



City of Weatherford, TX Municipal Utility Board
FY15 Annual Program of Services

Municipal Utility Board Members

Mayor Dennis Hooks — Chair, Concurrent with City Council

Bob Glen — Vice Chair

Ken Davis

James Dickason

Heidi Wilder — Concurrent with City Council

Howard McClurkin

Craig Swancy — Concurrent with City Council

City of Weatherford Facts & Figures

City Government

Year Founded	1855
Incorporated	1858
Charter Adopted	1918
Form of Government	Council-Manager

Physiographic

Land Area (sq. mi.)	26.52
Long/Lat Range	32.759 ° N / 97.797° W

Public Parkland

City Parks: *Cartwright, Cherry, Holland Lake, Marshal, McGratton, Miller, Love Street, Soldier Springs*

Trails: *Town Creek Hike & Bike Trail*

Lake Weatherford

Pool Elevation (ft)	896
Surface Area (acres)	1,158
Maximum Depth (ft)	39

Weather

Annual Rainfall (in)	34.7
Avg Low Temperature	50.7° F
Avg High Temperature	75.8° F
Record High (Jun 1980)	119° F
Record Low (Dec 1989)	-10° F

Demographic (2010 Census Bureau)

Population Totals

2000	19,000
2005	23,050
2010	25,250
2013 (Est.)	27,021
Change since 2000	42.2%

By Sex (2010)

Male/Female	48.1%/51.9%
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By Race/Ethnicity (2010)

White, non-Hispanic	81.2%
Hispanic or Latino	13.6%
Black	2.4%
Other	2.8%

Age Distribution (years)

0-4	7%
5-19	22.6%
20-64	54.5%
65+	15.9%

Income (2008-2012)

Median Household	\$49,411
Below Poverty Level	14.2%

Other (2008-2012)

Households	9,985
Persons per Household	2.44

Education

Weatherford ISD Enrollment

K-6	3,945
7-8	1,178
9-12	2,155

Weatherford College Enrollment

Total Enrollment	5,676
Male/Female (%)	39/61

Educational Attainment (25 years and older)

High School Graduates	88.5%
Bachelor's Degree or Higher	23.9%

Employment

Civilian Labor Force	12,822
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Unemployment Rate

Average Annual (10 year)	5.4%
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Top Employers

Weatherford ISD	945
Weatherford Regional Medical Center	585
Parker County	485
Jerry's Transportation Center	420
City of Weatherford	401
Wal-Mart	350
Weatherford College	298

Economic

Business & Retail (2014)

Avg # of monthly Sales Tax Payers	2,383
Sales Tax Remitted	\$10.56m
Increase/Decrease from 2013	+6%
Retail sales tax per capita	\$406

Housing

Median value, owner-occupied home	\$136,652
Single-Family Building Permits (October 2013—September 2014)	177
Additions/Remodel/Residential Accessory Permits (October 2013—September 2014)	204

Tourism

Hotels and Beds & Breakfasts	23
Meeting/Event Spaces	8

Attractions: *Chandor Gardens, Clark Gardens, Greenwood Farm, Sheriff's Posse Rodeo, Farmer's Market, Doss Heritage & Cultural Center, Greenwood Cemetery, Museum of the Americas, First Monday Grounds*

Special Events: *Weatherford Blooms, Sheriff's Posse Rodeo, Peach Festival, Hometown Heritage Stampede, Christmas on the Square*

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FY15 Budget City Manager's Message

July 24, 2014

To: Board of Trustees of the Weatherford Municipal Utility System

In accordance with Article X, Section 4 of the Weatherford City Charter, the FY15 proposed budget is hereby submitted for review and consideration. The budget that follows will provide for operations and maintenance of the Weatherford Municipal Utility System from October 1, 2014, through September 30, 2015. It has been developed under the principles and guidance of sound budgeting practices. Said practices assure that revenues are realistically estimated to cover the cost of essential utility services while leaving a prudent amount of working capital for emergency or unforeseen circumstances.

Estimated revenues from the operation of the City's electric, water, and wastewater utility systems for FY15 are \$37 million, \$10.1 million, and \$4.65 million, respectively. This total of \$51.8 million in operating revenues is an increase of 2.2% from the FY14 adopted budget, and a decrease of 3.2% from current end-of-year projections. This reflects primarily an expected increase in kilowatt hours sold from the FY14 budget, and expected decrease in kilowatt hours the city has seen from the unusually cold FY14 winter, which is a large driver in our current year revenue projections. As with FY14, the City's electric, water, and wastewater systems are all self-sustaining entities, able to meet their full operating costs with their separate utility charges.

Normal system working capital balances should be no less than 90 days of operating expenditures, as determined by the Municipal Utility Board's action during FY14. In the FY14 budget process, the Utility Board decided to adjust its days of working capital calculation to discount the cost of purchased power, as is the practice of many municipal electric utility systems around the state of Texas. As a part of this action, the Electric Utility increased the minimum balance of its rate stabilization reserve to ensure proper cash on hand to prevent large rate fluctuations from month to month. The rationale for this action was that because purchased power is a direct pass through to the utility customers (a cost which fluctuates from year to year), requiring the utility to keep reserves for the pass-through expense inflates the actual cash balance it needs to keep on hand. In addition, because the purchased power expense can fluctuate significantly from year to year, the amount of days a particular reserve balance can cover will also fluctuate greatly, making it difficult for consistent budgeting. Discounting this cost when factoring reserve requirements has and will continue to ensure greater operational stability for the entire Municipal Utility Fund.

As with FY14, the City's electric, water, and wastewater systems are all self-sustaining entities, able to meet their full operating costs with their separate utility charges.

Current projections place the ending working capital balance for September 30, 2014, at \$8,498,868, or 112 days of operations. This balance contains various reserves, including:

- An electric vehicle/equipment reserve of \$100,000
- Ninety-day target reserve of \$6,806,970.

Also at the Utility Fund's disposal are the following reserves:

- Electric Substation Reserve of \$250,000
- Lake Lot License Reserve of approximately \$71,000
- The remaining Tarrant Regional Water District Reserve of approximately \$118,000.

Additionally, four line items contain budgets that, if they are not expensed in FY15, will be held in reserve. Those are:

- *Lake Lot License Capital reserve of \$200,000
- Electric Vehicle Reserve of \$100,000
- Electric West Substation Reserve of \$250,000
- *Water Capital Reserve of \$715,000.

The fund is projected to have \$8,024,050, or 16 days above required reserve amounts at the end of FY15. The total proposed budget for the Weatherford Municipal Utility is \$52.3 million, including approximately \$789,000 in various one-time expenses. This document details the breakdown of the fund's operational departments, including organizational charts, mission statements, objectives, performance measures, and line-item budget detail. Adjustments were made to create a cleaner budgeting process and help place the utility fund in a position to better plan for long-term sustainability. Additionally, this budget also includes new and expanded programs which will provide better services, more efficient operations, and improved morale among staff members. Among those changes are:

- Continued adjustments related to the use of lake lot license fees (100% of those fees are now reserved)
- A 2% cost-of-living increase package for employees, effective October 1, 2014;
- Continued reserve funding for large capital electric system projects and vehicle/equipment replacement;
- Infrastructure upgrades and the addition of one staff member in the Water Plant to improve work production, decrease downtime, and improve the safety of employees at the Water Plant; and
- Needed maintenance to important water/wastewater systems.

While this budget does not assume any rate adjustments taking place, the conversation for our rate plan is currently taking place among staff, the Utility Board, and the City Council. If increases to rates are approved, staff has a plan to ensure that the increase is utilized primarily for repair and replacements, needed large-scale capital improvements, and debt service in pursuit of those capital improvements. Part of this plan in-

*Both of these reserves exist as a result of dedicating the Lake Lot Licenses (approximate revenue amount of \$915,000). Previously, a portion of these revenues were dedicated to any possible costs of pumping water from the Tarrant Regional Water District. Because the Water Utility is now passing those costs through directly to its customers, it is assumed that the entire Lake Lot License revenue will be reserved for Lake Lot Capital expenses and other Water Capital expenses.

FY15 Budget City Manager's Message

cludes setting our accounting system up to ensure that a portion of revenue from the rate increases are placed immediately into separate capital funds, and do not pass through the Utility's operating fund. This will help with future plans and stability in two primary ways:

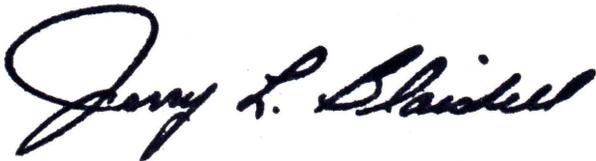
Dedicating the revenue in our accounting system helps staff to easily keep track of cash that is available for capital improvements, and

The practice will help clarify if any future rate adjustments would be driven from operational pressures or capital pressures.

In conclusion, I wish to thank each department director and supervisor who spent many hours in the preparation of this budget. I especially wish to thank Assistant City Manager Sharon Hayes, who provided invaluable assistance during this process. The Weatherford Municipal Utility has achieved great things during the current fiscal year. With the leadership of the Municipal Utility Board, each utility is continuing to be self-sufficient, and the Utility Fund is closer to being set up for greater long-term success for our customers. Overall, this budget represents significant steps in the right direction toward providing outstanding services at the best possible cost.

Respectfully submitted,

Jerry Blaisdell



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Schedule of Changes

On July 24, 2014, the City Manager's Office presented the FY15 Proposed Municipal Utility Fund Program of Services to the Utility Board. The Board has held several work sessions and one public hearing to discuss any modifications to the budget. Below is a summary of the agreed-upon changes to the Municipal Utility Fund FY15 Program of Services.

The Municipal Utility Board approved rate increases for Water and Wastewater, adding \$500,000 in the budget for purchased water, and a total of \$2,000,059 for water and wastewater repair & replacements (R&R). The additional R&R amounts are placed into two separate R&R funds: a water R&R fund (holding \$1,387,493 in budget), and a wastewater R&R fund (holding \$612,566 in budget).

An additional \$83,409 was budgeted for a one-time overlap of the Assistant Director position for Water and Wastewater. The current Assistant Director will be retiring during FY15 and this additional budget will allow a replacement to be hired before his retirement for training purposes.

FY15 Budget Calendar

1

Budget Kickoff

Staff meeting to outline the budget process and methodology, provide target budgets, and distribute forms.

Mar. 18,
2014

2

Departmental Budget Submissions

Department budget items submitted to Office of Management & Budget (OMB).

Apr. 9,
2014

3

Budget Development

Administration and staff begin discussing budget submissions and, incorporating City Council priorities, develop the proposed budget.

May-Jun.

4

Budget Submission

The City Manager's proposed FY15 budget is presented to the Utility Board.

Jul.
24

5

Budget Work Sessions Held

Several public work sessions are held to discuss the proposed budget and incorporate any changes recommended by the Board .

Aug.
Sep.

6

Adopt Utility Fund Budget

Following extensive discussion in August and September, the Utility Board adopts the budget for the following year.

Sept. 25

7

The Fiscal Year Begins.

Oct. 1

Overview

This budget document serves as the annual operating plan for the Weatherford Municipal Utility during the fiscal year beginning October 1, 2014, and ending September 30, 2015 (FY15). The funding choices made for FY15 were the result of hundreds of hours of deliberation at various levels: from each individual department to the City Manager and his executive team to the Utility Board and the people. This budget reflects not just the specific financial controls, management information, and policy development information it contains. It is a reflection of the values and goals of the community of Weatherford, Texas. The process by which it was developed was designed to produce a forward-thinking, results-oriented plan for the coming year.

Purpose of the Budget Process

The purpose of the budget process is to identify and assure compliance with policies dictated by State law, the City Charter, City Ordinances, and administrative procedures. The aim of these policies is to achieve long-term growth and stability within a positive financial condition. These guidelines give direction to administration and staff in planning and directing the Utility's day-to-day financial affairs and in developing financial and management recommendations to the Utility Board. They provide a strategic framework for evaluating both current and proposed activities by preserving the long-standing principles, traditions, and practices of the City of Weatherford.

Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. Being an annual process, budgets are influenced by many factors, including current and projected economic conditions, decisions made in prior budgets, current needs, and long-term goals.

The Municipal Utility Budget is adopted on a **modified accrual basis** consistent with general accepted accounting principles as promoted by the Governmental Accounting Standards Board, with exceptions including that depreciation is not included in the budget, capital purchase are budgeted within the year of appropriation, and debt principal is included. Revenues are included in the budget in the year they are expected to become measurable and available. Expenses are included in the budget when they are measurable, a fund liability is incurred, and the liability will be liquidated with resources included in the budget.

The budget process establishes levels of control as well. Once approved, department staff has the ability to adjust their budgets by transferring funds from one line-item to another within appropriated levels by submitting a budget transfer request, which is reviewed by the Office of Management & Budget (OMB) and the City Manager. However, any revisions which alter the total appropriation level for a department must be approved by the Utility Board.

Objectives of All Budgets

While every year brings different goals and challenges, all budgets are developed with the following shared objectives:

Realistically Estimated Revenues: Each revenue source has been analyzed and estimated realistically to ensure that the practice of conservatism in revenue projections is maintained.

Efficient, Equitable, and Adequate Funding for Services: Each service receiving funding should be given adequate resources to provide quality levels of service. To achieve this goal, some proposals or programs requested by departments are not recommended in the budget. In some cases, alternative requests may be funded at a lesser amount or delayed while utilizing existing services where possible.

Sound Financial Planning: Maintenance of adequate unallocated fund balances and reserves for unanticipated events or future allocations is important. Sufficient resources should exist for maintaining adequate balances and for meeting cash-flow requirements while providing the ability to respond to unforeseen circumstances. To achieve this goal, some expenditure requests are not recommended for funding, or are recommended at a lower level than requested. Reserve requirements for each fund are specified in the Financial Management Policy Statements.

Objectives Specific to This Budget

Continue Self-Sufficiency of all Utilities

The FY13 and FY14 Municipal Utility budgets represented transition years, in that all three utilities were able to collect enough revenue to cover their operational expenses, eliminating any cross-subsidization. The third and final year of rate adjustments (occurring in FY13) helped to achieve this goal. FY15 marks the beginning of the second round of rate adjustments. These new rates have been designed specifically to increase repair and replacement dollars for water and wastewater, as well as cover anticipated debt service for infrastructure upgrades.

Addressing Asset-Related Issues

The Weatherford Municipal Utility currently maintains approximately 207 miles of sanitary sewer lines, 272 miles of water mains, and 326 miles of electric distribution lines. In addition to this widespread infrastructure network, the utility is also responsible for maintaining:

- one wastewater treatment plant,
- 9,881 sewer service connections,
- 10,721 water service connections,
- 1,355 fire hydrants, and
- 13,560 electric service connections
- one water treatment plant
- 4 electric substations

Every utility system runs on a large network of assets such as these, and thus must budget ongoing repair and replacement costs to keep the system functioning properly. As with any asset-rich enterprise, the utility's infrastructure has been subject to routine wear and tear, sometimes leading to costly repair or replacement costs.

Budget Process & Methodology

A summary of the repair and replacement costs budgeted in the operating fund and water/wastewater repair and replacement funds can be found below.

	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>	<u>Total</u>	
Please note that the nature of these costs differ from large-scale capital improvements, which are covered by utility revenue bonds. For more information on those, please see the Appendix A.	Specialized Equipment (\$)	95,560	111,197	830,000	1,036,757
	Land/Right of Way (\$)	-	-	20,000	20,000
	Utility Line Repairs (\$)	1,765,500	888,837	1,244,000	3,898,337
	Meters (\$)	89,000	11,000	60,000	160,000
	Transformers (\$)	-	-	325,000	325,000
	Totals (\$)	1,950,060	1,011,034	2,479,000	5,440,094

Specific items included for replacement are lift station pumps, chlorine analyzers, SCADA equipment, as well as increased maintenance on utility lines.

Automated Meter Infrastructure Program

The Automated Meter Infrastructure (AMI) program will continue in FY15. Budgeted funds in FY14 were not able to be completely expensed during that fiscal year, and so the project will continue into the first half of FY15. The end of January will mark six months after the AMI project came on line, and will therefore be evaluated at that time. Additionally, at the end of FY14, the Utility Fund reserved \$1.75 million for future costs of continuing the AMI program.

West Substation Reserve

Much like the water utility, growth and development in the city will result in increased electric customer demand, which will eventually necessitate the construction of a new substation. In order to reduce the utility's need to issue debt, the electric utility began setting aside \$250,000 each year in anticipation of constructing the substation and purchasing substation equipment during FY13 and FY14. This practice will continue in FY15, and an additional \$25,000 per year will be added to the reserve.

Water Plant Efficiencies

The Utility Board approved numerous efficiencies for the water plant, designed to enhance customer service. The first of these enhancements is an additional Water Operator position. This new position will be used to help staff the multiple water plant shifts more adequately for service and safety. This will help reduce downtime for plant operations. Additionally, several items are included in the budget that will update old, less efficient equipment in both our water and wastewater treatment plants.

Staff Compensation

For the FY15 budget, the Utility Board approved a 2% across-the-board pay increase for cost-of-living adjustments. This is estimated to cost the Utility Fund approximately \$135,000 in ongoing dollars for salaries and associated benefits.

Cost of Service Study

While the Utility Fund has come a long way in the past several years to a point of stability for all three utilities, there are still some issues that need to be addressed. Before this fiscal year, FY13 was the last year of a three-year rate adjustment cycle, designed to make the water and wastewater utilities self-sustaining. With this having been accomplished, the next round of rate adjustments (starting in FY15) are specifically designated for funding repair and replacements as well as future debt service. With the FY15 rate adjustments, below is a summary of the total repair and replacement dollars budgeted across the water and wastewater:

	Estimated Asset Value (Less Machinery)	2% R&R Target (Rate Model)	FY15 Budget
Water (\$)	\$78m	\$1.6m	\$1.8m
Wastewater (\$)	\$36.4m	\$727k	\$888k
Total (\$)	\$114.4m	\$2.3m	\$2.7m

Please note that these amounts may decrease in order to service any debt that will be issued.

Lake Lot Licenses*

FY15 will mark the first year in which all lake lot license revenue (estimated at \$915,000 annually) will be reserved for specific purposes, and not able to be used for operational income. Those purposes are as follows:

1. To reserve up to \$200,000 for lake improvement projects;
2. To reserve the remainder for general Water and Wastewater capital projects.

Use of the revenue outside of the above purposes will require action from the Utility Board.

Future Budget Processes

The FY14 budget was designed as a transition between the final year of the fund's first rate adjustment cycle (FY13) and the beginning of a new rate adjustment cycle. To prepare for this, the overall role of the FY14 budget was to set the stage for a long-term oriented, strategically focused budget process by engaging a strategic planning consultant to help with a long-term growth strategy. In tandem with this, the fund's staff and Board hired a consultant to revise the rate model to align revenues with strategic priorities and growth areas. FY15 is the first year of incorporating these strategies in the Utility Fund.

*In previous years, this revenue was also used for the cost of pumping water. While that option is still available, the proposed rate increases would allow for \$500,000 in new water sales revenue to help pay for pumping costs. Therefore, the Lake Lot License revenue will be designated for capital improvements.

Budget Process & Methodology (cont'd)

Strategic Priorities

The Municipal Utility is facing a city that is growing and developing more each year. This has and will continue to result in increased demand on the utility system, requiring the system to expand to accommodate. As previously noted, this fiscal year's budget includes several areas where the utility is preparing for this expansion, including reserving money for the West Sub Station, continuing to reserve Lake Lot License revenue for specific purposes, adjusting water and wastewater rates to provide for increased repair and replacement of assets and debt service, and continuing the automated metering infrastructure program.

For the next few years, the city's utility customers can expect similar service alignments to make for a stronger, more stable and forward-thinking utility system. This will ensure long-term success and consistent, quality service to those who depend on Weatherford.

Enhanced Performance Measurement

Performance measurement figures can be found throughout the department summary pages in this document. A comprehensive performance measurement program is necessary for staff, managers, and directors to identify and correct operational weaknesses and inefficiencies, as well as report higher level performance statistics to key stakeholders, such as the Utility Board and rate payers. Currently, this document is the sole source for reporting performance measures to the public. However, staff will refine and expand these measures in FY15 as well as begin a process of reporting performance more frequently.

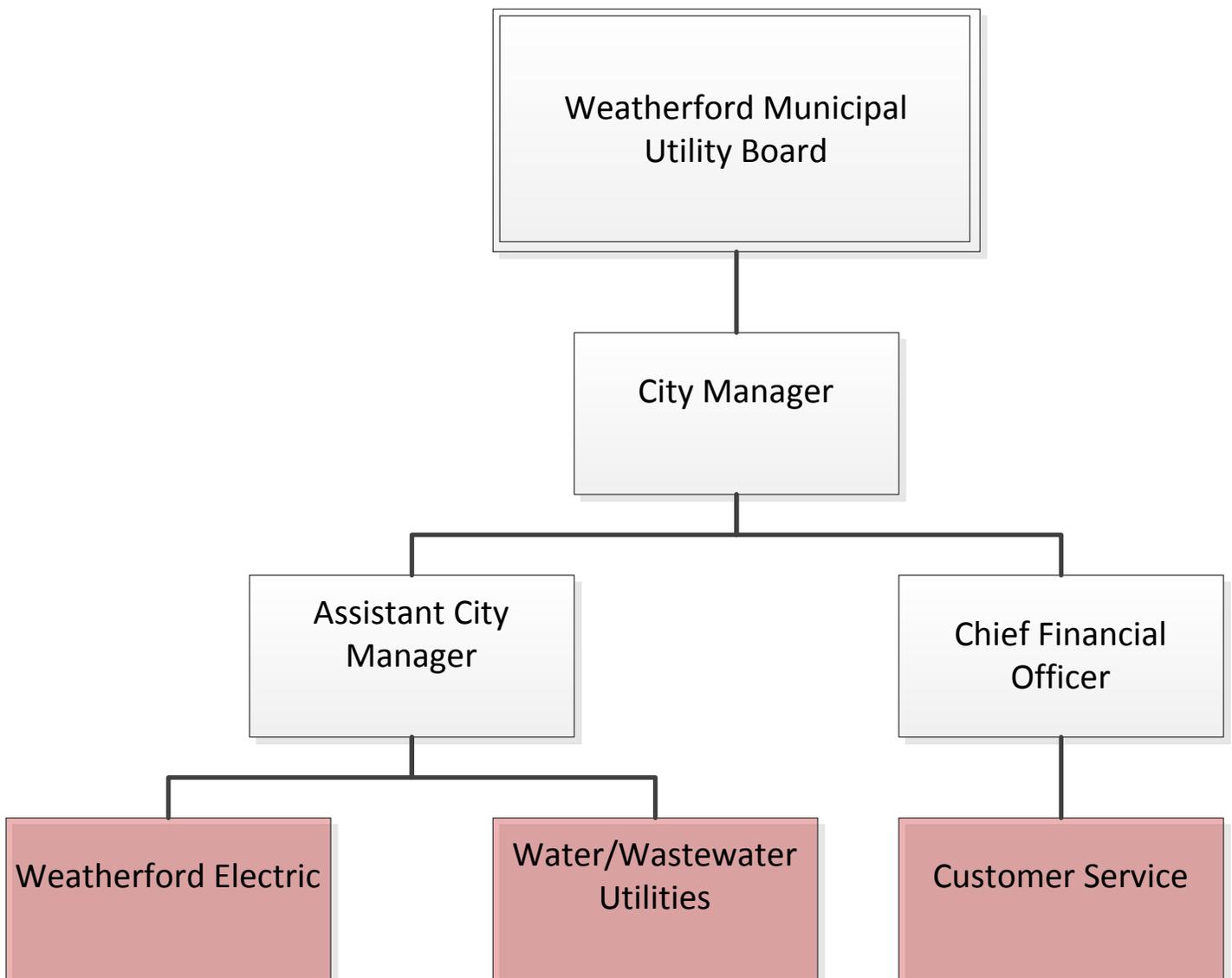
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Municipal Utility Fund

The Municipal Utility Fund has more budgeted expenditures than any other fund in the city. Enterprise funds are accounting units that operate similarly to private business entities. The intent of the governing body is to finance the provision of goods or services to the public on a continuing basis through user charges. Funding for utility system operations comes from monthly billing to customers for the utility services delivered. In addition to the three utility services (electric, water, and wastewater), this fund also includes operational costs for utility billing services and a small portion of the city's Information Technology (IT) budget and Finance budget. The governing board is responsible for providing oversight and setting service rates such that ongoing operations, capital repair and expansion, and reserves are all maintained at an adequate level.



FY15 Allocations of Administrative Functions

Shared or administrative functions are allocated to each utility for the purpose of showing the total cost of operating each utility. These allocated functions include Customer Service and Information Technology.

<u>Administrative Function</u>	<u>Cost Center</u>	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>
Customer Service	205	40%	31%	29%

The water & wastewater utilities are tightly connected, sharing resources and personnel. Some of the costs for these two utilities are located in the same cost center. In order to correctly account for the total cost of providing each utility, portions of those cost centers are allocated to either utility. The FY15 allocations for these cost centers is below.

Water/Wastewater Administration Cost Center 402
 Water and wastewater are each allocated 50% of the 100s, 200s, and 300s accounts.

Water/Wastewater Maintenance Cost Center 405
 Water is allocated 50% of the 100s accounts, 56% of the 200s accounts, 51% of the 300s accounts, and 49% of the 400s accounts. Wastewater is allocated 50% of the 100s accounts, 44% of the 200s accounts, 49% of the 300s accounts, and 51% of the 400s accounts.

