Amended Budget 2012-2013</b>	<b>Actual 2012-2013</b>	<b>Variance Positive (Negative)</b>
<u>Capital Outlay</u>					
410	Motor Vehicles	\$ 24,264	\$ -	\$ -	\$ -
	Total Capital Outlay	24,264	-	-	-
	<b>TOTAL EXPENDITURES</b>	<b>\$ 592,425</b>	<b>\$ 591,184</b>	<b>\$ 588,796</b>	<b>\$ 2,388</b>

**CITY OF WEATHERFORD, TEXAS**  
**MUNICIPAL UTILITY SYSTEM**  
**WATER TREATMENT**  
**2012-2013 ANNUAL BUDGET**  
**(Unaudited)**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 219,358	\$ 250,157	\$ 211,478	\$ 38,679
102	Overtime	19,100	20,000	17,403	2,597
107	Group Medical/Life Insurance	31,224	34,828	35,195	( 367)
108	FICA	16,805	20,416	16,840	3,576
109	Retirement (TMRS)	41,239	44,869	39,871	4,998
110	Workers Compensation	4,851	4,466	4,003	463
111	Unemployment Tax (TWC)	1,462	1,620	421	1,199
112	Longevity	1,008	1,224	844	380
	Total Personal Services	335,047	377,580	326,055	51,525
<u>Supplies</u>					
202	General Office Supplies	933	1,050	1,099	( 49)
203	Furniture & Fixtures	47	-	-	-
204	Computers & Office Equipment	-	12,375	13,322	( 947)
212	Chemicals	362,728	416,000	357,500	58,500
215	Food & Meals	1,231	1,200	1,092	108
217	Janitorial Supplies	1,200	2,000	1,234	766
218	Medical & Laboratory Supplies	31,326	43,000	39,184	3,816
219	Uniforms & Protective Clothing	1,752	2,700	1,680	1,020
220	Vehicle Fuel & Oil	6,724	2,300	2,036	264
221	Vehicle Parts & Labor	1,164	3,000	2,311	689
222	Equipment Parts & Labor	68,621	60,275	54,716	5,559
223	Equipment Fuel & Oil	-	750	100	650
228	Safety Equipment	1,582	3,600	6,879	( 3,279)
229	Miscellaneous	757	700	687	13
235	Building & Grounds Maint.	2,851	2,500	1,779	721
241	Benbrook Pipeline Supplies	-	1,000	1,690	( 690)
247	Pumps & Controls	7,690	10,000	10,825	( 825)
270	SCADA Parts	-	7,000	2,979	4,021
281	Small Tools & Equipment	1,828	4,000	2,335	1,665
	Total Supplies	490,434	573,450	501,448	72,002
<u>Services</u>					
302	Architect & Engineer	1,411	130,000	14,091	115,909
304	Employee Physicals	130	110	360	( 250)
305	Seminar & Training Fees	1,846	4,350	3,664	686
306	Other Professional Services	17,964	16,500	16,156	344
308	Telephone	4,670	3,000	3,801	( 801)
309	Postage	3,865	4,100	1,082	3,018

