

City of Weatherford
Municipal Utilities Program of Services
Year ending September 30, 2017 (FY17)



Municipal Utility Board Members

Mayor Craig Swancy — Chair, Concurrent with City Council

Bob Glenn — Vice Chair

Ken Davis

James Dickason

Heidi Wilder — Concurrent with City Council

Howard McClurkin

Jeff Robinson — 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)	39.72
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
2014 (Est.)	27,769
Change since 2010	10%

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 (2009-2013)

Median Household	\$49,899
Below Poverty Level	13.6%

Other (2009-2013)

Households	10,064
Persons per Household	2.47

Education

Weatherford ISD Enrollment (2014)

K-6	4,316
7-8	1,191
9-12	2,227

Weatherford College Enrollment

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

Educational Attainment (25 years and older)

High School Graduates	89.4%
Bachelor's Degree or Higher	24.9%

Employment

Civilian Labor Force	12,822
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Unemployment Rate

Average Annual (2014)	4.2%
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Top Employers

Weatherford ISD	945
Weatherford Regional Medical Center	585
Parker County	485
City of Weatherford	356
Wal-Mart	350
Weatherford College	298
C.D. Hartnett	276

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	\$150,702
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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FY17 Budget City Manager's Message

July 28, 2016

To: Board of Trustees of the Weatherford Municipal Utility System

In accordance with Article X, Section 4 of the Weatherford City Charter, the FY17 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, 2016, through September 30, 2017. 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 FY17 are \$28.6 million, \$16.18 million, and \$6.58 million, respectively. This total of \$51.36 million in operating revenues is a decrease of 1.2% from the FY15 adopted budget, and an increase of 5.1% from current end-of-year projections. This reflects predominately an expected decrease in the cost of purchased power from the FY16 budget, modest increases in customer count in accordance with historical figures, and the third and final round of substantial rate increases for the water and wastewater utilities. As with FY16, 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. The budget submitted herein places the ending working capital balance for September 30, 2016, at \$7,681,375, or 98 days of operations. This balance includes the mandated ninety-day target reserve of \$7,069,050.

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

Electric Vehicle and Substation Reserve of \$1,890,000 (including FY17 contributions)

Lake Capital Reserve of approximately \$871,646 (including FY17 contributions)

Tarrant Regional Water District Pumping Reserves of \$1,434,700 (including FY17 contributions)

The total proposed budget for the Weatherford Municipal Utility is \$51.8 million, including \$540,143 in various non-recurring expenses. This document details the breakdown of the fund's operational departments, including organizational charts, mission statements, objectives, performance measures, and budget detail by expense category. 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 will remain reserved in the following manner: \$200,000 for lake capital projects and the remainder for general capital expenses and/or debt service for forthcoming Texas Water Development Board bond issuance);

A non-recurring pay package for employees, be distributed on a one-time basis during FY17;

Significant increases in reserve funding for large capital electric system projects and vehicle/equipment replacement;

Reserving approximately \$4.78 million and \$1.3 million in water and wastewater revenue from the third and final round of rate adjustments for system improvements;

Needed maintenance to important water/wastewater systems, and

Two new full-time employees (one Maintenance Worker for Water/Wastewater, and one Lineman Helper for Electric.)

Prior to FY15, the Utility Board and City Council approved a three-year rate adjustment plan for water and wastewater utilities. While each separate rate class carries with it different adjustments, below is an approximation of the total increases the adjustments are anticipated to bring in (holding consumption constant):

	FY15	FY16	FY17
Water	21.5%	15.5%	17.5%
Wastewater	13%	7.5%	16%

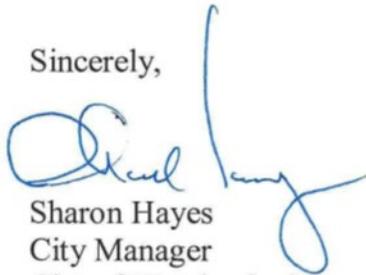
Board direction was to reserve the incremental revenue from these adjustments for two purposes: new debt service and cash-funding the water/wastewater capital improvement plan. At the end of FY17, it is projected that the water utility will have set aside a total of \$9.26 million and the wastewater utility will have set aside \$2.48 million. While stark consumption decreases in FY15 initially made it difficult to set dollars aside for these purposes, the current fiscal year has managed to set the Utilities’ capital plans back on track. The current five-year forecast included in this document projects close to \$30 million collected for the Water Utility and \$8 million for the wastewater utility by FY21. These projections assume only modest increases in consumption, and also reflect a substantial debt issuance being paid off in FY18.

As with FY16, 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.

FY17 Budget City Manager's Message

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 James Hotopp, 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.

Sincerely,



Sharon Hayes
City Manager
City of Weatherford
Weatherford, Texas

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Schedule of Changes

On July 28, 2016, the City Manager's Office presented the FY17 Proposed Municipal Utility Fund Program of Services to the Utility Board. The Board has held one work session and one public hearing to discuss any modifications to the budget. Below are the only changes made to the budget during this time:

- One position was added to the Information Technology Department, paid for by the Electric Utility. This position will focus on technology projects for the Utility System.
- The initial 2% pay package was considered a non-recurring increase. This has now been moved to a recurring pay increase.

On September 29, 2016, the Municipal Utility Board unanimously voted to approve the FY17 Budget, as presented in this document.

FY17 Budget Calendar

1

Budget Kickoff

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

Mar. 25,
2016

2

Departmental Budget Submissions

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

Apr. 15,
2016

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 FY16 budget is presented to the Utility Board.

Jul.
28

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. 29

7

The Fiscal Year Begins.

Oct. 1

Budget Process & Methodology

Overview

This budget document serves as the annual operating plan for the Weatherford Municipal Utility during the fiscal year beginning October 1, 2016, and ending September 30, 2017 (FY17). The funding choices made for FY17 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. Modified accrual basis means that revenue is recognized at the time it becomes measurable and available, and expenses are recognized when they are measurable, a fund liability is incurred, and the liability will be liquidated with resources included in the budget (this includes principle and interest on long-term debt). 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. This is in contrast to the audit basis of the Utility Fund, which utilizes **full accrual**. Under this method, revenues are recognized when measurable and expenses are recognized in the year in which the liability has occurred.

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 Budget & Purchasing (OBP) 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

Continuing to Address Asset-Related Issues

Fiscal year 2017 marks the end of the second round of rate adjustments for Weatherford Utilities, a move which seeks to build sufficient funding for capital outlay. This has so far resulted in over \$2.5 million in additional revenue for the water utility and over \$660,000 in wastewater revenue that the utilities would have otherwise not realized. With this revenue, the utilities will focus on meeting the annual target of repairing an average of 2% of their infrastructure asset values as well as furthering the capital improvement plans.

The Weatherford Municipal Utility currently maintains approximately 208 miles of sanitary sewer lines, 275 miles of water mains, and 346 miles of electric distribution lines. In addition to this widespread infrastructure network, the utility is also responsible for maintaining:

- one wastewater treatment plant,
- 10,747 sewer service connections,
- 11,700 water service connections,
- 1,508 fire hydrants, and
- 14,548 electric service connections
- one water treatment plant

Budget Process & Methodology

- 5 electric substations
- 24 wastewater lift stations
- 7 water pump stations

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.

A summary of the repair and replacement costs budgeted in the operating fund and water/wastewater repair and replacement funds can be found below. Note that this does not include revenues garnered from water and wastewater's new rate structure, which will be available for maintenance costs as well. For information on this, please see "New Rate Revenue/Capital Program" on the next page.

		<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.	Specialized Equipment	\$ 195,917	\$ 85,064	\$ 819,500	\$ 1,100,481
	Vehicles/Equipment	\$ 23,167	\$ 34,833	\$ 370,000	\$ 428,000
	Utility Lines	\$ 211,330	\$ 231,330	\$ 1,288,500	\$ 1,731,160
	Meters	\$ 100,000	\$ -	\$ 60,000	\$ 160,000
	Land/rights of Way	\$ -	\$ -	\$ 20,000	\$ 20,000
	Transformers	\$ -	\$ -	\$ 325,000	\$ 325,000
		\$ 530,414	\$ 351,227	\$ 2,883,000	\$ 3,764,641

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 FY17. This project will replace existing meters with ones that can be read and tracked remotely, enabling more timely and accurate readings. The project is anticipated to be completed by April of 2018.

West Substation Reserve

Much like the water utility, growth and development in Weatherford has resulted in increased electric customer demand. To meet this demand, the electric utility issued debt in 2015 to fund the construction of a new substation. This substation was completed in late 2016. In order to build up costs associated with this substation, the electric utility began setting aside \$250,000 each year for construction and equipment costs during FY13. This practice will continue through FY17. The full amount set aside annually for substation costs totals \$520,000.

Staff Compensation

For the FY17 budget, the Utility Board approved a 2% across-the-board pay increase for employees. This is estimated to cost the Utility Fund approximately \$95,000 in ongoing dollars for salaries and associated benefits. Additional promotional increases within the utility fund amounts to just over of \$58,000.

New Rate Revenue/Maintenance Program

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. FY17 will be the last year in a new round of rate adjustments designed to provide funding for Water and Wastewater repairs and replacements as well as larger-scale capital needs. This will be done with a combination of cash-funding and debt-funding the capital improvement program. Total projected new rate revenue available to cash fund capital improvements and R/R needs:

Available Revenue from New Rates	FY15 Actual	FY16 Preliminary	FY17 Projected
Water (\$)	\$850k	\$3.875m	\$4.7m
Wastewater (\$)	\$443k	\$688k	\$1.3m
Total (\$)	\$1.293m	\$4.563m	\$6m

For more information on long-term capital plans, please see the Utility’s 5-Year Forecast featured in this document.

Lake Lot Licenses*

FY17 will mark the third year in which all lake lot license revenue (estimated at \$917,000 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.

*In previous years, this revenue was also used for the cost of pumping water. While that option is still available, the new rate increases 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. They are also available to pay for additional debt service.

Future Budget Processes

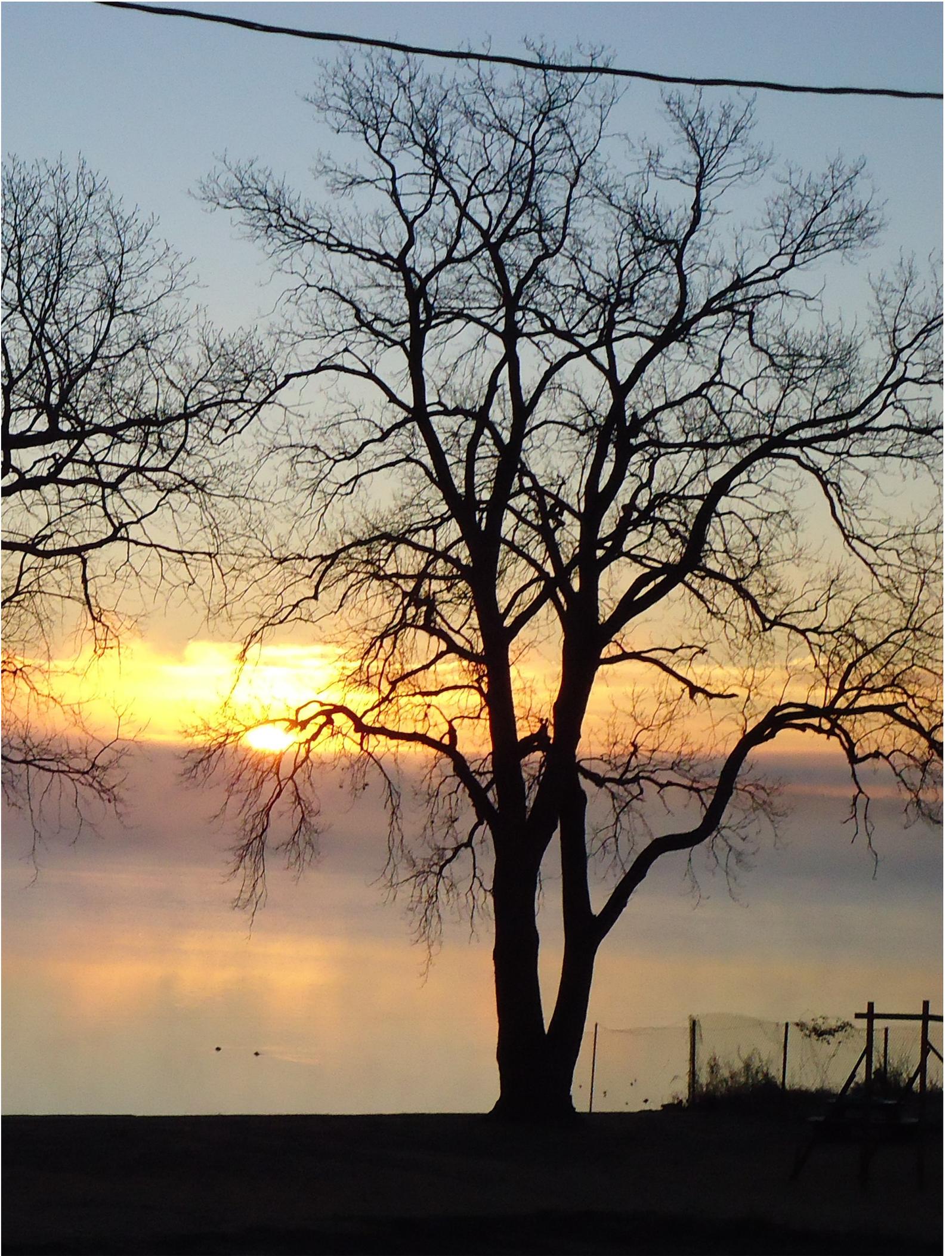
The growth in the system has and will continue to result in increased demand on the utility system, requiring the system to expand to accommodate. As previously noted, this fiscal year's budget includes several areas where the utility is preparing for this expansion, including reserving money for the West Sub Station costs, continuing to reserve Lake Lot License revenue for capital funding, continuing water and wastewater rate adjustments to provide for increased repair and replacement of assets and debt service, and making further progress on the automated metering infrastructure program.

In several ways, FY17 is a year that focuses on the future. For the next few years, the city's utility customers can expect prudent service enhancements 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.



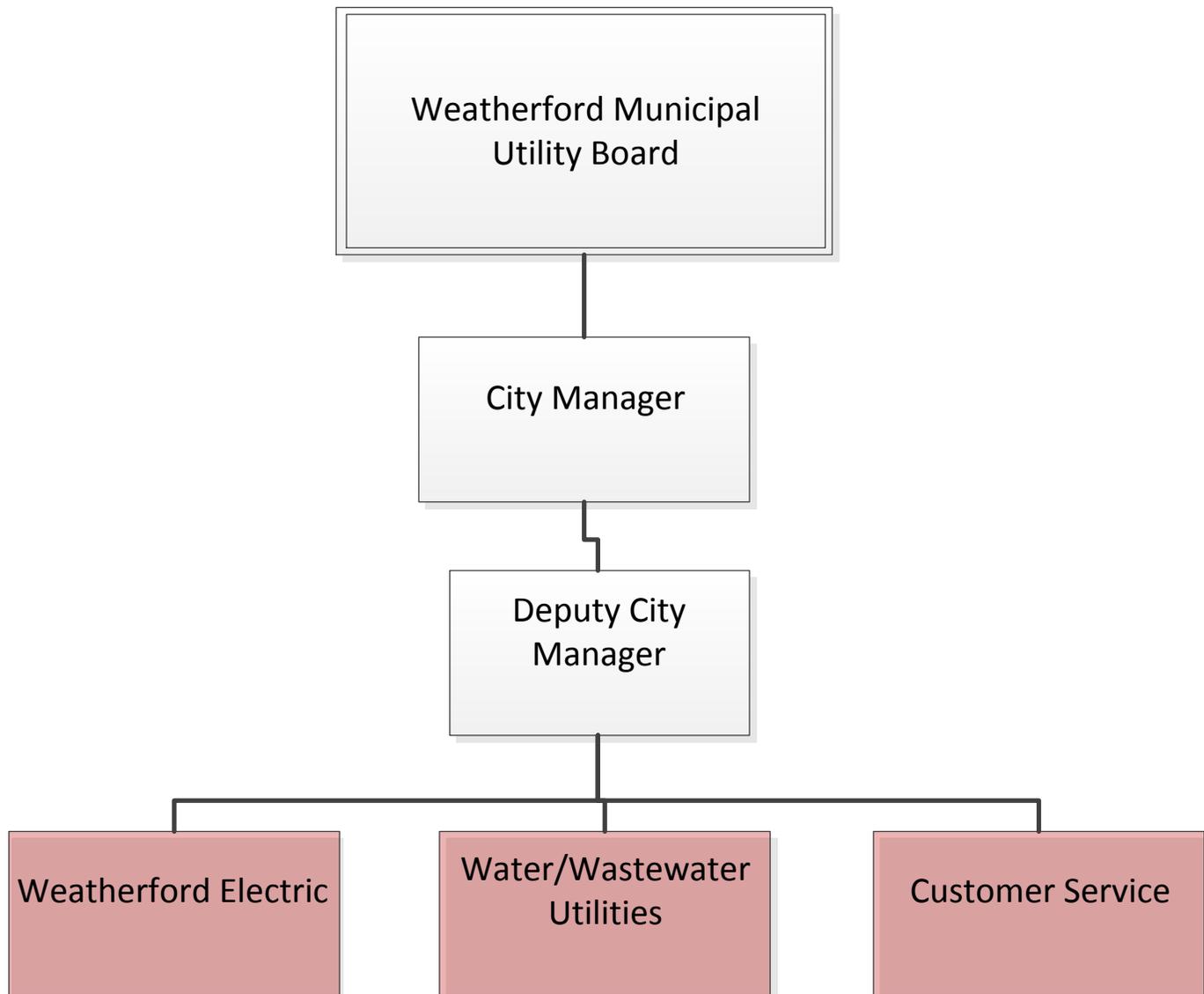
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Municipal Utility Fund

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 Weatherford's internal services: Finance, Information Technology, Human Resources, City Attorney, City Administration, and Lake Maintenance. 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.



FY17 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.

Administrative Function	Cost Center	Electric	Water	Wastewater	Solid Waste
Customer Service	205	38.4%	30.4%	27.9%	3.3%

Beginning in FY16, Customer Service has been located in a separate fund.

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 FY17 allocations for these cost centers is below.

Water/Wastewater Administration: Cost Center 402

Water is allocated 50% of the 100s, 68% of the 200s, and 50% 300s accounts.

Wastewater is allocated 50% of the 100s, 32% of the 200s, and 50% of the 300s accounts.