Water/Wastewater Rehabilitation Cost Center 406
 Water is allocated 50% of the 100s, 200s, and 300s accounts, and 49% of the 400s accounts, and wastewater is allocated 50% of the 100s, 200s, and 300s accounts, and 51% of the 400s accounts.

Engineering Cost Center 427
 Water and wastewater are each allocated 50% of the 100s, 200s, and 300s accounts.

**Municipal Utility Fund
Revenue and Expense Summary**

	Actual FY12	Actual FY13	Adopted FY14	Projected FY14	Proposed FY15
Beginning Available Working Capital	14,568,639	15,415,897	14,270,591	14,270,591	8,498,868
Revenue					
Electric Utility					
Sale of Power	27,648,585	30,651,340	35,062,462	37,412,462	36,242,288
Interest & Other	1,339,500	890,419	740,115	862,846	845,592
<i>Subtotal Electric</i>	<i>28,988,084</i>	<i>31,541,758</i>	<i>35,802,577</i>	<i>38,275,308</i>	<i>37,087,880</i>
Water Utility					
Sale of Water - Retail	8,261,212	8,884,689	9,170,582	8,795,582	9,450,000
Sale of Water - Wholesale	153,735	169,731	68,599	100,000	150,000
Lake Lot Licenses	892,470	922,856	915,000	917,841	915,000
Water Taps	5,864	2,199	3,500	3,500	3,500
Interest & Other	601,379	104,185	97,648	813,434	88,272
<i>Subtotal Electric</i>	<i>9,914,660</i>	<i>10,083,660</i>	<i>10,255,329</i>	<i>10,630,357</i>	<i>10,606,772</i>
Wastewater Utility					
Service Fees - Retail	4,269,390	4,466,060	4,450,000	4,450,000	4,450,000
Service Fees - Wholesale	167,111	161,192	160,000	160,000	160,000
Wastewater Tap Fees	4,524	1,270	1,200	2,975	1,200
Pre-Treatment Fees	28,826	28,740	26,000	19,974	26,000
Interest & Other	163,398	69,818	20,748	20,748	11,372
<i>Subtotal Electric</i>	<i>4,633,250</i>	<i>4,727,081</i>	<i>4,657,948</i>	<i>4,653,696</i>	<i>4,648,572</i>
Total Revenue	43,535,993	46,352,499	50,715,854	53,559,361	52,343,224
Expenses					
Electric					
Administration	182,995	293,389	270,830	289,898	316,374
Fiber	-	-	-	-	138,808
Distribution	5,244,798	7,006,133	7,372,770	7,342,068	6,313,428
Production	5,084	8,128	11,850	11,850	21,850
Warehouse	168,769	183,760	283,586	273,591	348,816
Non Departmental	21,392,323	24,122,012	31,490,759	33,934,215	29,676,538
<i>Subtotal Electric</i>	<i>26,993,968</i>	<i>31,613,422</i>	<i>39,429,795</i>	<i>41,851,622</i>	<i>36,815,814</i>
Finance					
Customer Service	974,536	1,089,439	1,146,656	1,153,621	1,176,926
<i>Subtotal Finance</i>	<i>974,536</i>	<i>1,089,439</i>	<i>1,146,656</i>	<i>1,153,621</i>	<i>1,176,926</i>
Information Technology					
Information Technology	556,072	186	27,873	-	-
<i>Subtotal Information Technology</i>	<i>556,072</i>	<i>186</i>	<i>27,873</i>	<i>-</i>	<i>-</i>

**Municipal Utility Fund
Revenue and Expense Summary**

	Actual FY12	Actual FY13	Adopted FY14	Projected FY14	Proposed FY15
Water					
Administration	291,769	294,398	318,061	299,404	363,522.50
Water Treatment Plant	1,753,527	2,589,842	2,650,370	3,123,017	2,613,235.00
Water/WW Maintenance	998,399	1,246,906	1,245,017	1,252,272	1,148,067.26
Water/WW Rehabilitation	184,510	269,622	407,212	415,307	402,019.50
Engineering	259,009	234,357	280,030	275,407	345,475.50
SIB Loan ¹	391,966	-	-	-	-
Lake Maintenance	280,242	-	-	-	-
Non Departmental	4,090,187	6,334,925	6,046,459	6,043,660	5,611,592.00
Subtotal Water	8,249,609	10,970,050	10,947,149	11,409,067	10,483,912
Wastewater					
Administration	291,769	294,398	318,061	299,404	363,523
Water/WW Maintenance	955,524	1,153,035	1,317,913	1,314,078	1,093,901
Water/WW Rehabilitation	381,156	640,973	416,212	425,313	411,020
Engineering	259,009	234,357	280,030	275,407	345,476
SIB Loan ¹	128,903	-	-	-	-
Wastewater Treatment Plant	808,617	870,845	1,063,175	1,051,706	921,187
Non Departmental	1,272,886	1,470,556	1,551,715	1,550,866	1,448,778
Subtotal Wastewater	4,097,864	4,664,166	4,947,105	4,916,773	4,583,883
Total Expenses	40,872,049	48,337,264	56,498,578	59,331,084	53,060,535
Revenue Over/(Under) Expenses	2,663,945	(1,984,765)	(5,782,724)	(5,771,723)	(717,311)
GAAP & Change in Non Budgetary					
Working Capital Adjustments	(3,135,687)	533,862	-	-	-
Release Reserved Fund Balance	-	305,597	-	-	-
Transfer from Other Funds	-	-	-	-	-
Contributions	1,319,000	-	-	-	-
Debt Service Costs	-	-	-	-	-
Pass through Water Fees	-	-	-	-	-
Ending Working Capital	15,415,897	14,270,591	8,487,868	8,498,868	7,781,558

One-Time Costs	845,616
Ongoing Costs	52,214,919
Ongoing Surplus	128,305

Notes:

1. State Infrastructure Bank Loan P&I are budgeted in Water & Wastewater Non Departmental.
2. Debt service payments for current and future years are shown in the expenses section.
3. Incoming transfers for current and future years are shown in the revenue section.
4. Contribution to AMI Reserve and Rate Stabilization Reserve is budgeted in Electric Non-Departmental

Electric Vehicle Reserve	(100,000)
90 Day Target Reserve	(6,945,300)
Available Working Capital	736,258
One Day Cost (Ongoing Costs/365)	77,170

Total Working Days	101
Working Days, Less Lake Lot and Vehicle Reserves	100
Target Reserve	90
Available Working Capital	10

Municipal Utility Fund
Electric Utility FY15 Operating Position

	Actual FY12	Actual FY13	Adopted FY14	Projected FY14	Proposed FY15
Revenue					
Electric Utility					
Sale of Power	27,648,585	30,651,340	35,062,462	37,412,462	36,242,288
Interest & Other	1,339,500	890,419	740,115	862,846	845,592
Total Revenue	28,988,084	31,541,758	35,802,577	38,275,308	37,087,880
Expenses					
Electric					
Administration	182,995	293,389	270,830	289,898	316,374
Fiber	-	-	-	-	138,808
Distribution	5,244,798	7,006,133	7,372,770	7,342,068	6,313,428
Production	5,084	8,128	11,850	11,850	21,850
Warehouse	168,769	183,760	283,586	273,591	348,816
Non Departmental	21,392,323	24,122,012	31,490,759	33,934,215	29,676,538
<i>Subtotal Electric</i>	<i>26,993,968</i>	<i>31,613,422</i>	<i>39,429,795</i>	<i>41,851,622</i>	<i>36,815,814</i>
Allocated Functions					
Customer Service	386,995	432,624	455,345	458,111	467,366
Information Technology	185,357	62	9,291	-	-
<i>Subtotal Allocated Functions</i>	<i>572,352</i>	<i>432,686</i>	<i>464,636</i>	<i>458,111</i>	<i>467,366</i>
Total Expenses	27,566,320	32,046,108	39,894,431	42,309,734	37,283,180
Revenue Over/(Under) Expenses	1,421,764	(504,350)	(4,091,854)	(4,034,426)	(195,299)

One-Time Expenses	247,666
Ongoing Revenues	37,087,880
Ongoing Expenses	<u>37,035,514</u>
Net Operating Gain/(Loss)	52,367

Municipal Utility Fund
Water Utility FY15 Operating Position

	Actual FY12	Actual FY13	Adopted FY14	Projected FY14	Proposed FY15
Revenue					
Water Utility					
Sale of Water - Retail	8,261,212	8,884,689	9,170,582	8,795,582	9,450,000
Sale of Water - Wholesale	153,735	169,731	68,599	100,000	150,000
Lake Lot Licenses	892,470	922,856	915,000	917,841	915,000
Water Taps	5,864	2,199	3,500	3,500	3,500
Interest & Other	601,379	104,185	97,648	813,434	88,272
Total Revenue	9,914,660	10,083,660	10,255,329	10,630,357	10,606,772
Expenses					
Water					
Administration	291,769	294,398	318,061	299,404	363,523
Water Treatment Plant	1,753,527	2,589,842	2,650,370	3,123,017	2,613,235
Water/WW Maintenance	998,399	1,246,906	1,245,017	1,252,272	1,148,067
Water/WW Rehabilitation	184,510	269,622	407,212	415,307	402,020
Engineering	259,009	234,357	280,030	275,407	345,476
SIB Loan	391,966	-	-	-	-
Lake Maintenance	280,242	-	-	-	-
Non Departmental	4,090,187	6,334,925	6,046,459	6,043,660	5,611,592
<i>Subtotal Water</i>	<i>8,249,609</i>	<i>10,970,050</i>	<i>10,947,149</i>	<i>11,409,067</i>	<i>10,483,912</i>
Allocated Functions					
Customer Service	305,858	341,921	359,878	362,065	369,379
Information Technology	185,357	62	9,291	-	-
<i>Subtotal Allocated Functions</i>	<i>491,216</i>	<i>341,983</i>	<i>369,169</i>	<i>362,065</i>	<i>369,379</i>
Total Expenses	8,740,825	11,312,033	11,316,318	11,771,132	10,853,291
Revenue Over/(Under) Expenses	1,173,835	(1,228,373)	(1,060,989)	(1,140,774)	(246,519)

One-Time Expenses	283,323
One-Time Revenues	-
Ongoing Revenues	10,606,772
Ongoing Expenses	10,569,968
Net Operating Gain/(Loss)	36,804

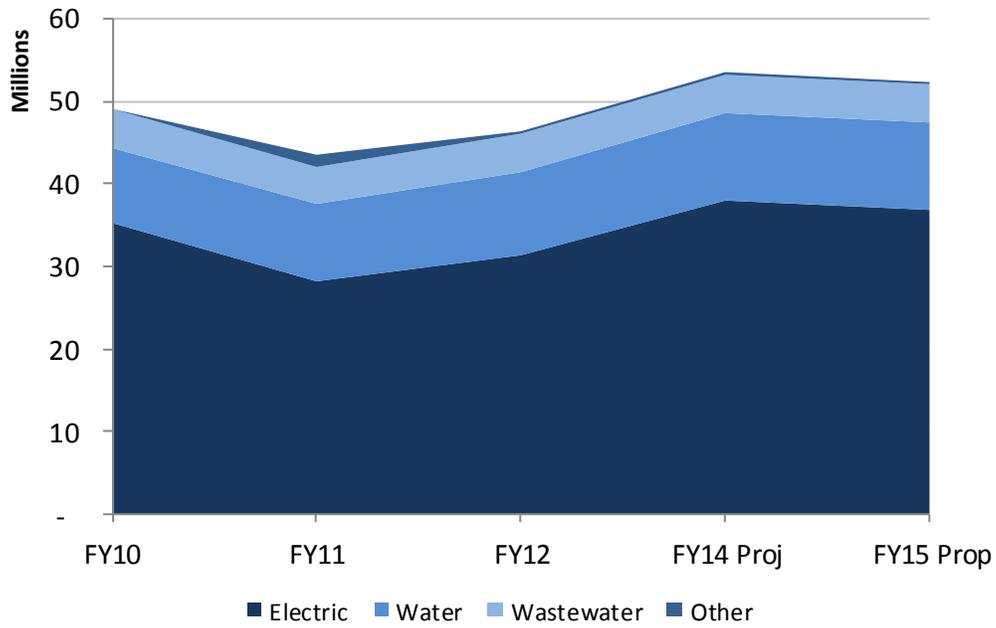
**Municipal Utility Fund
Wastewater Utility FY15 Operating Position**

	Actual FY12	Actual FY13	Adopted FY14	Projected FY14	Proposed FY15
Revenue					
Wastewater Utility					
Service Fees - Retail	4,269,390	4,466,060	4,450,000	4,450,000	4,450,000
Service Fees - Wholesale	167,111	161,192	160,000	160,000	160,000
Wastewater Tap Fees	4,524	1,270	1,200	2,975	1,200
Pre-Treatment Fees	28,826	28,740	26,000	19,974	26,000
Interest & Other	163,398	69,818	20,748	20,748	11,372
Total Revenue	4,633,250	4,727,081	4,657,948	4,653,696	4,648,572
Expenses					
Wastewater					
Administration	291,769	294,398	318,061	299,404	363,523
Water/WW Maintenance	955,524	1,153,035	1,317,913	1,314,078	1,093,901
Water/WW Rehabilitation	381,156	640,973	416,212	425,313	411,020
Engineering	259,009	234,357	280,030	275,407	345,476
SIB Loan	128,903	-	-	-	-
Wastewater Treatment Plant	808,617	870,845	1,063,175	1,051,706	921,187
Non Departmental	1,272,886	1,470,556	1,551,715	1,550,866	1,448,778
<i>Subtotal Wastewater</i>	<i>4,097,864</i>	<i>4,664,166</i>	<i>4,947,105</i>	<i>4,916,773</i>	<i>4,583,883</i>
Allocated Functions					
Customer Service	281,682	314,894	331,432	333,446	340,182
Information Technology	185,357	62	9,291	-	-
<i>Subtotal Allocated Functions</i>	<i>467,040</i>	<i>314,956</i>	<i>340,723</i>	<i>333,446</i>	<i>340,182</i>
Total Expenses	4,564,903	4,979,122	5,287,829	5,250,219	4,924,065
Revenue Over/(Under) Expenses	68,346	(252,041)	(629,880)	(596,523)	(275,493)

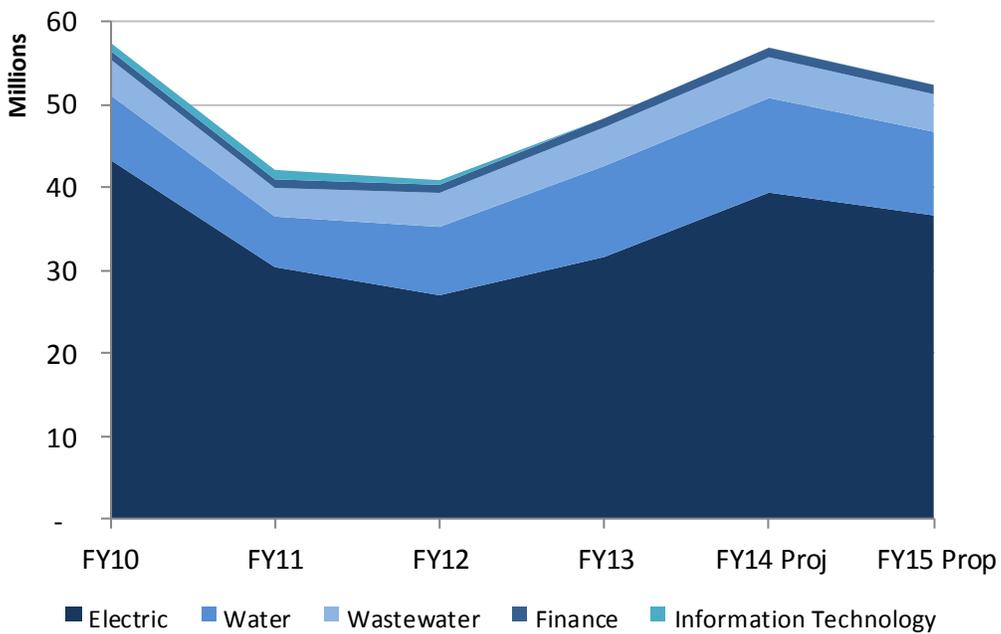
One-Time Expenses	314,824
Ongoing Revenues	4,648,572
Ongoing Expenses	4,609,241
Net Operating Gain/(Loss)	39,331



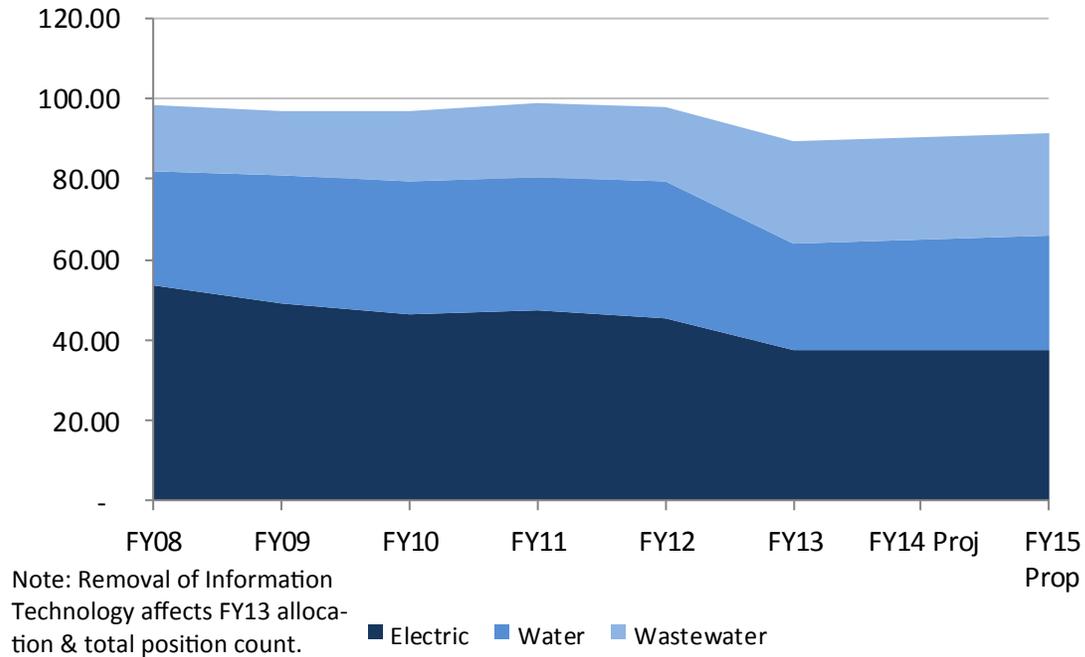
Historical Fund Revenues by Utility (millions)



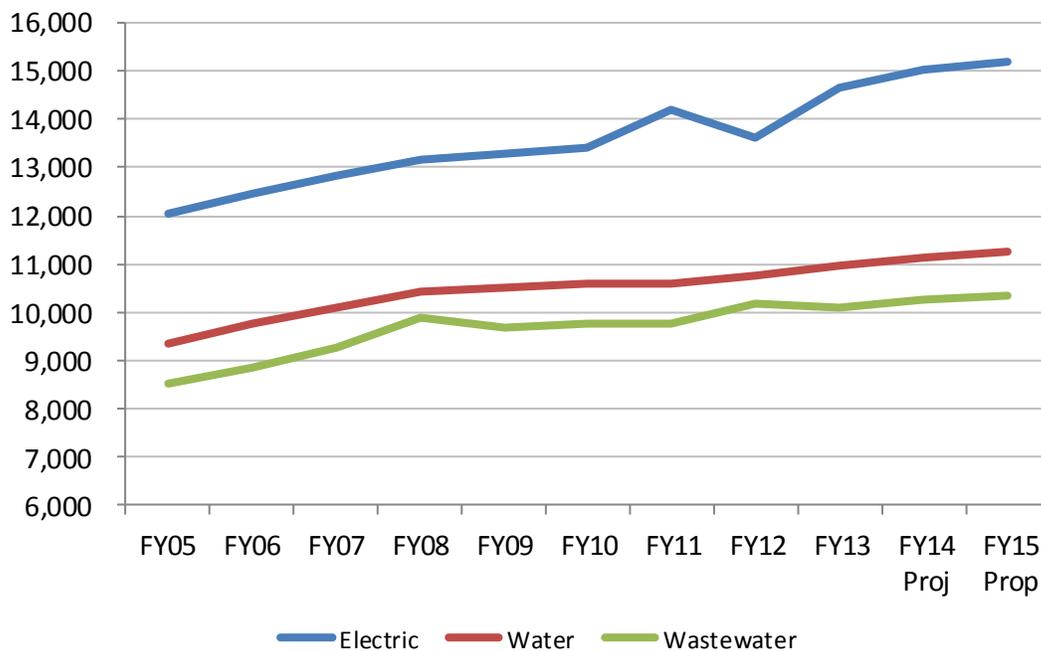
Historical Fund Expenses by Utility (millions)



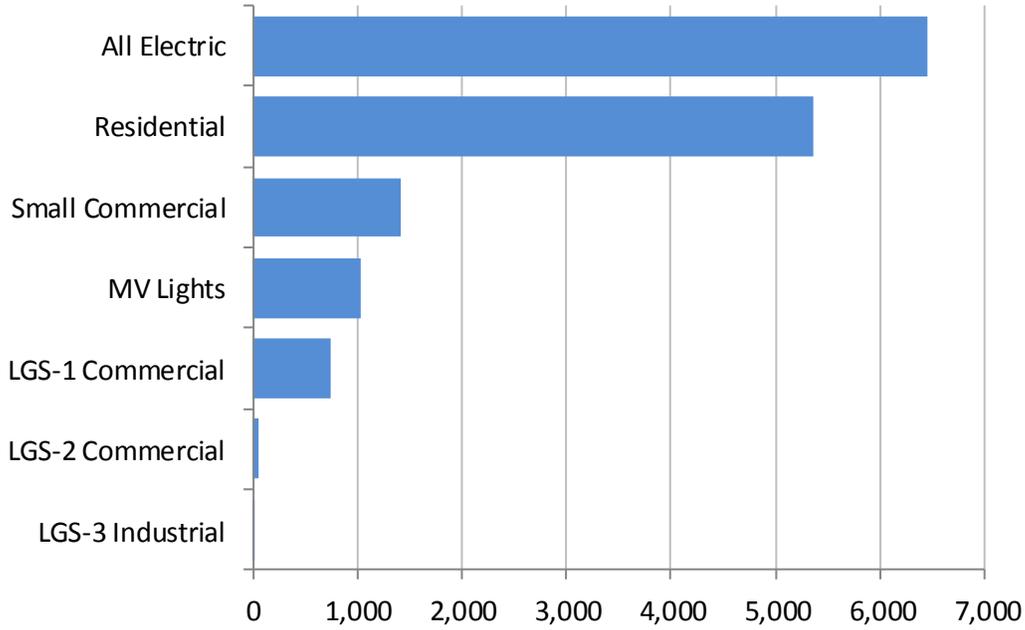
Historical Personnel (FTE) by Utility



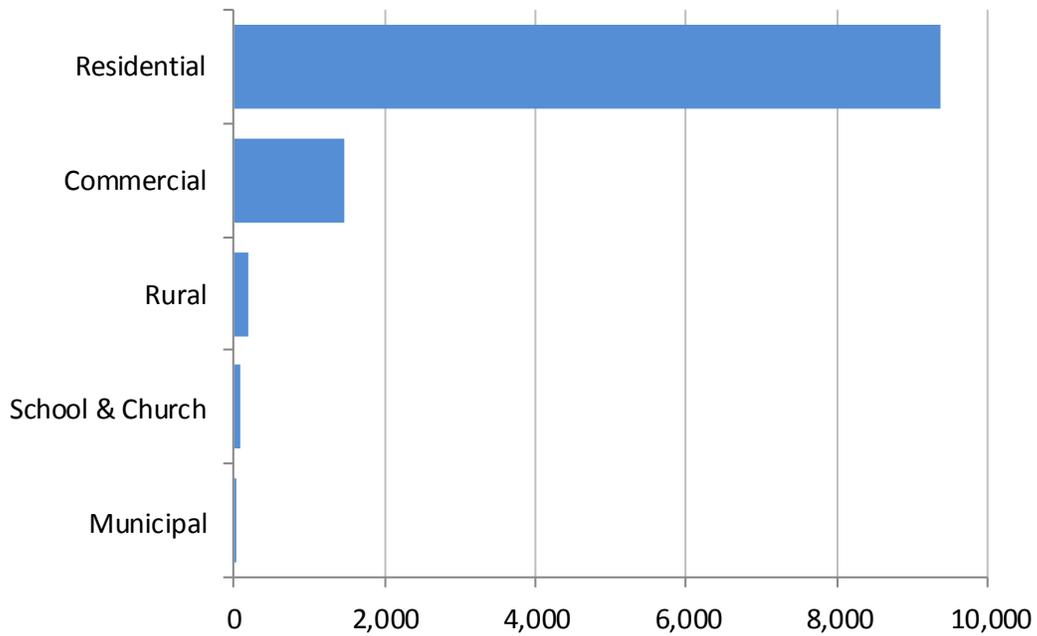
Historical Number of Customers by Utility