## WATER TREATMENT

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Services (Cont.)</u>					
311	Travel Expense	\$ -	\$ 200	\$ -	\$ 200
312	Legal Advertising	-	500	-	500
314	Printing	30	-	-	-
318	Insurance	25,831	26,000	20,098	5,902
319	Utilities	210,312	370,000	238,841	131,159
320	Repair & Maint Buildings & Structures	2,699	12,715	12,715	-
321	Repair & Maint of Radio & Comm Equip	436	600	264	336
322	Plant Equipment Maintenance	31,112	126,410	121,477	4,933
324	Office Equipment Maintenance	-	2,000	-	2,000
327	Equipment Rental	2,801	3,000	4,749	( 1,749)
330	Membership Dues/Subscriptions	-	400	-	400
331	Laundry & Sanitation	-	1,200	868	332
333	Pump Maintenance	185	26,892	10,952	15,940
334	Regulatory Testing/Monitoring	19,946	46,000	32,270	13,730
335	Regulatory Permit Fees	28,556	30,500	27,843	2,657
354	Benbrook Pipeline Services	70,881	66,000	194,933	( 128,933)
370	SCADA Maintenance	4,470	15,000	13,594	1,406
375	Purchased Water - Benbrook	( 91,242)	638,939	622,586	16,353
	Total Services	335,903	1,524,416	1,340,344	184,072
<u>Capital Outlay</u>					
414	Plant Equipment	54,287	27,187	15,596	11,591
420	Other Equipment	104,620	47,764	20,284	27,480
426	Other Improvements	5,000	508,347	386,114	122,233
443	Pumps	9,108	-	-	-
451	Specialized Equipment	3,125	3,125	-	3,125
	Total Capital Outlay	176,140	586,423	421,994	164,429
	<b>TOTAL EXPENDITURES</b>	<b>\$ 1,337,524</b>	<b>\$ 3,061,869</b>	<b>\$ 2,589,841</b>	<b>\$ 472,028</b>

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM  
WATER/WASTEWATER MAINTENANCE  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 513,813	\$ 647,188	\$ 581,869	\$ 65,319
102	Overtime	70,414	100,000	99,780	220
107	Group Medical/Life Insurance	96,637	110,608	112,255	(1,647)
108	FICA	46,531	58,579	52,043	6,536
109	Retirement (TMRS)	110,809	119,586	123,294	(3,708)
110	Workers Compensation	21,268	22,686	20,332	2,354
111	Unemployment Tax (TWC)	4,386	4,860	896	3,964
112	Longevity	4,476	4,808	4,842	(34)
	Total Personal Services	868,334	1,068,315	995,311	73,004
<u>Supplies</u>					
202	General Office Supplies	484	400	695	(295)
212	Chemicals	9,900	8,500	2,664	5,836
215	Food & Beverage	150	600	357	243
218	Medical & Laboratory Supplies	15,295	11,500	14,820	(3,320)
219	Uniforms & Protective Clothing	4,663	8,150	5,130	3,020
220	Vehicle Fuel & Oil	74,099	79,600	86,619	(7,019)
221	Vehicle Parts & Labor	72,020	73,750	106,913	(33,163)
228	Safety Equipment	8,315	9,000	10,881	(1,881)
229	Miscellaneous	4,523	12,000	12,975	(975)
233	Street & Road Materials	6,102	10,500	8,234	2,266
234	Traffic & Street Signs	2,406	2,500	2,910	(410)
235	Building & Grounds Maint.	2,629	3,000	1,643	1,357
241	Benbrook Pipeline Supplies	218	-	-	-
242	Water Mains	47,748	38,455	49,436	(10,981)
243	Water Services	13,717	17,000	25,324	(8,324)
244	Meters	10,561	15,000	15,963	(963)
245	Sanitary Sewers	53,991	40,000	91,097	(51,097)
247	Pump & Controls	55,079	45,000	89,738	(44,738)
260	Valves & Hydrants	18,502	20,000	21,329	(1,329)
270	SCADA Parts	15,500	6,000	9,487	(3,487)
281	Small Tools & Equipment	18,590	16,000	13,741	2,259
	Total Supplies	434,492	416,955	569,956	(153,001)
<u>Services</u>					
304	Employee Physicals	250	100	355	(255)
305	Seminar & Training Fees	5,146	7,700	4,280	3,420
306	Other Professional Services	11,602	13,500	13,216	284
308	Telephone/Communications	2,800	5,280	5,697	(417)
309	Postage	294	750	98	652