Water/Wastewater Maintenance: Cost Center 405

Water is allocated 50% of the 100s accounts, 55% of the 200s accounts, 53% of the 300s accounts, and 69% of the 400s accounts. Wastewater is allocated 50% of the 100s accounts, 45% of the 200s accounts, 47% of the 300s accounts, and 31% 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 FY14	Actual FY15	Adopted FY16	Projected FY16	Adopted FY17
Beginning Available Working Capital	13,274,899	10,518,224	11,233,568	11,233,568	8,113,401
Revenue					
Electric Utility					
Sale of Power	37,460,703	34,291,324	32,739,592	28,240,144	27,711,794
Interest & Other	795,989	6,323,371	886,308	828,869	886,308
<i>Subtotal Electric</i>	<i>38,256,692</i>	<i>40,614,695</i>	<i>33,625,900</i>	<i>29,069,013</i>	<i>28,598,102</i>
Water Utility					
Sale of Water - Retail	8,673,334	10,503,088	11,865,000	12,885,000	15,075,450
Sale of Water - Wholesale	59,664	85,641	60,000	59,450	60,000
Lake Lot Licenses	922,210	926,799	917,000	917,000	917,000
Water Taps	3,665	1,160	3,500	3,500	3,500
Interest & Other	724,624	9,937,873	125,660	183,243	125,660
<i>Subtotal Water</i>	<i>10,383,496</i>	<i>21,454,561</i>	<i>12,971,160</i>	<i>14,048,193</i>	<i>16,181,610</i>
Wastewater Utility					
Service Fees - Retail	4,360,033	4,810,450	5,199,775	5,550,000	6,417,250
Service Fees - Wholesale	132,441	125,771	130,000	141,194	130,000
Wastewater Tap Fees	2,540	2,090	1,200	2,090	1,200
Pre-Treatment Fees	23,622	29,217	26,000	35,000	26,000
Interest & Other	14,487	4,762,271	10,245	24,709	10,245
<i>Subtotal Wastewater</i>	<i>4,533,122</i>	<i>9,729,800</i>	<i>5,367,220</i>	<i>5,752,993</i>	<i>6,584,695</i>
Total Revenue	53,173,310	71,799,055	51,964,280	48,870,198	51,364,407
Expenses					
Electric					
Administration	280,291	246,447	237,831	233,836	246,553
Fiber	285	153,378	179,400	178,737	170,971
Distribution	5,708,676	5,730,512	6,211,781	6,058,624	5,960,640
Production	7,589	5,386	11,850	11,850	11,850
Warehouse	246,542	300,062	624,353	598,185	367,384
Non Departmental	31,089,332	32,665,163	26,171,969	21,450,270	20,523,269
<i>Subtotal Electric</i>	<i>37,332,715</i>	<i>39,100,949</i>	<i>33,437,184</i>	<i>28,531,501</i>	<i>27,280,668</i>
City Administration					
Customer Service	1,175,970	1,180,919	1,186,364	1,194,482	1,161,393
<i>Subtotal Finance</i>	<i>1,175,970</i>	<i>1,180,919</i>	<i>1,186,364</i>	<i>1,194,482</i>	<i>1,161,393</i>
Information Technology					
Information Technology	512		-	-	-
<i>Subtotal Information Technology</i>	<i>512</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Water					
Administration	294,092	363,121	480,723	421,304	503,412
Water Treatment Plant	3,179,194	2,265,169	2,728,316	2,652,233	2,755,016
Water/WW Maintenance	1,189,580	1,150,927	1,119,800	1,172,236	1,213,915
Water/WW Rehabilitation	348,230	230,807	403,950	403,234	449,602
Engineering	215,857	237,033	320,882	295,997	235,383
Non Departmental	4,726,732	17,595,018	5,257,126	5,165,391	5,242,647
<i>Subtotal Water</i>	<i>9,953,685</i>	<i>21,842,076</i>	<i>10,310,797</i>	<i>10,110,394</i>	<i>10,399,976</i>

**Municipal Utility Fund
Revenue and Expense Summary**

	Actual FY14	Actual FY15	Adopted FY16	Projected FY16	Adopted FY17
Wastewater					
Administration	294,092	363,121	450,278	390,858	484,076
Water/WW Maintenance	1,446,745	1,016,504	988,424	941,867	1,054,861
Water/WW Rehabilitation	375,562	363,159	412,950	412,234	458,602
Engineering	215,857	237,033	320,882	295,997	235,383
SIB Loan*	-	-	-	-	-
Wastewater Treatment Plant	951,803	827,685	970,959	938,246	1,018,480
Non Departmental	1,525,733	6,760,957	1,789,393	1,757,283	1,858,603
<i>Subtotal Wastewater</i>	<i>4,809,792</i>	<i>9,568,460</i>	<i>4,932,887</i>	<i>4,736,485</i>	<i>5,110,005</i>
Total Expenses	53,272,674	71,692,403	49,867,232	44,572,862	43,952,041
Revenue Over/(Under) Expenses	(99,364)	106,652	2,097,048	4,297,336	7,412,366
Inter-Fund Transactions and Balance Sheet Adjustments*					
GAAP & Change in Non Budgetary					
Working Capital Adjustments	-	108,691	-	-	-
Release Reserved Fund Balance	-	500,000	-	-	-
Transfer from Bond Fund	-	-	(1,000,000)	(1,000,000)	(890,000)
Contributions to Capital/Lake Lot Re-serves	(907,311)	-	(2,917,000)	(4,617,503)	(6,922,406)
Contribution to AMI (Electric)	(875,000)	-	-	-	-
Contributions to AMI (Water)	(875,000)	-	-	(1,800,000)	-
Transfer to Bond Fund	-	-	-	-	-
Ending Working Capital	10,518,224	11,233,568	9,413,616	8,113,401	7,713,361
Ending Days	136.05	145.30	120.75	104.07	97.50

Non-Operating Revenues	7,812,406
Non-Operating Costs	455,712
Operating Revenues	43,552,001
Operating Costs	43,496,329
Ongoing Surplus	55,672

90 Day Target Reserve (7,120,350)

Available Working Capital 593,011

One Day Cost (Ongoing Costs/365) 79,115

Total Working Days 97

Target Reserve 90

Available Working Capital 7

*Most of these costs are budgeted in the various non-departmental divisions.

**Municipal Utility Fund
Electric Utility FY17 Operating Position**

	Actual FY14	Actual FY15	Adopted FY16	Projected FY16	Adopted FY17
Revenue					
Electric Utility					
Sale of Power	37,460,703	34,291,324	32,739,592	28,240,144	27,711,794
Interest & Other	795,989	6,323,371	886,308	828,869	886,308
Total Revenue	38,256,692	40,614,695	33,625,900	29,069,013	28,598,102
Expenses					
Electric					
Administration	280,291	246,447	237,831	233,836	246,553
Fiber	285	153,378	179,400	178,737	170,971
Distribution	5,708,676	5,730,512	6,211,781	6,058,624	5,960,640
Production	7,589	5,386	11,850	11,850	11,850
Warehouse	246,542	300,062	624,353	598,185	367,384
Non Departmental	31,089,332	32,665,163	26,171,969	21,450,270	20,523,269
<i>Subtotal Electric</i>	<i>37,332,715</i>	<i>39,100,949</i>	<i>33,437,184</i>	<i>28,531,501</i>	<i>27,280,668</i>
Allocated Functions					
Customer Service	470,388	472,368	470,986	474,209	461,073
Information Technology	171	-	-	-	-
<i>Subtotal Allocated Functions</i>	<i>470,559</i>	<i>472,368</i>	<i>470,986</i>	<i>474,209</i>	<i>461,073</i>
Total Expenses	37,803,274	39,573,316	33,908,171	29,005,710	27,741,741
OTHER ITEMS					
Contribution to AMI	(875,000)				
Contribution to Capital Reserves			(1,000,000)	(1,000,000)	(890,000)
Release of Reserved Fund Balance (Substation)		500,000			
Contribution to PCAF Reserve					
Revenue Over/(Under) Expenses	(421,581)	1,541,379	(1,282,271)	(936,697)	(33,639)
				One-Time Expenses	935,124
				Ongoing Revenues	27,708,102
				Ongoing Expenses	27,696,617
				Net Operating Gain/(Loss)	11,485
				Days Cost	35,828.26
				90-Day Reserve	3,224,543

Municipal Utility Fund
Water Utility FY17 Operating Position

	Actual FY14	Actual FY15	Adopted FY16	Projected FY16	Adopted FY17
Revenue					
Water Utility					
Sale of Water - Retail	8,673,334	10,503,088	11,865,000	12,885,000	15,075,450
Sale of Water - Wholesale	59,664	85,641	60,000	59,450	60,000
Lake Lot Licenses	922,210	926,799	917,000	917,000	917,000
Water Taps	3,665	1,160	3,500	3,500	3,500
Interest & Other	724,624	9,937,873	125,660	183,243	125,660
Total Revenue	10,383,496	21,454,561	12,971,160	14,048,193	16,181,610

Expenses

Water					
Administration	294,092	363,121	480,723	421,304	503,412
Water Treatment Plant	3,179,194	2,265,169	2,728,316	2,652,233	2,755,016
Water/WW Maintenance	1,189,580	1,150,927	1,119,800	1,172,236	1,213,915
Water/WW Rehabilitation	348,230	230,807	403,950	403,234	449,602
Engineering	215,857	237,033	320,882	295,997	235,383
Non Departmental	4,726,732	17,595,018	5,257,126	5,165,391	5,242,647
<i>Subtotal Water</i>	<i>9,953,685</i>	<i>21,842,076</i>	<i>10,310,797</i>	<i>10,110,394</i>	<i>10,399,976</i>
Allocated Functions					
Customer Service	364,551	366,085	372,518	375,067	364,677
Information Technology	171	-	-	-	-
<i>Subtotal Allocated Functions</i>	<i>364,721</i>	<i>366,085</i>	<i>372,518</i>	<i>375,067</i>	<i>364,677</i>
Total Expenses	10,318,406	22,208,161	10,683,315	10,485,461	10,764,653

OTHER ITEMS

Transfer to Bond Fund

Transfer From Bond Fund

Contribution to AMI	(875,000)		(1,800,000)	(1,800,000)	
Contribution to CIP/R&R			(1,700,000)	(2,989,244)	(4,705,406)
Contribution Lake Lot Reserve	(907,311)		(200,000)	(200,000)	(200,000)
Lake Lot Contribution to CIP			(717,000)	(717,000)	(717,000)
Contribution to TRWD Reserve					

Revenue Over/(Under) Expenses	(1,717,221)	(753,600)	(2,129,155)	(2,143,513)	(205,449)
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			Non-Operating Expenses	224,315
Tarrant Regional Water District Reserve			Non-Operating Revenues	917,000
Funds Available through FY17	1,434,799		Ongoing Revenues	15,264,610
			Ongoing Expenses	15,245,744
Lake Capital Reserve Funds Available through FY17	871,646		Net Operating Gain/(Loss)	18,866
			Days Cost	41,769
			90 Day Reserve	3,759,225

**Municipal Utility Fund
Wastewater Utility FY17 Operating Position**

	Actual FY14	Actual FY15	Adopted FY16	Projected FY16	Adopted FY17
Revenue					
Wastewater Utility					
Service Fees - Retail	4,360,033	4,810,450	5,199,775	5,550,000	6,417,250
Service Fees - Wholesale	132,441	125,771	130,000	141,194	130,000
Wastewater Tap Fees	2,540	2,090	1,200	2,090	1,200
Pre-Treatment Fees	23,622	29,217	26,000	35,000	26,000
Interest & Other	14,487	4,762,271	10,245	24,709	10,245
Total Revenue	4,533,122	9,729,800	5,367,220	5,752,993	6,584,695
Expenses					
Wastewater					
Administration	294,092	363,121	450,278	390,858	484,076
Water/WW Maintenance	1,446,745	1,016,504	988,424	941,867	1,054,861
Water/WW Rehabilitation	375,562	363,159	412,950	412,234	458,602
Engineering	215,857	237,033	320,882	295,997	235,383
Wastewater Treatment Plant	951,803	827,685	970,959	938,246	1,018,480
Non Departmental	1,525,733	6,760,957	1,789,393	1,757,283	1,858,603
<i>Subtotal Wastewater</i>	<i>4,809,792</i>	<i>9,568,460</i>	<i>4,932,887</i>	<i>4,736,485</i>	<i>5,110,005</i>
Allocated Functions					
Customer Service	341,031	342,467	342,859	345,205	335,642
Information Technology	171	-	-	-	-
<i>Subtotal Allocated Functions</i>	<i>341,202</i>	<i>342,467</i>	<i>342,859</i>	<i>345,205</i>	<i>335,642</i>
Total Expenses	5,150,994	9,910,927	5,275,746	5,081,690	5,445,648
OTHER ITEMS					
Contribution to CIP/R&R			(300,000)	(711,259)	(1,300,000)
Revenue Over/(Under) Expenses	(617,872)	(181,127)	(208,526)	(39,956)	(160,953)
				Non-Operating Expenses	186,274
				Non-Operating Revenues	1,300,000
				Ongoing Revenues	5,284,695
				Ongoing Expenses	5,259,374
				Net Operating Gain/(Loss)	25,321
				Days Cost	14,409
				90 Day Reserve	1,296,832

Customer Service Fund
Customer Service FY17 Operating Position

	Actual FY14	Actual FY15	Adopted FY16	Projected FY16	Adopted FY17
Beginning Available Working Capital	-	-	-	-	-
Revenue					
Charge-backs					
Electric	-	-	470,986	474,209	461,073
Water	-	-	372,518	375,067	364,677
Wastewater	-	-	342,859	345,205	335,642
Solid Waste	-	-	41,298	41,298	40,154
Total Revenue	-	-	1,227,662	1,235,780	1,201,547
Expenses					
Personnel	-	-	649,875	660,659	684,758
Supplies	-	-	44,700	37,695	40,100
Contractual	-	-	471,799	472,381	476,689
Capital Outlay	-	-	60,446	65,046	-
Total Expenses	-	-	1,226,820	1,235,780	1,201,547
Revenue Over/(Under) Expenses	-	-	842	-	-

**Water Utility R&R/Capital Fund
FY17 Operating Position**

	Actual FY14	Actual FY15	Adopted FY16	Projected FY16	Adopted FY17
Beginning Balance	-	-	10,402,821	10,402,821	2,992,065
Revenue					
Water Utility					
Bond Proceeds	-	9,250,000	-	-	-
Sale of Water - Retail	-	1,523,780	1,700,000	2,989,244	4,705,406
Other Miscellaneous	-	4,671	-	-	-
Total Revenue	-	10,778,451	1,700,000	2,989,244	4,705,406
Expenses					
Water					
Repair/Replacements	-	375,630	10,400,000	10,400,000	7,697,471
Total Expenses	-	375,630	10,400,000	10,400,000	7,697,471
Revenue Over/(Under) Expenses	-	10,402,821	(8,700,000)	(7,410,756)	(2,992,065)
Ending Balance	-	10,402,821	1,702,821	2,992,065	-

**Wastewater Utility R&R/Capital Fund
FY17 Operating Position**

	Actual FY14	Actual FY15	Adopted FY16	Projected FY16	Adopted FY17
Beginning Balance	-	-	5,114,264	5,114,264	715,523
Revenue					
Wastewater Utility					
Bond Proceeds	-	4,750,000	-	-	-
Service Charges	-	442,995	300,000	711,259	1,300,000
Other Miscellaneous	-	1,176	-	-	-
Total Revenue	-	-	612,566	484,779	300,000
Expenses					
Wastewater					
Repair/Replacements	-	79,907	5,110,000	5,110,000	2,015,523
Total Expenses	-	79,907	5,110,000	5,110,000	2,015,523
Revenue Over/(Under) Expenses	-	5,114,264	(4,810,000)	(4,398,741)	(715,523)
Ending Balance	-	5,114,264	304,264	715,523	-

**Municipal Utility Fund
AMI Funds FY16 Operating Positions**

	Actual FY14	Actual FY15	Adopted FY16	Projected FY16	Adopted FY17
Revenue					
Electric					
Transfer from Electric Utility	875,000	777,000	-	-	-
Total Revenue	875,000	777,000	-	-	-
Expenses					
Electric					
AMI Capital Costs		361,785	1,290,000	-	-
Total Expenses	-	361,785	1,290,000	-	-
Revenue Over/(Under) Expenses	875,000	415,215	(1,290,000)	-	-

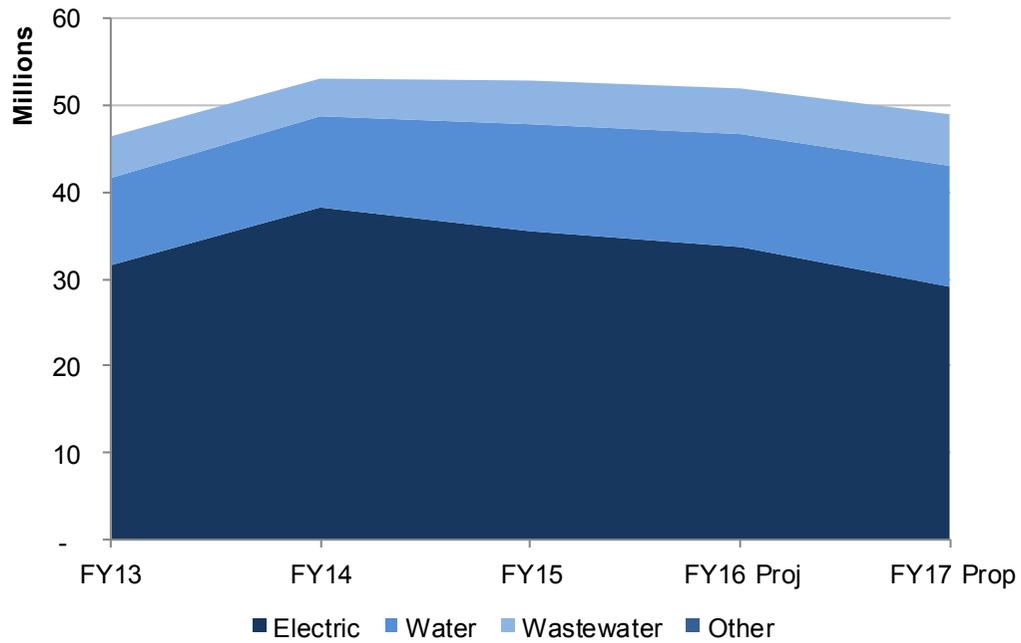
*Note: Any capacity in this fund will be rolled over into the next fiscal year until it is exhausted.

	Actual FY14	Actual FY15	Adopted FY16	Projected FY16	Adopted FY17
Revenue					
Water					
Transfer from Water Utility	875,000	709,014	1,800,000	1,800,000	-
Total Revenue	875,000	709,014	1,800,000	1,800,000	-
Expenses					
Water					
AMI Capital Costs	-	906,757	1,800,000	1,800,000	
Total Expenses	-	906,757	1,800,000	1,800,000	-
Revenue Over/(Under) Expenses	875,000	(197,743)	-	-	-

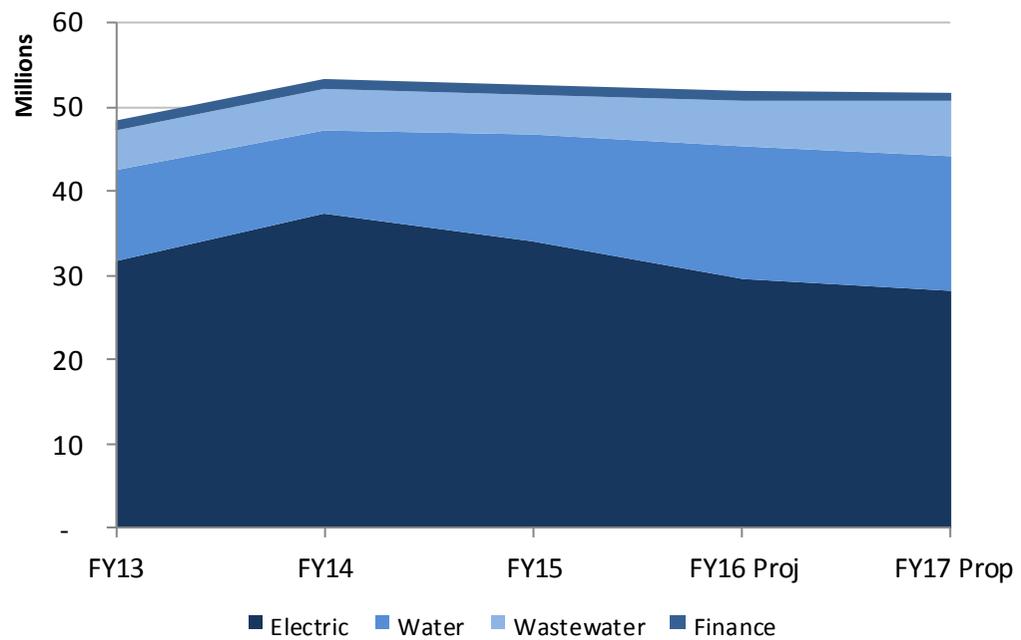
*Note: Any capacity in this fund will be rolled over into the next fiscal year until it is exhausted.