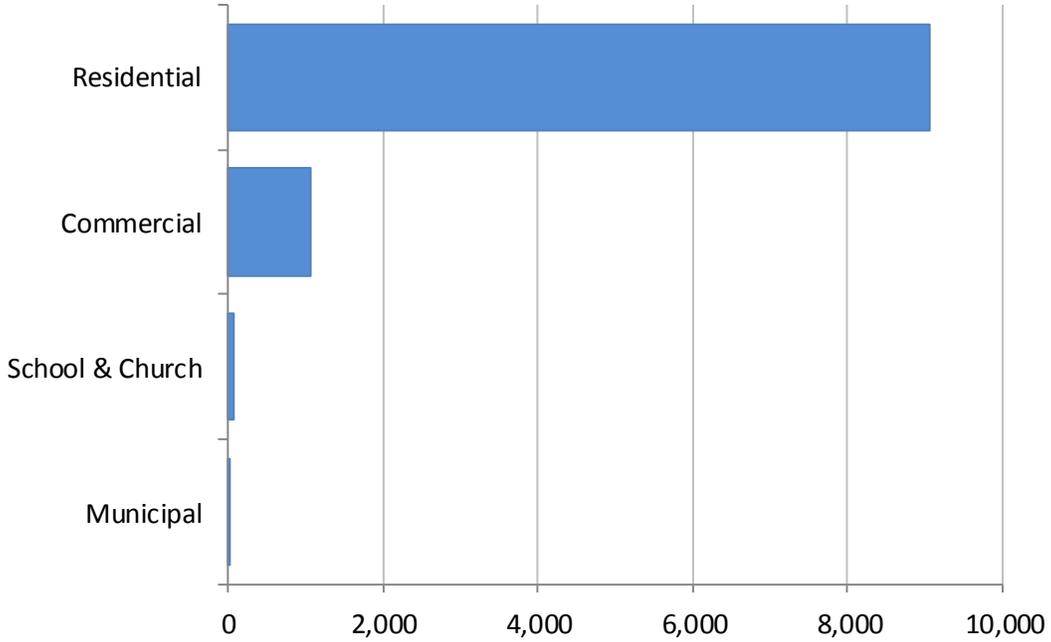
FY14 Electric Customers by Class



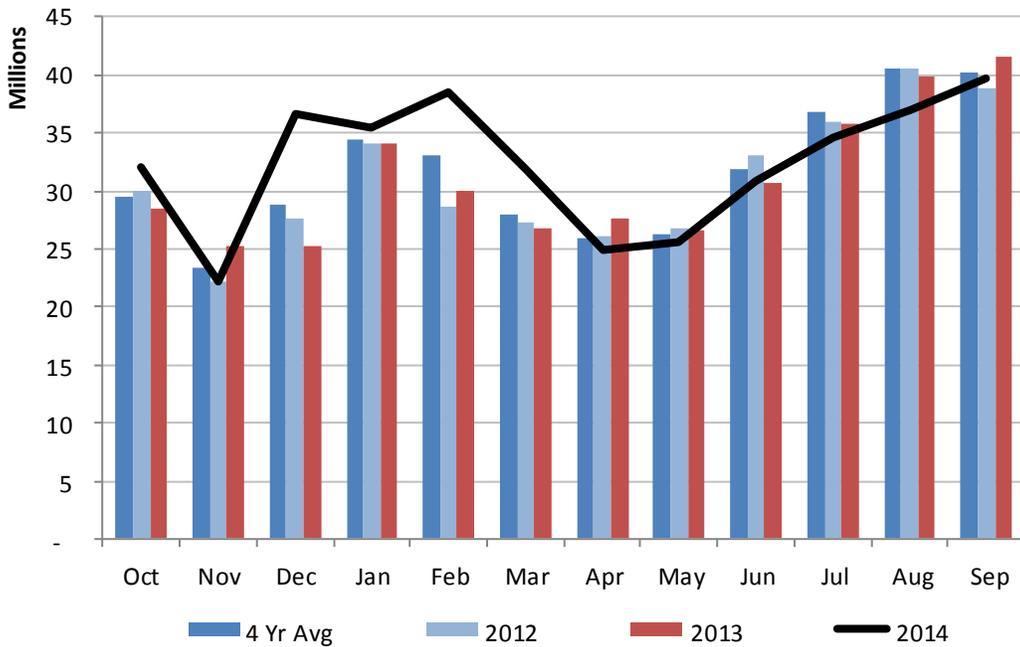
FY14 Water Retail Customers by Class



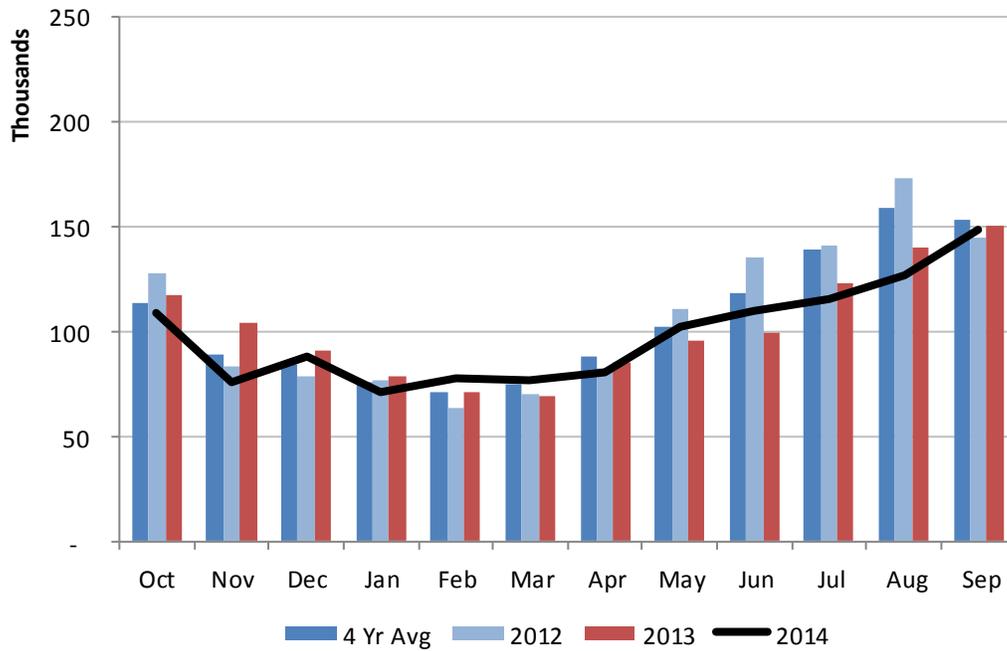
FY14 Wastewater Customers by Class



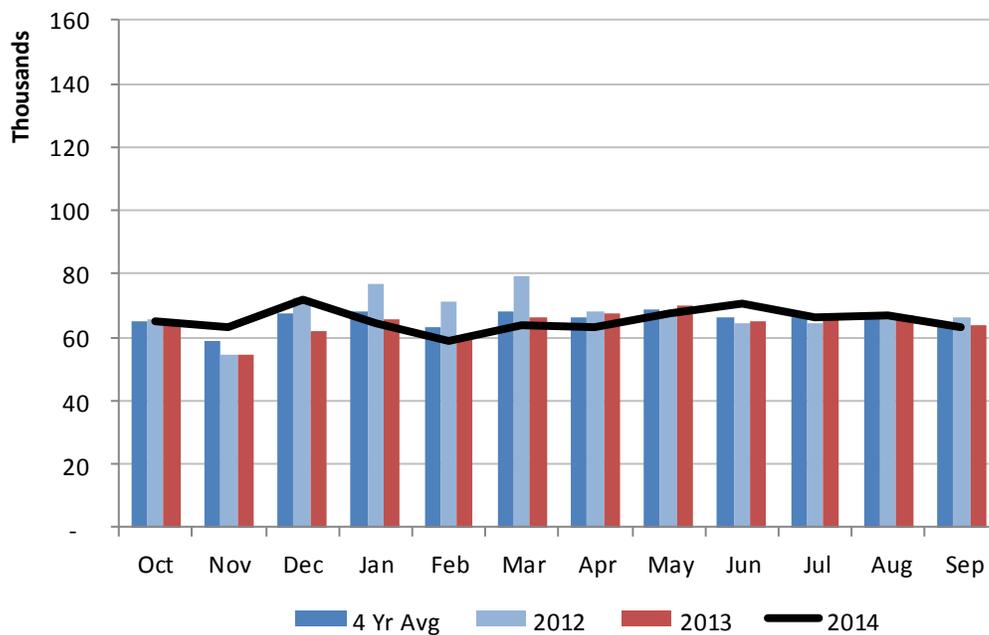
FY14 Electric Consumption vs. Historical (millions)



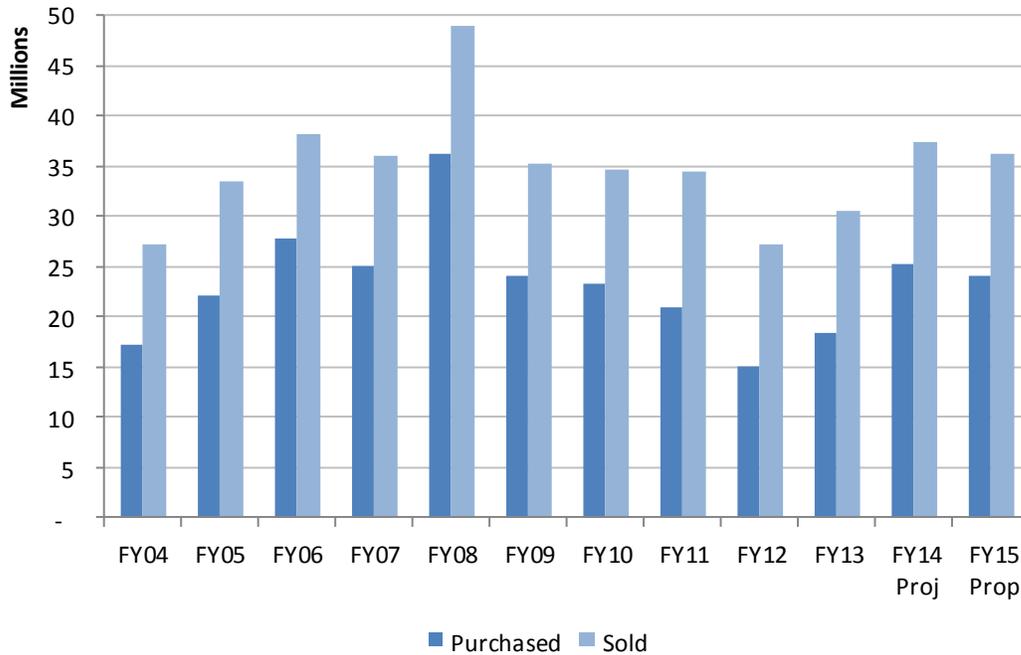
FY14 Water Consumption vs. Historical (thousands)



FY14 Wastewater Consumption vs. Historical (thousands)



Historical Electric Sales Revenue vs. Purchase Cost (millions)



The chart above shows the difference between the cost to purchase power and the revenue from power sold. The difference between these two items represents the bulk of the available operating revenue for the electric utility. Historically, these data have been shown in a manner that emphasized the percent margin between the costs and revenues. However, the percent margin is highly dependent upon a variety of items that do not affect revenue available for operations, most notably the price of gas.

The Weatherford Electric Utility has the ability to produce electricity for distribution, but it is often more cost effective to operate as a pass-through entity. As such, the electric rate is comprised primarily of two components: one portion represents the pass-through cost for purchasing power, and the other represents the operational costs of running and maintaining the utility.

The portion of the rate that acts as a pass-through fluctuates depending on the cost of purchasing power. When the purchase cost increases or decreases, the electric rate passes those costs or savings to the consumer. The other portion is used for operations of the utility, is set by the Municipal Utility Board, and largely remains constant throughout the year (although it may fluctuate slightly from month to month in order to stabilize the rate over the course of the year).

The most important variable that determines operating revenue is *actual* consumption of electricity versus *budgeted or expected* consumption. For that reason, this document emphasizes consumption and net operating revenue over percent margin.



Municipal Utility Fund Revenue Summary

The Municipal Utility Fund is an enterprise fund, and each utility is run similarly to a private business enterprise. As such, specific services are provided to customers, and revenues are generated based on charges for those services. In addition to direct service charges, there are a variety of other revenue sources available to each utility.

Electric Department revenues include service charges, interest income, pole rental charges, service initiation and transfer charges, late payment fees, and other miscellaneous items including transfers from other funds.

Water Department revenues include service charges for retail and wholesale customers, interest income, connection fees, lake lot leases, water tower license fees, and other miscellaneous items including transfers from other funds.

Wastewater Department revenues include service charges for retail and wholesale customers, interest income, tap fees, and other miscellaneous items including transfers from other funds.

Electric System Revenues

	Actual	Adopted	Projected	Proposed
	FY13	FY14	FY14	FY15
Electric Utility	30,651,340	35,062,462	37,412,462	36,242,288
Returned Check Charges	7,050	10,000	10,000	10,000
Interest Income	77,966	25,000	50,000	25,000
Net Change In Fair Value - Invest	(51,469)	-	(55,187)	-
Sale Of Fixed Assets	27,565	-	4,000	-
Sale Of Salvage	1,324	5,000	5,000	5,000
Pole Rental - Cable TV	112,433	110,000	106,460	110,000
Late Payment Fees	151,155	160,000	160,000	160,000
Temp Connects & Re- connects	69,330	80,000	73,112	80,000
Service Initiation Fees	85,620	85,000	85,000	85,000
Service Transfer Fees	11,745	12,000	12,000	12,000
Electric Miscellaneous	209,926	120,000	120,000	120,000
Contrib In Aid Of Con- struction	116,988	100,000	100,000	100,000
Proceeds From Lease/ Purchase Agr	-	-	-	-
Transfer From Utility Reserve	-	-	-	-
Electric Fiber Lease Fee	41,678	-	110,000	110,000
Transfer From Solid Waste	29,107	33,115	66,230	28,592
Total Revenue	31,541,758	35,802,577	38,259,077	37,087,880

Water System Revenues

	Actual	Adopted	Amended	Proposed
	FY13	FY14	FY14	FY15
Inspection Service Fee	-	-	-	-
Wholesale Water Sales	169,731	68,599	100,000	150,000
Water Utility	8,884,689	9,170,582	8,795,582	9,450,000
Raw Water Sales	2,521	2,500	2,678	2,500
TRWD Pumping Pass-Through	-	-	691,187	-
Water Taps	2,199	3,500	3,500	3,500
Water Connection Fee	22,292	15,000	22,058	15,000
Sale Of Fixed Assets	-	-	15,000	-
Sale Of Salvage	598	-	-	-
Lake Lot Leases	922,856	915,000	917,841	915,000
Lake Lot Transfers	12,796	5,000	10,108	5,000
Lake Concession Rental	12,226	9,500	6,755	9,500
Water Tower License Fee	37,375	34,375	34,375	34,375
Proceeds from Insurance	-	-	-	-
Shortages & Overages	163	-	-	-
Water Miscellaneous	3,739	15,770	15,770	15,770
State Infrastructure Bank Loan	-	-	-	-
Transfer From Other Funds	12,474	15,503	15,503	6,127
Total Revenue	10,083,660	10,255,329	10,630,357	10,606,772

Wastewater System Revenues

	Actual FY13	Adopted FY14	Amended FY14	Proposed FY15
Sewer Fees	4,466,060	4,450,000	4,450,000	4,450,000
Pre-Treatment Fees	28,740	26,000	19,974	26,000
Sewer Taps	1,270	1,200	2,975	1,200
Non System Wastewater Maint	-	-	-	-
Proceeds from Insurance	-	-	16,231	-
Inspection Service Fee	6,720	-	-	-
Contributions: Dedicated As-Non System Wastewater Svc Fee	58,685	-	-	-
Sewer Miscellaneous	161,192	160,000	160,000	160,000
State Infrastructure Bank Loan Proceeds	4,414	5,245	5,245	5,245
Transfer From Solid Waste	-	-	-	-
Transfer From General Fund	-	15,503	15,503	6,127
	-	-	-	-
Total Revenue	4,727,081	4,657,948	4,669,927	4,648,572
Release of Reserved Fund Balance	303,597	16,362	16,362	-
Total System Revenue	46,656,096	50,732,216	53,575,723	52,343,224

Revenue Worksheets

The calculations that follow were utilized to project revenue for the Electric, Water and Wastewater Utilities in conjunction with an updated cost of service model provided by SAIC (formerly RW Beck).

Electric Revenue Worksheet

Base Rate (not including \$.015 of PP)	
Industrial	\$966,696
All Other	\$11,227,584
Subtotal*	<u>\$12,194,280</u>
Fuel & Purchase Power (includes \$.015 of PP)	
Industrial	\$1,838,387
All Other	\$22,209,622
Subtotal**	<u>\$24,048,008</u>
Total Revenues	
Industrial	\$2,805,083
All Others	\$33,437,205
Total Retail Sales Revenue	<u><u>\$36,242,288</u></u>

* Net operating capital available for the Electric Utility

** Proposed FY15 subtotal is budgeted in 11-2-902-373

Water Revenue Worksheet

Retail Water Sales Worksheet

FY14 Projected Water Consumption (1,000s gallons)	1,235,000
Projected Growth Factor	15,000
FY15 Projected Water Consumption (1,000s gallons)	1,250,000
FY15 Effective Rate per 1,000 gallons	\$7.16
FY15 Total Projected Retail Revenue	\$8,950,000

Wastewater Revenue Worksheet

<u>Revenues</u>	<u>FY 2013</u>
Oct 2012	\$ 384,495
Nov 2012	\$ 338,065
Dec 2012	\$ 372,716
Jan 2013	\$ 341,186
Feb 2013	\$ 353,338
Mar 2013	\$ 355,223
Apr 2013	\$ 343,448
May 2013	\$ 367,567
Jun 2013	\$ 374,667
Jul 2013*	\$ 396,044
Aug 2013*	\$ 400,500
Sep 2013*	\$ 422,750
Total	\$ 4,450,000
FY15 Total Projected	\$ 4,450,000

* Projected revenue

Note: Wastewater revenue tends to be relatively stable. While the City has annexed some property in FY14, there is not a significant source of revenue growth expected here.

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Water/Wastewater

Weatherford Water/Wastewater Utility is a municipal utilities provider for the City of Weatherford. It manages the treatment and distribution of water, the treatment of wastewater, and the maintenance of all water/wastewater assets owned by the Utility. Operating divisions include Administration, Water Treatment Plant, Water/Wastewater Maintenance, Water/Wastewater Rehabilitation, Engineering, Wastewater Treatment Plant, and Non Departmental. It is administered by the Director of Water/Wastewater Utilities, and overseen by the Weatherford Municipal Utility Board.



Water/Wastewater Administration (402)

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 Electricians, Water Purification Plant, 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 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 collection and analysis of samples collected in the distribution system to insure the quality of the city's drinking water and operates and maintains a superior Pretreatment Program for industrial and domestic discharges to the sewer system.

Address: 917 Eureka, Weatherford TX, 76086

Phone: (817) 598-4273

Hours of Operation: Monday to Friday, 8 am to 5 pm

Major Division Goals:

1. To ensure that customers are provided with a safe supply of drinking water.
2. To ensure that wastewater is properly treated prior to discharge into the environment.
3. To ensure that the distribution and collection systems operate in a proper manner to provide customers with an acceptable level of service.
4. To ensure customers are educated on both current and future water conservations.
5. To ensure the City maintains a good relationship with industries, so that the City and the industries meet both TCEQ and EPA guidelines.

FY14 Accomplishments:

1. Completed construction of all projects under design.
2. Continued to maintain distribution and collection system to meet customers' needs.
3. Expanded the role of Environmental Compliance and Regulatory Affairs in the organization.
4. Expanded water conservation education and awareness throughout the community.
5. Implemented a toilet rebate program to encourage water conservation in customer's homes.

FY15 Objectives:

1. To ensure that customers are provided with a safe supply of drinking water.
2. To ensure that wastewater is properly treated prior to discharge into the environment.
3. Complete construction under design.
4. Working with the public and area organizations on water conservation awareness.
5. Implement a toilet replacement program to encourage proper water conservation measures throughout the community.

Significant Budget Changes:

Increases over FY14 include an ongoing cost-of-living salary increases (\$12,000), and a one-time outreach/toilet replacement program (\$19,000).

Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY13	FY14	FY14	FY15
Personnel	529,389	543,972	517,937	560,012
Supplies	39,897	33,950	25,151	52,950
Contractual	19,511	27,400	27,023	27,900
Capital Outlay	-	30,800	28,697	-
Total	588,796	636,122	598,808	640,862

Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY13	FY14	FY14	FY15
Assistant Director	36	1.00	1.00	1.00	1.00
Electric Technician	21	1.00	1.00	1.00	1.00
Environmental Regulatory Affairs Supervisor	20	1.00	1.00	1.00	1.00
Field Services Supervisor	17	1.00	1.00	1.00	1.00
Assistant Electric Tech	14	1.00	1.00	1.00	1.00
Assistant Electric Tech	14	1.00	1.00	1.00	1.00
Environmental Technician	13	1.00	1.00	1.00	1.00
Total		7.00	7.00	7.00	7.00

Performance Measures	FY12	FY13	FY14	FY15 Proj/Goal
Input				
Pretreatment inspections completed		7	8	8
Pretreatment programs		7	8	8
Output				
Number of water quality samples performed in the distribution system	4,300	4,886	4,836	4,786
Number of inspections performed each year	2,500	2,480	2,760	2,800
Effectiveness				
Pretreatment violations		20	2	0

Water Treatment Plant (404)

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 will treat 1,426.594 MG in the FY 2010-2011 based on the average of current data.

Address: 118 W Lake Drive, Weatherford TX, 76086

Phone: (817) 598-4010

Hours of Operation: Sunday to Saturday, 6 am to 10 pm (Winter); 6 am to 2 am (Summer)

Major Division Goals:

1. Provide quality water to our customers.
2. Meet and exceed EPA and TCEQ guidelines.
3. Provide maintenance to plant to ensure optimum operations.

FY14 Accomplishments:

1. Installed new membrane air compressor.
2. Installed new trident effluent valves.
3. Installed a new SCADA operating system.
4. Prepared master water plan.
5. Installed 9 new hydrorangers for the clearwell and chemical bulk storage.
6. Commenced preliminary work to install new high service pump variable frequency drives.
7. Replaced all the piping in the chlorine feed room and bulk storage rooms.
8. Completed the Benbrook valve automation project.

FY15 Objectives:

1. Update trident LPU.
2. Install new air compressors for the trident plant.
3. Install new heaters in the filter gallery.
4. Replace membrane CIP circulation pump.
5. Install new high service pump variable frequency drives.
6. Replace membrane neutralization circulation pump.

Significant Budget Changes:

The Water Treatment Plant has some significant budgetary changes from FY14. Several one-time capital items are budgeted:

Filter Gallery Heaters	\$35,585
Surface Scatter 7 Turbidimeter	\$5,460
Eye-Wash Stations	\$17,791
Infrared Camera	\$8,495

Additionally, a new Water Treatment Operator has been added, for an ongoing cost of \$31,658. All existing employees have also been given a cost-of-living increase, amounting to \$8,500 across this cost center.

Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY13	FY14	FY14	FY15
Personnel	326,055	399,339	377,925	444,974
Supplies	501,448	574,725	515,313	592,481
Contractual	1,340,344	1,171,868	1,761,879	998,416
Capital Outlay	421,994	499,438	462,900	202,944
Total	2,589,842	2,645,370	3,118,017	2,238,815

Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY13	FY14	FY14	FY15
Water Plant Manager	22	1.00	1.00	1.00	1.00
Chief Operator	19	1.00	1.00	1.00	1.00
Water Plant Operator II	16	1.00	1.00	1.00	1.00
Water Plant Operator I	12	3.00	4.00	4.00	5.00
Summer Maint. Worker	6	0.33	-	-	-
Total		6.33	7.00	7.00	8.00

Performance Measures	FY12	FY13	FY14	FY15 Proj/Goal
Output				
Treated water (Million Gallons)	1,578,843MG	1,760,581MG	1,831,398MG	1,904,654MG
Efficiency				
Cost per thousand gallon treated	\$1.08	\$1.00	\$1.10	\$1.06
Effectiveness				
Violations to the City by TCEQ (#)		0	0	0

Water/Wastewater Maintenance (405)

The Water/Wastewater Maintenance division is responsible for the maintenance of 272 miles of water lines, 1 well system, 208 miles of wastewater lines, 1,370 fire hydrants, 23 lift stations, and over 400 grinder pumps. This division includes a pump and motor maintenance crew which is responsible for the preventative maintenance and repairs of the lift stations, raw water pump station, 6 distribution pump stations, the water and wastewater treatment plants. It also includes a water meter shop which is responsible for the installation, repair, and testing of 11,577 commercial and residential customers.

Address: 917 Eureka, Weatherford TX, 76086

Phone: (817) 598-4171

Hours of Operation: Monday to Friday, 8 am to 5 pm (on call 24/7)

Major Division Goals:

1. Reduce sewer stop-ups, back-ups, and overflows.
2. Maintain water and wastewater systems to improve reliability.
3. Clean, inspect, and camera sewer mains to evaluate condition and plan repairs.
4. Upgrade water meters to implement electronic radio read and reduce labor cost.
5. Reduce water loss to reduce city cost.

FY14 Accomplishments:

1. Continued comprehensive sewer evaluation system.
2. Targeted problem areas in the Water/Wastewater System and made necessary corrections.
3. Provided responsive quality service to the rate payers of the Municipal Utility System.

FY15 Objectives:

1. Continue to replace aging water meters to improve accuracy and reduce water loss.
2. Continue to evaluate the wastewater system and target problem areas.
3. Implement a valve & hydrant program to ensure reliability of fire protection.
4. Study water system to minimize water loss (i.e. test meters).