## WATER/WASTEWATER MAINTENANCE

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Services (Cont.)</u>					
311	Travel Expense	\$ -	\$ 400	\$ 94	\$ 306
318	Insurance	33,460	28,500	26,858	1,642
319	Utilities	240,713	236,000	243,586	(7,586)
321	Radio & Comm. Equip. Maint.	500	500	648	(148)
322	Plant Equipment Maintenance	6,815	8,742	9,055	(313)
325	Other Maintenance	-	6,545	10,590	(4,045)
327	Equipment Rental	11,589	9,500	12,381	(2,881)
330	Membership Dues/Subscriptions	555	1,500	2,296	(796)
333	Pump Maintenance	12,635	13,900	22,239	(8,339)
335	Regulatory Permit Fees	601	3,258	3,257	1
370	SCADA Maintenance	4,718	5,000	5,081	(81)
	Total Services	331,678	341,175	359,731	(18,556)
<u>Capital Outlay</u>					
410	Motor Vehicle	89,274	140,000	75,158	64,842
420	Other Equipment	9,167	-	11,142	(11,142)
421	Water Mains	14,346	20,000	20,138	(138)
422	Water Services	10,229	10,000	14,303	(4,303)
423	New Water Meters	111,169	112,000	142,393	(30,393)
424	Sanitary Sewer Mains	25,338	20,000	11,701	8,299
425	Sanitary Sewer Services	3,858	5,000	7,082	(2,082)
426	Other Improvements	-	205,150	79,832	125,318
443	Pumps	48,335	87,600	50,260	37,340
445	Valves & Hydrants	16,516	16,616	24,251	(7,635)
	Total Capital Outlay	328,232	616,366	436,261	180,105
<b>TOTAL EXPENDITURES</b>		<b>\$ 1,962,736</b>	<b>\$ 2,442,811</b>	<b>\$ 2,361,259</b>	<b>\$ 81,552</b>

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM  
WATER/WASTEWATER CONSTRUCTION  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 44,311	\$ 159,197	\$ 26,441	\$ 132,756
102	Overtime	10,833	12,000	9,801	2,199
107	Group Medical/Life Insurance	27,930	29,023	30,000	(977)
108	FICA	11,803	13,489	12,020	1,469
109	Retirement (TMRS)	28,365	27,514	28,175	(661)
110	Workers Compensation	6,167	6,334	5,677	657
111	Unemployment Tax (TWC)	1,408	1,350	45	1,305
112	Longevity	928	1,000	968	32
	Total Personal Services	131,745	249,907	113,127	136,780
<u>Supplies</u>					
202	General Office Supplies	241	200	104	96
212	Chemicals	43	700	-	700
215	Food & Meals	-	100	-	100
219	Uniforms & Protective Clothing	1,212	2,250	1,128	1,122
220	Vehicle Fuel & Oil	25,860	22,000	27,312	(5,312)
221	Vehicle Parts & Labor	31,669	40,000	48,005	(8,005)
228	Safety Equipment	5,420	4,500	6,503	(2,003)
229	Miscellaneous	1,610	2,000	1,778	222
234	Traffic & Street Signs	1,521	1,500	986	514
235	Building & Grounds Maint.	47	500	-	500
245	Sanitary Sewers	2,748	-	-	-
281	Small Tools & Equipment	11,337	7,000	4,256	2,744
	Total Supplies	81,708	80,750	90,072	(9,322)
<u>Services</u>					
304	Employee Physicals	75	100	145	(45)
305	Seminar & Training Fees	20	1,500	35	1,465
306	Other Professional Services	31,161	15,000	13,989	1,011
308	Telephone/Communications	365	860	340	520
311	Travel Expense	-	100	-	100
318	Insurance	975	1,000	773	227
319	Utility Services	1,284	2,000	1,271	729
327	Equipment Rental	4,498	15,000	3,206	11,794
330	Membership Dues/Subscriptions	-	500	-	500
	Total Services	38,378	36,060	19,759	16,301