Historical Fund Revenues by Utility (millions)

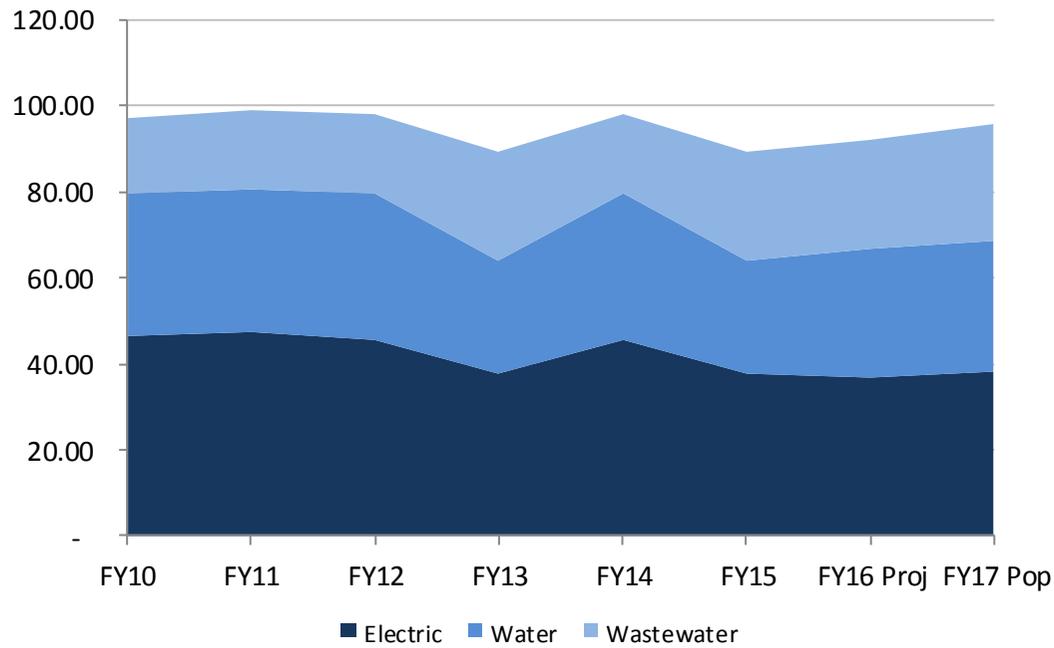


Historical Fund Expenses by Utility (millions)

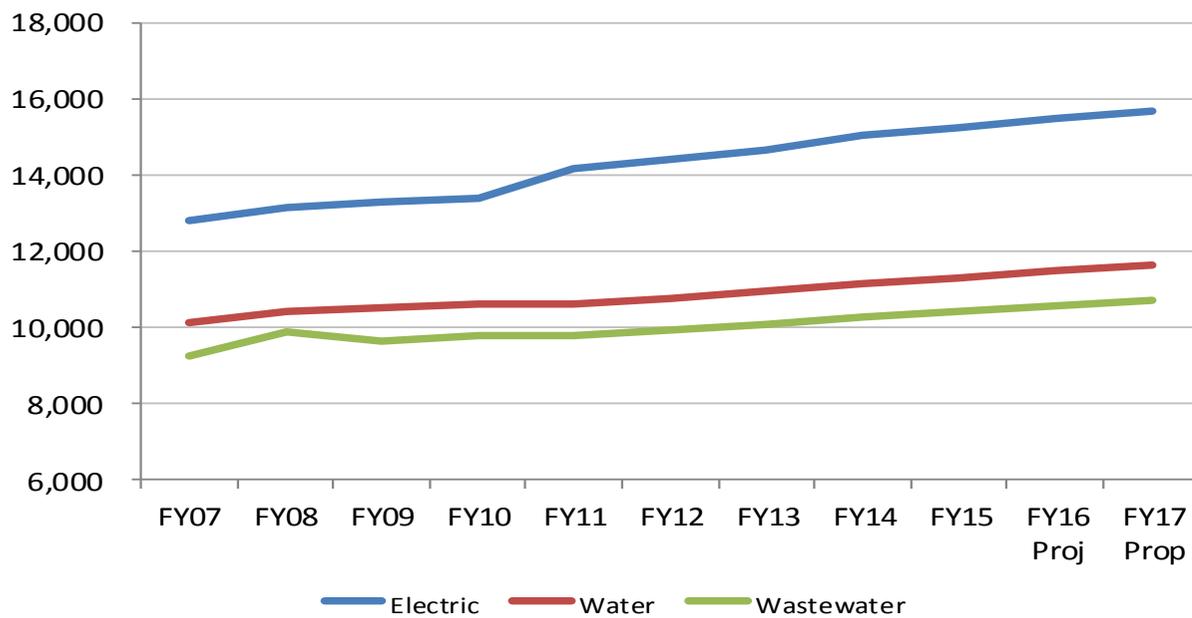


**Municipal Utility Fund
Charts and Graphs**

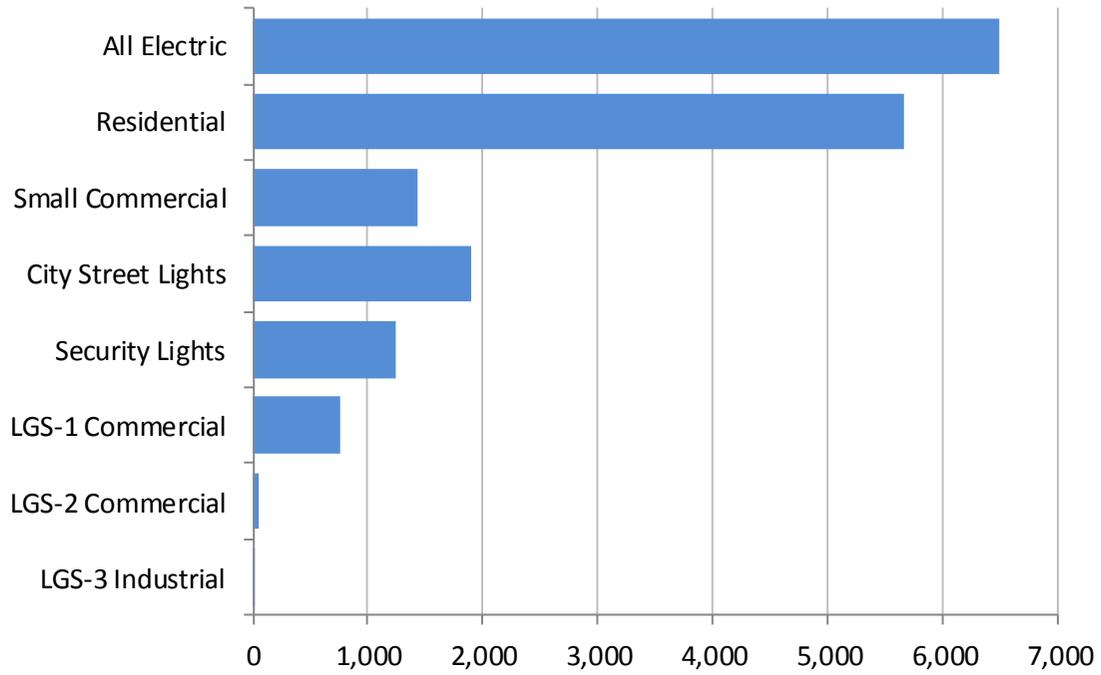
Historical Personnel (FTE) by Utility



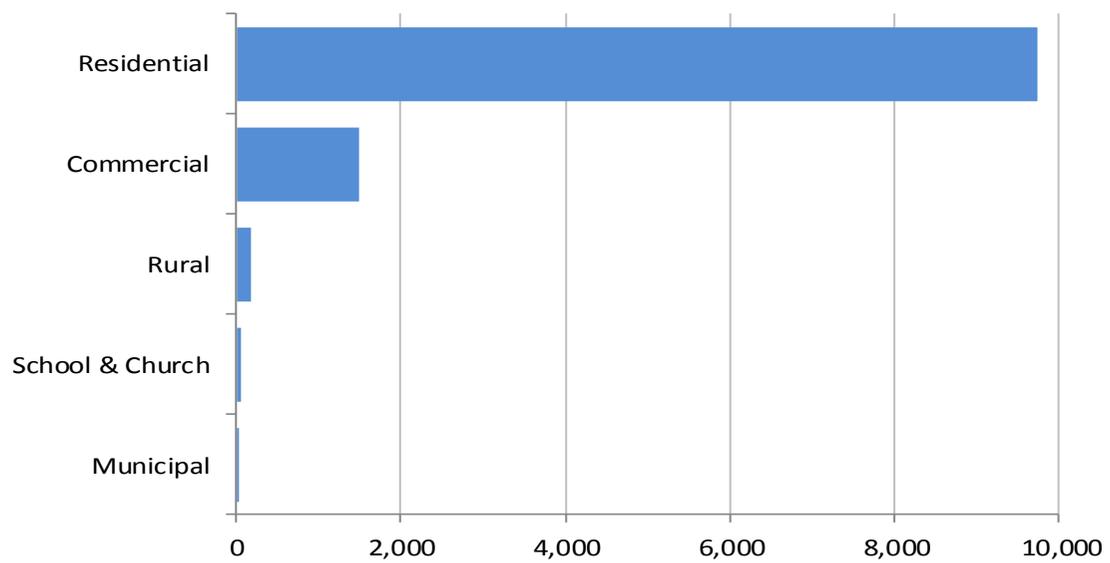
Historical Number of Customers by Utility



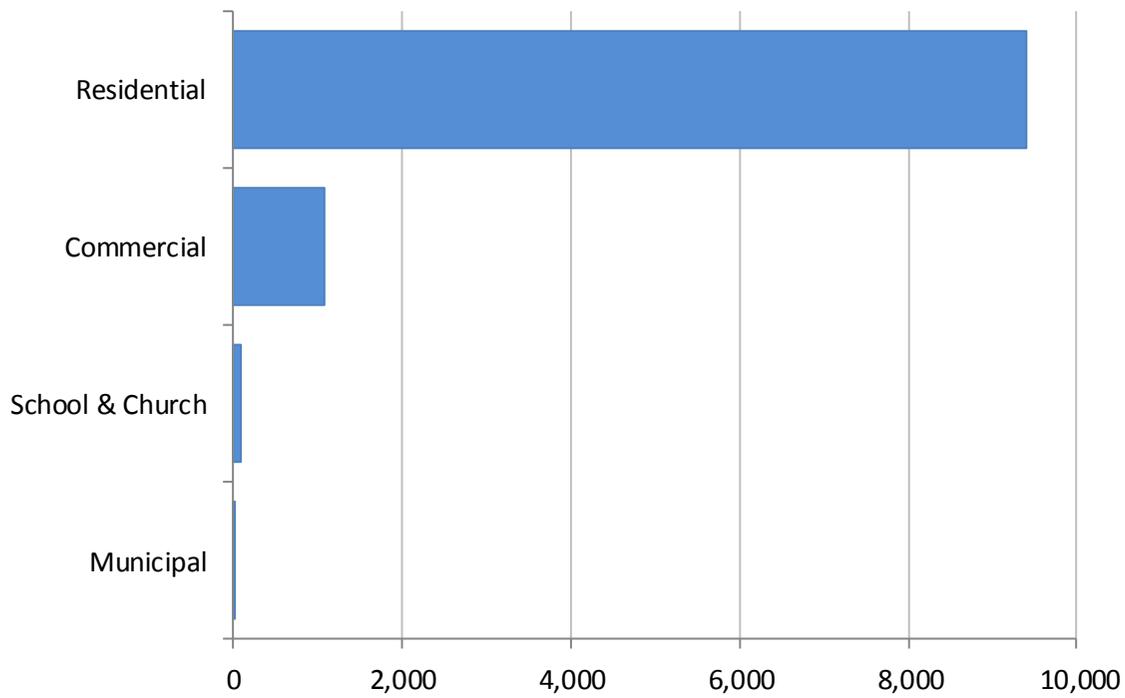
FY16 Electric Customers by Class (Through May)



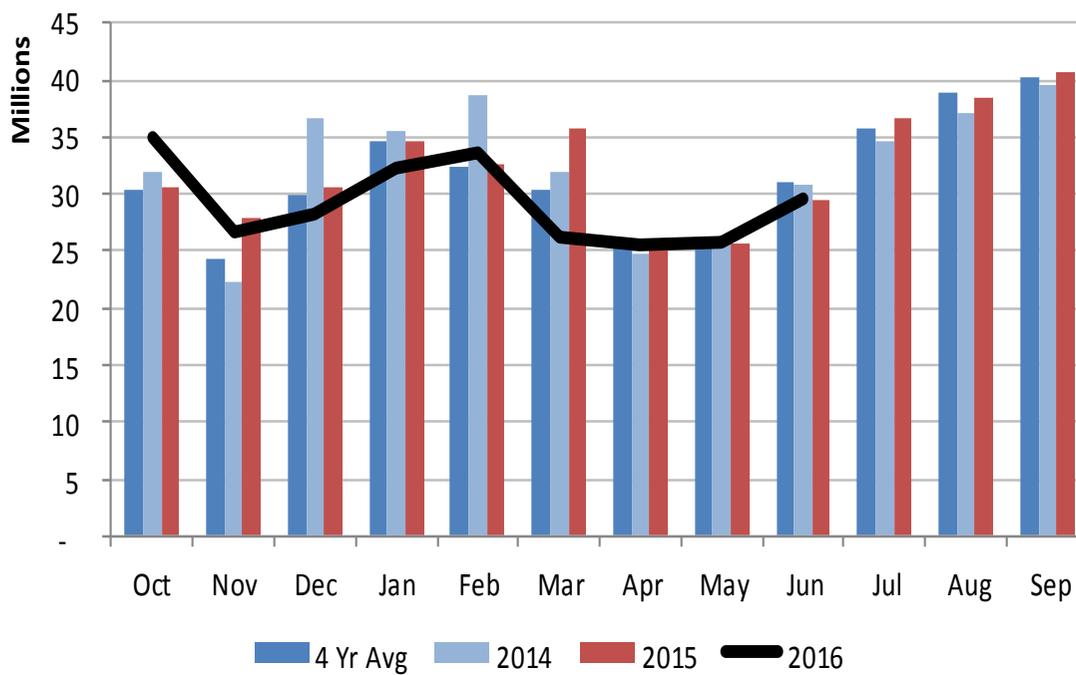
FY16 Water Retail Customers by Class (Through May)



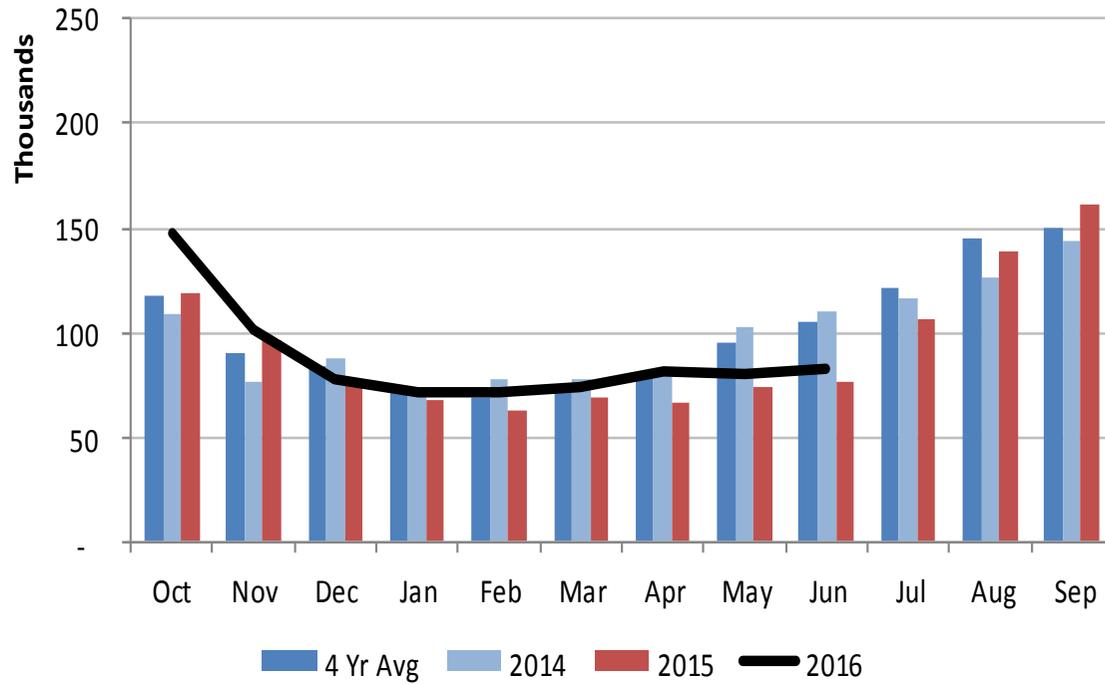
FY16 Wastewater Customers by Class (Through May)



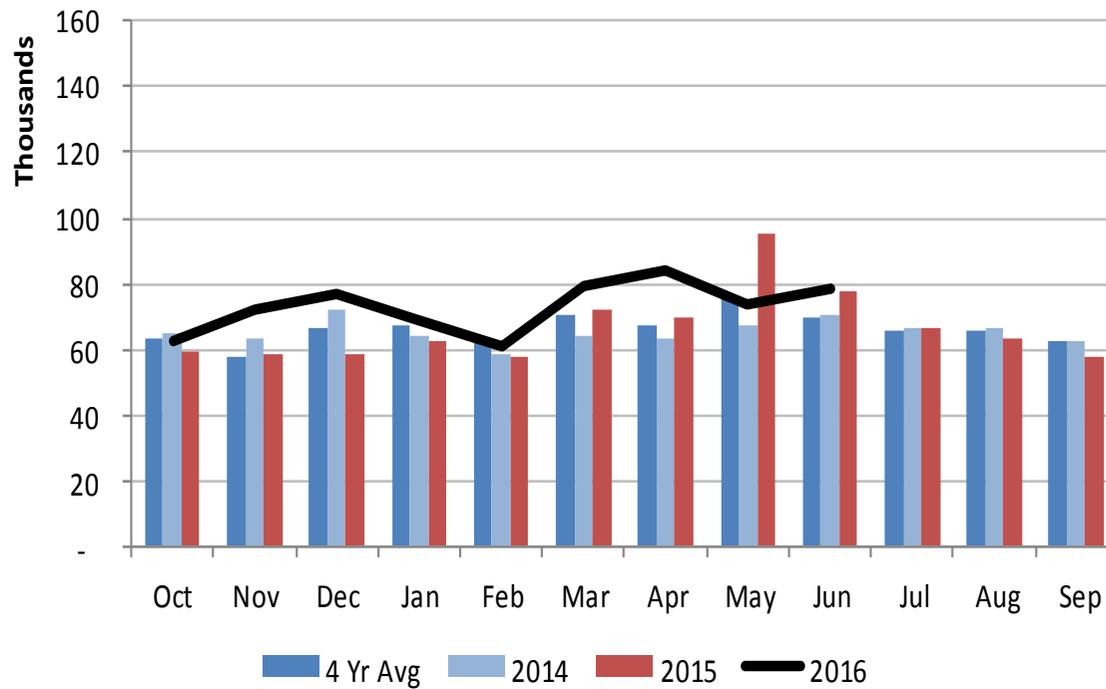
FY16 Electric Consumption vs. Historical (millions)



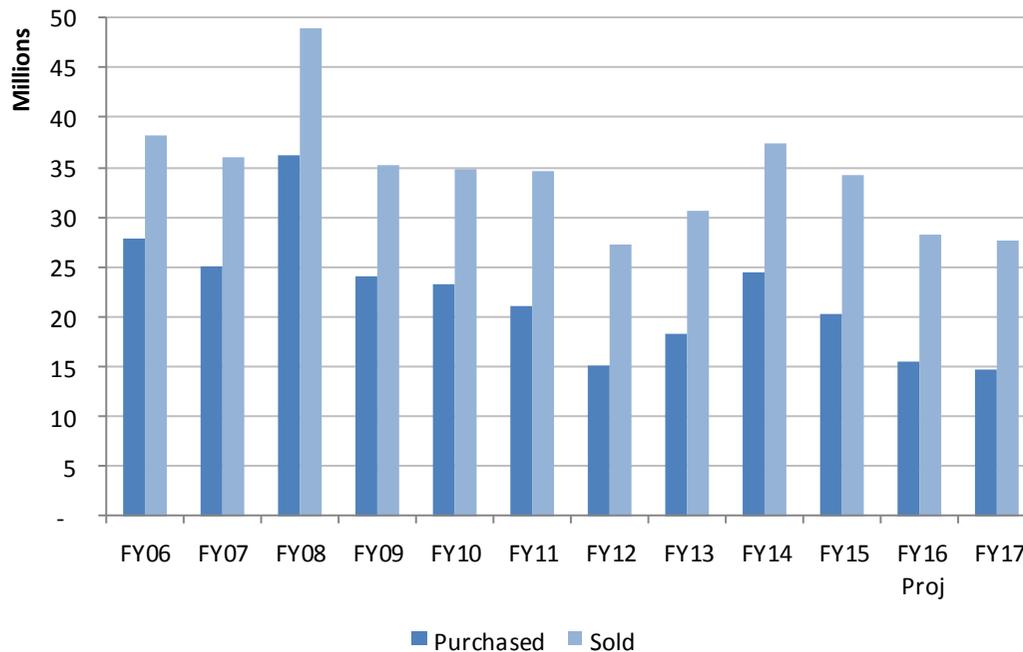
FY16 Water Consumption vs. Historical (thousands)



FY16 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.