Significant Budget Changes:

This division's FY15 budget includes a total of \$163,580 in one-time expenses. Those are as follows:

Chlorine Analyzers	\$10,100
Lift Station 11 Upgrade	\$35,378
Sample Stations	\$22,350
Lift Station 24 Fence	\$8,900
Camera	\$72,352
Message Board	\$14,500

Additionally, the cost-of-living increase for employees amounts to \$23,000 in ongoing salary and benefit increases.

As the Water /Wastewater system ages the frequency of problems increase, therefore funding and staffing for this division will need to be increased to properly address these issues.

Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY13	FY14	FY14	FY15
Personnel	1,033,994	1,041,335	1,060,175	1,093,013
Supplies	569,956	439,308	445,224	455,450
Contractual	359,731	388,229	372,520	383,230
Capital Outlay	436,261	677,258	673,431	302,746
Total	2,399,941	2,546,130	2,551,350	2,234,439

Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY13	FY14	FY14	FY15
Water Utility Manager	20	1.00	1.00	1.00	1.00
Water Utility Supervisor	18	2.00	2.00	2.00	2.00
Pump & Motor Technician	11	1.00	1.00	1.00	1.00
Light Equipment Operator	11	2.00	2.00	2.00	2.00
Wastewater System Tech	11	1.00	1.00	1.00	1.00
Maintenance Worker II	10	3.00	3.00	3.00	3.00
Water Meter Technician	9	2.00	2.00	2.00	2.00
Maintenance Worker I	8	5.00	6.00	6.00	6.00
Summer Maint. Worker	6	0.67	-	-	-
Total		17.67	18.00	18.00	18.00

Performance Measures	FY12	FY13	FY14	FY15 Proj/Goal
Input				
Number of water main breaks		44	84	40
Number of system overflows		3	0	0
Number of system stop-ups		266	213	100
Output				
Meter Change outs	250	467	786	3,000
Comprehensive sewer shed inspection/ cleaning	48,538	33,758	39,711	35,000
Efficiency				
Percent of scheduled maintenance completed on time	100%	100%	100%	100%

Water/Wastewater Rehabilitation (406)

The Water/Wastewater Rehabilitation Division is responsible for the replacement of infrastructure in the water distribution and wastewater collection systems to improve the service and conveyance, for the customers of Weatherford Utilities in a cost efficient manner.

Address: 917 Eureka, Weatherford TX, 76086

Phone: (817) 598-4171

Hours of Operation: Monday to Thursday, 6 am to 4:30 pm

Significant Budget Changes:

The FY15 cost-of-living increase for employees will cost an ongoing \$5,000 for salary and benefit increases. Additionally, it is important to note that as the City's water and wastewater infrastructure ages, it will be subject to more failures and require a heavier replacement schedule to stay within state guidelines.

Major Division Goals:

1. Upgrade/replace aging infrastructure in the water distribution and wastewater collection system.
2. Minimize sanitary system overflows by replacing deteriorating and undersized mains.
3. Minimize I & I (Inflow & Infiltration) in the collection system.
4. Minimize water loss in the distribution system and improve fire protection.

FY14 Accomplishments:

1. Replaced problem areas of the water and wastewater system.

FY15 Objectives:

1. Continue to target problem areas in the water/wastewater system.

Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY13	FY14	FY14	FY15
Personnel	236,115	250,113	267,638	263,248
Supplies	90,070	80,750	82,319	80,750
Contractual	19,759	36,060	36,135	36,060
Capital Outlay	564,651	456,500	454,527	431,000
Total	910,595	823,423	840,620	811,058

Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY13	FY14	FY14	FY15
Water/WW Construction					
Supervisor	16	1.00	1.00	1.00	1.00
Maintenance Worker II	10	1.00	1.00	1.00	1.00
Maintenance Worker I	8	3.00	3.00	3.00	3.00
Total		5.00	5.00	5.00	5.00

Performance Measures	FY12	FY13	FY14	FY15 Proj/ Goal
Input				
Work orders from water breaks (#)		18	5	10
Work orders from wastewater problems (#)		67	7	50
Output				
Footage of wastewater mains replaced (#)		4,504	2,363	3,000
Footage of water mains replaced (#)		1,923	3,442	2,500
Efficiency				
Cost per foot of wastewater main replacements (\$)		\$171.53	\$156.89	\$160.00
Cost per foot of water main replacements (\$)		\$42.70	\$90.26	\$50.00
Effectiveness				
Work orders created on previously repaired lines (#)		0	0	0

Engineering (427)

The Engineering Division is responsible for providing engineering support to the Weatherford Municipal Utility System and Flood Plain Management. Engineering provides the comprehensive system planning, engineering design, design review, and implementation systems in accordance with local, state, and federal rules and law and good engineering practices. The Engineering Division provides representation for utility system for all predevelopment, development, and preconstruction meetings.

Address: 917 Eureka, Weatherford TX, 76086

Phone: (817) 598-4171

Hours of Operation: Monday to Friday, 8 am to 5 pm

Major Division Goals:

1. Provide quality customer service to all internal and external customers.
2. Provide engineering design and assistance for utility and public works projects.
3. Provide timely review of all developer initiated projects.
4. Help provide assistance for the operation and maintenance water and wastewater facilities.

FY14 Accomplishments:

1. Updated impact fee program.
2. Revised and adopted pretreatment ordinance.
3. Worked with consultant to provide water rate study.
4. Worked with consultant to provide a dam assessment of Holland Lake.
5. Set monuments on dam of WWSR and monitored effects of seismic activity.
6. Worked with consultant to provide a dam assessment for Sunshine Lake.
7. Worked with consultants to complete the Water Treatment Master Plan.

FY15 Objectives:

1. Work with consultant to develop Wastewater Master Plan.
2. Revise pumping policy to incorporate automated valves to pump directly to water plant.
3. Provide improvements to decommission Deerfield Estates Public Water System.
4. Coordinate and administer design and construction for improvements to serve annexations.
5. Administer projects outlined on the Water Master Plan.
6. Continue to provide design for water and wastewater projects for in-house construction crew.
7. Continue to provide design for and administer water and wastewater projects to be constructed by contractors.

Significant Budget Changes:

The FY15 cost-of-living increase for employees will cost an ongoing \$9,500 for salary and benefit increases. Additionally, the Wastewater System Master Plan will be a one-time expense of \$165,000.

Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY13	FY14	FY14	FY15
Personnel	325,258	328,138	322,009	340,181
Supplies	2,076	6,930	4,839	6,930
Contractual	141,380	224,992	223,965	342,651
Capital Outlay	-	-	-	-
Total	468,715	560,060	550,814	689,762

Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY13	FY14	FY14	FY15
Director, Water/WW	39	1.00	1.00	1.00	1.00
Civil Engineer	35	1.00	1.00	1.00	1.00
Graduate Engineer	26	-	-	-	-
Engineering Technician	18	1.00	1.00	1.00	1.00
Total		3.00	3.00	3.00	3.00

Performance Measures	FY12	FY13	FY14	FY15 Proj/Goal
Input				
Plan submittals (#)				New
Output				
Plan reviews (#)	196	542	544	461
Capital Projects Managed (#)		11	12	13
Efficiency				
% of first submittals reviewed within 15 days		100%	100%	100%
% of resubmittals reviewed within 10 days		100%	100%	100%

Wastewater Treatment Plant (454)

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.

Address: 1327 Eureka, Weatherford TX, 76086

Phone: (817) 598-4143

Hours of Operation: Sunday to Saturday, 7 am to 11 pm

Major Division Goals:

1. Protect the environment by adequately treating all wastewater received into the plant.
2. Remain in compliance with all TCEQ/EPA requirements.
3. Maintain a safe working environment.

FY14 Accomplishments:

1. Treated 784 m gallons of wastewater.
2. Set up orbital to run on variable frequency drive.
3. No violations.
4. Installed new security gate with access card readers.
5. Repaired influent step screen.
6. Added flow meter to new plant RAS.
7. Passed DMRQA in-house lab testing.
8. Completed the fiscal year with no wastewater spills or overflows at the treatment plant.

FY14 Objectives:

1. Replace lab incubator.
2. Replace polymer machine.
3. Replace lab dishwasher.
4. Upgrade SCADA.

Significant Budget Changes:

Three one-time repair and replacement expenses have been budgeted for FY15:

Lab BOD Incubator	\$5,497
Lab Glassware Sterilizer	\$9,848
Polymer Pump	\$9,000

Additionally, the cost-of-living increases for employees in this division amount to \$7,000 in increased salary and benefits.

Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY13	FY14	FY14	FY15
Personnel	287,850	292,029	298,064	303,139
Supplies	131,688	131,422	126,672	133,334
Contractual	390,673	551,507	537,284	458,388
Capital Outlay	60,634	85,213	86,682	24,345
Total	870,845	1,060,171	1,048,702	919,206

Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY13	FY14	FY14	FY15
Wastewater Plant Manager	21	1.00	1.00	1.00	1.00
Wastewater Plant Operator	12	4.00	4.00	4.00	4.00
Total		5.00	5.00	5.00	5.00

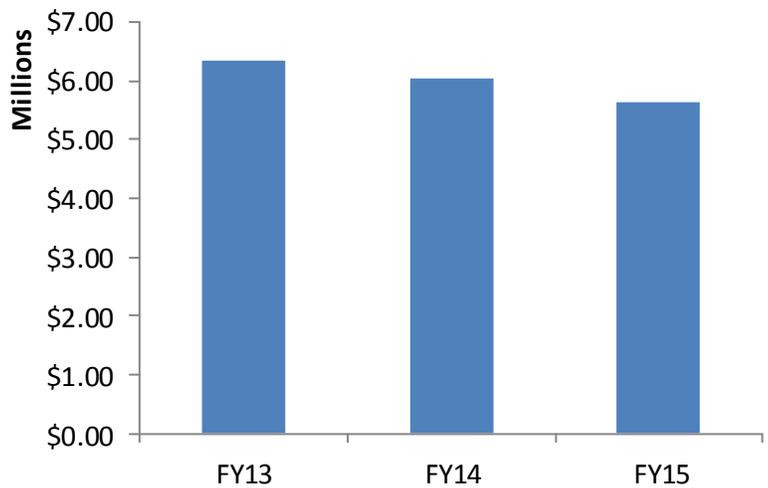
Performance Measures	FY12	FY13	FY14	FY15 Proj/Goal
Output				
Treated wastewater	778MG	772MG	784MG	778MG
Efficiency				
Treatment cost per 1,000 gallons	\$1.07	\$1.01	\$0.95	\$0.98
Effectiveness				
Fines to the City by TCEQ		0	0	0

Water Non Departmental (903)

Water Non Departmental includes transfers, principle and interest payments, and other general expenses for the Water Utility.

Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY13	FY14	FY14	FY15
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	6,082,735	5,337,445	5,334,646	5,630,431
Capital Outlay	252,190	709,014	709,014	-
Total	6,334,925	6,046,459	6,043,660	5,630,431

In FY13, this division budgeted to expense \$1.5 million into a capital reserve. For FY14, this was no longer the case, and so that cost was been removed. However, the division did budget to expend \$709,000 to continue its automated metering infrastructure program, increasing the total division cost to just over \$6 million. In FY15, that cost is not included, resulting in a corresponding budget decrease.

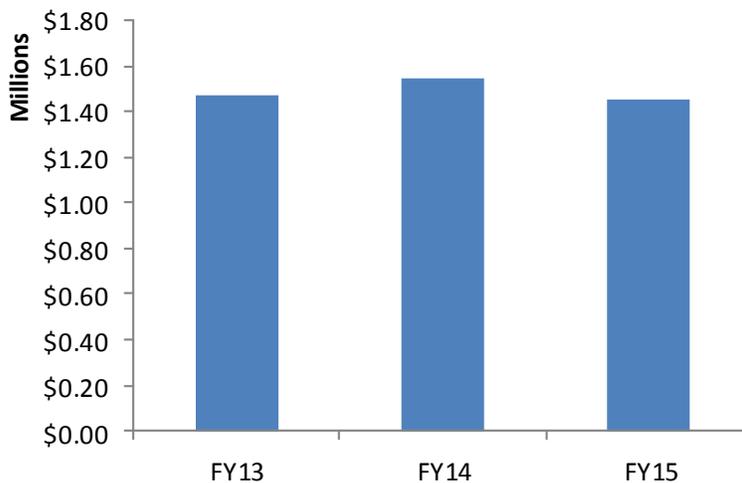


Wastewater Non Departmental (904)

Wastewater Non Departmental includes transfers, principle and interest payments, and other general expenses for the Wastewater Utility.

Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY12	FY13	FY13	FY14
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	1,272,886	1,545,574	1,595,574	1,511,715
Capital Outlay	-	-	-	-
Total	1,272,886	1,545,574	1,595,574	1,511,715

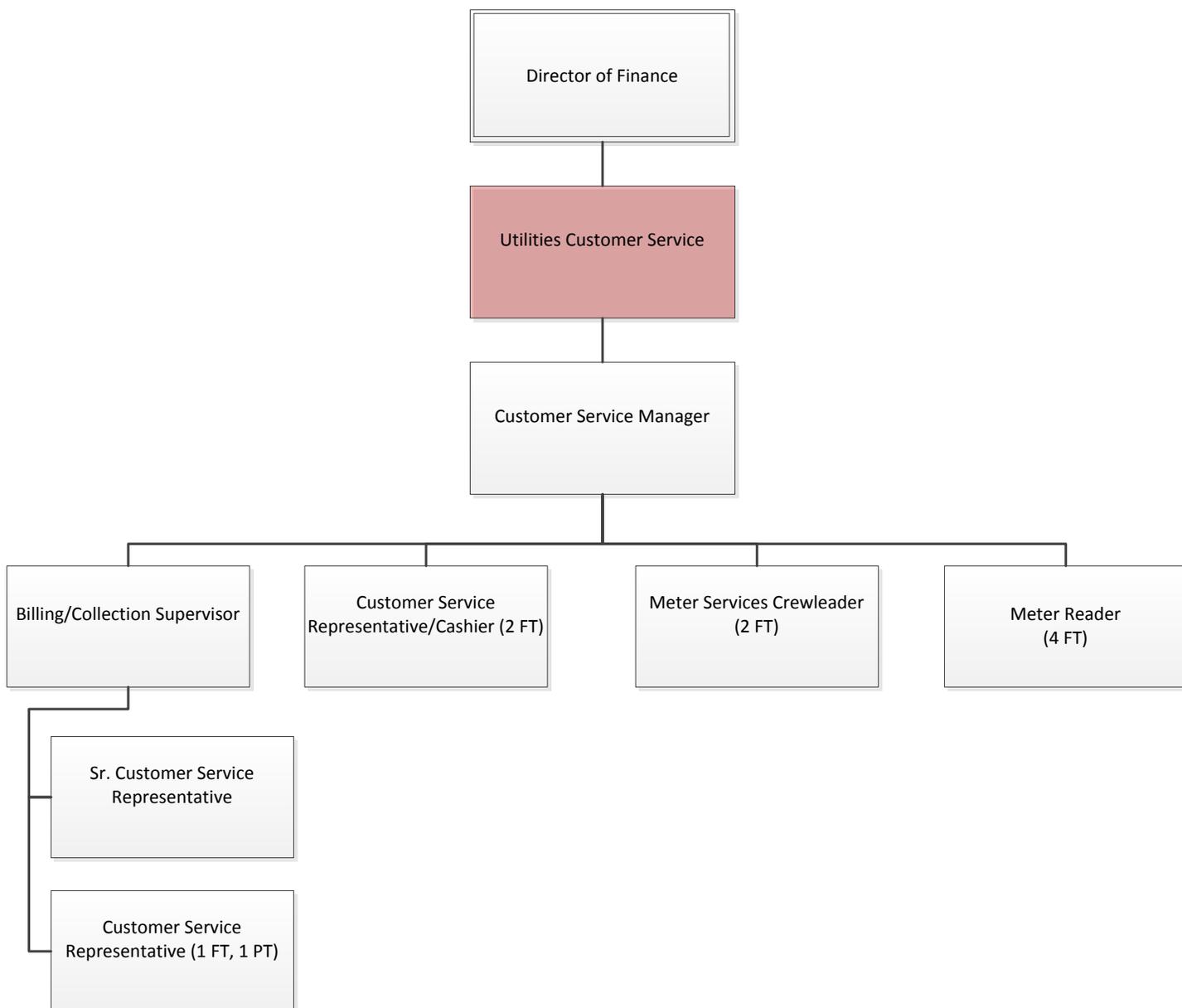
There were no major changes in this division from FY14 to FY15. The only line item that tends to change from year to year in this division is the return on investment and gross receipts tax, which is entirely based on consumption.





Finance — Customer Service

The Customer Services Department is responsible for the reading and billing of approximately 24,800 electric and water meters and timely and accurate billing of 14,635 accounts each month. Of the utility accounts billed, approximately 1,400 each month require some degree of collection action. The Customer Services Department issues approximately 12,500 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.



Customer Service (205)

Address: 303 Palo Pinto, Weatherford TX, 76086

Phone: (817) 598-4102

Hours of Operation: Monday to Friday, 8 am to 5 pm

FY 14 Accomplishments:

1. Continued to provide exceptional customer service to the citizens of the City of Weatherford, while billing and collecting for services we provide in an accurate and efficient manner.
2. Began cross training employees in an effort to increase teamwork and productivity.

Major Division Goals:

1. We will work as a team to establish and maintain a positive relationship with our customers through communication, resourcefulness and dedication.
2. To prepare and mail correct and concise utility bills to all of our customers.
3. Respond to customer inquiries and issues timely and fairly with intentions of satisfying and educating each customer.

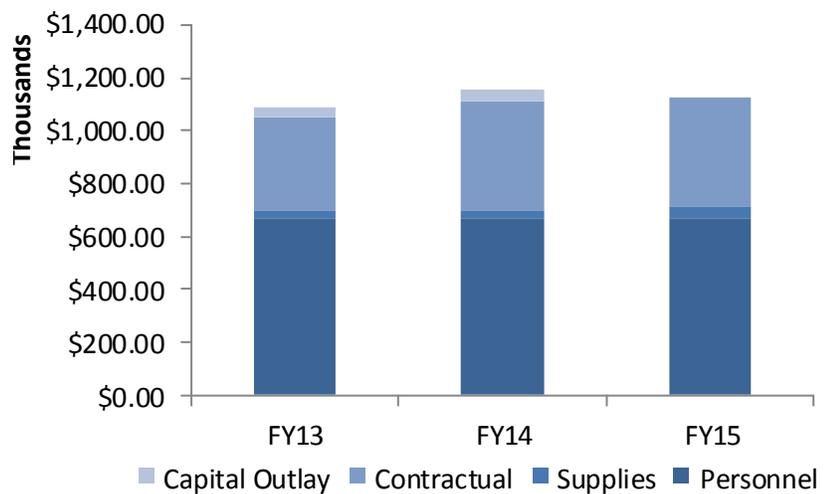
FY15 Objectives:

1. Continue cross training all of the customer service reps/cashiers.
2. Offer paperless statements to our customers.
3. Offer alternative payment methods.

Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY13	FY14	FY14	FY15
Personnel	672,026	651,819	667,530	669,161
Supplies	29,823	44,563	31,309	42,100
Contractual	352,125	408,842	414,144	412,200
Capital Outlay	35,465	41,432	40,638	-
Total	1,089,439	1,146,656	1,153,621	1,123,461

Significant Budget Changes:

In FY15, the city will purchase and install an automated collections kiosk, resulting in a one-time cost of \$40,168 and an ongoing cost of \$7,750. Additionally, cost-of-living increases amount to \$13,200 in increased salary and benefits.



Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY13	FY14	FY14	FY15
Customer Service Manager	24	1.00	1.00	1.00	1.00
Billing/Collections Supervisor	18	1.00	1.00	1.00	1.00
Meter Services Crew Leader	14	2.00	2.00	2.00	2.00
Sr. Customer Service Rep	9	-	1.00	1.00	1.00
Customer Service Rep	9	4.00	3.00	3.00	3.00
P/T Customer Service Rep	9	-	0.50	0.50	0.50
Meter Reader	8	3.00	4.00	4.00	4.00
Meter Reader - Temp	8	1.00	-	-	-
Total		12.00	12.50	12.50	12.50

Performance Measures	FY12 Actual	FY13 Actual	FY14 Projected	FY15 Goal
Input				
Average Number of Electric Accounts	14,408	14,442	14,740	14,992
Average Number of Water Accounts	10,755	10,771	11,025	11,090
Average Number of Wastewater Accounts	9,875	9,882	10,160	10,212
Average Number of Recycling Accounts	1,100	1,104	1,300	1,305
Number of Work Orders	9,503	9,300	9,450	9,425
Output				
New Account Set-Ups	193	190	230	250
kWh Billed	371,081,397			
Cubic Feet Billed	172,331,101			
Number of Delinquent Notices Mailed	51,205	53,997	52,500	52,000
Number of Delinquent Cut-Offs	1,419	1,458	1,430	1,425
Efficiency				
Delinquent Cut-Offs per Notice Mailed	2.77%	2.70%	2.7%	2.7%
Effectiveness				
Adjustments Made to Accounts	792	780		



Information Technology (423)

In FY13, the Information Technology budget and operations have been transferred to the City's General Fund. Please reference the General Fund Budget for information about this department. The Utilities Fund has budgeted a large transfer to the General Fund to cover its share of the Information Technology expenses. Please see Water, Wastewater, and Electric Non Departmental pages.

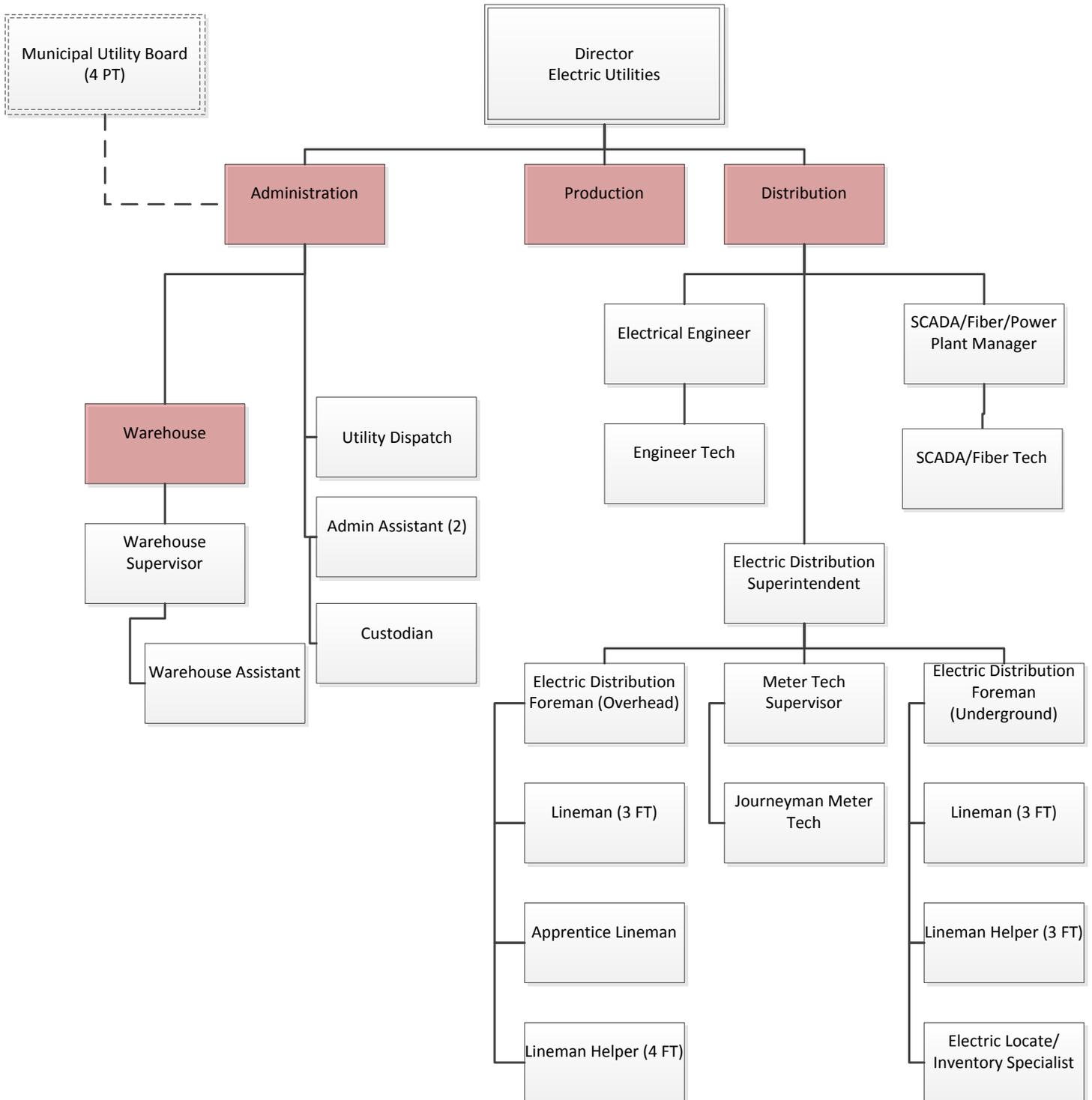
Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY13	FY14	FY14	FY15
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	186	27,873	-	-
Capital Outlay	-	-	-	-
Total	186	27,873	-	-

Note: FY11 was the last year that the Information Technology (IT) Department was fully funded out of the Utilities Fund. In FY12, the department was split between the General Fund and the Utilities Fund, with 50% of the budget residing in each fund. The remaining Utility Fund IT expenses for FY14 were for two Dell Computer Leases. In FY15, those leases are no longer a part of the Utility Fund budget.