**WATER/WASTEWATER CONSTRUCTION**

<b>Account Number</b>	<b>Account Title</b>	<b>Actual 2011-2012</b>	<b>Amended Budget 2012-2013</b>	<b>Actual 2012-2013</b>	<b>Variance Positive (Negative)</b>
<u>Capital Outlay</u>					
410	Motor Vehicle	\$ -	\$ 35,225	\$ 29,488	\$ 5,737
420	Other Equipment	14,100	-	-	-
421	Water Mains	53,262	55,300	79,445	(24,145)
424	Sanitary Sewer Mains	250,198	364,700	453,257	(88,557)
445	Valves & Hydrants	290	11,000	2,461	8,539
	Total Capital Outlay	317,850	466,225	564,651	(98,426)
	<b>TOTAL EXPENDITURES</b>	<b>\$ 569,681</b>	<b>\$ 832,942</b>	<b>\$ 787,609</b>	<b>\$ 45,333</b>

**CITY OF WEATHERFORD, TEXAS**  
**MUNICIPAL UTILITY SYSTEM**  
**ENGINEERING**  
**2012-2013 ANNUAL BUDGET**  
**(Unaudited)**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 228,939	\$ 241,766	\$ 245,334	\$( 3,568)
102	Overtime	-	100	-	100
107	Group Medical/Life Insurance	17,547	17,415	18,337	(922)
108	FICA	16,800	18,233	17,651	582
109	Retirement (TMRS)	43,128	40,087	42,800	(2,713)
110	Workers Compensation	564	573	514	59
111	Unemployment Tax (TWC)	783	810	27	783
112	Longevity	452	596	596	-
	Total Personal Services	308,213	319,580	325,259	(5,679)
<u>Supplies</u>					
202	General Office Supplies	61	-	-	-
204	Computer & Office Equipment	-	-	795	(795)
219	Uniforms & Protective Clothing	393	330	335	(5)
220	Vehicle Fuel & Oil	897	1,800	726	1,074
221	Vehicle Parts & Labor	978	2,500	40	2,460
228	Safety Equipment	350	300	71	229
229	Miscellaneous	19	500	3	497
281	Small Tools & Equipment	1,298	1,500	106	1,394
	Total Supplies	3,996	6,930	2,076	4,854
<u>Services</u>					
302	Architect & Engineering	176,492	168,995	85,381	83,614
303	Legal Services	12,690	10,000	3,864	6,136
305	Seminar & Training Fees	223	2,100	1,170	930
306	Other Professional Services	13,933	65,050	42,802	22,248
308	Telephone/Communications	1,567	2,100	1,764	336
310	Auto Allowance	4,800	4,800	4,800	-
311	Travel Expenses	46	2,000	302	1,698
314	Printing & Binding	-	200	145	55
318	Insurance	651	650	502	148
330	Dues/Memberships	820	1,000	650	350
	Total Services	211,222	256,895	141,380	115,515
<b>TOTAL EXPENDITURES</b>		<b>\$ 523,431</b>	<b>\$ 583,405</b>	<b>\$ 468,715</b>	<b>\$ 114,690</b>

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM**

**SIB LOAN PROJECTS  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Services</u>					
382	Principal	\$ -	\$ -	\$ -	\$ -
	Total Services	-	-	-	-
<u>Capital Outlay</u>					
402	Land Easements/Right of Ways	1,838	-	-	-
421	Water Mains	390,129	-	-	-
424	Sanitary Sewer Mains	128,903	-	-	-
	Total Capital Outlay	520,870	-	-	-
	<b>TOTAL EXPENDITURES</b>	<b>\$ 520,870</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**CITY OF WEATHERFORD, TEXAS**  
**MUNICIPAL UTILITY SYSTEM**  
**BUDGET SUMMARY LAKE & UTILITY MAINTENANCE**  
**2012-2013 ANNUAL BUDGET**  
**(Unaudited)**

Expenditure Classification	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
Personal Services	\$ 134,768	\$ -	\$ -	\$ -
Supplies	44,053	-	-	-
Services	15,783	-	-	-
Capital Outlay	79,412	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 274,016</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**UTILITY SYSTEM PROPERTY MAINTENANCE**

Utility System Property Maintenance is responsible for the care and upkeep of Lake Weatherford and includes maintaining the grounds of utility owned facilities. This department is under the supervision of the Director of Water and Wastewater.