**Municipal Utility Fund
Revenue Summary**

Electric System Revenues

	Actual FY14	Actual FY15	Projected FY16	Adopted FY17
Electric Utility	37,460,703	34,291,324	28,240,144	27,711,794
Returned Check Charges	7,050	5,160	8,000	8,000
Interest Income	79,395	173,004	116,136	90,000
Net Change In Fair Value - Invest	(60,990)	82,465	(23,883)	-
Sale Of Fixed Assets	4,000	52,980	-	-
Sale Of Salvage	1,770	902	3,278	-
Pole Rental - Cable TV	106,895	106,276	106,630	110,000
Late Payment Fees	181,670	144,674	104,591	160,000
Temp Connects & Reconnects	74,990	66,585	82,824	60,000
Service Initiation Fees	85,705	89,625	93,831	85,000
Service Transfer Fees	11,660	7,980	8,177	12,000
Electric Miscellaneous	28,527	75,691	-	120,000
Contribution In Aid Of Construction	72,377	352,616	145,405	100,000
Proceeds from Insurance	17,622	18,080	18,787	1,308
Electric Fiber Lease Fee	156,994	125,888	165,091	140,000
Transfer From Solid Waste	28,324	21,444	-	-
Total Revenue	38,256,692	35,614,695	29,069,013	28,598,102

**Municipal Utility Fund
Revenue Summary**

Water System Revenues

	Actual FY14	Actual FY15	Projected FY16	Adopted FY17
Inspection Service Fee	10,686	13,073	16,797	15,000
Wholesale Water Sales	59,664	85,641	59,450	60,000
Water Utility	8,673,334	10,503,088	12,885,000	15,075,450
Raw Water Sales	2,678	2,500	2,500	2,500
TRWD Pumping Pass-Through	588,685	328,833	-	-
Water Taps	3,665	1,160	3,500	3,500
Water Connection Fee	22,900	44,065	39,663	45,000
Sale Of Fixed Assets	14,400	14,401	-	-
Sale Of Salvage	13,861	6,512	-	-
Lake Lot Leases	922,210	926,799	917,000	917,000
Maintenance Services	-	1,076	-	-
Lake Lot Transfers	8,050	12,628	9,000	9,000
Lake Concession Rental	12,297	13,658	13,218	12,000
Water Tower License Fee	40,375	41,941	41,158	35,000
Proceeds from Insurance	1,500	182,954	-	1,160
Shortages & Overages	2	(260)	-	-
Water Miscellaneous	1,564	16,263	60,907	6,000
Proceeds from Lease/Purch	(5,634)	5,634	-	-
Transfer From Other Funds	13,260	4,595	-	-
Total Revenue	10,383,496	12,204,561	14,048,193	16,181,610

Wastewater System Revenues

	Actual FY14	Actual FY15	Projected FY16	Adopted FY17
Sewer Fees	4,360,033	4,810,450	5,550,000	6,417,250
Pre-Treatment Fees	23,622	29,217	35,000	26,000
Sewer Taps	2,540	2,090	2,090	1,200
Non System Wastewater Maintenance	-	-	-	-
Proceeds from Insurance	-	1,589	-	-
Inspection Service Fee	14,487	3,299	19,071	5,000
Contributions: Dedicated Assets	-	-	-	-
Non System Wastewater Svc Fee	132,441	125,771	141,194	130,000
Sewer Miscellaneous	-	2,374	5,245	5,245
Sale of Salvage	-	413	393	-
Transfer From Solid Waste	-	4,595	-	-
Proceeds from Insurance	-	-	-	-
Total Revenue	4,533,122	4,979,800	5,752,993	6,584,695
Bond Revenues	-	19,000,000	-	-
Release of Reserved Fund Balance	-	928,924	-	-
Total System Revenue	53,173,310	72,727,979	48,870,198	51,364,407

**Municipal Utility Fund
Revenue Summary**

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	\$998,481
All Other	\$12,002,310
Subtotal*	<u>\$13,000,791</u>
Fuel & Purchase Power (includes \$.015 of PP)	
Industrial	\$1,164,558
All Other	\$13,546,445
Subtotal**	<u>\$14,711,003</u>
Total Revenues	
Industrial	\$2,163,039
All Others	\$25,548,755
Total Retail Sales Revenue	<u><u>\$27,711,794</u></u>

* Net operating capital available for the Electric Utility
 ** Adopted FY17 subtotal is budgeted in 11-2-902-373

Water Revenue Worksheet

Retail Water Sales Worksheet

FY16 Projected Water Consumption (1,000s gallons)	1,231,527
Projected Growth Factor	18,473
FY16 Projected Water Consumption (1,000s gallons)	1,250,000
FY17 Effective Rate per 1,000 gallons	\$12.06
FY17 Total Projected Retail Revenue*	\$15,075,000

*Third round of rate increases adopted by City Council will go into affect in early FY17.

Wastewater Revenue Worksheet

<u>Revenues</u>		<u>FY 2015</u>
Oct 2014	\$	486,286
Nov 2014	\$	469,040
Dec 2014	\$	444,711
Jan 2015	\$	438,977
Feb 2015	\$	446,476
Mar 2015	\$	454,084
Apr 2015	\$	467,603
May 2015	\$	456,723
Jun 2015	\$	453,337
Jul 2015*	\$	473,333
Aug 2015*	\$	463,330
Sep 2015*	\$	496,100
Total	\$	5,550,000
Rate Increase		\$ 784,000
Customer Growth		\$ 83,250
FY16 Total Projected		\$ 6,417,250
Projected revenue		

Note: Wastewater revenue tends to be relatively stable. All revenue growth is coming from anticipated growth in customers as well as the second round of rate increases adopted by the City Council.

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Departmental Summaries

Departments, Divisions, and Programs

Utility Fund

Department	Proposed Budget	Positions
<i>Electric</i>		
Administration (422)	246,553	7
Distribution (424)	6,850,640	25
Production (425)	11,850	0
Warehouse (426)	367,384	3
Fiber (440)	170,971	1
Non Departmental (902)*	20,984,342	0
	<hr/>	
	28,631,741	36
 <i>Water/Wastewater</i>		
Administration (402)	987,489	10
Water Treatment Plant (404)	2,755,016	18
Water/Wastewater Maintenance (405)	2,268,776	19
Water/Wastewater Rehabilitation (406)	908,204	5
SIB Loan (407)	-	-
Engineering (427)	385,590	3
Wastewater Treatment Plant (454)	1,018,480	5
Lake Maintenance (484)	-	-
Water Non Departmental (903)*	11,272,324	-
Wastewater Non Departmental (904)*	3,524,245	-
	<hr/>	
	23,120,125	50
 Utility Fund Total		
	<hr/>	
	51,751,865	86

Customer Service Fund

<i>City Administration</i>		
Customer Service (205)**	1,201,547	12
	<hr/>	
	1,201,547	12

*Budgeted in these divisions are several inter-fund transfers. These are separated out in our fund summaries, at the beginning of this document. The departmental summaries, however, will include a summary of all line-items budgeted herein. Therefore, the totals shown here will be greater than those listed in the fund summary.



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)

Purpose and Description of the Division

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 Treatment 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 ensure 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.

General Departmental 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.

FY15 or FY16 Noteworthy Accomplishments

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

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 520,005	\$ 666,743	\$ 831,952	\$ 716,954	\$ 907,389
Supplies	\$ 25,423	\$ 44,602	\$ 57,133	\$ 52,540	\$ 52,700
Contractual	\$ 14,060	\$ 14,897	\$ 32,200	\$ 32,951	\$ 27,400
Capital	\$ 28,697	\$ -	\$ 9,716	\$ 9,716	\$ -
Total	\$ 588,185	\$ 726,242	\$ 931,001	\$ 812,161	\$ 987,489

Significant Budget Changes

During FY17, the Director of Water/WW was reallocated into this Department. Additionally, below is a list of approved supplemental items.

	Ongoing	One-Time	Total
Overtime	\$ 6,005	\$ -	\$ 6,005
Compensation Package/Position Upgrades	\$ 13,492	\$ 13,455	\$ 26,947
Uniforms	\$ 650	\$ -	\$ 650
Food / Meal Expenses	\$ 550	\$ -	\$ 550
	\$ 20,697	\$ 13,455	\$ 34,152

FY17 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 of all projects under design.
- 4 Working with the public and area organizations on water conservation awareness.
- 5 Implement a watershed protection program, to educate the public the proper disposal methods of medications, so we may protect our water source.
- 6 FY17 Organizational Effectiveness Dashboard Indicators (to be reported on in 2018 budget)
 - Revenue per 1,000 gallon of water sold (retail only)
 - Cost per 1,000 gallons of water produced
 - \$/foot sewer main installed (rehabilitation)
 - Revenue per 1,000 gallons of sewage treated
- 7 FY17 Debt Management Planning Dashboard Indicators
 - Investigate new debt management tools, such as TWDB loans

Performance Dashboard

Workload Measures	FY13	FY14	FY15
1 Water Quality			
2 Inspections	7	8	8
3 Pretreatment Programs (#)	7	8	8

Key Result Indicators

1 Number of water quality samples performed in the distribution system	4,886	4,836	4,836
2 Number of inspections performed each year	2,480	2,760	2,500
3 Pretreatment Violations	20	2	4

Position Summary	FY14	FY15	FY16	FY17
Assit Dirct W/WW (Full Time)	1	1	1	1
Elec Technician (Full Time)	1	1	1	1
Operations Manager W/WW (Full Time)	1	1	1	1
W/WW Utility Const Inspector (Full Time)	1	1	1	1
Environmental Tech (Full Time)	1	1	1	1
Assist Elec/Electro Tech II (Full Time)	1	1	1	1
Administrative Secretary (Full Time)	0	0	1	1
Regulatory Affairs (Full Time)	1	1	1	1
Dir. Of W/WW & Eng (Full Time)	0	0	1	1
Assist. Elec/Elect Tech (Full Time)	1	1	1	1
Total	8	8	10	10

Water Treatment Plant (404)

Purpose and Description of the Division

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 WTP performs over 200 laboratory analysis a day by state certified operators to maintain or exceed any and all federal and state requirements. The WTP delivered 1,440,635,000 gallons of treated water to the public.

General Departmental Goals

- 1 Provide quality water to our consumers.
- 2 Meet and exceed EPA and TCEQ guidelines.
- 3 Maintain the plant so that there are not any interruptions of service.
- 4 Provide a productive and safe work environment.

FY15 or FY16 Noteworthy Accomplishments

- 1 Completed the Trident and Decant PLC and equipment upgrade.
- 2 Install new decant pump.
- 3 Transition SCADA software from WonderWare to Ignition with remote functionality.
- 4 Added a new plant truck.
- 5 Added elevated access walkway around the membrane Amiad strainers.

FY17 Objectives

- 1 Critical Circuit Breaker replacement.
- 2 Upgrade plant UPS to support the plant operations.
- 3 Replace the insulation on the outside chemical feed and transfer lines.
- 4 Purchase a new AMIAD 300micron raw water feed strainer for the membrane plant.
- 5 Purchase a Emerson 475 field communicator to support the plant instrumentation.

Performance Dashboard

Workload Measures

	FY13	FY14	FY15
1 Treated wastewater.	1,761,581MG	1,831,398MG	1,440,635MG
2 Treatment cost per 1,000 gallons	\$1.00	\$1.10	
3 Fines to the city by TCEQ	0	0	0

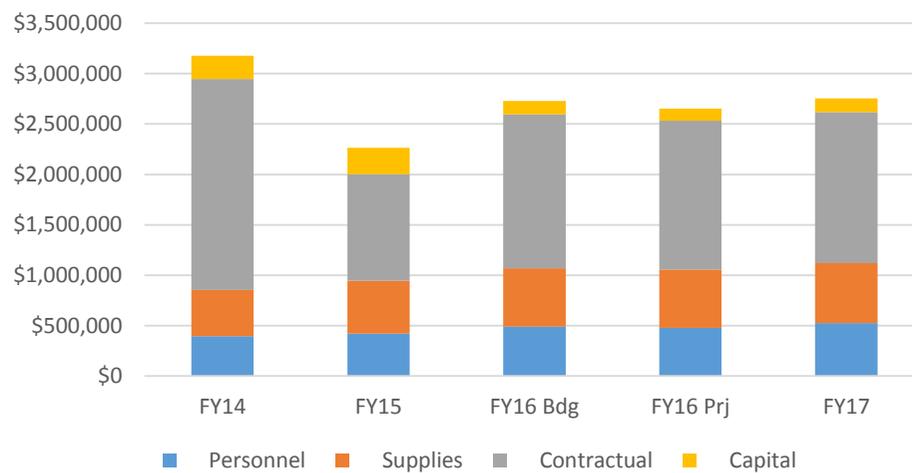
Position Summary

	FY14	FY15	FY16	FY17
Water Plant Operator II (Full Time)	1	1	1	1
Water Plant Manager (Full Time)	1	1	1	1
Water Plant Operator/Trainee (Full Time)	2	2	2	2
Water Plant Operator I (Full Time)	1	1	1	1
Water Plant Operator (Full Time)	2	2	2	3
Total	7	7	7	8

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 396,188	\$ 422,416	\$ 490,589	\$ 477,654	\$ 524,566
Supplies	\$ 458,212	\$ 523,067	\$ 580,075	\$ 578,952	\$ 593,707
Contractual	\$ 2,093,350	\$ 1,057,991	\$ 1,524,376	\$ 1,475,141	\$ 1,501,162
Capital	\$ 231,443	\$ 261,696	\$ 133,276	\$ 120,487	\$ 135,581
Total	\$ 3,179,194	\$ 2,265,169	\$ 2,728,316	\$ 2,652,233	\$ 2,755,016

Significant Budget Changes			
	Ongoing	One-Time	Total
Critical Circuit Breaker Replacement	\$ -	\$ 53,639	\$ 53,639
Amiad Strainer	\$ -	\$ 36,613	\$ 36,613
Compensation Package/Position Upgrades	\$ 19,762	\$ 10,765	\$ 30,527
Chemical Pipe Insulation	\$ -	\$ 16,234	\$ 16,234
Upgrade Plant Ups	\$ -	\$ 14,413	\$ 14,413
Regulatory Testing And Monitoring	\$ 10,000	\$ -	\$ 10,000
Chemicals	\$ 8,032	\$ -	\$ 8,032
Emerson 475 Field Communicator	\$ -	\$ 5,574	\$ 5,574
Medical And Lab Supplies	\$ 2,000	\$ -	\$ 2,000
Seminars And Training	\$ 1,100	\$ -	\$ 1,100
Office Supplies	\$ 800	\$ -	\$ 800
Uniforms	\$ 360	\$ -	\$ 360
Food And Meal Expenses	\$ 240	\$ -	\$ 240
Computers And Office Equipment	\$ 200	\$ -	\$ 200
	\$ 42,494	\$ 137,238	\$ 179,732

Budget History



Water/Wastewater Maintenance (405)

Purpose and Description of the Division

The Water/Wastewater Maintenance division is responsible for the maintenance of 275 miles of water lines, 1 well system, 208 miles of wastewater lines, 1,450 fire hydrants, 24 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, 7 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 10,547 sewer and 11,450 water customers.

General Departmental Goals

- 1 Reduce sewer stop ups, back ups, and overflows in the collection system.
- 2 Maintain water and wastewater systems to improve reliability.
- 3 Maintain the plant so that there are not any interruptions of service.
- 4 Clean, inspect, and camera sewer mains to evaluate condition and plan repairs.
- 5 Reduce water loss to reduce city cost.

FY15 or FY16 Noteworthy Accomplishments

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

FY17 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).

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 1,078,151	\$ 1,071,774	\$ 1,140,629	\$ 1,105,464	\$ 1,174,980
Supplies	\$ 509,447	\$ 460,407	\$ 425,850	\$ 407,898	\$ 456,750
Contractual	\$ 332,446	\$ 288,719	\$ 354,130	\$ 296,221	\$ 386,630
Capital	\$ 716,281	\$ 346,530	\$ 187,616	\$ 304,520	\$ 250,416
Total	\$ 2,636,325	\$ 2,167,431	\$ 2,108,225	\$ 2,114,103	\$ 2,268,776

Budgetary Issues

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

Performance Dashboard

Workload Measures	FY13	FY14	FY15
1 Number of water main breaks	44	42	40
2 Number of system overflows	3	2	8
3 Number of system stop-ups	266	260	113

Key Results Indicators

1 Meter Change out	467	510	218
2 Comprehensive sewer shed inspection/cleaning	33,758	34,100	105,646
3 % of Scheduled maintenance completed on time	100%	100%	100%

Position Summary	FY14	FY15	FY16	FY17
Maintenance Worker III (Full Time)	1	1	1	1
Water Utility Supervisor (Full Time)	2	2	2	2
Water Utility Manager (Full Time)	1	1	1	1
Water Meter Tech (Full Time)	2	2	2	1
Maintenance Worker I (Full Time)	6	6	6	9
Pump & Motor Tech (Full Time)	1	1	1	1
Light Equipment Operator (Full Time)	2	2	2	2
Maintenance Worker II (Full Time)	2	2	2	1
WW System Tech (Full Time)	1	1	1	1
Total	18	18	18	19

Significant Budget Changes			
	Ongoing	One-Time	Total
Truck	\$ -	\$ 35,000	\$ 35,000
Compensation Package/Position Upgrades	\$ 5,159	\$ 26,645	\$ 31,804
Light Tower/ Generator	\$ -	\$ 20,100	\$ 20,100
Jet Scan Camera	\$ -	\$ 15,200	\$ 15,200
Backhoe Vehicle Rotation Backhoe Vehicle Rotation	\$ 13,000	\$ -	\$ 13,000
Vehicle Parts & Labor	\$ 12,650	\$ -	\$ 12,650
Boring Tool	\$ -	\$ 6,000	\$ 6,000
Easement And Row Maintenance	\$ 5,000	\$ -	\$ 5,000
Street Repair Increase - 242	\$ 4,500	\$ -	\$ 4,500
Truck Ongoing	\$ 4,500	\$ -	\$ 4,500
Street Repair Increase - 245	\$ 4,000	\$ -	\$ 4,000
Leak Detector Leak Detector	\$ -	\$ 3,600	\$ 3,600
Street Repair Increase - 425	\$ 2,500	\$ -	\$ 2,500
Uniforms	\$ 1,800	\$ -	\$ 1,800
Computer For Meter Shop	\$ -	\$ 1,000	\$ 1,000
Safety Equipment	\$ 800	\$ -	\$ 800
	\$ 53,909	\$ 107,545	\$ 161,454

Water/Wastewater Rehabilitation (406)

Purpose and Description of the Division

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.

