

City of Weatherford
Municipal Utilities Program of Services
Year ending September 30, 2019 (FY19)



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Municipal Utility Board Members

Mayor Craig Swancy — Chair, Concurrent with City Council

Jeff Robinson — Concurrent with City Council

Heidi Wilder — Concurrent with City Council

Ken Davis

Howard McClurkin

Lindsey Hester

Paul Paschall

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

Average Annual Precipitation	35.88 in.
Avg Annual Low Temperature	50.7° F
Avg Annual High Temperature	74.7° F
Record High (Jun 1980)	119° F
Record Low (Dec 1989)	-10° F

Demographic (Census Bureau)

Population Totals

2000	19,000
2005	23,050
2010	25,250
2017 (Est)	30,654
Change since 2010	21.4%

By Sex (2017)

Male/Female	46.8%/53.2%
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By Race/Ethnicity (2017)

White, non-Hispanic	82%
Hispanic or Latino	12.2%
Black	2.9%
Other	2.9%

Age Distribution (years)

0-4	8.2%
5-19	25.9%
20-64	50.3%
65+	15.6%

Income (2016)

Median Household	\$57,759
Below Poverty Level	9.9%

Other (2017)

Households	10,416
Persons per Household	2.60

City of Weatherford, TX Municipal Utilities Board
Program of Services FY18

Education

Weatherford ISD Enrollment (2016)

K-6	4,369
7-8	1,146
9-12	2,325

Weatherford College Enrollment

Total Enrollment	5,629
Male/Female (%)	39/61

Educational Attainment (25 years and older)

High School Graduates	89.3%
Bachelor's Degree or Higher	26.2%

Employment

Civilian Labor Force	12,822
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Unemployment Rate

Average Annual	4%
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Top Employers

Weatherford ISD	945
Weatherford Regional Medical Center	585
Parker County	485
City of Weatherford	371
Wal-Mart	350
Weatherford College	298
C.D. Hartnett	276

Economic

Business & Retail

Avg # of monthly Sales Tax Payers (24 mos.)	2,722
2017 Sales Tax Remitted	\$12.963m
Increase/Decrease from 2016	+11.5%
Retail sales tax per capita	\$422.88

Housing

Median Market value, owner-occupied home	\$175,792
Single-Family Building Permits (October 2017—September 2018)	217
Additions/Remodel/Residential Accessory Permits (October 2017—September 2018)	145

Tourism

Hotels and Beds & Breakfasts	30
Attractions: <i>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</i>	
Special Events: <i>Weatherford Blooms, Sheriff's Posse Rodeo, Peach Festival, Hometown Heritage Stampede, Christmas on the Square</i>	

City of Weatherford, TX Municipal Utilities Board
Program of Services FY18

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FY19 Budget City Manager's Message

July 26, 2018

To: Board of Trustees of the Weatherford Municipal Utility System

In accordance with Article X, Section 4 of the Weatherford City Charter, the FY19 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, 2018, through September 30, 2019. 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 FY19 are \$33.8 million, \$16.7 million, and \$6.8 million, respectively. This total of \$57.5 million in operating revenues is an increase of 3% from the FY18 adopted budget, and reflects predominately an expected increase in customer count in accordance with historical figures. As with previous fiscal years, 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. The budget submitted herein places the ending working capital balance for September 30, 2019, at \$10,358,528, or 124 days of operations. This balance includes the mandated ninety-day target reserve of \$7,494,300.