**CITY OF WEATHERFORD, TEXAS  
MUNICIPAL UTILITY SYSTEM  
LAKE & UTILITY MAINTENANCE  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 87,520	\$ -	\$ -	\$ -
102	Overtime	230	-	-	-
107	Group Medical/Life Insurance	22,100	-	-	-
108	FICA	6,552	-	-	-
109	Retirement (TMRS)	14,802	-	-	-
110	Workers Compensation	1,754	-	-	-
111	Unemployment Tax (TWC)	690	-	-	-
112	Longevity	1,120	-	-	-
	Total Personal Services	134,768	-	-	-
<u>Supplies</u>					
202	General Office Supplies	77	-	-	-
211	Agricultural & Botanical	1,707	-	-	-
215	Meals	9	-	-	-
216	Refuse Bags	205	-	-	-
217	Janitorial Supplies	921	-	-	-
219	Uniforms & Protective Clothing	933	-	-	-
220	Vehicle Fuel & Oil	12,456	-	-	-
221	Vehicle Parts & Labor	11,285	-	-	-
228	Safety Equipment	694	-	-	-
229	Miscellaneous	5,144	-	-	-
234	Traffic & Street Signs	622	-	-	-
235	Building & Grounds Maint.	3,992	-	-	-
281	Small Tools & Equipment	6,008	-	-	-
	Total Supplies	\$ 44,053	\$ -	\$ -	\$ -

**LAKE & UTILITY MAINTENANCE**

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Services (Cont.)</u>					
305	Seminar & Training Fees	\$ 300	\$ -	\$ -	\$ -
308	Telephone	953	-	-	-
309	Postage	11	-	-	-
318	Insurance	1,084	-	-	-
319	Utilities	3,366	-	-	-
320	Building /Structures Repair/Maint	101	-	-	-
325	Other Repair/Maint. Service	1,198	-	-	-
327	Machinery & Equip. Rental	1,815	-	-	-
330	Dues/Memberships	62	-	-	-
331	Laundry & Sanitation	6,893	-	-	-
	Total Services	15,783	-	-	-
<u>Capital Outlay</u>					
420	Other Equipment	7,766	-	-	-
426	Other Improvements	71,646	-	-	-
	Total Capital Outlay	79,412	-	-	-
<b>TOTAL EXPENDITURES</b>		<b>\$ 274,016</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**CITY OF WEATHERFORD  
MUNICIPAL UTILITY SYSTEM  
BUDGET SUMMARY WASTEWATER TREATMENT PLANT  
2012-2013 ANNUAL BUDGET  
(Unaudited)**

Expenditure Classification	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
Personal Services	\$ 300,057	\$ 295,412	\$ 287,851	\$ 7,561
Supplies	134,631	154,611	131,688	22,923
Services	359,191	482,447	390,673	91,774
Capital Outlay	20,140	50,072	60,634	( 10,562)
TOTAL EXPENDITURES	\$ 814,019	\$ 982,542	\$ 870,846	\$ 111,696

**WASTEWATER TREATMENT PLANT**

The Wastewater Treatment Plant is responsible for the treatment of wastewater collected from residences, businesses, and industries. Treatment includes the removal of suspended solids and organic contaminants as well as an ultra-violet disinfection process in order to meet Texas Commission on Environmental Quality discharge standards. Chemical and biological tests are performed by state certified plant personnel and contract laboratories to assure compliance with discharge permit limits. The Wastewater Treatment Plant treated and released to the receiving stream a total of 772 MG in the FY 2013.