General Departmental 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.

FY15 or FY16 Noteworthy Accomplishments

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

FY17 Objectives

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

Performance Dashboard

Workload Measures	FY13	FY14	FY15
1 Work orders from water breaks (#)	18	10	3
2 Work orders from wastewater problems (#)	67	56	7
3 Footage of Wastewater mains replaced	4,504	2,840	5,268
4 Footage of Water mains replaced	1,923	3,064	1,530

Key Results Indicators

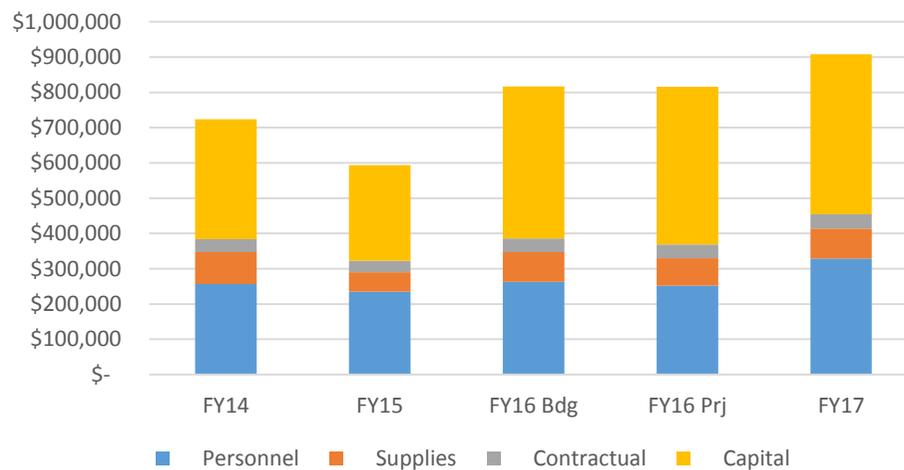
1 Cost per foot of WWmain replacements	\$171.53	\$150.00	69.81
2 Cost per foot of Water main replacements	\$42.70	\$45.00	\$126.74
3 Work orders created on repaired lines	0	0	0

Position Summary	FY14	FY15	FY16	FY17
Construction Crew Leader (Full Time)	1	1	1	1
W/WW Construction Maint II (Full Time)	1	1	1	1
Maintenance Worker I (Full Time)	3	3	3	3
Total	5	5	5	5

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 256,811	\$ 235,257	\$ 263,090	\$ 251,919	\$ 328,894
Supplies	\$ 90,189	\$ 54,816	\$ 83,750	\$ 77,499	\$ 84,650
Contractual	\$ 36,677	\$ 32,133	\$ 39,060	\$ 39,492	\$ 40,660
Capital	\$ 340,114	\$ 271,760	\$ 431,000	\$ 446,557	\$ 454,000
Total	\$ 723,791	\$ 593,966	\$ 816,900	\$ 815,467	\$ 908,204

Significant Budget Changes				
	Ongoing	One-Time	Total	
Maintenance I Position	\$ -	\$ 51,786	\$ 51,786	
Sweeper	\$ -	\$ 23,000	\$ 23,000	
Compensation Package	\$ 430	\$ 7,240	\$ 7,670	
Security Cameras	\$ -	\$ 2,500	\$ 2,500	
	\$ 430	\$ 84,526	\$ 84,956	

Budget History



Engineering (427)

Purpose and Description of the Division

The Engineering Division is responsible for providing engineering support to the Weatherford Municipal Utility System, Flood Plain Management and other departments within the City. Engineering provides the comprehensive system planning, engineering design, design review, and implementation systems in accordance with local, state, and federal rules and laws and good engineering practices. The Engineering Division provides representation for all predevelopment, development, and pre-construction meetings.

General Departmental 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 monitor and provide assistance for the operation and maintenance of the City's water and wastewater facilities
- 5 Manage water and wastewater capital improvement projects.

FY15 or FY16 Noteworthy Accomplishments

- 1 Revised and created updated water and wastewater standard details and specifications
- 2 Managed capital improvement projects estimated over \$14,000,000
- 3 Created Three Year Water/Wastewater Rehabilitation Plan
- 4 Attended training and converted to AutoCAD software to prepare construction plans
- 5 Complete Wastewater Collection System Master Plan

FY17 Objectives

- 1 Update Impact Fee program
- 2 Update floodplain development application process
- 3 Update Floodplain Damage Prevention Ordinance

Performance Dashboard

Workload Measures		FY13	FY14	FY15
1	Developer Reviews	544	649	840
2	Capital projects managed	6	7	15
3	In-house engineering designs completed	3	8	17

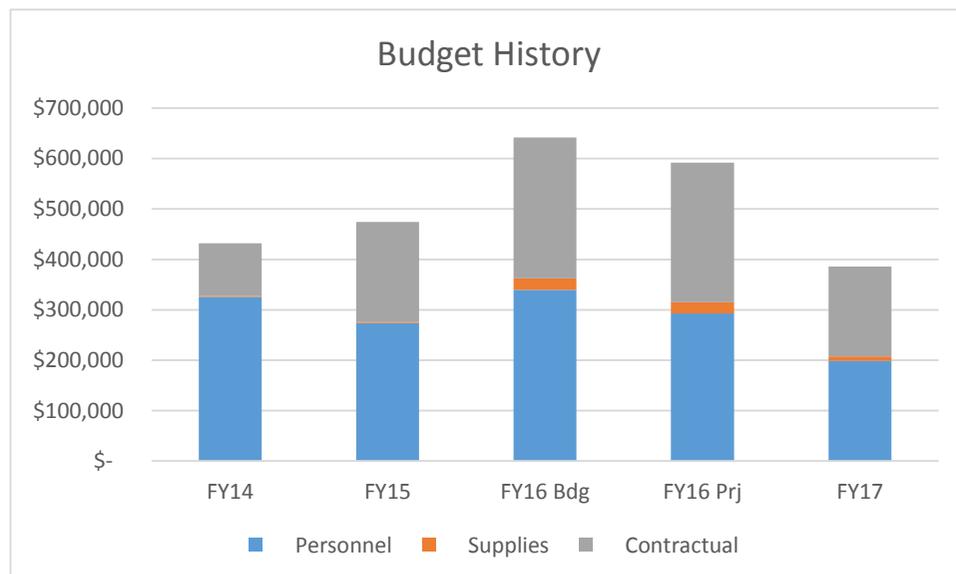
Key Results Indicators

1	Percent increase in Developer Review	19.30%	29.43%
2	Percent increase in Capital projects managed	16.67%	114.29%
3	Percent increase in In-house engineering designs completed	166.67%	112.50%

Position Summary	FY14	FY15	FY16	FY17
Dir. Of W/WW & Eng (Full Time)	1	1	0	0
Senior Engineering Tech (Full Time)	1	1	1	1
Civil Engineer (Full Time)	1	1	1	1
Graduate Engineer (Full Time)	1	1	1	1
Total	4	4	3	3

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 325,461	\$ 274,105	\$ 339,471	\$ 292,744	\$ 198,893
Supplies	\$ 1,903	\$ 2,155	\$ 22,662	\$ 22,214	\$ 8,546
Contractual	\$ 104,350	\$ 197,807	\$ 279,631	\$ 277,037	\$ 178,151
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 431,714	\$ 474,067	\$ 641,764	\$	\$ 385,590

Significant Budget Changes				
	Ongoing	One-Time	Total	
Compensation Package	\$ 1,245	\$ -	\$ 1,245	
Seminars And Training	\$ 240	\$ -	\$ 240	
	\$ 1,485	\$ -	\$ 1,485	



Wastewater Treatment Plant (454)

Purpose and Description of the Division

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.

General Departmental 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

FY15 or FY16 Noteworthy Accomplishments

- 1 Awarded best wastewater plant in Texas for flows 1-15 MGD from WEAT
- 2 Upgraded U.V. for flow pacing.

FY17 Objectives

- 1 Stay in compliance with TCEQ
- 2 Replace 1 Gear box on the Orbal
- 3 Install a flow meter for the new plant WAS line
- 4 Replace the CL2 hoist
- 5 Install metal sides on the U.V. structure to prevent damage caused by rain

Performance Dashboard

Workload Measures	FY13	FY14	FY15
1 Treated wastewater.	774 mg	801 mg	788 mg
2 Treatment cost per 1,000 gallons	0.93	1.15	1.04
3 Fines to the city by TCEQ	0	0	0

Position Summary	FY14	FY15	FY16	FY17
WW Plant Manager (Full Time)	1	1	1	1
WW Plant Operator I (Full Time)	4	4	4	4
Total	5	5	5	5

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 302,249	\$ 301,629	\$ 308,955	\$ 310,776	\$ 326,635
Supplies	\$ 133,334	\$ 119,258	\$ 176,900	\$ 173,758	\$ 170,447
Contractual	\$ 406,414	\$ 363,575	\$ 459,323	\$ 415,613	\$ 473,119
Capital	\$ 109,806	\$ 43,223	\$ 25,781	\$ 38,099	\$ 48,279
Total	\$ 951,803	\$ 827,685	\$ 970,959	\$ 938,246	\$ 1,018,480

Significant Budget Changes			
	Ongoing	One-Time	Total
Compensation Package/Position Upgrades	\$ 13,815	\$ 6,705	\$ 20,520
Hoist Replacement	\$ -	\$ 15,863	\$ 15,863
Automatic Transfer Switch	\$ -	\$ 13,265	\$ 13,265
Sand Filter Structure Repairs	\$ -	\$ 13,150	\$ 13,150
Reducer- Gearbox	\$ -	\$ 12,516	\$ 12,516
Regulatory Testing And Monitoring	\$ 6,874	\$ -	\$ 6,874
Grating Replacement	\$ -	\$ 6,635	\$ 6,635
Hydro Tank Air Compressor Building	\$ -	\$ 4,583	\$ 4,583
Medical And Lab Supplies	\$ 3,900	\$ -	\$ 3,900
Service Agreement For Nuclear Test Equipment	\$ -	\$ 3,382	\$ 3,382
Operator II	\$ 2,270	\$ -	\$ 2,270
Belt Press Belts	\$ 1,450	\$ -	\$ 1,450
Regulatory Permit Fees	\$ 1,325	\$ -	\$ 1,325
Overtime	\$ 510	\$ -	\$ 510
	\$ 30,144	\$ 76,099	\$ 106,243

Water Non Departmental (903)

Purpose and Description of the Division

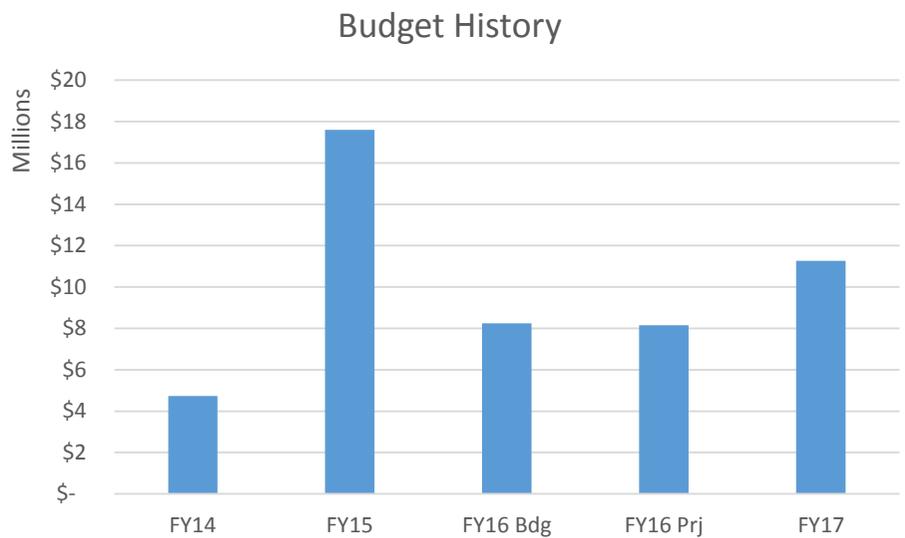
Water Non-Departmental Division is a function of the financial administration of the Utility. It houses transfers to other funds, administrative overhead costs, including Utility Billing, Finance, and Human Resources, principle and interest payments for debt service, and other general expenses for the Water Utility.

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 302,249	\$ 301,629	\$ 308,955	\$ 310,776	\$ 326,635
Supplies	\$ 133,334	\$ 119,258	\$ 176,900	\$ 173,758	\$ 170,447
Contractual	\$ 406,414	\$ 363,575	\$ 459,323	\$ 415,613	\$ 473,119
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Total	\$ 951,803	\$ 827,685	\$ 970,959	\$ 938,246	\$ 1,018,480

Significant Budget Changes

Given that FY17 represents the Utility's third and final round of its recently approved rate increases, the transfer of funds from this Division into the Utility's capital funds will increase significantly.

When the current round of rate increases were implemented in FY15, the Utility Board stipulated that as much revenue from those increases as possible must be used for repair/replacement of existing infrastructure as well as expanding infrastructure. To help track this, large portions of the increased revenue are transferred into a separate capital fund. These transfers occur in the Water and Wastewater Non Departmental divisions. As a result of the incremental rate increases, these transfers will be larger from FY15 through FY17. Additionally, in FY15 the operating fund received bond proceeds and subsequently transferred them out of the Non Departmental divisions into the separate capital funds. This is why spending in FY15 looks substantially higher than any other year.



Wastewater Non Departmental (904)

Purpose and Description of the Division

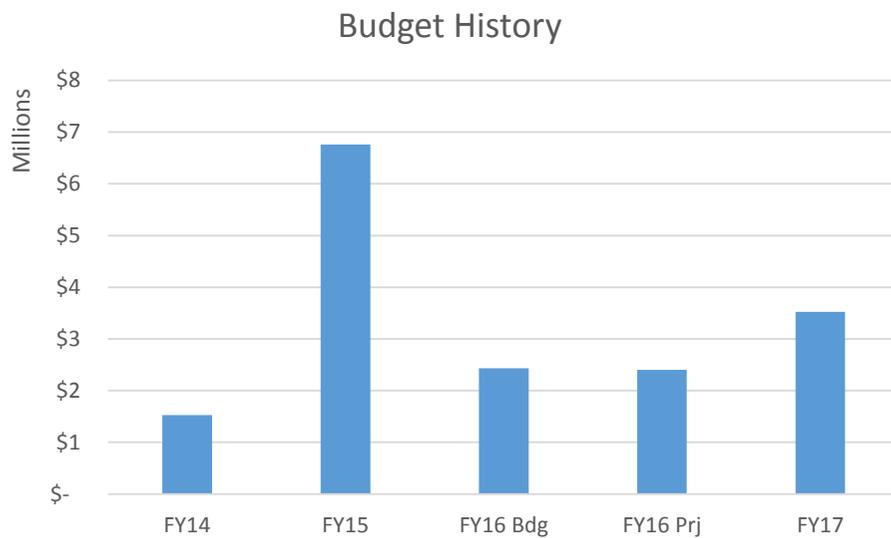
Wastewater Non-Departmental Division is a function of the financial administration of the Utility. It houses transfers to other funds, administrative overhead costs, including Utility Billing, Finance, and Human Resources, principle and interest payments for debt service, and other general expenses for the Wastewater Utility.

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 302,249	\$ 301,629	\$ 308,955	\$ 310,776	\$ 326,635
Supplies	\$ 133,334	\$ 119,258	\$ 176,900	\$ 173,758	\$ 170,447
Contractual	\$ 406,414	\$ 363,575	\$ 459,323	\$ 415,613	\$ 473,119
Capital	\$ 109,806	\$ 43,223	\$ 25,781	\$ 38,099	\$ 48,279
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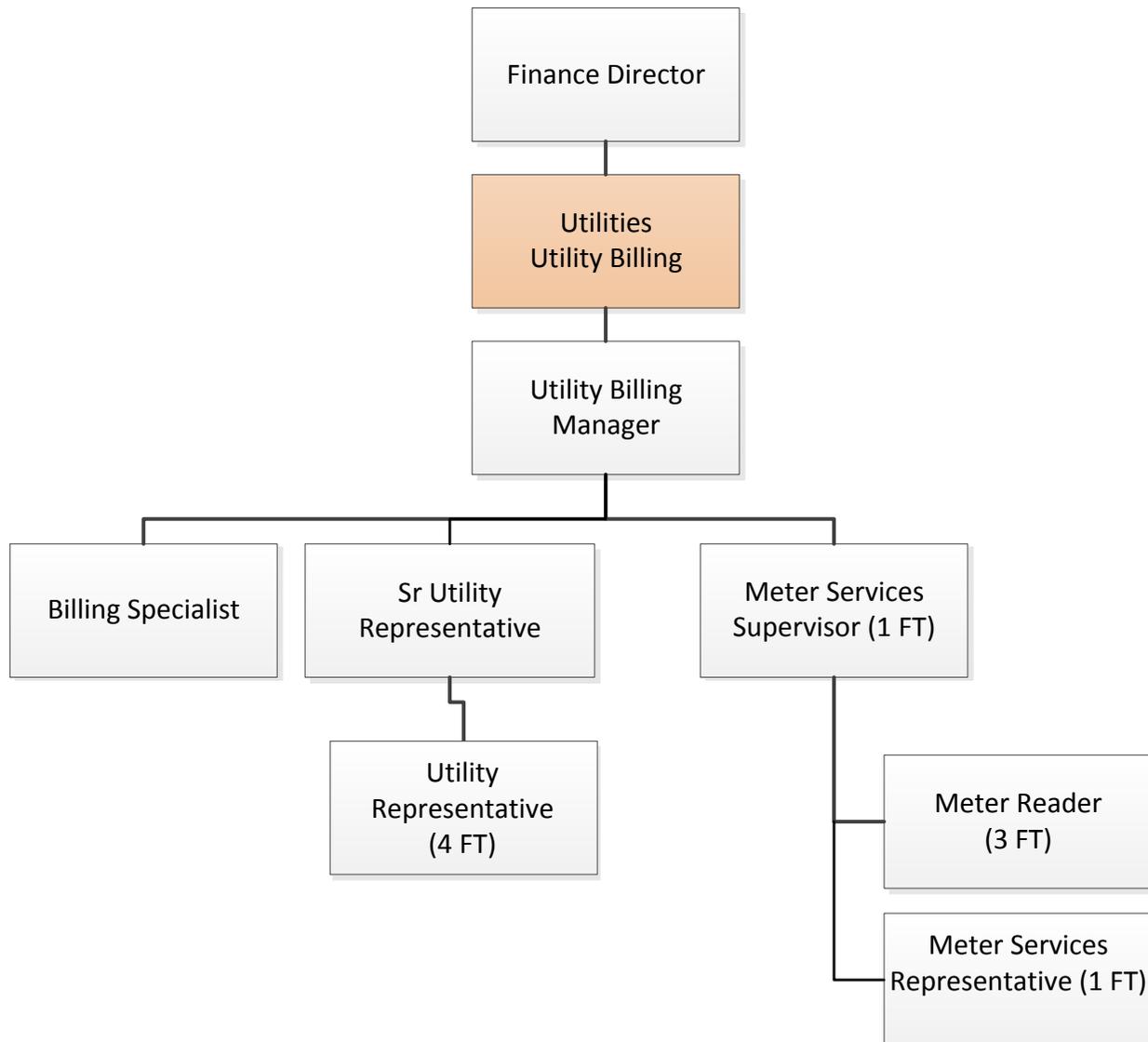




Utility Billing

Managed by the Finance Director, the Utility Billing Department is responsible for the reading and billing of approximately 26,000 electric and water meters and timely and accurate billing of approximately 15,500 accounts each month. Of the utility accounts billed, approximately 800 each month require some degree of collection action. The Utility Billing Department issues approximately 12,000 work orders annually, not only for customer requested services (connects, disconnects, transfers, etc.), but repair/replacement of electric and water meters, water and sewer taps.