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

- Electric Vehicle and Substation Reserve of \$1,980,000 (including FY19 contributions)
- Lake Capital Reserve of approximately \$1,271,646 (including FY19 contributions)
- Tarrant Regional Water District Pumping Reserves of \$2,576,239 (including FY19 contributions)

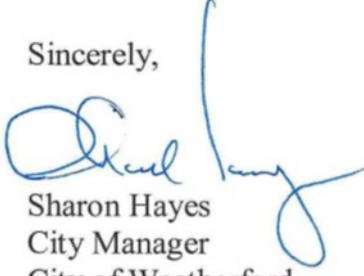
The total proposed budget for the Weatherford Municipal Utility is \$58.25 million, including \$337,826 in various non-recurring expenses. This document details the breakdown of the fund's operational departments, including organizational charts, mission statements, objectives, performance measures, and budget detail by expense category. 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 the FY17 Texas Water Development Board bond issuance);
- Reserving approximately \$6.3 million and \$1.7 million in water and wastewater revenue from the most recent round of rate adjustments for cash-funding the utilities' capital improvement programs;
- Implementation of salary budget increases of 2.5% as dictated on the compensation study approved by council; and
- Needed maintenance to important water/wastewater systems.

The Weatherford Water and Wastewater Utilities concluded a three-year period of rate adjustments in FY17. Under Board direction, the incremental revenue from these adjustments is to be utilized for two primary purposes: new debt service and cash-funding the water/wastewater CIP. At the end of FY19, it is projected that the water utility will have generated a total of \$21.8 million and the wastewater utility will have generated \$5.4 million to cash fund their CIP. While stark consumption decreases in FY15 initially made it difficult to set dollars aside for these purposes, subsequent fiscal years have managed to set the Utilities' capital plans back on track. The current multi-year forecast included in this document projects close to \$40.9 million collected

for the Water Utility and \$12.4 million for the wastewater utility from FY19 through FY25. These projections assume only modest increases in consumption and reflect a substantial debt issuance being paid off in the current year. While these figures do reflect substantial resources being available for capital plans, further adjustments may be necessary. To that end, Weatherford will look into conducting another cost of service study in the near future.

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 Deputy City Manager James Hotopp and Assistant City Manager Brad Burnett, who both provided invaluable assistance during this process. The Weatherford Municipal Utility has achieved remarkable things during last several years. 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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FY19 Budget Calendar

1

Budget Kickoff

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

Mar. 28,
2018

2

Departmental Budget Submissions

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

Apr. 15—
May 6

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 FY19 budget is presented to the Utility Board.

Jul.
26

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. 27

7

The Fiscal Year Begins. Changes to this budget and discussions on future plans are ongoing throughout the year.

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, 2018, and ending September 30, 2019 (FY19). The funding choices made for FY19 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 Finance Department 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 marked the end of the third 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 \$13 million in additional revenue for the water utility and over \$3.7m 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 211 miles of sanitary sewer lines, 281 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,
- 10,733 sewer accounts billed monthly (average),
- 11,663 water accounts billed monthly (average),
- 1,603 fire hydrants,
- 17,113 electric accounts billed monthly (average), and
- one water treatment plant

Budget Process & Methodology

- 5 electric substations
- 25 wastewater lift stations
- 6 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>
Specialized Equip	\$ 119,977	\$ 92,977	\$ 96,000	\$ 308,954
Vehicles/Equip	\$ -	\$ 192,127	\$ 175,000	\$ 367,127
Utility Lines	\$ 240,000	\$ 237,500	\$ 1,322,500	\$ 1,800,000
Meters	\$ 100,000	\$ -	\$ 90,200	\$ 190,200
Land/Rights of Way	\$ -	\$ -	\$ 20,000	\$ 20,000
Transformers	\$ -	\$ -	\$ 350,000	\$ 350,000
Other	\$ -	\$ -	\$ 600,500	\$ 600,500
	\$ 459,977	\$ 522,604	\$ 2,654,200	\$ 3,636,781

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.

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 replaced existing meters with ones that can be read and tracked remotely, enabling more timely and accurate readings. The program will continue in FY19, although all meters have been installed as of last year. This project As a result, most of the meter reading staff will be relocated to other services in the Utility System operations. Currently, staff is evaluating the timing of the remaining transition.

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 FY19. The full amount set aside annually for substation costs totals \$325,000.