Electric Utility

Weatherford Electric is a municipal electric provider for the City of Weatherford. It manages the distribution and production of electricity, as well as the maintenance of all electric assets owned by the utility. Operating divisions include Administration, Distribution, Production, and Warehouse. It is administered by the Director of Electric Utilities, and overseen by the Weatherford Municipal Utility Board.



Electric Administration (422)

Electric Administration is responsible for the overall management and administration of water and wastewater treatment plants, water distribution and wastewater collection system, electric distribution and power generation, and other ancillary services.

Address: 917 Eureka, Weatherford TX, 76086

Phone: (817) 598-4270

Hours of Operation: Monday to Friday, 8 am to 5 pm

Major Division Goals:

1. Ensure that utility service meets and exceeds customers expectations.
2. Provide quality service at a reasonable price.
3. Adequately plan for the future to ensure that the system is in place to serve all customers.

FY14 Accomplishments:

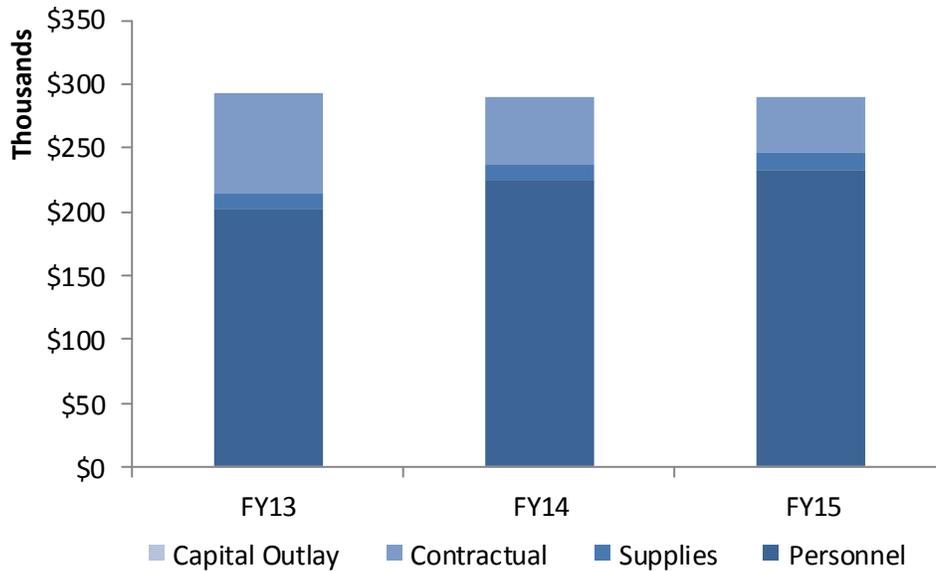
1. Implemented mobile workforce solution for utility locates.
2. Reorganized the department to gain efficiencies.
3. Began implementation of a new work order program.

FY15 Objectives:

1. Complete implementation of new work order program.
2. Continue to provide quality service in a timely manner to our citizens.

Major Budget Changes:

Cost-of-living salary and benefit increases amount to an ongoing increase of \$5,500.



Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY13	FY14	FY14	FY15
Personnel	202,060	203,270	224,800	232,294
Supplies	11,503	14,100	12,639	14,200
Contractual	79,826	53,460	52,459	43,860
Capital Outlay	-	-	-	-
Total	293,389	270,830	289,898	290,354

Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY13	FY14	FY14	FY15
Utility Board Member (PT)	UC	2.00	2.00	2.00	2.00
*Assistant City Manager	40	-	-	-	-
Utility Dispatcher	13	1.00	1.00	1.00	1.00
Administrative Secretary	11	2.00	2.00	2.00	2.00
Custodian	6	1.00	1.00	1.00	1.00
Total		6.00	6.00	6.00	6.00

*Assistant City Manager position has been moved into the General Fund.

Electric Distribution (424)

The function of the Electric Distribution Division is to provide electricity to residential, commercial, and industrial customers. The Electric Distribution Division is charged with constructing, operating, and maintaining the electric system to ensure that its customers are provided the highest quality service at the most economical cost.

Address: 917 Eureka, Weatherford TX, 76086

Phone: (817) 598-4257

Hours of Operation: Monday to Friday, 8 am to 5 pm

Major Division Goals:

1. Provide electricity at the most economical cost to our customers.
2. Provide reliable electric service with minimal outages.
3. Construct all new infrastructure and maintain existing infrastructure according to industry standards to ensure the long-term reliability of the electric system.

FY14 Accomplishments:

1. Completed purchase of property for a new electric substation.
2. Began installation of the ROAM street lighting system.
3. Completed installation of electric infrastructure for the WLL ball-field lighting.

FY15 Accomplishments:

1. Install new electric GIS/system modeling software.
2. Evaluate advanced metering system pilot project.
3. Begin design of new electric substation.

Significant Budget Changes:

Large one-time expenses for FY15 include:

Lineman Fall Arrest Equipment	\$10,000
Skid Loader	\$95,000
Substation Landscaping	\$10,000

Ongoing increases include strategic planning services (\$10,000), and increases of \$25,000 each to the ongoing vehicle equipment reserve and the substation reserve.

Ongoing cost-of-living increases result in an ongoing increase to salary and benefits of \$43,500.

Expenditure Summary (\$)

	Actual	Approved	Projected	Proposed
Category	FY13	FY14	FY14	FY15
Personnel	1,961,695	1,964,355	2,041,038	2,084,422
Supplies	560,822	547,501	533,321	530,550
Contractual	1,187,372	1,431,400	1,375,986	1,259,550
Capital Outlay	3,296,245	3,429,514	3,391,723	2,309,000
Total	7,006,133	7,372,770	7,342,068	6,183,522

Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY13	FY14	FY14	FY15
Director, Electric Utilities	38	1.00	1.00	1.00	1.00
Electrical Engineer	29	1.00	1.00	1.00	1.00
Distribution Superintendent	26	1.00	1.00	1.00	1.00
Distribution Foreman	24	2.00	2.00	2.00	2.00
Meter Technician Supervisor	24	1.00	1.00	1.00	1.00
SCADA/Fiber/Power Plant Mgr	24	1.00	1.00	1.00	1.00
Senior Lineman	22	-	2.00	2.00	2.00
Lineman	21	6.00	4.00	4.00	4.00
Journeyman/Meter Techni-	21	1.00	1.00	1.00	1.00
Lineman "B"	19	2.00	-	-	-
Engineer Tech	18	-	1.00	1.00	1.00
Electric Locate/Inventory Spc	15	1.00	1.00	1.00	1.00
Apprentice Lineman	11	1.00	1.00	1.00	1.00
SCADA/Fiber/Power Plant Tech	16	1.00	1.00	1.00	1.00
Lineman Helper I	10	2.00	2.00	2.00	2.00
Lineman Helper Trainee	8	3.00	5.00	5.00	5.00
Total		24.00	25.00	25.00	25.00

Electric Distribution (424—cont'd)

Performance Measures	FY12	FY13	FY14 Projected	FY15 Goal
Input				
Electric System Peak (Summer)	89.7 MW	93.3 MW	92.5 MW	94.8 MW
Electric System Peak (Winter)	90.3 MW	96.7 MW	83.0 MW	83.8 MW
Output				
Power Purchased	384,428 MWh	399,862 MWh	387,045 MWh	390,623 MWh
Total Electric Customers	13,362	13,560	13,767	13,852
Efficiency				
System Electrical Losses	4.79%	4.82%	4.32%	4.45%
System Electrical Losses	\$1,215,615	\$1,042,085	\$780,186	\$703,218
System Load Factor	49%	47%	48%	47%
Effectiveness				
Average Monthly Residential Rate	10.5 ¢/kWh	9.2 ¢/kWh	8.1 ¢/kWh	8.8 ¢/kWh
Average Customer Outage Time	109 minutes	109 minutes	104 minutes	
Average System Outage Time	25 minutes	23 minutes	46 minutes	



Electric Production (425)

The Electric Production Plant is maintained and operated for the purpose of generating electricity.

Significant Budget Changes:

FY15 brought a one-time expense of \$10,000 for planning for the future of the old Weatherford Power Plant.

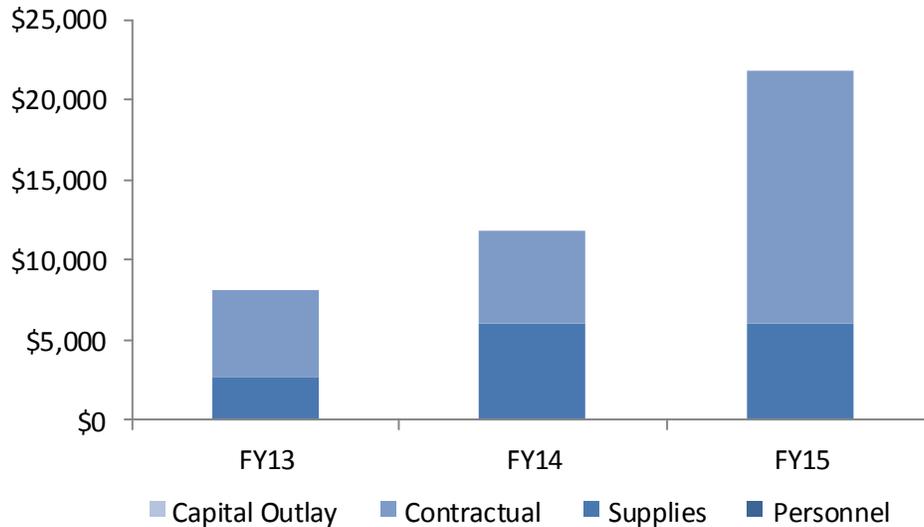
Address: 614 Fort Worth HWY, Weatherford TX, 76086

Phone: (817) 598-4164

Hours of Operation: Only as needed.

Major Division Goals:

1. Generate Electricity for peak shaving.



Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
	FY13	FY14	FY14	FY15
Personnel	-	-	-	-
Supplies	2,647	6,000	6,000	6,000
Contractual	5,481	5,850	5,850	15,850
Capital Outlay	-	-	-	-
Total	8,128	11,850	11,850	21,850

Electric Warehouse (426)

The Weatherford Municipal Warehouse maintains utility and General Fund inventories of materials and supplies. It requisitions, obtains quotes, issues purchase orders, and receives, stores, and transfers to all departments specific quantities as required. The warehouse and personnel are under the supervision of the Director of Electric Utilities.

Address: 917 Eureka Street, Weatherford TX, 76086

Phone: (817) 598-4169

Hours of Operation: Monday to Friday, 8 am to 5 pm

Major Division Goals:

1. Ensure the warehouse is stocked to meet customers' demands.

FY14 Accomplishments:

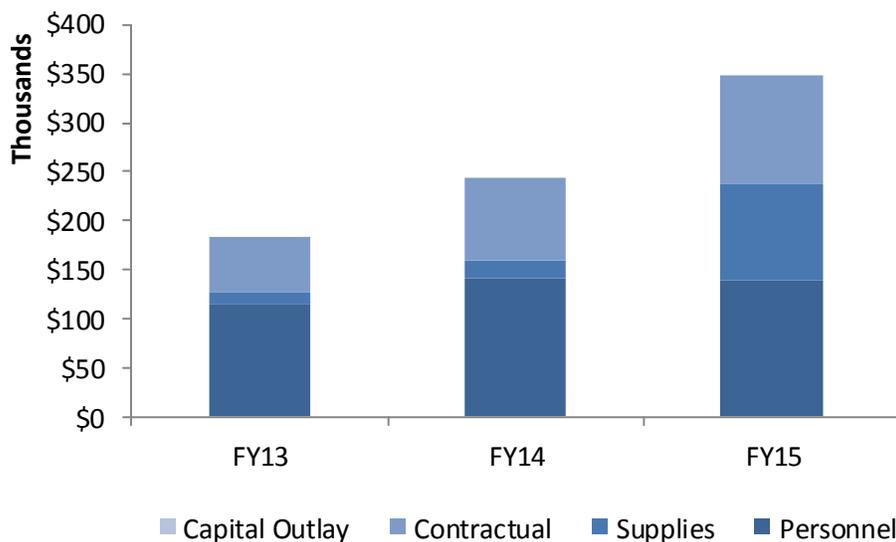
1. Complete implementation of new CityWorks inventory system.

FY15 Objectives:

1. Integrate stand alone material databases into new CityWorks software.

Significant Budget Changes:

Cost-of-living increases amount to a \$4,000 ongoing increase in salary and benefits. Additionally, maintenance for the service center results in an ongoing increase of \$75,000, as well as one-time increases of \$40,000. Finally, small cost-of-business increases for supplies amount to \$4,500.



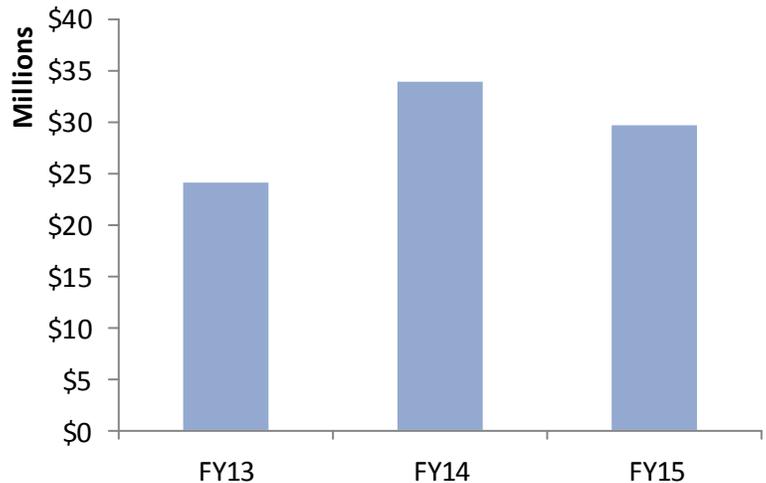
Expenditure Summary	Actual	Approved	Projected	Proposed
Category	FY13	FY14	FY14	FY15
Personnel	115,408	151,143	141,689	139,581
Supplies	11,959	19,800	17,022	97,800
Contractual	56,394	79,143	84,832	110,643
Capital Outlay	-	-	-	-
Total	183,760	250,086	243,542	348,024

Electric Non Departmental (902)

Electric Non Departmental includes Purchase Power costs, transfers, and other general expenses for the Electric Utility.

Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY13	FY14	FY14	FY15
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	24,122,012	31,490,759	33,934,215	29,718,739
Capital Outlay	-	-	-	-
Total	24,122,012	31,490,759	33,934,215	29,718,739

The most significant ongoing cost in Electric Non Departmental is purchased power. In FY15, this amounts to \$24 million, which is a decrease of approximately \$1.3 million from FY14 projected. Additionally, in FY14 one-time funds were budgeted for contributions to two reserves: the automated meter infrastructure reserve (\$1.75 million) and the rate stabilization reserve (\$1 million). Those amounts are not budgeted in FY15, resulting in a substantial budgetary decrease.



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Capital Improvement Program

The City of Weatherford is growing and developing more each year. In order to strategically plan for large-scale improvements to the utility system to accommodate that growth, staff has compiled a capital improvement program (CIP). This CIP represents a five-year fiscal plan that prioritizes and schedules all utility projects. While these types of projects are typically financed through revenue bonds, they can also be funded through annual service charges and impact fees. The CIP considers the appropriate timing of the construction of projects, the utility's ability to facilitate the construction, financial constraints in repaying indebtedness, and the increased cost of operation and maintenance.

Capital Improvement Program

In March of 2012, the Municipal Utility consulted with Freese and Nichols, Inc. regarding a master plan for the city's utility infrastructure. Part of what came out was a list of capital improvements the system needs to undergo to maintain service levels and grow strategically. It is important to note that while the projects listed below initially represent a one-time capital expense, they will eventually succumb to the same wear and tear that all system assets are subject to. This will result in an increased annual repair cost. For a summary of current system asset repair costs, please see the Budget Process & Methodology section of this document. Because of the scope of the CIP, it is important to think of it as a working plan that is subject to change. Timing of the improvements will be subject to debt capacity, yet to be determined.

Water Utilities Capital Improvement Plan

	Total	Impact Fee Eligible? (Y or N)	Capital Reserve Eligible? (Y or N)
All Priorities			
Water Renewal and Replacement (2013-2017)	\$ 3,400,000	Y	Y
12" waterline and PRV in Miller PP	\$ 927,900	Y	Y
16" waterline along BB Fielder Blvd in Dubellette PP	\$ 1,751,510	Y	Y
16" Waterline along Bethel RD in Dubellette PP	\$ 1,315,980	Y	Y
16" and 12" Waterline and PRV in Dubellette PP	\$ 1,810,100	Y	Y
24" and 12" waterline Weatherford Loop Franklin PP	\$ 1,669,250	Y	Y
12" and 8" Waterline in Oak Ridge PP	\$ 477,930	Y	Y
30" Supply to Dubellette GST	\$ 1,733,760	Y	Y
10MGD Pump Station and 6MG GST	\$ 6,070,850	Y	Y
30" Supply line from new Ward St Pump St.	\$ 2,493,120	Y	Y
12" Supply Line from Ward St.PS	\$ 1,437,550	Y	Y
AMI Meters	\$ 2,400,000		
AMI MDMS	\$ 221,128	Y	Y
Placeholder for CIP in 2017-2019	\$ 17,580,000	Y	Y
Subtotal Priority Projects	\$ 43,289,078		
Other / Long Term Growth Projects			
Wetland Pipeline and Pump Station	\$ 11,000,000	Y	Y
Water Plant	\$ 1,000,000	Y	Y
Subtotal Long Term	\$ 12,000,000		
TOTAL WATER CAPITAL PROJECTS	\$ 55,289,078		
TOTAL IMPACT FEE ELIGIBLE	\$ 52,889,078		

Water Utilities CIP 5-Year Summary of Expenses

	Total	2015	2016	2017	2018	2019	Total
All Priorities							
Water Renewal and Replacement (2013-2017)	\$ 3,400,000	\$ 680,000	\$ 680,000	\$ 680,000	\$ 680,000	\$ 680,000	\$ 3,400,000
12" waterline and PRV in Miller PP	\$ 927,900	\$ 927,900	-	-	-	-	\$ 927,900
16" waterline along BB Fielder Blvd in Dubel-	\$ 1,751,510	\$ 1,751,510	-	-	-	-	\$ 1,751,510
16" Waterline along Bethel RD in Dubellette PP	\$ 1,315,980	-	-	-	-	-	-
16" and 12" Waterline and PRv in Dubellette PP	\$ 1,810,100	-	-	-	-	-	-
24" and 12" waterline Weatherford Loop Frank-	\$ 1,669,250	-	\$ 1,669,250	-	-	-	\$ 1,669,250
12" and 8" Waterline in Oak Ridge PP	\$ 477,930	\$ 477,930	-	-	-	-	\$ 477,930
30" Supply to Dubellette GST	\$ 1,733,760	-	\$ 1,733,760	-	-	-	\$ 1,733,760
10MGD Pump Station and 6MG GST	\$ 6,070,850	-	-	-	-	-	-
30" Supply line from new Ward St Pump St.	\$ 2,493,120	-	-	-	-	-	-
12" Supply Line from Ward St.PS	\$ 1,437,550	-	-	-	-	\$ 1,437,550	\$ 1,437,550
AMI Meters	\$ 2,400,000	\$ 900,000	\$ 800,000	-	-	-	\$ 1,700,000
AMI MDMS	\$ 221,128	-	-	\$ 221,128	-	-	\$ 221,128
Placeholder for CIP in 2017-2019	\$ 17,580,000	-	-	\$ 5,860,000	5,860,000	\$ 5,860,000	\$ 17,580,000
Subtotal Priority Projects	\$ 43,289,078	\$ 4,737,340	\$ 4,883,010	\$ 6,761,128	\$ 6,540,000	\$ 7,977,550	\$ 30,899,028
Other / Long Term Growth Projects							
Wetland Pipeline and Pump Station	\$ 11,000,000	\$ -	\$ 11,000,000	\$ -	\$ -	\$ -	\$ 11,000,000
Water Plant	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Subtotal Long Term	\$ 12,000,000	\$ -	\$ 11,000,000	\$ -	\$ 1,000,000	\$ -	\$ 12,000,000
TOTAL WATER CAPITAL PROJECTS	\$ 55,289,078	\$ 4,737,340	\$ 15,883,010	\$ 6,761,128	\$ 7,540,000	\$ 7,977,550	\$ 7,977,550

Capital Improvement Program

Wastewater Utilities Capital Improvement Plan

	Total	Impact Fee Eligible? (Y or N)	Capital Reserve Eligible? (Y or N)
High Priority Projects			
Western Annexation Waterlines	\$ 2,500,000	Y	Y
Dacey Road Sewer Extension	\$ 2,000,000	Y	Y
WWTP Rehab	\$ 2,500,000	Y	Y
Future CIP 2017-2019	\$ 3,300,000		
Wastewater Renewal and Replacement	\$ 4,500,000	Y	Y
Priority Projects	\$ 14,800,000		
TOTAL WATER CAPITAL PROJECTS	\$ 14,800,000		
TOTAL IMPACT FEE ELIGIBLE	\$ 11,500,000		

Wastewater Utilities CIP 5-Year Summary of Expenses

	Total	2015	2016	2017	2018	2019	Total
High Priority Projects							
Western Annexation Waterlines	\$ 2,500,000	\$ 2,500,000	- \$	- \$	- \$	- \$	\$ 2,500,000
Dacey Road Sewer Extension	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WWTP Rehab	\$ 2,500,000	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,500,000
Future CIP 2017-2019	\$ 3,300,000	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 3,300,000
Wastewater Renewal and Replacement	\$ 4,500,000	900,000	900,000	900,000	900,000	900,000	\$ 4,500,000
Priority Projects	\$ 14,800,000	\$ 3,400,000	\$ 3,400,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 12,800,000
TOTAL WATER CAPITAL PROJECTS	\$ 14,800,000	\$ 3,400,000	\$ 3,400,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
TOTAL IMPACT FEE ELIGIBLE	\$ 11,500,000						

Recent Project Activity

The project summary shown below details funding sources and expenses through August of FY14. All of these projects are related to growth and annexation within the City of Weatherford. Funding was available from excess 1999 and 2006 Revenue Bonds.

	Original Budget	Project 9/30/2013	Year-To Date	Project To-Date
Revenues				
2009 Tax Notes				
Sales of Bonds	\$ 690,000	\$ 690,000	\$ -	\$ 690,000
Bond Issuance Costs	\$ (23,000)	\$ (23,000)	\$ -	\$ (23,000)
2006 Revenue Bond Funds				
Sale of Bonds	\$ 20,000,000	\$ 20,000,000	\$ -	\$ 20,000,000
Original Issue Premium	\$ -	\$ 835,310	\$ -	\$ 835,310
Bond Issuance Costs	\$ -	\$ (357,319)	\$ -	\$ (357,319)
Change in Fair Value of Investments	\$ -	\$ (723)	\$ -	\$ (723)
Interest Earnings	\$ -	\$ 1,790,871	\$ 1,285	\$ 1,792,156
EPA Grant Funds (Elevat. Storage Tank)	\$ -	\$ 240,600	\$ -	\$ 240,600
Prior Funding Sources				
Utility Revenues	\$ 523,342	\$ 523,342	\$ -	\$ 523,342
1999 Revenue Bond Funds	\$ 905,894	\$ 905,894	\$ -	\$ 905,894
Capitalized Interest - 1999 Bonds	\$ 20,952	\$ 608,066	\$ -	\$ 608,066
Total Revenues	\$ 22,117,188	\$ 25,213,041	\$ 1,285	\$ 25,214,326
Project Expenditures				
Railroad Substation	\$ 1,567,000	\$ 1,178,008	\$ -	\$ 1,178,008
Water Purification Plant Expansion	\$ 6,045,000	\$ 6,173,465	\$ -	\$ 6,173,465
Elevated Water Tank & Lines	\$ 2,797,250	\$ 4,096,684	\$ -	\$ 4,096,684
Parallel Treated Water Line	\$ 9,035,000	\$ 6,609,496	\$ -	\$ 6,609,496
Parallel Sewer Line-S Main to WWTP	\$ 1,700,000	\$ 1,517,208	\$ -	\$ 1,517,208
Viaduct Relocation	\$ 109,238	\$ 139,849	\$ -	\$ 139,849
Western Loop Water Line	\$ -	\$ 111,676	\$ -	\$ 111,676
SH 51 12" Water Line	\$ -	\$ 175,781	\$ -	\$ 175,781
12" Waterline Tin Top/I-20/BB Fielder	\$ -	\$ 175,981	\$ -	\$ 175,981
Deerfield Water Line	\$ 1,894,180	\$ -	\$ 159,057	\$ 159,057
I-20 Bethel Rd./Tin Top Water Line	\$ 289,810	\$ -	\$ 157,221	\$ 157,221
I-20 Bethel Rd./Tin Top WW	\$ 107,190	\$ -	\$ 26,161	\$ 26,161
Lift Station #8, #6, and #25 relocation/improvements	\$ 1,956,000	\$ 2,414,608	\$ 284,727	\$ 2,699,335
Unallocated Contingency	\$ 1,416,520	\$ -	\$ -	\$ 1,813,520
Interest Transfer to Utility System	\$ -	\$ 1,676,155	\$ -	\$ 1,676,155
Total Project Expenditures	\$ 26,917,188	\$ 24,268,912	\$ 627,165	\$ 26,709,598
Transfer from Impact Fee Funds	\$ 4,800,000	\$ -	\$ 4,800,000	\$ 4,800,000
Ending Balance	\$ -	\$ 944,129	\$ 4,174,120	\$ 3,304,729

Water/Wastewater Impact Fee Funds

The Weatherford Municipal Utility receives impact fee revenue annually, which are placed in two special revenue funds. Any balance in these funds is available for use on select capital projects. For more information, please see the CIP summary.