In FY16, the City restructured this department to be located inside of a separate fund. Expenses in this fund will be paid for through inter-fund transfers from the City's Water, Wastewater, Electric, and Solid Waste Utilities.



Utility Billing (205)

General Departmental 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 process accurate and concise utility bills to approximately 15,500 customers.
- 3 Respond to customer inquiries and issues timely and fairly with intentions of satisfying and educating each customer.
- 4 Use technology resources to help increase the efficiency of our department.
- 5 Help the City of Weatherford cash collection sites offer alternative methods to collect money.

FY15 or FY16 Noteworthy Accomplishments

- 1 Implemented the IVR (interactive voice response) payment system.
- 2 Created and implemented the mobile payment app.
- 3 Created and implemented an electronic utility application.
- 4 Purchased a remit plus mail machine to increase the efficiency of how we process mail.
- 5 Implemented CityWorks to reduce the amount of paper printed for work orders.

FY17 Objectives

- 1 Improve efficiency on accounts that require collections and reduce the amount of cutoffs monthly.
- 2 Use phone call notification systems to reduce paper and postage.
- 3 Improve paperless billing features and bill notices.
- 4 Promote and market alternative ways to communicate to reduce walk in traffic.
- 5 FY17 Organizational Effectiveness Dashboard Tracking (to be reported in 2018 budget):
 - Uncollectable accounts per Revenue dollars
 - Secret Shopper Score

Performance Dashboard

Workload Measures		FY13	FY14	FY15
1	Collections	2,000	1,450	800
2	Work Orders Printed	14,000	12,000	1,000
3	Phone Calls		85,000	70,000

Key Result Indicators

- 1 The IVR has processed over 13k payments which reduces phone calls for our department.
- 2 We have over 500 applications that have been processed electronically which reduces walk in traffic.
- 3 We are using PublicData software for new accounts and have searched over 1000 customers to reduce printing efforts.

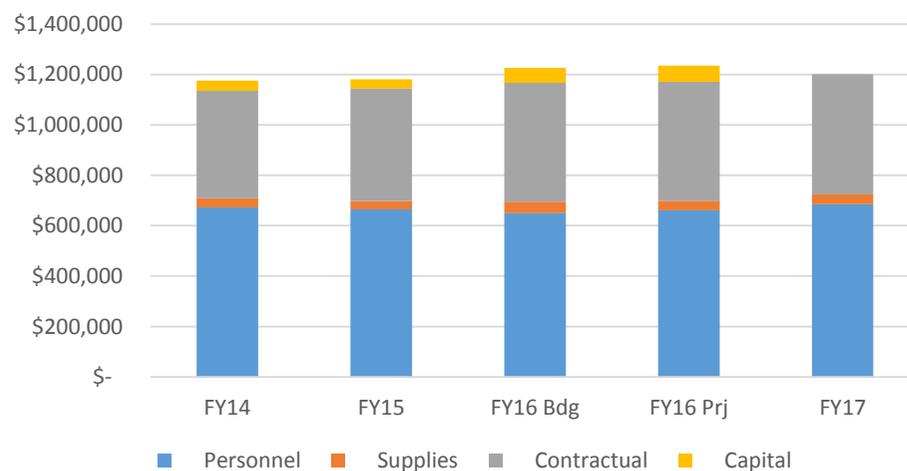
Position Summary	FY14	FY15	FY16	FY17
Meter Services Supervisor (Full Time)	1	1	1	1
Billing Specialist (Full Time)	1	1	1	1
Meter Service Rep (Full Time)	1	1	1	1
Meter Reader (Full Time)	4	4	3	3
Customer Service Rep (Full Time)	3	3	4	4
Customer Service Rep (Part-Time)	1	1	0	0
Customer Service Manager (Full Time)	1	1	1	1
Sr. Customer Service Rep (Full Time)	1	1	1	1
Total	13	13	12	12

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 672,342	\$ 665,312	\$ 649,875	\$ 660,659	\$ 684,758
Supplies	\$ 36,532	\$ 32,677	\$ 44,700	\$ 37,695	\$ 40,100
Contractual	\$ 426,458	\$ 445,871	\$ 471,799	\$ 472,381	\$ 476,689
Capital	\$ 40,638	\$ 37,058	\$ 60,446	\$ 65,046	\$ -
Total	\$ 1,175,970	\$ 1,180,919	\$ 1,226,820	\$ 1,235,780	\$ 1,201,547

Significant Budget Changes

	Ongoing	One-Time	Total
Compensation Package	\$ 1,030	\$ 16,990	\$ 18,020
	\$ 1,030	\$ 16,990	\$ 18,020

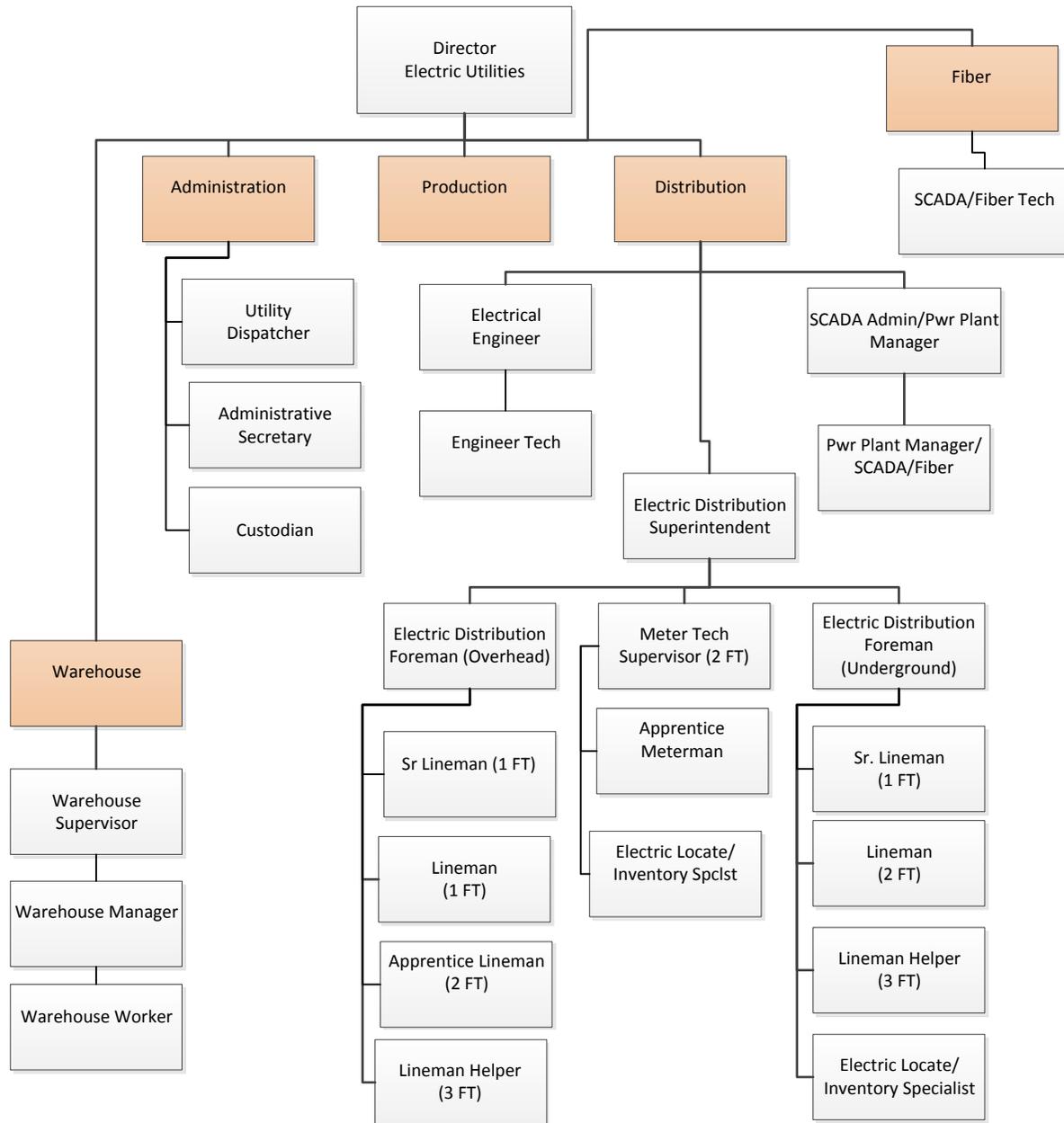
Budget History





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)

Purpose and Description of the Division

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.

FY17 Objectives

FY17 Organizational Effectiveness Dashboard Tracking Indicators (to be reported in 2018 budget):

- Operating Ratio
- Total O&M Expense per kWh sold
- Retail Customers per Employee
- Customer Average Interruption Duration Index

Position Summary	FY14	FY15	FY16	FY17
Utility Board Member (Part Time)	4	4	4	4
Custodian (Full Time)	1	1	1	1
Utility Dispatcher (Full Time)	1	1	1	1
Administrative Secretary (Full Time)	2	2	1	1
Total	8	8	7	7

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 232,032	\$ 183,967	\$ 179,771	\$ 172,548	\$ 188,493
Supplies	\$ 12,079	\$ 15,009	\$ 17,000	\$ 16,369	\$ 16,250
Contractual	\$ 36,180	\$ 47,471	\$ 41,060	\$ 44,919	\$ 41,810
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 280,291	\$ 246,447	\$ 237,831	\$ 233,836	\$ 246,553

Significant Budget Changes

Administrative Assistant was reallocated to a different Department 402 in FY16. Additionally, below is a list of approved supplemental items.

	Ongoing	One-Time	Total
Compensation Package	\$ 260	\$ 6,035	\$ 6,295
	\$ 260	\$ 6,035	\$ 6,295

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Electric Distribution (424)

Purpose and Description of the Division

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.

General Departmental 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.

FY15 or FY16 Noteworthy Accomplishments

- 1 Completed installation of 24% of advanced metering system electric meters.
- 2 Completed the design of the West Loop Substation.
- 3 Completed the majority of the feeders on Ric Williamson Highway.

FY17 Objectives

- 1 Continue full deployment of advanced metering system electric meters.
- 2 Complete construction of the West Loop Substation
- 3 Complete construction of new electric feeders on Ric Williamson Highway.
- 4 Complete transmission voltage upgrade at the Lake Weatherford Substation

Performance Dashboard

Workload Measures		FY13	FY14	FY15
1	Electric System Peak (Summer) (MW)	94.8	94.6	93
2	Electric System Peak (Winter) (MW)	83.8	99.7	93.6
3	Power Purchased (MWh)	390,623	408,450	410,584
4	Electric Customers	13,953	14,115	14,388

Key Result Indicators

1	System Electrical Losses	4.45%	4.66%	5.35%
2	Average Monthly Residential Rate (¢/kWh)	8.8	10.0	9.6
3	Average Customer Outage Time (minutes)	109	126	61
4	Average System Outage Time	23	5	16

Position Summary	FY14	FY15	FY16	FY17
Apprentice Lineman (Full Time)	1	1	1	1
Director of Electric Utilities (Full Time)	1	1	1	1
Electric Distribution Foreman (Full Time)	2	2	2	2
Electric Apprentice Meterman (Full Time)	0	0	1	1
Electric Distribution Superintendent (Full Time)	1	1	1	1
Electric Locate/Inventory Specialist (Full Time)	1	1	1	1
Electrical Engineer (Full Time)	1	1	1	1
Electrical Engineer Tech (Full Time)	0	1	1	1
Electric Distribution Apprentice Lineman (Full Time)	0	0	1	1
Lineman B (Full Time)	2	0	0	0
Lineman A (Full Time)	2	2	3	3
Lineman Helper Trainee (Full Time)	3	5	0	0
Lineman Helper (Full Time)	6	4	6	6
Meter Tech Supervisor (Full Time)	1	1	2	2
Journeyman/Meter Technician (Full Time)	1	1	0	0
Power Plant Manager/SCADA/Fiber (Full Time)	1	1	1	1
SCADA Admin/Power Plant Manager (Part Time)	1	1	1	1
Senior Lineman (Full Time)	0	2	2	2
Total	24	25	25	25

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 2,053,347	\$ 1,896,872	\$ 2,141,948	\$ 2,157,050	\$ 2,227,673
Supplies	\$ 480,789	\$ 495,136	\$ 582,594	\$ 498,686	\$ 538,800
Contractual	\$ 967,356	\$ 1,147,027	\$ 1,398,550	\$ 1,365,186	\$ 1,264,167
Capital	\$ 2,207,185	\$ 2,191,477	\$ 3,088,689	\$ 3,037,702	\$ 2,820,000
Total	\$ 5,708,676	\$ 5,730,512	\$ 7,211,781	\$ 7,058,624	\$ 6,850,640

Significant Budget Changes				
	Ongoing	One-Time	Total	
Vehicle Reserve	\$ 220,000	\$ -	\$ 220,000	
Substation Reserve	\$ 220,000	\$ -	\$ 220,000	
Lineman Helper	\$ 46,400	\$ -	\$ 46,400	
Compensation Package/Position Upgrades	\$ 11,843	\$ 32,520	\$ 44,363	
SCADA/Fiber Tech Apprenticeship	\$ 3,646	\$ -	\$ 3,646	
	\$ 30,144	\$ 76,099	\$ 106,243	

Electric Production (425)

Purpose and Description of the Division

The Electric Production Plant is maintained and operated for the purpose of generating electricity. By and large, however, the utility purchases its electricity from other providers, passing it through to customers. The Electric Production department is rarely used.

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 80	\$ 51	\$ -	\$ -	\$ -
Supplies	\$ 1,025	\$ 588	\$ 6,000	\$ 6,000	\$ 6,000
Contractual	\$ 6,484	\$ 4,747	\$ 5,850	\$ 5,850	\$ 5,850
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 7,589	\$ 5,386	\$ 11,850	\$ 11,850	\$ 11,850

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Electric Warehouse (426)

Purpose and Description of the Division

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.

General Departmental Goals

- 1 Ensure the warehouse is stocked to meet internal and external customer needs.

FY15 or FY16 Noteworthy Accomplishments

- 1 Participated in a CityWorks User's Conference presentation regarding the use of their software.
- 2 Participated in a CityWorks magazine publication regarding the use of their software.
- 3 Reorganized material locations in the warehouse to increase efficiency.

FY17 Objectives

- 1 Upgrade warehouse software to CityWorks version 2014
- 2 Continue reorganization of warehouse materials to increase efficiency.

Performance Dashboard

Workload Measures		FY13	FY14	FY15
1	Total Year-End Inventory		\$3,371,266	\$3,583,016
2	Annual Inventory Received		\$3,077,926	\$2,477,750
3	Annual Inventory Issued		\$1,998,929	\$2,378,603
Key Result Indicators				
1	Annual Turns		0.59	0.66
2	Annual Inventory Loss		0.16%	0.48%

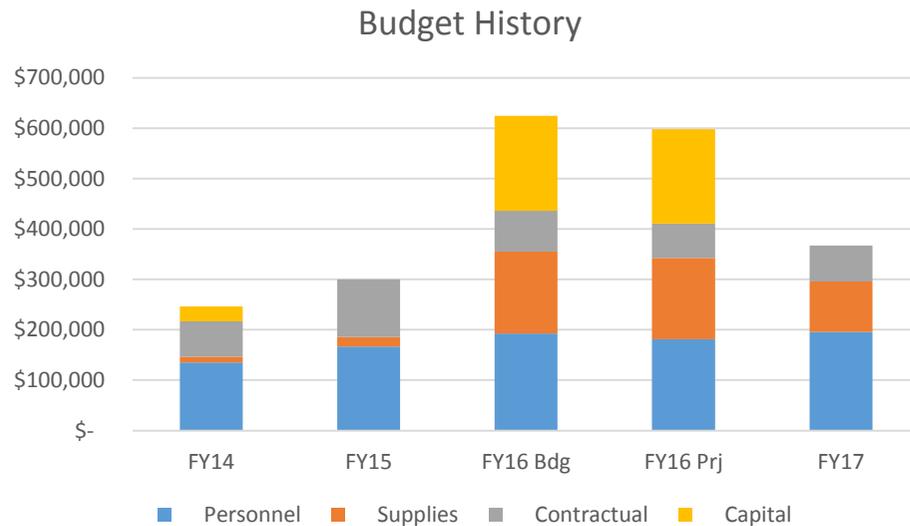
Position Summary	FY14	FY15	FY16	FY17
Warehouse Supervisor (Full Time)	1	1	1	1
Warehouse Manager (Full Time)	1	1	1	1
Warehouse Worker (Full Time)	1	1	1	1
Total	3	3	3	3

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 134,993	\$ 166,892	\$ 192,718	\$ 180,995	\$ 195,749
Supplies	\$ 11,253	\$ 18,689	\$ 162,175	\$ 161,675	\$ 100,175
Contractual	\$ 70,247	\$ 114,481	\$ 81,460	\$ 68,025	\$ 71,460
Capital	\$ 30,048	\$ -	\$ 188,000	\$ 187,489	\$ -
Total	\$ 246,542	\$ 300,062	\$ 624,353	\$ 598,185	\$ 367,384

Significant Budget Changes

	Ongoing	One-Time	Total
Compensation Package	\$ 260	\$ 4,022	\$ 4,282
	\$ 260	\$ 4,022	\$ 4,282

In FY16, funds were budgeted for a large, non-recurring capital item, resulting in a large increase in the overall budget.



Fiber (440)

Purpose and Description of the Division

The function of the Fiber Optic Division is to provide dark fiber to the City, Utilities Department, WISD, and Parker County. The Fiber Optic Division is charged with constructing, operating, and maintaining the fiber optic system to ensure that its customers are provided the highest quality service at the most economical cost.

General Departmental Goals

- 1 Provide dark fiber service at the most economical cost to our customers.
- 2 Provide reliable dark fiber 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 fiber optic system.
Construct all new infrastructure and maintain existing infrastructure according to industry standards to ensure the long-term reliability of the fiber optic system.

FY15 or FY16 Noteworthy Accomplishments

- 1 Installed fiber to the Parker County Hospital District ambulance center.
- 2 Installed additional fiber to the Weatherford Regional Medical Center.
- 3 Installed fiber to the Mount Pleasant School.

FY17 Objectives

- 1 Install fiber to the College Park and Miller water towers.
- 2 Upgrade electric substation communication system.