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 was the final 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. These needs 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 Actual	FY17 Actual	FY18 Actual	FY19 Adopted
Water (\$)	\$850k	\$3.875m	\$4.7m	\$5.3m	\$5.3m
Wastewater (\$)	\$443k	\$688k	\$1.3m	\$1.421m	\$1.3m
Total (\$)	\$1.293m	\$4.563m	\$6m	\$6.721m	\$6.6m

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

Lake Lot Licenses*

FY19 will mark the fifth year in which all lake lot license revenue (estimated at \$960,000 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. Pay for debt service on the Texas Water Development Bonds
3. 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

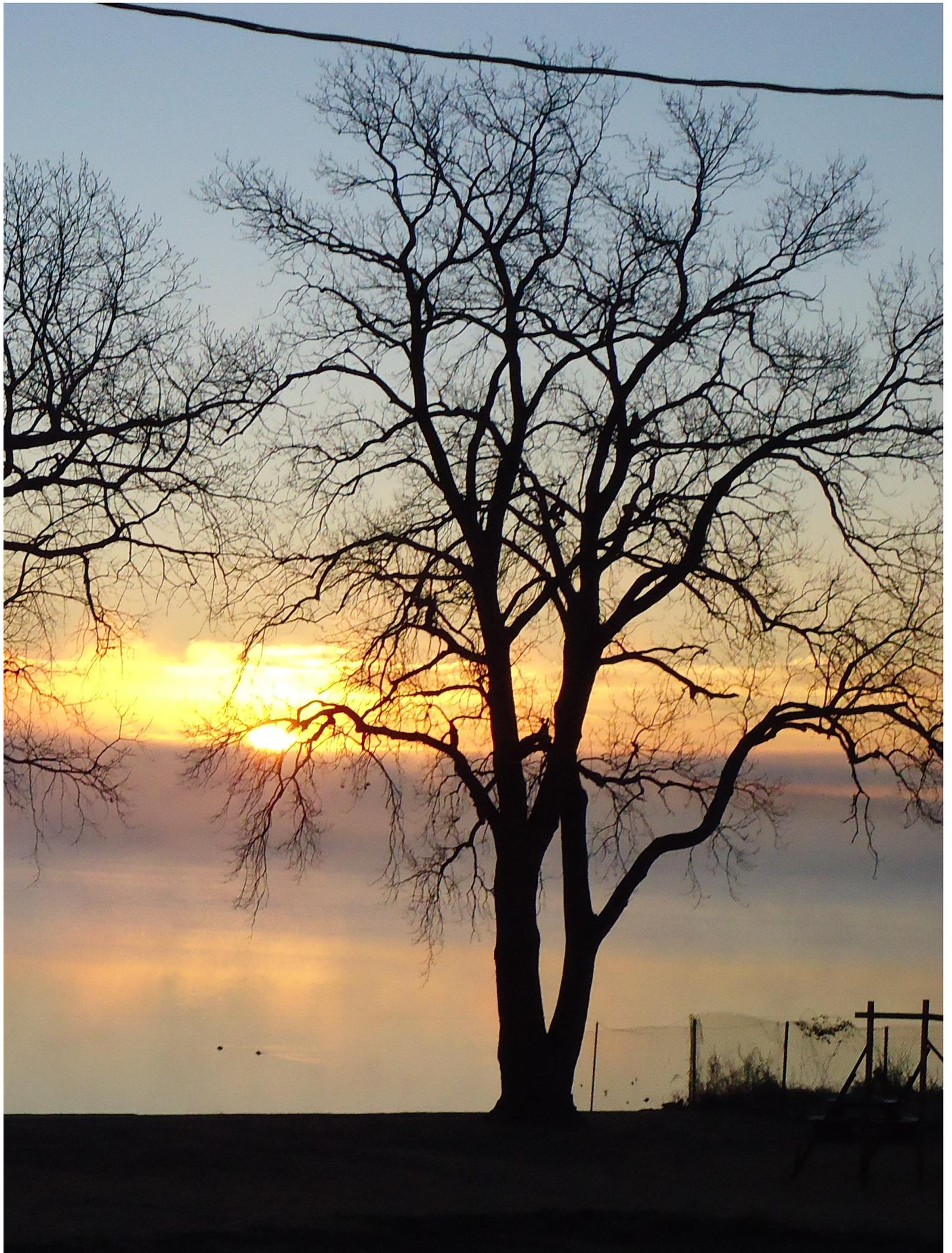
The growth in the system has and will continue to result in increased demand on the utility system, requiring the system to expand to accommodate. As previously noted, this fiscal year's budget includes several areas where the utility is preparing for this expansion, including reserving money for the 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 every way, FY19 is a year that focuses on the future. For the next few years, Weatherford'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..