Water Impact Fee Fund (40)

	Actual FY12	Actual FY13	Approved FY14	Projected FY14	Proposed FY15
Beginning Fund Balance	\$ 2,328,981	\$ 2,604,851	\$ 3,013,772	\$ 3,013,772	\$ 590,272
<u>Revenues</u>					
Interest Income	\$ 2,952	\$ 2,705	\$ 4,000	\$ 536	\$ 4,000
Impact Fees	\$ 272,918	\$ 406,216	\$ 200,000	\$ 575,964	\$ 200,000
Total Revenues	\$ 275,870	\$ 408,921	\$ 204,000	\$ 576,500	\$ 204,000
Total Expenditures	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -
Over/(Under)	\$ 275,870	\$ 408,921	\$ (2,796,000)	\$ (2,423,500)	\$ 204,000
Ending Fund Balance	\$ 2,604,851	\$ 3,013,772	\$ 217,772	\$ 590,272	\$ 794,272

Wastewater Impact Fund (41)

	Actual FY12	Actual FY13	Approved FY14	Projected FY14	Proposed FY15
Beginning Fund Balance	\$ 1,437,852	\$ 1,677,108	\$ 2,009,446	\$ 2,009,446	\$ 640,993
<u>Revenues</u>					
Interest Income	\$ 1,878	\$ 1,769	\$ 2,000	\$ 370	\$ 2,000
Impact Fees	\$ 237,378	\$ 330,570	\$ 100,000	\$ 431,176	\$ 100,000
Total Revenues	\$ 239,256	\$ 332,338	\$ 102,000	\$ 431,546	\$ 102,000
Total Expenditures	\$ -	\$ -	\$ 1,800,000	\$ 1,800,000	\$ -
Over/(Under)	\$ 239,256	\$ 332,338	\$ (1,698,000)	\$ (1,368,454)	\$ 102,000
Ending Fund Balance	\$ 1,677,108	\$ 2,009,446	\$ 311,446	\$ 640,993	\$ 742,993

Appendices

Utility Debt Summary

The Municipal Utility currently maintains 207 miles of sanitary sewer, 272 miles of water mains, and 326 miles of electric distribution lines. This widespread infrastructure network depreciates over time, and must be repaired and replaced when necessary. While routine repairs are budgeted on an annual basis, large-scale improvements carry a much higher price tag, and it is not possible for the Municipal Utility to pay for those through the operating fund. For these expenses, the fund will issue revenue bonds.

Bonds are a debt-financing instrument whereby the principle of the bonds are amortized over a period of time (typically 20 years), during which time interest is charged annually. For utility revenue bonds, the annual principle and interest payments are covered through Water, Wastewater, and Electric utility fees, which are set by the Municipal Utility Board. All principle and interest payments are made out of the Utility Debt Service Fund. Limitations on the amount of debt allowed to be outstanding at any one time for the utility are governed by the availability of service charge revenue. Each bond issue carries with it a legally binding coverage ratio, whereby the utility's net revenue must be able to meet a coverage requirement for its annual debt principle and interest payments before it can issue additional debt. The utility's coverage ratio for its outstanding debt is 1.25 times the average annual debt requirement, and 1.10 times the maximum annual requirement. A summary of the FY14 debt service fund can be found below, and a detailed summary of each bond issue still outstanding follows.

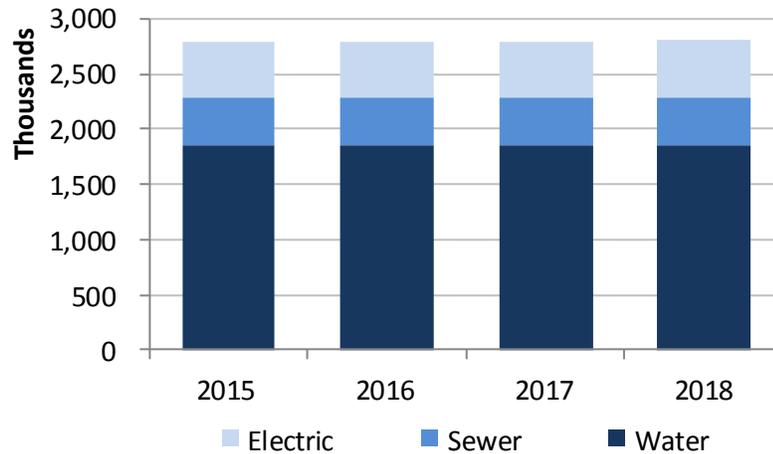
Fund Balance 9/30/2013	455,098
Revenues Projected FY14	4,742,988
Expenses Projected FY14	4,743,638
Current Year-End Projection Fund Balance	454,448
Revenues Projected FY15	4,744,520
Expenses Projected FY15	4,744,520
Projected Year-End Fund Balance FY15	454,448

Appendix A—Utility Debt Summary

Utility System Revenue Refunding Bonds - Series 2005 Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2015	2,325,000	238,395	238,395	2,801,790
2016	2,440,000	180,270	180,270	2,800,540
2017	2,540,000	130,250	130,250	2,800,500
2018	2,670,000	66,750	66,750	2,803,500
Total	9,975,000	615,665	615,665	11,206,330

Series 2005 Debt Service by Utility



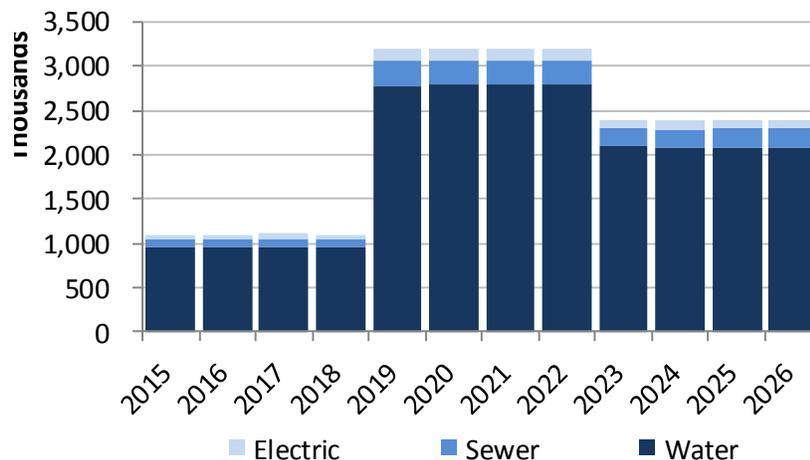
Appendix A—Utility Debt Summary

Utility System Revenue Bonds - Series 2006

Future Debt Requirements

Year Ending	Principal	Interest	Interest	Total
09/30	Due 09/01	Due 03/01	Due 09/01	Requirement
2015	155,000	474,176	474,176	1,103,351
2016	160,000	470,979	470,979	1,101,958
2017	170,000	467,619	467,619	1,105,238
2018	175,000	464,006	464,006	1,103,013
2019	2,275,000	460,156	460,156	3,195,313
2020	2,390,000	403,281	403,281	3,196,563
2021	2,510,000	343,531	343,531	3,197,063
2022	2,635,000	280,781	280,781	3,196,563
2023	1,970,000	214,906	214,906	2,399,813
2024	2,065,000	165,656	165,656	2,396,313
2025	2,170,000	114,031	114,031	2,398,063
2026	2,280,000	58,425	58,425	2,396,850
Total	18,955,000	3,917,548	3,917,548	26,790,096

Series 2006 Debt Service by Utility



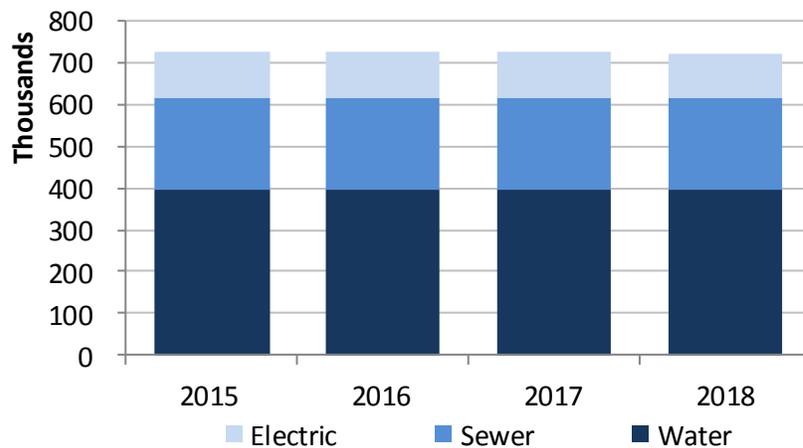
Appendix A—Utility Debt Summary

Utility System Revenue Refunding Bonds - Series 2008

Future Debt Requirements

Year Ending	Principal	Interest	Interest	Total
09/30	Due 09/01	Due 03/01	Due 09/01	Requirement
2015	635,000	46,191	46,191	727,382
2016	655,000	35,206	35,206	725,411
2017	680,000	23,874	23,874	727,748
2018	700,000	12,110	12,110	724,220
Total	2,670,000	117,381	117,381	2,904,761

Series 2008 Debt Service by Utility



Appendix A—Utility Debt Summary

Utility Tax Notes - Series 2009

Future Debt Requirements

Year Ending	Principal	Interest	Interest	Total
09/30	Due 09/01	Due 03/01	Due 09/01	Require-
2015	110,000	1,997	-	111,997
Total	110,000	1,997	-	111,997

*Note: Series 2009 tax notes are supported wholly by the Electric Utility System.

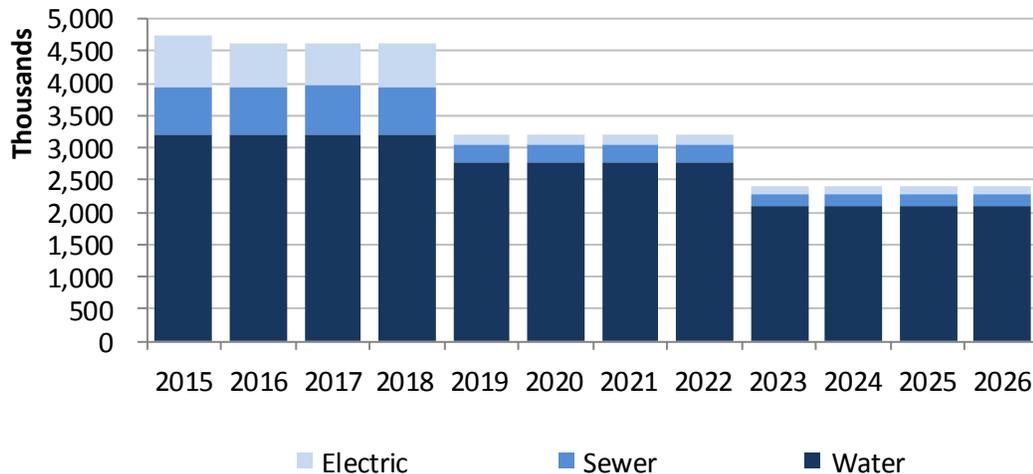
Appendix A—Utility Debt Summary

Utility System Revenue Bonds

Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2015	3,225,000	760,758	758,762	4,744,520
2016	3,255,000	686,454	686,454	4,627,909
2017	3,390,000	621,743	621,743	4,633,486
2018	3,545,000	542,866	542,866	4,630,733
2019	2,275,000	460,156	460,156	3,195,313
2020	2,390,000	403,281	403,281	3,196,563
2021	2,510,000	343,531	343,531	3,197,063
2022	2,635,000	280,781	280,781	3,196,563
2023	1,970,000	214,906	214,906	2,399,813
2024	2,065,000	165,656	165,656	2,396,313
2025	2,170,000	114,031	114,031	2,398,063
2026	2,280,000	58,425	58,425	2,396,850
Total	31,710,000	4,652,590	4,650,594	41,013,184

Total Debt Service by Utility



Decision Packages

Each year, departments are asked to identify areas of critical need and submit requests, or decision packages, for additional funding to address those needs. In FY15, departments began the budget process with a target budget equal to their FY14 adopted budget minus all one-time expenses. They were asked to prioritize expenses within that total to address needs in current operations. For needs beyond the capacity of their existing budget, they were asked to submit one of the following types of supplemental requests:

Cost of Service Increases (COSI) - For additional funds related to the increased cost of providing existing services.

New/Expanded Programs (NEP) - For additional funds related to a program or service not currently being provided, or an expansion of an existing program.

Vehicle/Equipment Replacement (VER) - For additional funds related to the replacement or purchase of a new vehicle or piece of heavy equipment.

Departments were further asked to prioritize these requests based on their greatest areas of need. What follows is a summary of all decision packages including the department, name, rank, strategic goal, type, positions to be added, original requested cost, and whether it was recommended for funding. Decision packages are recommended for funding based on Utility Board and staff priorities and available funding. In some cases, the requests were funded at a different amount than originally requested.

Appendix B—Decision Packages by Department

Decision Packages

Electric Utility

Department	Division	Request Type	Program Title	Ongoing	One-Time
Electric Distribution	424	COSI	Above Ground Electric Lines	\$ 10,000	\$ -
Utilities Admin	422	NEP	COLA/Market Align	\$ 5,500	\$ -
Electric Distribution	424	NEP	COLA/Market Align	\$ 43,500	\$ -
Electric Warehouse	426	NEP	COLA/Market Align	\$ 4,000	\$ -
Electric Distribution	424	NEP	Fiber Building Expansion	\$ -	\$ 4,000
Electric Warehouse	426	COSI	Food and Kitchen Supplies	\$ 2,000	\$ -
Utilities Admin	422	COSI	Food/Meal Expense	\$ 1,000	\$ -
Electric Distribution	424	COSI	IT Professional Services	\$ 10,000	\$ -
Electric Warehouse	426	COSI	Janitorial Supplies	\$ 2,000	\$ -
Electric Distribution	424	NEP	Lineman fall arrest equipment	\$ -	\$ 10,000
Electric Production	425	NEP	Power Plant Planning	\$ -	\$ 10,000
Electric Distribution	424	COSI	Rent Light Increase	\$ 10,000	\$ -
Utilities Admin	422	COSI	Seminars & Training	\$ 500	\$ -
Electric Warehouse	426	NEP	Service Center exterior painting	\$ -	\$ 10,000
Electric Warehouse	426	NEP	Service Center landscaping	\$ -	\$ 5,000
Electric Warehouse	426	NEP	Service Center pavement resurfacing	\$ 75,000	\$ -
Electric Warehouse	426	NEP	Service Center security	\$ -	\$ 25,000
Electric Distribution	424	VER	Skid Loader	\$ -	\$ 95,000
Electric Distribution	424	COSI	Strategic Planning Services	\$ 10,000	\$ -
Electric Distribution	424	NEP	Substation landscaping	\$ -	\$ 10,000
Electric Distribution	424	COSI	Substation Reserve	\$ 25,000	\$ -
Electric Warehouse	426	COSI	Telephone/Communication	\$ 500	\$ -
Utilities Admin	422	COSI	Travel Expense	\$ 1,000	\$ -
Electric Distribution	424	COSI	Vehicle Reserve	\$ 25,000	\$ -
Utilities Admin	422	COSI	Vehicle/Equip Fuel & Oil	\$ 500	\$ -
Utilities Admin	422	COSI	Vehicle/Equip Parts & Labor	\$ 500	\$ -
Total Funded				\$ 226,000	\$ 169,000

Finance Department

Department	Division	Request Type	Program Title	Ongoing	One-Time
Customer Services	205	NEP	Automated Collections Kiosk	\$ 7,750	\$ 40,168
Customer Services	205	NEP	COLA/Market Align	\$ 13,200	\$ -
Total Funded				\$ 20,950	\$ 40,168

Appendix B—Decision Packages by Department

Decision Packages					
Water/Wastewater Utilities					
Request					
Department	Division	Type	Program Title	Ongoing	One-Time
Water Treatment Plant	404	NEP	6-Safety Eye Wash Stations	\$ -	\$ 17,791
Waste Water Treatment Plant	454	NEP	A/C Unit Replacement in MCC 3 & 4	\$ -	\$ 4,500
Water/WW Admin	402	NEP	AD Overlap	\$ -	\$ 83,409
Water/WW Maintenance	405	NEP	Camera	\$ -	\$ 72,352
Water/WW Maintenance	405	NEP	Chlorine Analyzers	\$ -	\$ 10,100
Engineering	427	NEP	COLA/Market Align	\$ 9,500	\$ -
Water/WW Admin	402	NEP	COLA/Market Align	\$ 12,000	\$ -
Water Treatment Plant	404	NEP	COLA/Market Align	\$ 8,500	\$ -
Water/WW Maintenance	405	NEP	COLA/Market Align	\$ 23,000	\$ -
Water/WW Rehab	406	NEP	COLA/Market Align	\$ 5,000	\$ -
Waste Water Treatment Plant	454	NEP	COLA/Market Align	\$ 7,000	\$ -
Water Treatment Plant	404	NEP	Filter Gallery Heaters	\$ -	\$ 35,585
Water Treatment Plant	404	NEP	FLIR T420 Infrared Camera	\$ -	\$ 8,495
Waste Water Treatment Plant	454	NEP	Lab BOD Incubator	\$ -	\$ 5,497
Waste Water Treatment Plant	454	NEP	Lab Glassware Sterilizer	\$ -	\$ 9,848
Water/WW Maintenance	405	NEP	Lift Station 11 Upgrade	\$ -	\$ 35,378
Water/WW Maintenance	405	NEP	Lift Station 24 Fence	\$ -	\$ 8,900
Water Treatment Plant	404	NEP	Membrane CIP Circulation Pump	\$ -	\$ 4,827
Water Treatment Plant	404	NEP	Membrane Neutralization Pump	\$ -	\$ 4,784
Water/WW Maintenance	405	NEP	Message Board	\$ -	\$ 14,500
Water/WW Admin	402	NEP	Outreach	\$ -	\$ 10,000
Waste Water Treatment Plant	454	NEP	Polymer Pump	\$ -	\$ 9,000
Water/WW Maintenance	405	NEP	Sample Stations	\$ -	\$ 22,350
Water Treatment Plant	404	NEP	Surface Scatter 7 Turbidimeter	\$ -	\$ 5,460
Waste Water Treatment Plant	454	COSI	TCEQ CWQ Fee Increase	\$ 1,500	\$ -
Water Treatment Plant	404	COSI	TCEQ Water Use Fee	\$ 2,300	\$ -
Water/WW Admin	402	NEP	Toilet Replacement	\$ -	\$ 9,500
Waste Water Treatment Plant	454	COSI	Toner Cartridges	\$ 1,000	\$ -
Waste Water Treatment Plant	454	COSI	Vehicle Oil Changes	\$ 480	\$ -
Water/WW Engineering	427	NEP	Wastewater System Master Plan	\$ -	\$ 165,000
Water Treatment Plant	404	NEP	Water Treatment Operator	\$ 32,408	\$ -
Total Funded				\$ 102,688	\$ 537,276
Total Decision Packages				\$ 349,638	\$ 746,444

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Transfer Calculations

Return on Investment Transfer Calculations

	Est Volume	Unit Rate	Transfer
Electric kWh Sales	379,363,703	0.0056	2,124,437
Water Sales (1,000 gallons)	1,250,000	0.2469	308,625
Wastewater Treated (1,000 gallons)	805,852	0.2716	218,869

Gross Receipts Charge Transfer Calculations

	Est Volume	Unit Rate	Transfer
Electric kWh Sales	379,363,703	0.0044	1,669,200
Water Sales (1,000 gallons)	1,250,000	0.2223	277,875
Wastewater Treated (1,000 gallons)	805,852	0.1975	159,156

Gross Receipts Charge Transfer Calculations

	Est Volume	Unit Rate	Transfer
Commercial/Industrial Water (cu ft)	2,000,000	0.01	20,000

Gross Receipts Charge Transfer Calculations

Department	Proposed Budget	Percent Allocated	Amount Allocated	Transfer Allocation Based on System Costs & Direct Expenditures		
				Electric	Water	Wastewater
Administration	689,182	45%	310,132	195,383	86,837	27,912
OMB	121,102	50%	60,551	27,889	22,469	10,193
HR	492,493	50%	246,246	155,135	68,949	22,162
Finance	609,135	50%	304,567	215,524	61,089	27,954
City Attorney	201,490	33%	67,163	42,313	18,806	6,045
ED	210,786	50%	105,393	66,398	29,510	9,485
City Hall	(65,304)	100%	(65,304)	(41,142)	(18,285)	(5,877)
Graduate Engineer	(96,290)	33%	(32,097)	-	(16,048)	(16,048)
Lake Maintenance	280,000	100%	280,000	-	280,000	-
Information Technology	1,676,718	38%	633,319	263,434	197,532	172,352
Audit Svcs	66,500	40%	26,600	18,820	5,352	2,428
Total	4,185,812		1,936,571	943,755	736,210	256,605

Appendix C—Ordinance

Summary of All Transfers

Type	Actual FY12	Actual FY13	Projected FY14	Proposed FY15	Increase/ (Decrease)
Gross Receipts Fee	2,105,277	2,105,277	2,136,542	2,106,231	954
Return on Investment	2,644,646	2,644,646	2,691,430	2,651,931	7,285
Street Maintenance Transfer	20,206	30,626	20,000	20,000	-
Administrative Services	795,764	1,854,567	1,924,860	1,936,571	11,711
	5,565,893	6,635,117	6,772,832	6,714,734	19,950

Glossary of Terms

100 Accounts

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 1 (and thus, in the 100-199 range) are explicitly designated for personnel expenditures (such as salary and benefits).

200 Accounts

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 2 (and thus, in the 200-299 range) are explicitly designated for supplies.

300 Accounts

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 3 (and thus, in the 300-399 range) are explicitly designated for contractual expenditures.

400 Accounts

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 4 (and thus, in the 400-499 range) are explicitly designated for capital expenditures (such as the purchase of vehicles, land, and other infrastructure).

60-Day Target Reserve

The Utility's financial policies require the Utility Fund to maintain a financial reserve balance such that it could fund 60 days worth of operations without incoming revenue.

Administrative Services Charge

The Utility Fund and the General Fund share certain administrative departments, such as Human Resources, the Budget Office, and Information Technology. Because these administrative departments are located entirely in the General Fund, the Utility Fund must pay for portions of the administrative department expenses via an interfund transfer.

Accrual Accounting

A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred.

Ad Valorem Tax

A tax assessed against property (land, improvements, and personal property) for the purpose of financing general operations of the City and debt service requirements.

Advanced Refunding

A transaction in which new debt is issued to provide monies to pay interest on old, outstanding debt as it becomes due, and the pay the principal on the old debt either as it matures or at an earlier call date.

Allocation

A part of a lump-sum appropriation, which is designed for expenditures by specific organization units and/or for special purposes, activities or objects.

Appendix D—Glossary

Appraised Value

The market value of real and personal property located in the City as of January 1 each year, determined by the Parker County Appraisal District.

Appropriation

The maximum level of spending for each fund and for each department as authorized annually by the City Council.

Appropriation Ordinance

The official enactment by the legislative body by means of which appropriations are given legal effect. It is the method by which the expenditure side of the annual operating budget is enacted into law by the legislative body.

Assessed Valuation

A value that is established for real or personal property for use as a basis for levying property taxes. The Parker County Appraisal District establishes property values in Weatherford.

Assessment Ratio

The ratio at which tax rate is applied to tax base. State Law currently sets the assessment ration at 100%.

Assets

Resources owned or held by the City, which have monetary value.

Available Working Capital

Available working capital refers to money in the Utility Fund balance that is available for appropriation for one-time expenses. This is essentially the Fund's total balance, less designations and reserves.

Balanced Budget

A budget whereby ongoing expenses are wholly covered by ongoing revenue.

Basis of Accounting

The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes.

Bond

A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date in the future, called the maturity date, together with periodic interest at a specified rate. The most common types of bonds are general obligation and revenue bonds. They are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

Budget

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.

Budget Calendar

The schedule of key dates or milestones, which the City departments follow in the preparation, adoption and administration of the budget.

Budget Document

The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the City Council.

Appendix D—Glossary

Budget Control

The control or management of a governmental or enterprise fund in accordance with an approved budget to keep expenditures within the limitations of available appropriations revenue.

Capital Expense

A type of expenditure within the budget, which results in the acquisition of an asset which has a value of at least \$5,000 and a useful life of more than one year.

Cost Center

In the City of Weatherford's accounting system, each division has its own three digit, numerical prefix to denote which division an account expense belongs to. This prefix is known as a cost center.

Capital Budget

A plan for the financing and completion of designated capital projects, financed for the most part with proceeds from general obligation bond issues. The "capital improvements program" is a multi-year plan, which includes the year covered by the "capital budget."

Capital Projects Fund

A fund created to account for financial resources to be used for the acquisitions or the construction of major capital facilities or equipment.

Capital Outlay

A type of expenditure within the budget, which results in the acquisition of an asset which has a value of at least \$5,000 and a useful life of more than one year.

Certificate of Obligation

A type of municipal debt that is unconditionally backed that can be issued without voter approval, usually by a vote of the City Council. This type of bond is often used for smaller projects.

City Charter

The document of a home rule City similar to a constitution, which establishes the City's government structure and provides for the distribution of powers and duties among the various branches of government.

City Council

The Mayor and four (4) Council Members collectively acting as the legislative and policymaking body of the City.

Comprehensive Annual Financial Report

(CAFR) This report is published to provide to the Council, the representatives of financial institutions, our citizens and other interested persons detailed information concerning the financial condition of the City government.