Position Summary	FY14	FY15	FY16	FY17
Scada/Fiber Tech (Full Time)	0	1	1	1
Total	0	1	1	1

Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ 285	\$ 59,439	\$ 65,100	\$ 64,987	\$ 66,671
Supplies	\$ -	\$ 3,648	\$ 11,450	\$ 11,450	\$ 11,450
Contractual	\$ -	\$ 16,087	\$ 29,850	\$ 29,300	\$ 29,850
Capital	\$ -	\$ 74,204	\$ 73,000	\$ 73,000	\$ 63,000
Total	\$ 285	\$ 153,378	\$ 179,400	\$ 178,737	\$ 170,971

Significant Budget Changes

This Division was formally created in FY15. Additionally, below is a list of approved supplemental items.

	Ongoing	One-Time	Total
Compensation Package	\$ 86	\$ 1,340	\$ 1,426
	\$ 86	\$ 1,340	\$ 1,426

Electric Non Departmental (902)

Purpose and Description of the Division

Electric Non-Departmental Division is a function of the financial administration of the Utility. It houses transfers to other funds, administrative overhead costs, including Utility Billing, Finance, and Human Resources, principle and interest payments for debt service, and other general expenses for the Electric Utility.

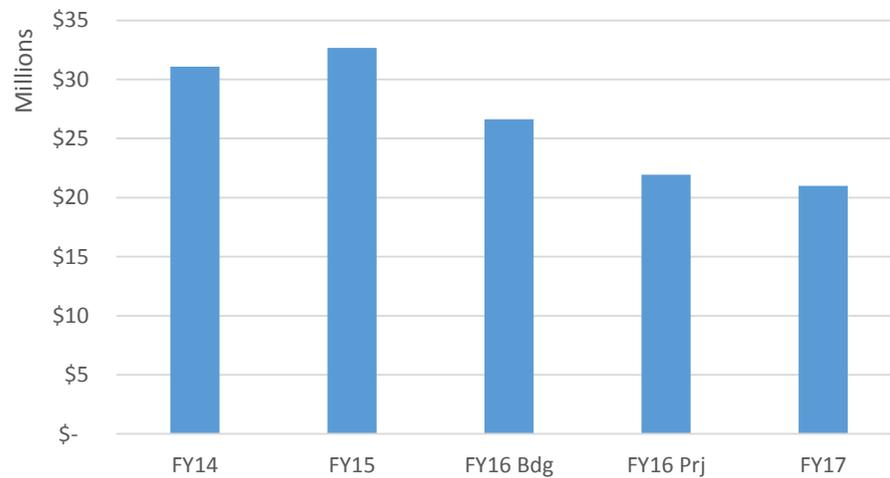
Budget Summary	FY14	FY15	FY16 Bdg	FY16 Prj	FY17
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual	\$ 31,089,332	\$ 32,665,163	\$ 26,642,956	\$ 21,924,479	\$ 20,984,342
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 31,089,332	\$ 32,665,163	\$ 26,642,956	\$ 21,924,479	\$ 20,984,342

Significant Budget Changes

The largest expense housed in this Division is for purchased power. This cost is a direct pass-through to customers, but it does fluctuate significantly from year to year.

The most significant ongoing cost in Electric Non Departmental is purchased power. The cost per kilowatt hour has decreased significantly since FY14, resulting in a lower overall budget here. The budgeted cost for FY17 is \$14.6 million, compared to \$24.4 in FY14. Additionally, bond funds were received in the operating fund in FY15. These were then expensed as a transfer out of this division into a capital fund. This is the primary reason for the large cost shift from FY15 to FY16.

Budget History





Utilities System Forecast and Capital Improvement Program

Prior to the beginning of FY15, the Weatherford City Council, on recommendation from the Weatherford Utility Board, approved a three-year rate adjustment for all utilities. These adjustments are designed to provide full funding for the utilities' annual repair and replacements target, cash fund a substantial portion of the respective capital improvement plans, and service new debt. While each separate rate class carries with it different adjustments, below is an approximation of the total increases the adjustments are anticipated to bring in (holding consumption constant):

	FY15	FY16	FY17
Water	21.5%	15.5%	17.5%
Wastewater	13%	7.5%	16%
Electric*	0%	0%	0%

*rate adjustments for the electric utility were designed to be neutral overall, although it did more correctly align costs to customer classes.

In order to strategically plan for repairs and replacements as well as large-scale improvements to the utility system while accounting for operational needs, staff has compiled a 5-year-forecast . This forecast is designed to simulate a possible financial and capital trajectory for all of Weatherford's utilities, giving policymakers and staff a roadmap to guide future decisions.

Methodology

This time frame of this forecast is from FY17 through FY21. As such, the current adopted FY17 budget provides the first year of this window. Operational expenses are projected out using several conservative inflationary mechanisms. While no outright salary increases are assumed, there are some minor increases to personnel costs incorporated. For the purposes of revenue projections, consumption is modestly assumed at an inflation rate of 1% - 1.5% annually. All rate increases for water and wastewater have been incorporated, and purchased power costs for the electric utility were forecasted utilizing natural gas prices and current contracts with power providers. For the Water and Wastewater Utilities, impact fees are projected annually. While these will develop sizeable balances over several years, use of the revenue is restricted to certain eligible projects, and may not be available for every capital item.

In terms of repair and replacement costs, the forecast uses a target of 2% of each utility's asset value per year. This value increases at rates commensurate with historical growth, although this can fluctuate significantly.

Additionally, contributions to reserves are annually budgeted in the line items for each utility, but staff has separated these in our forecasts for the sake of clarity. These accumulated reserves are available for use, pending availability and Utility Board discretion. Please note that because they are reserved per Board authorization, the Lake Lot License revenue is not included in total accumulated capital resources.

Utilities System Forecast and Capital Improvement Program

Electric Utility Pro-Forma

	FY17	FY18	FY19	FY20	FY21
Beginning Cash	-	45,346	159,998	581,592	1,110,697
Cash Inflows					
Operating Revenues	28,598,102	31,537,785	34,992,115	39,062,226	44,381,565
Use of Working Capital	78,985	-	-	-	-
Bond Inflows					
Total Inflows	28,677,087	31,537,785	34,992,115	39,062,226	44,381,565
Cash Outflows					
Operating Expense	24,793,719	27,583,877	30,943,212	34,905,591	40,087,727
Debt Service	955,022	956,256	744,309	744,529	745,877
Bond Outflows	-	-	-	-	-
Cash-Funded Capital/R&R	1,993,000	1,993,000	1,993,000	1,993,000	1,993,000
Total Outflows	27,741,741	30,533,133	33,680,521	37,643,120	42,826,603
Over/Under	935,346	1,004,652	1,311,594	1,419,106	1,554,962
Reserved for Future Expense	890,000	890,000	890,000	890,000	890,000
Ending Available Cash	45,346	159,998	581,592	1,110,697	1,775,659
Reserve Balance Beg	1,000,000	1,890,000	2,780,000	3,670,000	4,560,000
Reserve Balance End	1,890,000	2,780,000	3,670,000	4,560,000	5,450,000

Unlike the Water and Wastewater Utilities, the Electric Utility isn't facing substantial expansion needs in the foreseeable future. The major capital projects captured in this pro-forma are a new substation, funded through bond proceeds, and the automated metering infrastructure program, which has been sufficiently funded through cash on hand. Through 2021, the Utility is projected to maintain a healthy operating margin. This will help provide resources for further expansion plans beyond this forecast window. Additionally, a significant portion of debt rolls off the books in FY19, providing further operational capacity. As you can see, the ending available cash in this forecast window is over \$1.6 million, all of which comes from cumulative operational capacity.

Utilities System Forecast and Capital Improvement Program

Water Utility Pro-Forma

	FY17	FY18	FY19	FY20	FY21
Beginning Cash	12,909,644	9,161,813	4,364,940	5,359,793	3,473,986
Cash Inflows					
Operating Revenues	16,181,610	16,408,994	16,639,807	16,874,101	17,111,930
Use of Working Capital	251,205	-	-	-	-
Bond Inflows	12,800,000	-	-	-	-
Total Inflows	29,232,815	16,408,994	16,639,807	16,874,101	17,111,930
Cash Outflows					
Operating Expense	6,398,383	6,445,642	6,576,351	6,711,343	6,850,820
Debt Service	4,510,268	4,513,892	3,609,456	3,608,260	3,613,578
Bond Outflows	18,575,000	324,000	-	-	-
Cash-Funded Capital/R&R	3,296,995	9,722,334	5,259,146	8,240,306	5,159,271
Total Outflows	32,780,646	21,005,868	15,444,953	18,559,909	15,623,669
Over/Under	(3,547,831)	(4,596,873)	1,194,854	(1,685,808)	1,488,261
Ending Cash	9,361,813	4,564,940	5,559,793	3,673,986	4,962,247
Reserve Contribution	200,000	200,000	200,000	200,000	200,000
Ending Available Balance	9,161,813	4,364,940	5,359,793	3,473,986	4,762,247
Reserve Balance Beg	901,646	1,101,646	1,301,646	1,501,646	1,701,646
Reserve Balance End	1,101,646	1,301,646	1,501,646	1,701,646	1,901,646

The Water Utility's forecast incorporates all bond funds and utility rate revenues, as well as all projected uses for those resources. With FY17 being the last round of rate increases, the Utility has poised itself to cash fund a significant portion of its expansion needs as well as ensure it can keep up with annual repair and replacements. As the pro-forma shows, the incoming cash should be sufficient to keep up with the planned capital expenses through 2021. Additionally, a significant portion of debt rolls off the books in FY19, providing further operational capacity. This capacity is assumed to be available for capital/R&R needs throughout the forecast window.

Utilities System Forecast and Capital Improvement Program

Wastewater Utility Pro-Forma

	FY17	FY18	FY19	FY20	FY21
Beginning Cash	3,379,292	915,336	(269,798)	1,110,458	843,630
Cash Inflows					
Operating Revenues	6,584,695	6,682,532	6,781,828	6,882,606	6,984,888
Use of Working Capital	209,953	-	-	-	-
Bond Inflows	-	-	-	-	-
Total Inflows	6,794,648	6,682,532	6,781,828	6,882,606	6,984,888
Cash Outflows					
Operating Expense	3,947,554	3,930,834	4,009,278	4,090,686	4,175,222
Debt Service	1,097,643	1,098,332	782,163	782,353	783,444
Bond Outflows	3,240,000	-	-	-	-
Cash-Funded Capital/R&R	973,406	2,838,500	610,131	2,276,395	3,534,300
Total Outflows	9,258,603	7,867,666	5,401,572	7,149,434	8,492,965
Over/Under	(2,463,955)	(1,185,135)	1,380,256	(266,827)	(1,508,077)
Ending Available Cash	915,336	(269,798)	1,110,458	843,630	(664,447)

The Wastewater Utility isn't in as flexible of a position as the Water Utility. While bond proceeds and rate revenues do provide a windfall with which the Utility can fund its needed capital projects, staff will likely need to push some of its projects out to later dates. As the pro-forma shows, cash will be insufficient to maintain the current schedule of projects as soon as 2018, and again in 2021. Staff will keep an eye on revenues as they come in and make adjustments when necessary. Additionally, a significant portion of debt rolls off the books in FY19, providing further operational capacity. As it stands, any operational capacity is assumed to be available for capital projects and R&R through the forecast window.

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Water/Wastewater Capital Improvements

At this point in time, Water and Wastewater are the only utilities with an ongoing capital program. A summary of projects to be completed is below. All of these projects have been incorporated into the five-year forecasts.

Water Utility

Project	Funding Source	Type	FY17	FY18	FY19	FY20	FY21
WTP Pilot & Preliminary Design	Bond Proceeds	Expansion	39,000	324,000	-	-	-
30" Water Line - Oak Street	Bond Proceeds	Expansion	3,136,000	-	-	-	-
Ric Williamson Transmission Main	Bond Proceeds	Expansion	450,000	-	-	-	-
Bethel Road Water Improvements	Bond Proceeds	Expansion	1,000,000	-	-	-	-
Mineral Wells Hwy Transmission Main	Bond Proceeds	Expansion	1,000,000	-	-	-	-
Deerfield Water Line, Phase II	Bond Proceeds	Expansion	1,100,000	-	-	-	-
Total Revenue Bond Projects			6,725,000	324,000	-	-	-

Project	Funding Source	Type	FY17	FY18	FY19	FY20	FY21
Reclaimed Water - WWTP, PS & Outfall (FNI)	Water Development Board Bonds	Expansion	5,400,000	-	-	-	-
Reclaimed Water - Pipeline Segment 1 (TNP)	Water Development Board Bonds	Expansion	2,900,000	-	-	-	-
Reclaimed Water - Pipeline Segment 2 (BHB)	Water Development Board Bonds	Expansion	3,050,000	-	-	-	-
Reclaimed Water - Easements	Water Development Board Bonds	Expansion	500,000	-	-	-	-
Total Water Development Board Bond Projects			11,850,000	-	-	-	-

Project	Funding Source	Type	FY17	FY18	FY19	FY20	FY21
Bethel Rd Backage	Water Impact Fees	Expansion	465,750	-	-	-	-
Bethel Rd - Main St to I20	Water Impact Fees	Expansion	621,000	-	-	-	-
WB Blvd	Water Impact Fees	Expansion	-	320,850	-	-	-
Katelyn Rd - Randall Dr to I20	Water Impact Fees	Expansion	113,850	-	-	-	-
North/South St - Vaughna Dr to I20	Water Impact Fees	Expansion	-	-	93,150	-	-
Ric Williamson - I20 to Ranger Hwy	Water Impact Fees	Expansion	148,500	990,000	-	-	-
0.5MG Miller EST	Water Impact Fees	Expansion	225,000	1,500,000	-	-	-
12" Water - Miller EST to Ric Williamson	Water Impact Fees	Expansion	-	81,000	540,000	-	-
Total Water Impact Fee Projects			1,574,100	2,891,850	633,150	-	-

Water Utility (continued)

Project	Funding	Type	FY17	FY18	FY19	FY20	FY21
N. Main Street	Cash Funded	Repair	-	1,500,000	-	-	-
Spring St Rehabilitation	Cash Funded	Repair	360,525	-	-	-	-
Mockingbird, Park, Rentz, Waco & Cottonwood St.	Cash Funded	Repair	179,068	1,193,786	-	-	-
Eastview, Water, Ball, Vine, Boundary, Harcourt & Merrimac St	Cash Funded	Repair	-	164,324	1,095,490	-	-
Downtown Redevelopment in advance of TxDOT Maint.	Cash Funded	Repair	662,400	-	-	-	-
Dept 404 Misc R&R	Cash Funded	Repair	68,052	50,000	50,000	50,000	50,000
Dept 405 Misc R&R	Cash Funded	Repair	-	50,000	50,000	50,000	50,000
Ric Williamson - Garner Rd to Railroad / King Dev Oversize Agreement	Cash Funded	Expansion	-	-	500,000	-	-
New 10 MGD Ward St Pump Station & 6 MG GST in Central Pressure Plane	Cash Funded	Expansion	900,000	6,000,000	-	-	-
30" Supply Line from New Ward St PS to WMP - Prj 1	Cash Funded	Expansion	-	195,000	1,300,000	-	-
New 12" Supply Line from Ward St PS in Central Pressure Plane	Cash Funded	Expansion	-	-	217,500	1,450,000	-
New 12" Water Line in East Pressure Plane	Cash Funded	Expansion	-	-	82,500	550,000	-
16" & 12" Water Line in East Pressure Plane	Cash Funded	Expansion	-	-	187,500	1,250,000	-
Bethel Rd - I20 to BB Fielder	Cash Funded	Expansion	414,000	-	-	-	-
Water Master Plan Update - Miller & Franklin Pressure Planes	Cash Funded	Expansion	50,000	-	-	-	-
Ric Williamson - Ranger Hwy to Mineral Wells Hwy	Cash Funded	Expansion	-	94,500	630,000	-	-
Ric Williamson - Mineral Wells Hwy to Garner Rd	Cash Funded	Expansion	-	108,000	720,000	-	-
WTP Expansion - 4 MGD	Cash Funded	Expansion	-	-	-	2,250,000	2,250,000
			2,634,045	9,355,610	4,832,990	5,600,000	2,350,000

Wastewater Utility

Project	Funding Source	Type	FY17	FY18	FY19	FY20	FY21
Town Creek Wastewater Extension	Bond Proceeds	Expansion	1,000,000	-	-	-	-
Bethel Road Wastewater Improvements	Bond Proceeds	Expansion	750,000	-	-	-	-
WWTP PLC Upgrades	Bond Proceeds	Repair	1,090,000	-	-	-	-
FW Hwy, Bankhead, Bullard - 8" Wastewater	Bond Proceeds	Repair	400,000	-	-	-	-
Total Bond Proceeds Projects			3,240,000	-	-	-	-

Project	Funding	Type	FY17	FY18	FY19	FY20	FY21
Bethel Rd Backage	WW Impact Fees	Expansion	424,350	-	-	-	-
WB Blvd	WW Impact Fees	Expansion	-	320,850	-	-	-
WW CIP - WW Master Plan Projects (TBD)	WW Impact Fees	Expansion	-	-	1,400,000	-	-
Total Impact Fee Projects			424,350	320,850	1,400,000	-	-

Project	Funding	Type	FY17	FY18	FY19	FY20	FY21
Black Warrior Creek	Cash Funded	Repair	60,000	-	-	-	-
Rusk St & Bois d'Arc	Cash Funded	Repair	-	-	-	-	-
N. Main Street	Cash Funded	Repair	-	1,135,000	-	-	-
12" WW along Rail Road, North and Boundary St	Cash Funded	Repair	-	-	262,631	1,750,875	-
Brazos, Russell, Norton St	Cash Funded	Repair	-	-	-	178,020	1,186,800
Downtown Redevelopment in advance of TxDOT Maint.	Cash Funded	Repair	310,500	-	-	-	-
WW Rehab - 1400 FW Hwy to Columbia	Cash Funded	Repair	37,800	252,000	-	-	-
WW Rehab - Bethel Rd/Wiggs Ln, Holland Lake Creek Ph2, 1500 S. Main St	Cash Funded	Repair	104,400	696,000	-	-	-
WW Rehab - E 6th St, N Elm St, Madison St	Cash Funded	Repair	61,200	408,000	-	-	-
Dept 405 Misc R&R	Cash Funded	Repair	-	50,000	50,000	50,000	50,000
Dept 454 Misc R&R	Cash Funded	Repair	41,644	50,000	50,000	50,000	50,000
WW CIP - WW Master Plan Projects (TBD)	Cash Funded	Expansion	-	-	-	-	2,000,000
Total Cash Funded Projects			615,544	2,591,000	362,631	2,028,895	3,286,800

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 5-Year Forecast/CIP summary.