**CITY OF WEATHERFORD, TEXAS**  
**MUNICIPAL UTILITY SYSTEM**  
**WASTEWATER TREATMENT PLANT**  
**2012-2013 ANNUAL BUDGET**  
(Unaudited)

Account Number	Account Title	Actual 2011-2012	Amended Budget 2012-2013	Actual 2012-2013	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 201,896	\$ 199,019	\$ 196,300	\$ 2,719
102	Overtime	9,716	10,000	6,837	3,163
103	Education/Certification Pay	222	240	249	( 9)
107	Group Medical/Life Insurance	28,855	29,025	28,544	481
108	FICA	16,233	15,966	15,568	398
109	Retirement (TMRS)	37,307	35,105	35,874	( 769)
110	Workers Compensation	2,707	2,631	2,358	273
111	Unemployment Tax (TWC)	1,305	1,350	45	1,305
112	Longevity	1,816	2,076	2,076	-
	Total Personal Services	300,057	295,412	287,851	7,561
<u>Supplies</u>					
202	General Office Supplies	464	250	1,426	( 1,176)
212	Chemicals	34,339	40,000	22,390	17,610
215	Food & Beverage	64	200	52	148
217	Janitorial Supplies	579	725	451	274
218	Medical & Laboratory Supplies	14,597	12,000	18,639	( 6,639)
219	Uniforms & Protective Clothing	1,567	2,250	2,004	246
220	Vehicle Fuel & Oil	7,489	7,020	6,289	731
221	Vehicle Parts & Labor	7,570	6,909	7,801	( 892)
222	Equipment Parts & Labor	34,793	33,012	36,083	( 3,071)
223	Equipment Fuel & Oil	4,570	4,000	3,621	379
228	Safety Equipment	753	2,000	1,645	355
229	Miscellaneous	523	500	717	( 217)
235	Building & Grounds Maint.	-	3,500	330	3,170
247	Pumps & Controls	22,145	38,245	28,319	9,926
270	SCADA Parts	1,716	2,500	1,190	1,310
281	Small Tools & Equipment	3,462	1,500	731	769
	Total Supplies	134,631	154,611	131,688	22,923
<u>Services</u>					
302	Architect & Engineering Services	8,694	65,708	52,818	12,890
303	Legal Services	-	20,000	2,623	17,377
304	Medical Services	-	50	-	50

**WASTEWATER TREATMENT PLANT**

<b>Account Number</b>	<b>Account Title</b>	<b>Actual 2011-2012</b>	<b>Amended Budget 2012-2013</b>	<b>Actual 2012-2013</b>	<b>Variance Positive (Negative)</b>
<u>Services (Cont.)</u>					
305	Seminar & Training Fees	\$ 750	\$ 3,625	\$ 1,870	\$ 1,755
308	Telephone	2,052	1,500	1,804	( 304)
309	Postage	59	500	475	25
311	Travel Expense	50	300	-	300
312	Legal Advertising	-	10,000	-	10,000
318	Insurance	7,207	7,500	5,798	1,702
319	Utilities	178,958	205,537	190,202	15,335
320	Building Maintenance	3,647	4,000	786	3,214
322	Plant Equipment Maintenance	61,907	21,001	24,963	( 3,962)
330	Membership Dues/Subscriptions	1,811	2,500	1,422	1,078
331	Laundry & Sanitation	37,202	42,600	39,888	2,712
334	Regulatory Testing/Monitoring	32,436	39,626	41,531	( 1,905)
335	Regulatory Permit Fees	23,221	55,000	24,787	30,213
370	SCADA Maintenance	1,197	3,000	1,706	1,294
	<b>Total Services</b>	<b>359,191</b>	<b>482,447</b>	<b>390,673</b>	<b>91,774</b>
<u>Capital Outlay</u>					
414	Plant Equipment	20,140	50,072	48,209	1,863
443	Pumps	-	-	12,425	( 12,425)
	<b>Total Capital Outlay</b>	<b>20,140</b>	<b>50,072</b>	<b>60,634</b>	<b>( 10,562)</b>
	<b>TOTAL EXPENDITURES</b>	<b>\$ 814,019</b>	<b>\$ 982,542</b>	<b>\$ 870,846</b>	<b>\$ 111,696</b>

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