Contractual Services

The cost related to services performed for the City by individuals, businesses, or utilities.

Current Refunding

A refunding transaction in which the proceeds of the refunding debt are applied immediately to redeem the debt to be refunded.

Current Taxes

Property taxes that are levied and due within one year.

Appendix D—Glossary

Debt Service

The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Debt Service Fund

A fund established to account for the accumulation of resources for the payment of principal and interest on long-term debt. May also be called Interest and Sinking Fund.

Delinquent Taxes

Taxes that remain unpaid on and after the date which penalty for non-payment is attached.

Department

A major administrative organizational unit of the City, which indicates overall management responsibility for one or more divisions.

Depreciation

The portion of the cost of a fixed asset charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset. Through this process, the entire cost of an asset is ultimately charged off as an expense.

Division

A major administrative organizational unit of the City, which indicates overall management responsibility for one or more activities. Some departments are divided up into different divisions.

Effectiveness

The degree to which an entity, program, or procedure is successful at achieving its goals and objectives.

Effective Tax Rate

State law in Texas prescribes a formula for calculating the effective tax rate for cities. The net effect of the formula is to produce a tax rate that decreases when property values rise because of inflation and vice versa. The intent is to generate a rate that produces approximately the same revenue as the year before. The formula does make adjustments for newly annexed property and newly constructed property for the effective tax rate calculation; however, for notice and hearing requirements, the benefit of new growth is excluded.

Efficiency

The degree to which an entity, program, or procedure is successful at achieving its goals and objectives with the least use of scarce resources.

Encumbrance

Obligations in the form of purchase orders and contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved because the goods or services have not been received. When paid, the encumbrance is liquidated.

Enterprise Fund

A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures.

Appendix D—Glossary

Environmental Protection Agency

Usually shown as the acronym 'EPA', this represents a department of the national government that oversees environmental protection and quality law and enforcement.

Estimated Revenue

The amount of projected revenues to be collected during the fiscal year.

Expenditure

Decreases in net financial resources. Expenditures include current operating expenses require the present or future use of net current assets, debt service and capital outlay.

Expense

This term refers to the outflows or other using up of assets or incurrence of liabilities from rendering services or carrying out other activities that constitute the City's major operations.

Fiduciary Fund

A fund used to report and record assets held in trust or as in an agency capacity for others.

Fiscal Management Policy Statements

Financial policies are used to enable the City to achieve a sound financial position. They are in writing and are periodically updated and endorsed.

Fiscal Year

The 12-month period covered by the budget. For the City of Weatherford, the fiscal year begins on October 1 and ends September 30.

Fixed Assets

Assets of long-term character, which are intended to continue to be held or used, such as buildings, machinery and equipment.

Franchise Fee

A fee paid by public service utilities for use of public property in providing their services to the citizens of the community.

Full-Time Equivalent

In the personnel system, a full-time equivalent (FTE) refers to any position scheduled to work at least 2080 hours in a given fiscal year.

Fund

An accounting entity with a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balances, revenues and expenditures.

Fund Balance

The assets of a fund, less liabilities, as determined at the end of each fiscal year. Any reservations of fund balance are deducted to result in an "unreserved fund balance."

Fund Type

In governmental accounting, all funds are classified into eight fund types: General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service, and Trust and Agency.

Appendix D—Glossary

GAAP

Generally accepted accounting principles as determined through common practice or as promulgated by the Governmental Accounting Standards Board, Financial Accounting Standards Board, or various other accounting standard setting bodies.

General Fund

The General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, park and recreation, library, public works, and general administration.

General Obligation Bonds

Bonds that finance a variety of public projects, which pledge the full faith and credit of the City.

Governmental Accounting Standards Board

The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

Governmental Fund

A fund used to account for mainly tax-supported activities.

Impact Fees

Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development.

Infrastructure

The underlying permanent foundation or basic framework.

Interest & Sinking

See Debt Service Fund.

Interest Earnings

The earnings from available funds invested during the year in investments authorized by the City of Weatherford Investment Policy.

Interfund Transfer

Amounts transferred from one fund to another.

Internal Service Fund

A fund used to account for the financing of goods or services provided by one department to another on a cost reimbursement basis.

Investments

Securities, bonds and real property (land or buildings) held for the production of revenues in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in the normal course of governmental operations.

Lake Lot License Fees

This revenue item refers to the leases paid to the Utility by property owners on Lake Weatherford.

Lake Lot License Reserve

The Municipal Utility Board has decided to designate a portion of the lake lot license revenue for lake improvement projects.

Appendix D—Glossary

This reserve was subsequently set up to account for unspent lake lot license revenue that is subject to that designation.

Levy

To impose taxes, special assessments, or service charges for the support of the City services.

Liabilities

Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

Long-Term Debt

Debt with a maturity of more than one year after the date earmarked for its retirement.

Maintenance & Operations (M&O)

Represents the portion of taxes assessed for the maintenance and operations of the General Fund Services.

Materials and Supplies

Expendable materials and operating supplies necessary to conduct departmental activity.

Modified Accrual Accounting

A basis of accounting in which revenues are recognized in the accounting period when they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred.

Municipal Utility Board

The Municipal Utility Board is a seven-member board tasked to govern the management, control, and operations of the electric, water, and wastewater systems of the City of Weatherford.

Net Bonded Debt

Gross bonded debt, less any cash or other assets available and earmarked for its retirement.

Non-Departmental Expense

Expenses that benefit the fund as a whole rather than a particular department within the fund.

Operating Budget

A financial plan outlining estimated revenues and expenditures and other information for a specified period (usually a fiscal year). The "proposed budget" is the financial plan presented by the City Manager for consideration by the City Council, and the "adopted budget" is the financial plan ultimately approved and authorized by the City Council.

Operating Expenses

Operating expenses refer to those ongoing expenses that the Utility Fund expects to expend every fiscal year. See Balanced Budget.

Operating Revenues

Operating revenues refer to those ongoing revenues that the Utility Fund expects to receive every fiscal year. See Balanced Budget.

Ordinance

A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a State statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality.

Appendix D—Glossary

and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances. Ordinances and other legislation are not passed until the plans for and costs of endorsements are known.

Other Post-Employment Benefits Reserve

For employees hired before October 1, 2008, the City has agreed to fund post-retirement healthcare expenses. This reserve was set up to help fund those expenses in future years. During the FY13 budget process, the Utility Board has decided to keep this reserve at \$300,000.

Overlapping Debt

Proportionate share that property within a government must bear of the debts of other local governments located wholly or in part within the geographic boundaries of the reporting government.

Paying (Fiscal) Agent Fee

Fee paid to the financial institution that receives and disburses bond payments made on the City's debt obligations.

Per Capita Costs

The cost of services per person. Per capita costs are based on the population estimates provided by the North Texas Council of Governments.

Performance Measures

Specific, quantitative measures of work performed within a City department.

Personnel Services

The costs associated with compensating employees for their labor. This includes salaries and fringe benefits.

Proprietary Fund

A fund to account for activities that focus on operating income and cash flows. Such activities are often business-like, whether internal or external operations, to the organization.

Purchase Cost of Power

Although the Weatherford Electric Utility has the ability to generate electricity for distribution, it is often more cost-effective to purchase electricity (power) and subsequently pass it through to its rate payers. A portion of the electricity rates are designated to offset the cost of purchasing power.

Refunding

The issuance of new debt whose proceeds are used to repay previously issued debt.

Reserve

An account used to indicate that a portion of a fund balance is restricted for a specific purpose.

Revenues

All amounts of money earned or received by the City from external sources.

Revenue Bonds

Bonds usually sold for constructing a project that will produce revenue for the governmental entity. All or part of the produced revenue is used to pay the principal and interest of the bond.

SCADA

Supervisory Control and Data Acquisition is an automated system that is the normal daily means of water system operation. This automated system records flow data and operates pumps and valves.

Self-Sustaining

Because the electric, water, and wastewater systems are all located within the same fund, there have been years in which the revenue of one utility will pay for some of the expenses of another utility. In FY13, this cross-subsidization has been eliminated, and each utility can sustain its own expenses with its revenue.

Special Revenue Fund

A governmental fund that is used to account for activities in which a specific revenue sources is legally restricted for a specific activity.

State Infrastructure Bank Loan

The State Infrastructure Bank Loan (SIB) program refers to a state initiative whereby municipalities may enter into a loan with the state to fund infrastructure improvements. These loans are offered at below-market interest rates.

Tap Fees

Fees charged to join or extend an existing utility system.

Tarrant Regional Water District Reserve

The Tarrant Regional Water District is the regional water supplier for many municipal utilities in the State of Texas. This reserve was set up to offset annual costs above \$110,585 of pumping water into Lake Weatherford.

Tax Anticipation Notes

Short-term, interest-bearing notes issued by a government in anticipation of tax revenues to be received at a later date.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. The term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

Tax Levy

The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Tax Rate

An amount applied to the taxable value of assessed property, expressed as so many cents per \$100 of assessed property.

Tax Roll

The official list of taxable property for a given tax year and the amount of taxes levied against each taxpayer.

Texas Commission on Environmental Quality

The Texas Commission on Environmental Quality (TCEQ) is the agency that governs environmental quality standards within the State of Texas.

Texas Municipal Retirement System (TMRS)

An agent, multiple-employer public retirement system. Weatherford provides pension benefits for all permanent employees through a joint-contributory plan in the state-wide Texas Municipal Retirement System.

Appendix D—Glossary

Utility Franchise Tax

A tax paid by the utilities for a special privilege granted by the Weatherford City Council, permitting the continued use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

Warrants

A legal writ authorizing an officer to make an arrest, seizure or search.

Financial Management Policy Statements

These policy statements were prepared to provide a framework for fiscal decision-making to ensure that financial resources are available to meet the present and future needs of the citizens of Weatherford.

The benefits of a financial policy are:

- Improve and streamline the decision-making process by allowing elected officials and staff to consider approaches to financial management from a long-term perspective.
- Enhanced credibility with the public, investors, and bond rating agencies.
- Provide a sense of continuity as changes occur in elected officials and staff.
- Provide a means for dealing with fiscal emergencies.

Financial policies should be reviewed periodically by the City Council and revised and updated as necessary.

The following are the fiscal objectives of this policy:

Revenues: Design, maintain, and administer revenues that will ensure reliable, equitable, and sufficient amounts to support desired services.

- A. **Balance and Diversify Revenue Sources:** Maintain a balanced and diversified revenue system to avoid fluctuations in any one source due to changes in economic conditions that adversely impact that source.
- B. **Property Tax Revenues:** Strive to reduce reliance on property tax revenues by implementation of user fees, economic development, and revenue diversification.
- C. **User fees:** Establish and collect fees to recover the costs for services that benefit specific users. When feasible, the City shall recover full direct and indirect costs. These fees should be reviewed on a regular basis to calculate full cost recovery levels, compare them with current structures, and recommend adjustments when necessary.
- D. **Utility/Enterprise Fund Service Fees:** Utility rates shall be set at sufficient levels to recover operating expenditures, meet debt obligations, provide funding for capital improvements, and provide an adequate level of working capital.
- E. **Administrative Service Charges:** An annual administrative service charges due to or from the General Fund from enterprise and special revenue funds for overhead and staff support shall be established.
- F. **Revenue Estimates for Budgeting:** A conservative, objective, and analytical approach shall be used when preparing revenue estimates. This should include an analysis of probable economic changes, historical collection rates, and trends in revenues. This should maintain a stable level of services, and reduce the probability of actual revenues being short of budget estimates.
- G. **Revenue Collection:** The revenue system should be as simple as possible in order to expedite payments. Since a revenue should exceed the cost of producing it, administrative costs should be controlled and reduced as much as possible. The City shall pursue to the full extent allowed by law all delinquent taxpayers and others overdue in their payments to the City.
- H. **One-Time and/or Unpredictable Revenues:** One-time and/or unpredictable revenues shall only be used for non-recurring capital equipment purchases or retained in fund balance or working capital balances. At no time may the funds be used for recurring costs (salaries, dues, etc...), except for cases of emergency as defined by City Council.

Appendix E—Financial Policies

Expenditures: Prioritize services, establish appropriate levels of service, and administer the resources to ensure that fiscal stability is attained and that services are delivered in an effective, efficient manner.

- A. **Current Funding Basis:** Expenditures shall be budgeted and controlled to not exceed current revenues plus the planned use of fund balance accumulated through prior year saving. (Use of fund balance discussed in another section).
- B. **Operating Deficits:** Immediate corrective action should be taken if at any time during a fiscal year expenditures are projected to be greater than projected revenues at year-end. Corrective actions could include, but are not limited to expenditure reductions, fee increases, or use of fund balances. Short-term loans, use of one-time revenue sources, or expenditure deferral to the following fiscal year should be avoided.
- C. **Capital Asset Maintenance:** As resources are available each year, capital assets and infrastructure should be maintained at sufficient levels to minimize future replacement and repair costs, to continue prescribed service levels and to protect the City's investment in the assets. Capitalization of capital asset shall only occur with assets that have a useful life of at least two years following the date of acquisition, are applied to individual items purchased only and only grouped like assets if it is a material portion of total capital assets, and is not less than \$5,000 for any individual item. Assets shall be reasonably safeguarded, properly accounted for, and prudently insured.
- D. **Program Reviews:** Periodic staff and third-party reviews of programs should be made to ensure efficiency and effectiveness. Privatization and contracting with other governmental agencies should be considered as alternative approaches for service delivery. Programs that are determined to be inefficient or ineffective should be eliminated.
- E. **Purchasing:** Every effort should be made to maximize discounts offered by vendors. Competitive bidding should be used to receive the most advantageous prices on good and services. All State and local purchasing policies and laws shall be followed. See City of Weatherford Purchasing Procedures under a separate cover. The use of co-ops and/or interlocal agreements that have already been competitively bid may be used and are even preferred methods of procurement at times.

Fund Balances/Working Capital: Maintain fund balances/working capital in the various funds at sufficient levels to protect the creditworthiness of the City, mitigate current and future risks, and to ensure stable rates.

- A. **Governmental Fund's Fund Balance Categories:** City fund balances are divided and designated into various categories based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in a fund can be spent.
 - 1. **Non-Spendable Fund Balance** are amounts of the City's fund balance that are:
 - i. not in a spendable form including inventory and prepaid items,
 - ii. cannot be converted to cash within the current period including long-term portion of loans receivable and non-financial assets held for resale, or
 - iii. are required to be maintained intact pursuant to legal or contractual requirements including an endowment or permanent fund.

The City has various amounts of non-spendable monies in various funds but only has one permanent fund and it is the Permanent Library Fund.

- 2. **Restricted Fund Balance** are amounts of the City's fund balance that reflect resources that are subject to ex-

Appendix E—Financial Policies

ternally enforceable legal restrictions including those imposed by:

- i. creditors (through debt covenants),
- ii. grantors,
- iii. contributors, and
- iv. other government's legislation or regulations.

City Special Revenue Funds that fall in this category shall maintain a positive restricted fund balance and those same funds that pay any personnel services shall maintain a target twenty percent (20%) of operating budget in restricted fund balance. This twenty percent (20%) fund balance should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise. Should the use reduce the balance below the appropriate level of unassigned funds, recommendations will be made on how to restore the balance to its appropriate level in a timely manner. The balance must be restored to its appropriate level within one fiscal year. Restricted special revenue funds of the City include State/Federal Forfeiture Funds, Hotel/Motel Tax Fund, Municipal Court Technology Fund, Municipal Court Building Security Fund, Juvenile Case Manager Fund, SFX Grant Fund, and Weatherford Aerospace Grant Fund. Other restricted funds include all capital bond issuance funds and the General Debt Service Fund.

3. Committed Fund Balance are the amounts of the City's fund balance that represent resources whose use is constrained by limitations of the City Council and that remain binding unless removed, modified, or rescinded by the City Council prior to the last day of the fiscal year for which the commitment is made.
 - i. Stabilization Arrangement for General Fund: It is the goal of the City to achieve and maintain a minimum of committed fund balance in the general fund of 90 days of the operating budget for that fiscal year. This amount is annually and formally, through this policy, set aside for use in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise or an unforeseen event occurs that costs the City more than five percent (5%) of budget appropriations. Should the use reduce the balance below the appropriate level of committed funds, recommendations will be made on how to restore the balance to its appropriate level in a timely manner. The balance must be restored to its appropriate level within one fiscal year.
 - ii. Other Post Employee Benefit Committed Fund Balance: This amount is annually and formally, through this policy, set aside by the amount appropriated through the budget ordinance, for each fund applicable for use to pay current and/or future other post employee benefits.
 - iii. Other Fund Committed Fund Balances: Funds created by the City for a specific service or purpose shall retain in each of those specific funds its remaining fund balance for use only in compliance with original purpose of the fund and/or revenue source. Any special revenue funds that pay any personnel services shall maintain a target twenty percent (20%) operating budget committed fund balance. This twenty percent (20%) fund balance should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise. Should the use reduce the balance below the appropriate level of committed funds, recommendations will be made on how to restore the balance to its appropriate level in a timely manner. The balance must be restored to its appropriate level within one fiscal year. Committed funds include Weatherford Beautification Fund, Chandor Gardens Fund, Library Fund, Animal Shelter Fund, General Capital Projects Fund, Park Development Fund, and Park Special Revenue Fund.
4. Assigned Fund Balance are those amounts of the City's fund balance that reflect the government's intended use of resources. This would include any future appropriation amounts of fund balance. The City Council has authorized the City Manager as the official authorized to assign fund balance to a specific purpose but retains the power of final appropriation of those funds.
5. Unassigned Fund Balance are those amounts of the City's fund balance that are excess of what can properly be classified in one of the previous four categories. These funds are available for any purpose. Unassigned fund balance shall be held to mitigate financial risk that can occur from unforeseen revenues fluctuations and unanticipated expenditures, and provide cash flow for the City's general operations. Annual amounts may

Appendix E—Financial Policies

vary pending tolerable risk associated with volatility of the economy or exposure to natural risks. Fund unassigned balance should be used only for emergencies, major capital purchases or non-recurring expenditures that cannot be provided by savings in the current year.

- B. Order of Expenditure of Fund Balance: When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving to the next category with available funds.
- C. If amounts in a non-spendable form would someday convert into a spendable form and those funds would then be restricted by one of the fund balance categories listed in this policy, those assets should always be classified into that category.
- D. Working Capital of Proprietary Funds: Positive working capital shall be maintained in enterprise operating funds in order to ensure that sufficient reserves are available for emergencies and revenue shortfalls. In the Municipal Utility Fund an operating reserve will be established and maintained at 60 days of the fiscal year's budget established for operations and maintenance (total budget less debt service and capital project expenditures). Consideration shall be made in the future to increase the number of days in the Utility Fund once rate structure is fully implemented. In the Solid Waste Enterprise Fund an operating reserve will be established and maintained at 90 days for the fiscal year's budget established for maintenance and operations. This reserve should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise or an unforeseen event occurs that costs the City more than five percent (5%) of budget appropriations. Should the reserve fall below the acceptable level, recommendations will be made on how to restore the reserve to its appropriate level in a timely manner. The reserve must be restored to its appropriate level within one fiscal year.

Capital Expenditures and Improvements: Review and monitor the condition of capital equipment and infrastructure, establish priorities for replacement and repair based on needs and availability of resources.

- A. Capital Improvement Planning Program: An annual review of the need for capital improvements and equipment should be conducted to evaluate the current status of the infrastructure, replacement and repair and any potential new projects. All projects, both ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. All operations, maintenance, and replacement costs should be listed for every capital project.
- B. Scheduled Replacement of Capital Assets: An annual schedule should be prepared for the replacement of non-infrastructure capital assets. As resources are available, these assets shall be replaced according to the schedule.
- C. Capital Expenditure Financing: There are three methods of financing capital requirements:
 - 1. Budget funds from current revenues.
 - 2. Use funds from fund balance/working capital as allowed.
 - 3. Borrow money through debt.Debt financing includes general obligations bonds, revenue bonds, certificates of obligation, tax notes, and lease/purchase agreements. Guidelines for assuming debt are established in the Debt Policy Statements.
- D. Capital Projects Reserve Fund: A fund can be established and maintained to accumulate proceeds from the sale of real property, and transfers from the General Fund unassigned fund balance. This fund should be used to pay for capital improvements and equipment with an expected life of greater than 10 years.

Debt: Establish guidelines for debt financing that will provide capital equipment and infrastructure improvements while minimizing the impact of principal and interest payments on current revenues.

- A. Use of Debt Financing: Debt financing, including general obligation bonds, revenue bonds, certificates of obligation, tax notes, and lease/purchase agreements shall be used only when capital assets cannot be financed from current revenues or when the useful life of the asset or project exceeds the payout schedule of any debt.

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- B. Assumption of Additional Debt: Additional tax supported debt should not be assumed without conducting an analysis to determine the community's ability to support additional debt service payments.
- C. Affordability Targets: An objective analytical approach should be used to determine whether or not new general-purpose debt can be assumed beyond what is retired each year. Generally accepted standards of affordability should be used in the analysis. These include debt per capita, debt as a percent of taxable value or revenue source, debt service payments as a percent of current revenues and current expenditures, and the level of overlapping net debt of all local taxing jurisdictions. The direct costs and benefits of the proposed expenditures should be examined. The decision to assume new debt should be based on the costs and benefits plus the ability to assume the new debt without detriment to the City or its citizens.
- D. Debt Structure: Debt payments should be structured to ensure level repayment. Level payment schedules improve budget planning and financial management.
- E. Bond Coverage Ratios and Reserves: Bond covenant requirements shall be followed completely.
- F. Competitive v. Negotiated: The City will analyze on a per issue and market basis the desire to utilize competitive versus negotiated sale of bonds.

Budget: An annual strategic planning session at the start of the budget process in the early spring should occur. The City Manager shall prepare and submit to the governing body, prior to the beginning of each fiscal year, a budget of estimated income and proposed expenditures for the ensuing year, showing in as much detail as practicable the estimated amount required for the efficient operation of each department of the city government under his/her supervision and the reason for such estimated expenditures and be responsible for its administration after adoption. The submitted budget shall be a balanced budget with operating current revenues, exclusive of beginning resources, greater than or equal to operating expense / expenditures with consideration of previously stated use of one-time / unpredictable revenues, use of available fund balances, and the inclusion of sufficient fund balances as stated.

Investments: Invest the City's operating cash to ensure its safety, provide for necessary liquidity, insure public trust, and optimize yield.

Funds of the City should be invested in accordance with the City of Weatherford Investment Policy, which is under a separate cover, so as to ensure the absolute safety of principal and interest, to meet the liquidity needs of the City, insure public trust, and to optimize yield. Interest earned from investments shall be distributed to the operating and other City funds from which the money was provided.

Fiscal Monitoring: Prepare and present regular reports that analyze, evaluate, and forecast the City's financial performance and economic condition.

- A. Financial Status and Performance Reports: Monthly reports showing the cumulative income and expenditures of each department for the preceding months, and a comparison of such monthly expenditures by department with the monthly allowances made for such departments in the annual budget and outlining any remedial actions necessary to maintain the City's financial position shall be prepared for review by the City Manager and the City Council.

Financial Consultants: With available resources, employ the assistance of qualified financial advisors and consultants, as needed, in the management and administration of the City's financial functions.

These areas include but are not limited to investments, debt administration, financial accounting systems, program evaluations and financial impact modeling. Advisors should be selected on a competitive basis using objective questionnaires and requests for proposals based on the scope of the work to be performed.

Accounting, Auditing and Financial Reporting: Comply with prevailing federal, state and local regulations. Conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

- A. External auditor rotation is not required but the City should circulate requests for proposals for audit services at

Appendix E—Financial Policies

least every five years.

- B. Internal auditing should be performed as necessary, as risks warrant, and expanded as resources permit.

Internal Controls: Provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition. At all times the City shall maintain an environment conducive to good internal controls. Each Department Manager is responsible to ensure that good internal controls are followed throughout his/her department, that any and all guidelines on accounting and internal controls are implemented, and that all auditor recommendations are addressed.

Personnel Schedule

Department	Full Time	Part Time	Temporary/ Seasonal	On Hold	Total
<i>Electric</i>					
Administration (422)	4	4	-	-	8
Distribution (424)	25	-	-	-	25
Production (425)	-	-	-	-	-
Warehouse (426)	2	-	-	-	2
Non Departmental (902)	-	-	-	-	-
<i>Finance</i>					
Customer Service	12	1	-	1	14
<i>Information Technology</i>					
	-			-	-
<i>Water/Wastewater</i>					
Administration	7	-	-	-	7
Water Treatment Plant	7	-	-	-	7
Water/Wastewater Maintenance	18	-	-	-	18
Water/Wastewater Rehabilitation	5	-	-	-	5
Engineering	3	-	-	-	3
Wastewater Treatment Plant	5	-	-	-	5
Lake Maintenance	-	-	-	-	-
Water Non Departmental	-	-	-	-	-
Wastewater Non Departmental	-	-	-	-	-
	88	5	-	1	94

Rate and Budget Ordinances

RESOLUTION R2014-27

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE MUNICIPAL UTILITY SYSTEM OF THE CITY OF WEATHERFORD, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015 AND MAKING APPROPRIATIONS FOR THE SEVERAL DEPARTMENTS FOR SAID YEAR IN ACCORDANCE WITH THE CHARTER AND ORDINANCES OF THE CITY OF WEATHERFORD, TEXAS, AND THE LAWS OF THE STATE OF TEXAS; REPEALING ALL RESOLUTIONS IN CONFLICT; AND PROVIDING A SAVINGS CLAUSE.