Water Impact Fee Fund (40)

	Actual FY13	Actual FY14	Actual FY15	Projected FY16	Adopted FY17
Beginning Fund Balance	\$ 3,013,772	\$ 590,272	\$ 564,609	\$ 564,609	\$ 614,759
<u>Revenues</u>					
Interest Income	\$ 536	\$ 12	\$ 150	\$ 150	\$ 150
Impact Fees	\$ 575,964	\$ 613,333	\$ 450,000	\$ 500,000	\$ 450,000
Total Revenues	\$ 576,500	\$ 613,345	\$ 450,150	\$ 500,150	\$ 450,150
Total Expenditures	\$ 3,000,000	\$ 639,008	\$ 588,000	\$ 450,000	\$ 600,000
Over/(Under)	\$ (2,423,500)	\$ (25,663)	\$ (137,850)	\$ 50,150	\$ (149,850)
Ending Fund Balance	\$ 590,272	\$ 564,609	\$ 426,759	\$ 614,759	\$ 464,909

Wastewater Impact Fund (41)

	Actual FY13	Actual FY14	Actual FY15	Projected FY16	Adopted FY17
Beginning Fund Balance	\$ 2,009,446	\$ 640,993	\$ 1,073,761	\$ 1,073,761	\$ 1,474,761
<u>Revenues</u>					
Interest Income	\$ 370	\$ 60	\$	\$	\$ 1,000
Impact Fees	\$ 431,176	\$ 432,708	\$ 100,000	\$ 400,000	\$ 250,000
Total Revenues	\$ 431,546	\$ 432,768	\$ 102,000	\$ 401,000	\$ 251,000
Total Expenditures	\$ 1,800,000	\$ -	\$ -	\$ -	\$ 1,474,761
Over/(Under)	\$ (1,368,454)	\$ 432,768	\$ 102,000	\$ 401,000	\$ (1,223,761)
Ending Fund Balance	\$ 640,993	\$ 1,073,761	\$ 1,175,761	\$ 1,474,761	\$ 251,000

Appendices

Appendix A

Utility Debt Summary

The Municipal Utility currently maintains over 200 miles of sanitary sewer, 275 miles of water mains, and 342 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 FY17 debt service fund can be found below, and a detailed summary of each bond issue still outstanding follows.

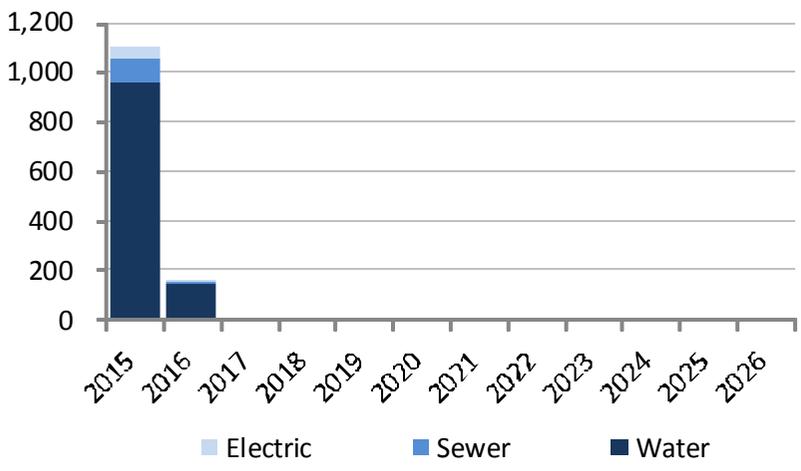
Fund Balance 9/30/2015	381,905
Revenues Projected FY16	5,648,819
Expenses Projected FY16	5,648,819
Current Year-End Projection Fund Balance	381,905
Revenues Projected FY17	5,642,099
Expenses Projected FY17	5,642,099
Projected Year-End Fund Balance FY17	381,905

Appendix A—Utility Debt Summary

Utility System Revenue Bonds - Series 2006 Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2016	160,000	-	-	160,000
Total	160,000	-	-	160,000

Series 2006 Debt Service by Utility (000's)



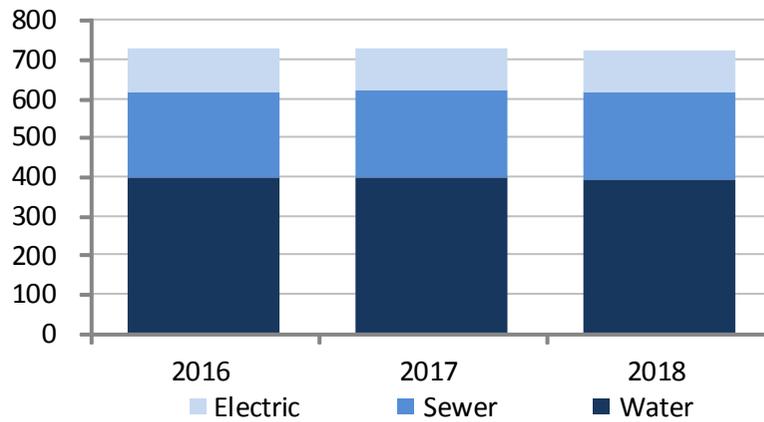
Appendix A—Utility Debt Summary

Utility System Revenue Refunding Bonds - Series 2008

Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
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	2,035,000	71,190	71,190	2,177,379

Series 2006 Debt Service by Utility (000's)



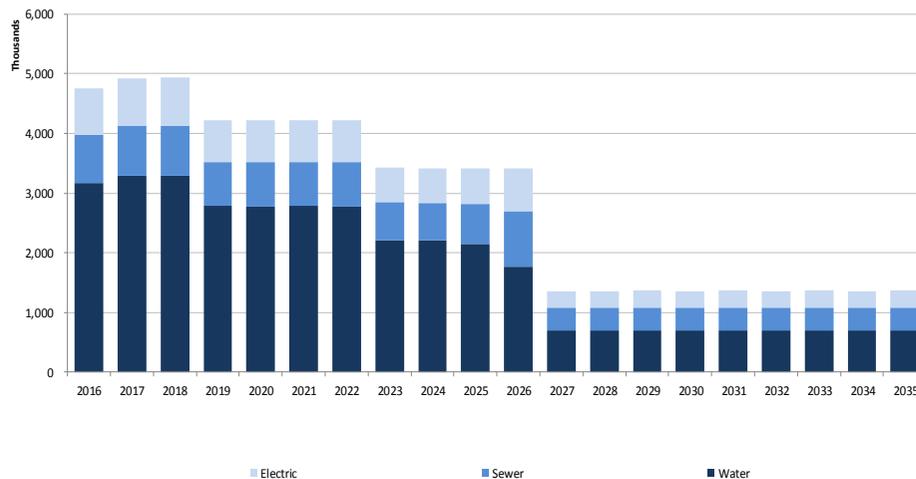
Appendix A—Utility Debt Summary

Utility System Revenue Refunding Bonds - Series 2015

Future Debt Requirements

Year Ending	Principal	Interest	Interest	Total
09/30	Due 09/01	Due 03/01	Due 09/01	Requirement
2016	2,840,000	958,344	958,344	4,756,688
2017	3,095,000	915,744	915,744	4,926,488
2018	3,225,000	853,844	853,844	4,932,688
2019	2,675,000	773,219	773,219	4,221,438
2020	2,805,000	706,344	706,344	4,217,688
2021	2,950,000	636,219	636,219	4,222,438
2022	3,090,000	562,469	562,469	4,214,938
2023	2,455,000	485,219	485,219	3,425,438
2024	2,570,000	423,844	423,844	3,417,688
2025	2,700,000	359,594	359,594	3,419,188
2026	2,835,000	292,094	292,094	3,419,188
2027	920,000	221,219	221,219	1,362,438
2028	950,000	206,269	206,269	1,362,538
2029	985,000	190,238	190,238	1,365,475
2030	1,015,000	173,000	173,000	1,361,000
2031	1,070,000	147,625	147,625	1,365,250
2032	1,120,000	120,875	120,875	1,361,750
2033	1,180,000	92,875	92,875	1,365,750
2034	1,235,000	63,375	63,375	1,361,750
2035	1,300,000	32,500	32,500	1,365,000
	41,015,000	8,214,910	8,214,910	57,444,819

Series 2015 Debt Service by Utility (000's)



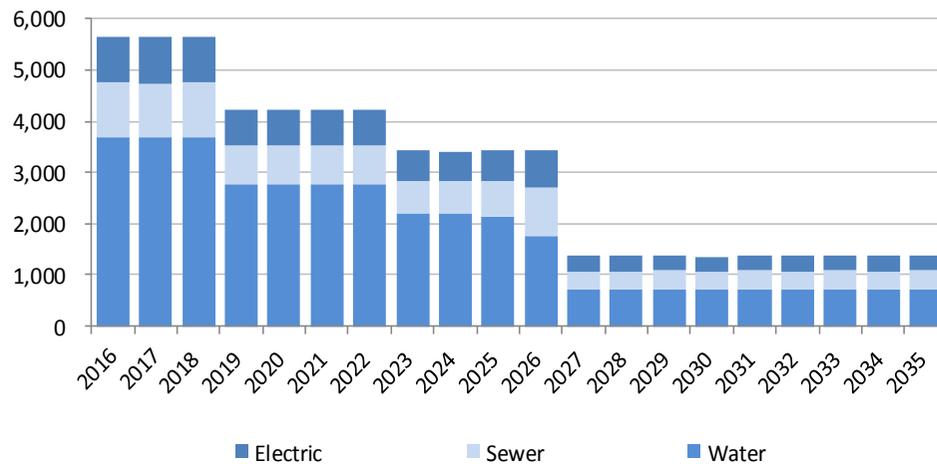
Appendix A—Utility Debt Summary

Utility System Revenue Refunding Bonds - Series 2015

Future Debt Requirements

Year Ending	Principal	Interest	Interest	Total
09/30	Due 09/01	Due 03/01	Due 09/01	Requirement
2016	3,655,000	993,550	993,550	5,642,099
2017	3,775,000	939,618	939,618	5,654,236
2018	3,925,000	865,954	865,954	5,656,908
2019	2,675,000	773,219	773,219	4,221,438
2020	2,805,000	706,344	706,344	4,217,688
2021	2,950,000	636,219	636,219	4,222,438
2022	3,090,000	562,469	562,469	4,214,938
2023	2,455,000	485,219	485,219	3,425,438
2024	2,570,000	423,844	423,844	3,417,688
2025	2,700,000	359,594	359,594	3,419,188
2026	2,835,000	292,094	292,094	3,419,188
2027	920,000	221,219	221,219	1,362,438
2028	950,000	206,269	206,269	1,362,538
2029	985,000	190,238	190,238	1,365,475
2030	1,015,000	173,000	173,000	1,361,000
2031	1,070,000	147,625	147,625	1,365,250
2032	1,120,000	120,875	120,875	1,361,750
2033	1,180,000	92,875	92,875	1,365,750
2034	1,235,000	63,375	63,375	1,361,750
2035	1,300,000	32,500	32,500	1,365,000
	43,210,000	8,286,099	8,286,099	59,782,198

Total Debt Service by Utility (000's)



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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 FY17, departments began the budget process with a target budget equal to their FY16 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

Funded Supplemental Items for Customer Services

Desc/Title	Type	Total Request	Ongoing	One-Time
Compensation Package	Personnel	\$ 18,020	\$ 10,630	\$ 7,390
		\$ 18,020	\$ 10,630	\$ 7,390

Funded Supplemental Items for the Electric Utility

Desc/Title	Type	Total Request	Ongoing	One-Time
Vehicle Reserve Increase	Reserved for Future Expense	\$ 220,000	\$ 220,000	\$ -
Substation Reserve Increase	Reserved for Future Expense	\$ 220,000	\$ 220,000	\$ -
Compensation Package	Personnel	\$ 46,574	\$ 29,057	\$ 17,517
Lineman Helper	Personnel	\$ 46,400	\$ 46,400	\$ -
Position Reclassification/Merit Increase	Personnel	\$ 9,792	\$ 9,792	\$ -
SCADA/Fiber Technician Apprenticeship	Personnel	\$ 3,646	\$ 3,646	\$ -
		\$ 546,412	\$ 528,895	\$ 17,517

Total Electric by Type

Reserved for Future Expense	\$ 440,000	\$ 440,000	\$ -
Personnel	\$ 106,412	\$ 88,895	\$ 17,517
Total	\$ 546,412	\$ 528,895	\$ 17,517

Funded Supplemental Items for the Water and Wastewater Utility

Compensation Package	Personnel	\$ 72,610	\$ 44,285	\$ 28,325
Critical Circuit Breaker Replacement	Capital	\$ 53,639	\$ -	\$ 53,639
Maintenance I Position	Personnel	\$ 51,786	\$ -	\$ 51,786
Position Reclassification/Merit Increase	Personnel	\$ 50,903	\$ 50,903	\$ -
Amiad Strainer	Capital	\$ 36,613	\$ -	\$ 36,613
Truck	Capital	\$ 35,000	\$ -	\$ 35,000
Sweeper	Capital	\$ 23,000	\$ -	\$ 23,000
Light Tower/ Generator	Capital	\$ 20,100	\$ -	\$ 20,100
Vehicle Replacement Schedule	Reserved for Future Expense	\$ 17,500	\$ 17,500	\$ -
Regulatory Testing And Monitoring	Contractual	\$ 16,874	\$ 16,874	\$ -
Chemical Pipe Insulation	Capital	\$ 16,234	\$ -	\$ 16,234
Hoist Replacement	Capital	\$ 15,863	\$ -	\$ 15,863
Jet Scan Camera	Capital	\$ 15,200	\$ -	\$ 15,200
Upgrade Plant UPS	Capital	\$ 14,413	\$ -	\$ 14,413
Automatic Transfer Switch	Capital	\$ 13,265	\$ -	\$ 13,265
Sand Filter Structure Repairs	Capital	\$ 13,150	\$ -	\$ 13,150
Vehicle Parts & Labor	Supplies	\$ 12,650	\$ 12,650	\$ -
Reducer- Gearbox	Capital	\$ 12,516	\$ -	\$ 12,516
Street Repair Increase	Supplies	\$ 11,000	\$ 11,000	\$ -
Chemicals	Supplies	\$ 8,032	\$ 8,032	\$ -
Grating Replacement	Supplies	\$ 6,635	\$ -	\$ 6,635

Appendix B—Decision Packages by Department

Funded Supplemental Items for the Water and Wastewater Utility (Cont.)

Overtime Increase	Personnel	\$	6,515	\$	6,515	\$	-
Boring Tool	Supplies	\$	6,000	\$	-	\$	6,000
Medical And Lab Supplies	Supplies	\$	5,900	\$	5,900	\$	-
Emerson 475 Field Communicator	Supplies	\$	5,574	\$	-	\$	5,574
Easement And Row Maintenance	Contractual	\$	5,000	\$	5,000	\$	-
Hydro Tank Air Compressor Building	Supplies	\$	4,583	\$	-	\$	4,583
Leak Detector	Supplies	\$	3,600	\$	-	\$	3,600
Service Agreement For Nuclear Test Equipment	Contractual	\$	3,382	\$	-	\$	3,382
Security Cameras	Supplies	\$	2,500	\$	-	\$	2,500
Uniforms	Supplies	\$	1,800	\$	1,800	\$	-
Seminars And Training	Personnel	\$	1,600	\$	1,600	\$	-
Belt Press Belts	Supplies	\$	1,450	\$	1,450	\$	-
Regulatory Permit Fees	Contractual	\$	1,325	\$	1,325	\$	-
Uniforms Cost Increase	Supplies	\$	1,010	\$	1,010	\$	-
Computer For Meter Shop	Supplies	\$	1,000	\$	-	\$	1,000
Office Supplies	Supplies	\$	800	\$	800	\$	-
Safety Equipment	Supplies	\$	800	\$	800	\$	-
Food / Meal Expenses	Supplies	\$	550	\$	550	\$	-
Food And Meal Expenses	Supplies	\$	240	\$	240	\$	-
Computers And Office Equipment	Supplies	\$	200	\$	200	\$	-
		\$	570,812	\$	188,434	\$	382,378
Total Water/WW by Type							
	Capital	\$	268,993	\$	-	\$	268,993
	Personnel	\$	183,414	\$	103,303	\$	80,111
	Supplies	\$	74,324	\$	44,432	\$	29,892
	Contractual	\$	26,581	\$	23,199	\$	3,382
	Reserved for Future Expense	\$	17,500	\$	17,500	\$	-
	Total	\$	570,812	\$	188,434	\$	382,378

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Appendix C

Transfer Calculations

Return on Investment Transfer Calculations

	Est Volume	Unit Rate	Transfer
Electric kWh Sales	385,000,000	0.0056	2,156,000
Water Sales (1,000 gallons)	1,250,000	0.2469	308,625
Wastewater Treated (1,000 gallons)	810,000	0.2716	219,996

Gross Receipts Charge Transfer Calculations

	Est Volume	Unit Rate	Transfer
Electric kWh Sales	385,000,000	0.0044	1,694,000
Water Sales (1,000 gallons)	1,250,000	0.2223	277,875
Wastewater Treated (1,000 gallons)	810,000	0.1975	159,975

Water Transfer Calculations

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

Administrative Transfer Calculations

Department	Proposed Budget	Percent Allocated	Amount Allocated	Transfer Allocation Based on System Costs & Direct Expenditures		
				Electric	Water	Wastewater
Administration	709,855	50%	354,927	177,464	88,732	88,732
Public Relations	118,623	50%	59,312	29,656	14,828	14,828
Emergency Management	97,392	50%	48,696	24,348	12,174	12,174
OMB	198,765	50%	99,382	57,061	31,456	10,865
HR	398,503	40%	159,401	63,376	96,020	-
Finance	533,627	50%	266,813	153,193	84,450	29,170
City Attorney	137,490	33%	45,830	22,915	11,458	11,458
ED	244,296	50%	122,148	61,074	30,537	30,537
Fiber (credit)	(50,000)	100%	(50,000)	(50,000)	-	-
City Hall	(65,304)	100%	(65,304)	(32,652)	(16,326)	(16,326)
Graduate Engineer	-	33%	-	-	-	-
Lake Maintenance	280,000	100%	280,000	-	280,000	-
Information Technology	2,027,474	39%	789,412	481,409	154,001	154,001
Audit Svcs	55,500	40%	22,200	11,100	5,550	5,550
Total	4,686,219		2,132,817	998,943.96	792,879.00	340,988.62

Appendix C—Transfer Calculations

Summary of All Transfers

Type	Actual FY14	Actual FY15	Projected FY16	Adopted FY17	Increase/ (Decrease)
Gross Receipts Fee	2,105,277	2,134,226	2,153,025	2,131,850	(2,376)
Return on Investment	2,644,646	2,689,055	2,712,741	2,684,621	(4,434)
Street Maintenance Transfer	30,626	11,851	11,851	20,000	8,149
Administrative Services	1,854,567	1,924,860	1,961,917	2,132,817	170,900
	6,635,117	6,759,992	6,839,534	6,969,288	172,239

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 to 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 ratio 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.

Appendix D—Glossary

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.

Appendix E—Financial Policies

- 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 least every five years.

Appendix E—Financial Policies

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.

Appendix F—Budget Ordinance

Budget Ordinance

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, 2016 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, 2016 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, 2016.

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, 2017, being within and as provided in said budget, to-wit:

Utilities Fund	Adopted (\$)
Electric	
Administration	246,553
Fiber	170,971
Distribution	6,850,640
Production	11,850
Warehouse	367,384
Non Departmental	<u>20,984,342</u>
Total	28,631,741
Water	
Administration	503,412
Maintenance	1,213,915
Rehabilitation	449,602
Engineering	235,383
Treatment Plant	2,755,016
Non Departmental	<u>11,229,730</u>
Total	16,387,059

Utilities Fund

Wastewater	
Administration	484,076
Maintenance	1,054,861
Rehabilitation	458,602
Engineering	235,383
Treatment Plant	1,018,480
Non Departmental	3,494,245
Total	6,745,648

Total Utilities Fund **51,764,447**

Customer Services Fund

Customer Services	1,201,547
Total Customer Services Fund	1,201,547

Water/Wastewater/Electric Capital	Adopted (\$)
Electric AMI	-
Water AMI	-
Electric Capital	-
Water Capital	4,705,406
Wastewater Capital	1,300,000
Total Utilities Capital Funds	6,005,406

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 29th day of September, 2016.

Dennis Hooks, Mayor and Chairperson

ATTEST:

Malinda Nowell, City Secretary

APPROVED AS TO FORM:

Ed Zellers, City Attorney