WHEREAS, the Board of Trustees finds that all provisions pertaining to the adoption of a budget contained in the City Charter and Ordinances of said City, and the laws of the State have been in all things complied with, and

WHEREAS, after full and final consideration, the Board of Trustees is of the opinion that the revised budget should be approved and adopted, and that appropriations for the several departments for said fiscal year should be amended as proposed.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE WEATHERFORD MUNICIPAL UTILITY SYSTEM OF THE CITY OF WEATHERFORD, TEXAS:

Section 1: That the budget estimate of the revenue of the Municipal Utility System of the City of Weatherford, Texas, and the expenses of conducting the affairs thereof for the fiscal year ending September 30, 2015 as submitted to the Board of Trustees by the Manager of said Municipal Utility System, be, and the same is, in all things adopted and approved as the budget estimate of all current expenses and fixed charges against said Municipal Utility System City for the fiscal year ending September 30, 2015.

Section 2: That there be, and hereby are appropriated the following sums of money for each of the designated departments, purposes, and uses for the current year ending September 30, 2015, being within and as provided in said budget, to-wit:

Utilities Fund	Adopted (\$)
Electric	
Administration	316,374
Fiber	138,806
Distribution	6,313,428
Production	21,850
Warehouse	348,816
Non Departmental	29,676,538
Total	36,815,812
Finance	
Customer Service	1,176,926
Total	1,176,926
Information Technology	
Information Technology Department	-
Total	-

Utilities Fund	Adopted (\$)
Water	
Administration	363,523
Maintenance	1,148,067
Rehabilitation	402,020
Engineering	345,476
Treatment Plant	2,613,235
Non Departmental	5,611,592
Total	10,483,912
Wastewater	
Administration	363,523
Maintenance	1,093,901
Rehabilitation	411,020
Engineering	345,476
Treatment Plant	921,187
Non Departmental	1,448,778
Total	4,583,885
Total Utilities Fund	53,060,535

Water/Wastewater Capital	Adopted (\$)
Water Capital	1,387,493
Wastewater Capital	612,566
Total Utilities Capital Funds	2,000,059

for the reasonable and proper expenditures of so much of each of said sum as aforesaid itemized, not in excess of the amounts designated, as may be necessary for the operation of said Departments, purposes and uses, by the persons and in the manner provided and authorized by law.

The above and foregoing resolution was passed, approved and adopted by the Board of Trustees of the Weatherford Municipal Utility System of the City of Weatherford, Texas, by the following vote: Ayes____, Nays____at a meeting of the Board held on the 25th day of September, 2014.

Dennis Hooks, Mayor/Chair

ATTEST:

Krista Beach, Assistant City Secretary

APPROVED AS TO FORM:

Ed Zellers, City Attorney

ORDINANCE NO. 695-2014-40

AN ORDINANCE OF THE CITY OF WEATHERFORD, TEXAS, AMENDING TITLE IX, CHAPTER 8, (UTILITY RATES), SECTIONS 9-8-1, 9-8-3, AND 9-8-5 OF THE CITY CODE OF WEATHERFORD BY AMENDING WATER RATE SCHEDULES AND PROVIDING EFFECTIVE DATES FOR WATER RATE SCHEDULE CHANGES FROM OCTOBER 1, 2014, THROUGH OCTOBER 1, 2016; BY AMENDING MINIMUM BILL SCHEDULES AND VOLUMETRIC RATES FOR WATER CUSTOMERS AND ADDING A WATER COST ADJUSTMENT FACTOR; BY AMENDING ELECTRIC RATE SCHEDULES AND PROVIDING EFFECTIVE DATES FOR ELECTRIC RATE SCHEDULE CHANGES THROUGH OCTOBER, 2016; BY AMENDING MINIMUM BILL SCHEDULES FOR ELECTRIC CUSTOMERS; BY AMENDING WASTEWATER RATE SCHEDULES AND PROVIDING EFFECTIVE DATES FOR WASTEWATER RATE SCHEDULE CHANGES THROUGH OCTOBER, 2016; AND BY AMENDING MINIMUM BILL SCHEDULES FOR WASTEWATER CUSTOMERS.

WHEREAS, it is in the public interest of the citizens of Weatherford to reduce and, ultimately, eliminate the cross subsidization of services provided by the Municipal Utility System;

WHEREAS, the City Council for the City of Weatherford and Municipal Utility System commissioned a study regarding the cost of service and rate design and has received, reviewed and considered the findings and recommendations of the said report; and

WHEREAS, it is necessary, in order to adopt and effect the recommendations of the said report, to amend water, wastewater and electric rate schedules for the Municipal Utility System; and

WHEREAS, the amendment of the said water, wastewater and electric rate schedules requires amendment of prior ordinances of the City Code of Weatherford,

WHEREAS, the provision of efficient utility services to the citizens of Weatherford and the certificated area of the City of Weatherford Municipal Utility System serves and promotes the health, safety and general welfare of the public; and

WHEREAS, it is necessary for the City to amend the provisions of Title IX, Chapter 8, Sections 9-8-1, 9-8-3 and 9-8-5 of the City Code of Weatherford to effect the necessary amendments of water, wastewater and electric service rates and minimum monthly bill schedules;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WEATHERFORD, TEXAS:

Findings of Fact. The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact. The City Council further finds and determines that the rules, regulations, terms, conditions, provisions and requirements of this ordinance are reasonable and necessary to protect the public health, safety and quality of life in the City.

Amendments to Title IX, Chapter 8 of the City Code of Weatherford, Texas. The City Council hereby amends the following chapter and sections of Title IX, Chapter 8 of the City Code of Weatherford to hereafter read as specifically set forth herein:

Sec. 9-8-1 Water Rates

Residential

Available for residential domestic household and associated lawn/garden irrigation use at the customer's service address within the city's certificated service area. The Municipal Utility System of the City of Weatherford, shall charge, collect, or receive for water supplied to customers, the following monthly rates, to-wit:

	Effective: Oct. 1, 2014	Effective: Oct. 1, 2015	Effective: Oct. 1, 2016
Minimum Bills			
5/8 x 1/2 inch meter	\$15.25	\$18.00	\$20.76
3/4 inch meter	\$22.88	\$27.01	\$31.14
1 inch meter	\$38.13	\$45.01	\$51.90
1 ½ inch meter	\$76.27	\$90.02	\$103.79
2 inch meter	\$122.03	\$144.04	\$166.07
3 inch meter	\$266.94	\$315.09	\$363.28
4 inch meter	\$457.61	\$540.15	\$622.77
6 inch meter	\$953.36	\$1,125.31	\$1,297.44
8 inch meter	\$1,372.84	\$1,620.44	\$1,868.31

	Effective: Oct. 1, 2014	Effective: Oct. 1, 2015	Effective: Oct. 1, 2016
*Volumetric Charge (per cubic foot)			

Residential

0 -1,000 CF	\$0.04112	\$0.04854	\$0.05597
1,001 – 3,500 CF	\$0.05137	\$0.06064	\$0.06992
3,500 – 5,000 CF	\$0.06431	\$0.07591	\$0.08752
>5,000 CF	\$0.08054	\$0.09507	\$0.10961

Commercial

Available for commercial and landscape irrigation use at the customer's service address within the city's certificated service area. The Municipal Utility System of the City of Weatherford, shall charge, collect, or receive for water supplied to customers, the following monthly rates, to-wit:

	Effective: Oct. 1, 2014	Effective: Oct. 1, 2015	Effective: Oct. 1, 2016
Minimum Bills			

5/8 x 1/2 inch meter	\$15.22	\$17.95	\$20.68
3/4 inch meter	\$22.84	\$26.93	\$31.01
1 inch meter	\$38.06	\$44.88	\$51.69
1 1/2 inch meter	\$76.12	\$89.75	\$103.38
2 inch meter	\$121.80	\$143.60	\$165.40
3 inch meter	\$266.44	\$314.13	\$361.82
4 inch meter	\$456.75	\$538.50	\$620.27
6 inch meter	\$951.56	\$1,121.88	\$1,292.22
8 inch meter	\$1,370.25	\$1,615.51	\$1,860.80

	Effective:	Effective:	Effective:
*Volumetric Charge	Oct. 1, 2014	Oct. 1, 2015	Oct. 1, 2016
(per cubic foot)	\$0.04105	\$0.04839	\$0.05574

Transported Water

Available for water delivered and metered at the customer's service address, or any other authorized metering site located within the city's certificated service area, and transported by any method for use at a site other than the customer's service address. The Municipal Utility System of the City of Weatherford, shall charge, collect, or receive for water supplied to customers, the following monthly rates, to-wit:

	Effective:	Effective:	Effective:
Minimum Bills	Oct. 1, 2014	Oct. 1, 2015	Oct. 1, 2016
2 inch meter	\$121.80	\$143.60	\$165.40
3 inch meter	\$266.44	\$314.13	\$361.82
	Effective:	Effective:	Effective:
*Volumetric Charge	Oct. 1, 2014	Oct. 1, 2015	Oct. 1, 2016
(per cubic foot)	\$0.07540	\$0.08925	\$0.10565

Westridge and Southcrest Systems

That the city municipal utility system shall charge, collect, or receive for water supplied to the customers of the Westridge and Southcrest Residential Subdivisions, the following monthly rates, to-wit:

	Effective:	Effective:	Effective:
Minimum Bills	Oct. 1, 2014	Oct. 1, 2015	Oct. 1, 2016
5/8 x 1/2 inch meter	\$15.25	\$18.00	\$20.76
3/4 inch meter	\$22.88	\$27.01	\$31.14

1 inch meter	\$38.13	\$45.01	\$51.90
1 ½ inch meter	\$76.27	\$90.02	\$103.79
2 inch meter	\$122.03	\$144.04	\$166.07
3 inch meter	\$266.94	\$315.09	\$363.28
4 inch meter	\$457.61	\$540.15	\$622.77
6 inch meter	\$953.36	\$1,125.31	\$1,297.44
8 inch meter	\$1,372.84	\$1,620.44	\$1,868.31
*Volumetric Charge	Oct. 1, 2014	Oct. 1, 2015	Oct. 1, 2016
(per cubic foot assessment for 2014 only)			
Residential			
0 -1,000 CF	\$0.07512	\$0.08254	\$0.08997
1,001 – 3,500 CF	\$0.08537	\$0.09464	\$0.10392
3,500 – 5,000 CF	\$0.09831	\$0.10991	\$0.12152
>5,000 CF	\$0.11454	\$0.12907	\$0.14361
Commercial	\$0.07505	\$0.08239	\$0.08974

*Rates include contributions to a rate stabilization/reserve fund for the Lake Benbrook water supply. This component of the rate may be adjusted annually with updated raw water and power supply costs.

(b) *Water Cost Adjustment Factor Schedule WCAF*

Applicable: Entire service area--All rate schedules

Application. Consistent with Utility Board policy, Lake Weatherford will be supplemented with water from the Tarrant Regional Water District system when necessary. In the event that adequate revenue is not generated from the rate stabilization/reserve fund, an additional charge to cover raw water and pumping cost may be added to the existing rate during times that the TRWD water is utilized. The formula to recover this cost is as follows:

$$WCAF = ((PWC + PC + APM)/WS) +/- ADF$$

DEFINITIONS:

WCAF = Water Cost Adjustment Factor

PWC = Purchased water cost for the most recent month.

PC = Production cost for the most recent month.

APM = Adjustment for previous month over/under WCAF recovery.

WS = Total water sales, previous month.

ADF = Annualized deferral factor based on projected costs and sales variances keeping a rate stabilization fund minimum as set by the Utility Board and revised as needed.

(c) All bills are due when rendered, and become past due if not paid within ten days from date of bill. Service may be disconnected after proper notice to a customer having past due bills, and an additional charge will be made before service is restored. The municipal utility system may refuse to serve anyone who is in debt to the department.

Sec. 9-8-3 Electric rates

The municipal utility system of the city shall charge, collect or receive for electric service supplied for various customers at the following monthly rates.

(1) *Residential Service Schedule RS-1*

Applicable: Entire service area.

a. *Application.* Available to any customer for electric service used for residential purposes in an individual private dwelling or an individually metered apartment. Service will be supplied at one point of delivery, which is specified by the city, and measured through one meter.

Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

b. *Type of service.* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

c. *Monthly rate.*

	Effective: <u>Oct 1, 2014</u>	Effective: <u>Oct 1, 2015</u>	Effective: <u>Oct 1, 2016</u>
Customer Charge	\$11.75	\$13.50	\$15.00
Energy Charge per kWh	\$0.0432	\$0.0424	\$0.0412
Minimum Bill	\$11.75	\$13.50	\$15.00

The monthly rate after FY 2017 shall be the same as FY 2017 unless otherwise amended.

FY – Fiscal Year – October through September

d. *Terms and conditions.* Service will be furnished under city's terms and conditions governing utility service and rules and regulations governing utility service.

(2) *Residential Service Schedule RS-2*

Applicable: Entire service area.

a. *Application:* Available to any customer for electric service used for residential purposes in an individual private dwelling or an individually metered apartment. Service will be supplied at one point of delivery, which is specified by the city, and measured through one meter.

Applicable when all electric service used on the premises is supplied through one meter, when electricity is the sole source of energy for all domestic uses, and when approved electric space heating, electric water heating, and energy efficient standards are permanently installed.

Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

b. *Type of service:* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

c. *Monthly rate:*

	Effective: <u>Oct 1, 2014</u>	Effective: <u>Oct. 1, 2015</u>	Effective: <u>Oct. 1, 2016</u>
Customer Charge	\$11.75	\$13.50	\$15.00
Energy Charge per kWh	\$0.0432	\$0.0424	\$0.0412
Minimum Bill	\$11.75	\$13.50	\$15.00

The monthly rate after FY 2017 shall be the same as FY 2017 unless otherwise amended.

FY – Fiscal Year – October through September

d. *Terms and conditions:* Service will be furnished under city's terms and conditions governing utility service and rules and regulations governing utility service.

(3) *General Service Schedule SGS*

Applicable: Entire service area.

a. *Application:* Available to commercial customers with less than 20 kW demand for electric service supplied at one point of delivery, which is specified by the city, and measured through one meter.

Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

b. *Type of service:* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

c. *Monthly rate:*

	Effective: <u>Oct 1, 2014</u>	Effective: <u>Oct. 1, 2015</u>	Effective: <u>Oct. 1, 2016</u>
Customer Charge	\$19.55	\$19.55	\$19.55
Energy Charge per kWh	\$0.0467	\$0.0446	\$0.0424
Minimum Bill	\$19.55	\$19.55	\$19.55

The monthly rate after FY 2017 shall be the same as FY 2017 unless otherwise amended.

FY – Fiscal Year – October through September

d. *Determination of demand:* The customer's maximum demand will be the kilowatt (kW) load established by the customer during the 15-minute period of maximum use during the month. This demand will be determined by city's demand meter.

e. *Terms and conditions:* Service will be furnished under city's terms and conditions governing utility service and rules and regulations governing utility service.

(4) *General Service (Large) Schedule LGS-1*

Applicable: Entire service area.

a. *Application:* Available to commercial customers with 20 kW demand and less than 200 kW demand for electric service supplied at one point of delivery, which is specified by the city, and measured through one meter.

Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

b. *Type of service:* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

c. *Monthly rate:*

	Effective: <u>Oct 1, 2014</u>	Effective: <u>Oct. 1, 2015</u>	Effective: <u>Oct. 1, 2016</u>
Customer Charge	\$42.50	\$42.50	\$42.50
Demand Charge per kW	\$3.96	\$3.96	\$3.96
Energy Charge per kWh	\$0.0244	\$0.0238	\$0.0232

The monthly rate after FY 2017 shall be the same as FY 2017 unless otherwise amended.

FY – Fiscal Year – October through September

Minimum bill: Customer charge plus the demand charge for 75 percent of the highest kW established during the last 12 months or the current demand charge whichever is higher.

d. *Determination of demand:* The customer's maximum demand will be the kilowatt (kW) load established by the customer during the 15-minute period of maximum use during the month. This demand will be determined by city's demand meter.

e. *Terms and conditions:* Service will be furnished under city's terms and conditions governing utility service and rules and regulations governing utility service.

(5) *General Service (Large) Schedule LGS-2*

Applicable: Entire service area.

a. *Application:* Available to all customers with 200 kVA demand and less than 1,000 kVA demand for electric service supplied at one point of delivery, which is specified by the city, and measured through one meter.

Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

b. *Type of service:* The electric service furnished hereunder will be three phase, 60 hertz, at the city's standard secondary voltage through one standard transformation or at the city's standard primary voltage. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

c. *Monthly rate:*

	Effective: <u>Oct 1, 2014</u>	Effective: <u>Oct. 1, 2015</u>	Effective: <u>Oct. 1, 2016</u>
Customer Charge	\$100.00	\$100.00	\$100.00
Demand Charge per kVA	\$4.00	\$4.30	\$4.65
Energy Charge per kWh	\$0.0256	\$0.0249	\$0.0240

The monthly rate after FY 2017 shall be the same as FY 2017 unless otherwise amended.

FY – Fiscal Year – October through September

Minimum bill: Customer charge plus the demand charge for 75 percent of the highest kVA established during the last 12 months or the current demand charge whichever is higher. City will maintain all of its installed primary voltage distribution facilities regardless of the location of the metering point.

d. *Determination of demand:* The customer's maximum demand will be the kVA load established by the customer during the 15-minute period of maximum use during the month. This demand will be determined by city's demand meter.

e. *Terms and conditions:* Service will be furnished under city's terms and conditions governing utility service and rules and regulations governing utility service.

(6) *General Service (Large) Schedule LGS-3*

Applicable: Entire service area.

a. *Application:* Available to commercial customers with 1,000 kVA demand or more for electric service supplied at one point of delivery, which is specified by the city, and measured through one meter.

Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

b. *Type of service:* The electric service furnished hereunder will be three phase, 60 hertz, at the city's standard secondary voltage through one standard transformation or at the city's standard primary voltage. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

c. *Monthly rate:*

	Effective: <u>Oct 1, 2014</u>	Effective: <u>Oct. 1, 2015</u>	Effective: <u>Oct. 1, 2016</u>
Customer Charge	\$195.00	\$195.00	\$195.00
Demand Charge per kVA	\$4.05	\$4.35	\$4.75
Energy Charge per kWh	\$0.0225	\$0.0223	\$0.0220

Minimum bill: Customer charge plus the demand charge for 75 percent of the highest kVA established during the last 12 months or the current demand charge whichever is higher. City will maintain all of its installed primary voltage distribution facilities regardless of the location of the metering point.

d. *Determination of demand:* The customer's maximum demand will be the kVA load established by the customer during the 15 minute period of maximum use during the month. This demand will be determined by city's demand meter.

e. *Terms and conditions:* Service will be furnished under city's terms and conditions governing utility service and rules and regulations governing utility service. An agreement for electric service with a term of not less than five years is required for customers having or expected to have electrical loads of 1,000 kVA or more.

(7) *Security Lighting Service Schedule SLS-1*

Applicable: Entire service area.

a. *Application:* Available to any customer in areas designated by the city on a city owned or joint-use utility poles.

b. *Type of service:* The electric service will be supplied exclusively to one or more outdoor type security lights. Lights will operate automatically every night from dusk to dawn, or approximately 4,000 hours per year.

c. *Monthly rate:*

\$10.90 customer charge

Estimated Energy Use: 40 kWh

d. *Terms and conditions:* Service will be furnished under city's terms and conditions governing utility service and rules and regulations governing utility service. Installation charges will be in accordance with the city's most current Electric Service Policy.

City will at its own cost and expense, replace all burned-out lamps. All expenses covering replacement of lamps and refractors due to vandalism or other breakage shall be borne by the customer.

City will, upon request of customer, disconnect or change any of its facilities used in rendering service herein under insofar as it may be practical and permissible. Customer will pay to city all costs incurred by city in making any changes.

(8) *Street Lighting Service Schedule SLS-2*

Applicable: Entire service area.

a. *Application:* Available only to the city in areas designated by the city on a city owned or joint-use utility poles.

b. *Type of service:* The electric service will be supplied exclusively to one or more outdoor type street lights. Lights will operate automatically every night from dusk to dawn, or approximately 4,000 hours per year.

c. *Monthly rate:*

	Effective: Oct 1, 2014	Effective: Oct 1, 2015	Effective: Oct 1, 2016	Effective: Oct 1, 2017	Effective: Oct 1, 2018
Fixed Charge per light	\$3.15	\$3.94	\$4.78	\$5.81	\$6.55
Estimated Energy Use: kWh to be determined monthly from the city's street light system.					

d. *Terms and conditions:* Service will be furnished under city's terms and conditions governing utility service and rules and regulations governing utility service.

(9) *Power Cost Adjustment Factor Schedule PCAF*

Applicable: Entire service area--All rate schedules

Application. The energy charges stated in all rate schedules applicable for the current billing month will be increased or decreased by the amount by which the average cost of purchased power plus production cost per kilowatt hour sold for the previous month exceeds \$0.0150.

$$PCAF = (((PPC + PC + APM)/KWHP) - \$0.0150) +/- ADF$$

DEFINITIONS:

PCAF = Power Cost Adjustment Factor

PPC = Purchased power cost for the most recent month for which final costs are available.

PC = Production cost for the most recent month for which final costs are available.

APM = Adjustment for previous month over/under PCAF recovery.

KWHP = Total kilowatt hours purchased, previous month.

ADF = Annualized deferral factor based on projected costs and sales variances keeping a rate stabilization fund minimum as set by the Utility Board and revised as needed.

Sec. 9-8-5 Wastewater Collection and Treatment Rates

The Municipal Utility System of the City of Weatherford, shall charge, collect, or receive for wastewater collection, treatment and disposal services provided to customers, the following monthly rates, to-wit:

	Effective: Oct. 1, 2014	Effective: Oct. 1, 2015	Effective: Oct. 1, 2016
Minimum Monthly Bill			
Residential	\$17.04	\$19.08	\$21.48

Commercial	\$19.19	\$20.33	\$21.48
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Volumetric Rates	Effective: Oct. 1, 2014	Effective: Oct. 1, 2015	Effective: Oct. 1, 2016
Residential	\$0.04771	\$0.04733	\$0.05782
Commercial	\$0.04418	\$0.05100	\$0.05782

Minimum charge includes 400 cubic feet, flows over 400 cubic feet will be charged at the volumetric rate. Residential flow is the lower of the average monthly water consumption for the preceding three winter months of December, January and February, or the current month's actual consumption, not to exceed 2,000 cubic feet. Where no preceding winter average is available, the city manager or authorized designee shall approve an estimated volume to be used in determining the monthly charge.

All commercial flows are based on 100% of water billed. Where it can be shown to the satisfaction of the city engineer that a portion of the water volume as measured by the potable water meter does not enter the sanitary sewerage system, the city engineer will determine if there is an appropriate method for calculating or measuring this flow. In some instances, the installation of an approved sub meter at the owner's expense may be required. The meter shall be installed by a plumber licensed in the State of Texas in accordance with city standard specifications, and will be inspected by the City.

The customer will be responsible for reading the meter and reporting to the City monthly. Readings must be reported to city no later than five working days following the last calendar day of each month.

The city shall read the meter annually during the month of September. The city reserves the right to read the meter at other times throughout the year at the city's discretion. Tampering with the meter or, providing erroneous readings may result in the customer being charged for all potable water metered at this account for the past year.

GRINDER PUMP FEE:

	Effective: Oct. 1, 2014	Effective: Oct. 1, 2015	Effective: Oct. 1, 2016
Monthly Charge	\$10.73	\$12.06	\$13.55

Applicable to wastewater customers with on-site grinder pumps installed and maintained by the city.

Resolution of Conflicting Ordinances. The terms and provisions of this ordinance are intended to supersede the prior provisions of the affected chapter and sections of the prior ordinance. In the event of a conflict or inconsistency between this ordinance and any other code or ordinance of the City, the provisions of this ordinance shall control.

Savings Clause. All rights and remedies of the City of Weatherford are expressly saved as to any and all provisions of the affected prior chapter and sections pertaining to delinquent

payments, re-connection fees or other charges due and owing to the City under the prior ordinance's provisions and to any and all violations of the provisions of the prior ordinance which have accrued as of the effective date of this ordinance; and as to such accrued fees, delinquent payments, re-connection fees or charges - collection activity, violations and any pending litigation, both civil and criminal, whether pending in court or not, under such prior ordinances, shall not be affected by this ordinance but may be prosecuted and pursued until final disposition by the courts.

Effective Date. This ordinance shall take effect immediately from and after its passage and publication in accord with the provisions of the Texas Local Government Code.

Severability. It is the express intent of the City Council that the sections, paragraphs, sentences, clauses and phrases of this ordinance are severable and, if any phrase, sentence, paragraph or section should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance as the same would have been enacted by the City Council without the incorporation in this ordinance of any such invalid phrase, clause, sentence, paragraph or section. If any provision of this ordinance shall be adjudged by a court of competent jurisdiction to be invalid, the invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision, and to this end the provisions of this ordinance are hereby declared to be severable.

Open Meeting. The City Council finds and determines that the meeting at which this ordinance is passed was open to the public as required by law and that public notice of the time, place and purpose of said meeting was duly given as required by the Texas Open Meetings Act.

READ, PASSED AND APPROVED ON FIRST READING BY A VOTE OF ___ AYES AND ___ NO ON THE 9th DAY OF September, 2014.

READ AND ADOPTED ON SECOND READING BY A VOTE OF ___ AYES AND ___ NO ON THE 23rd DAY OF September, 2014.

Dennis Hooks, Mayor

ATTEST:

Malinda Nowell, TRMC, City Secretary

APPROVED AS TO FORM:

Ed Zellers, City Attorney