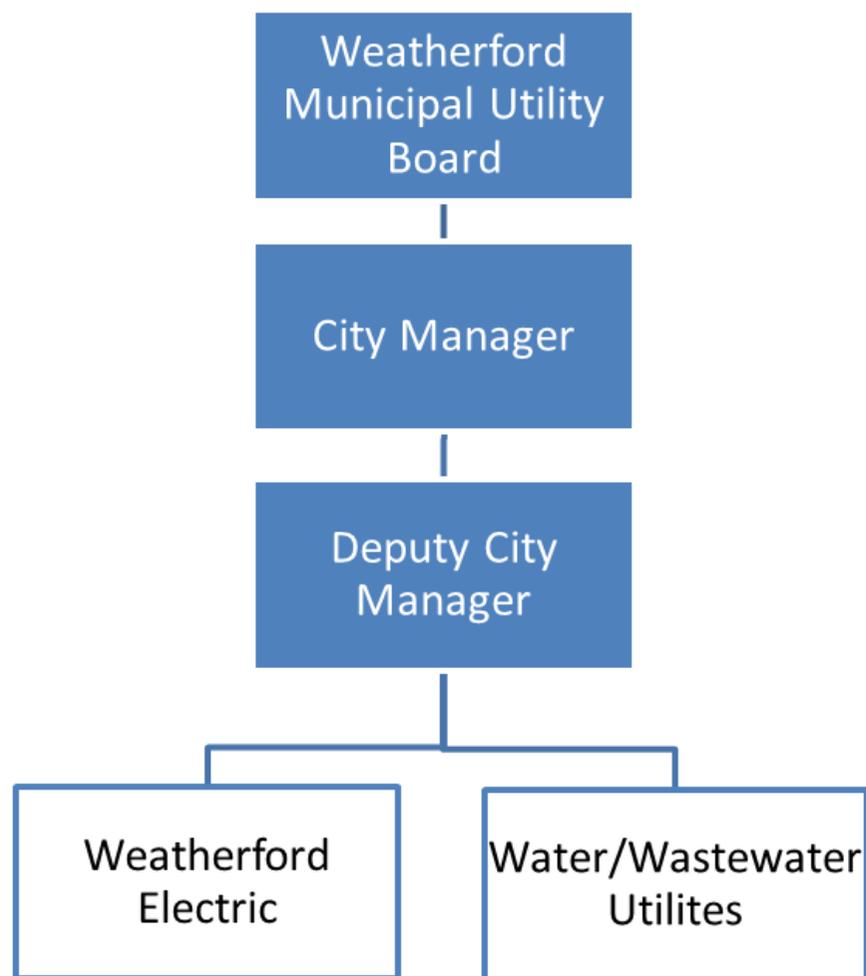
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Municipal Utility Fund

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, Risk & Emergency Management, Public Relations, 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.



FY19 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	Solid Waste	Electric	Water	Wastewater
Customer Service	31-205	10%	38.9%	26.6%	24.5%

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 FY19 allocations for these cost centers is below.

Water/Wastewater Administration: Cost Center 402

Water is allocated 50% of the 100s, 65% of the 200s, and 50% 300s accounts.

Wastewater is allocated 50% of the 100s, 35% of the 200s, and 50% of the 300s accounts.

Water/Wastewater Maintenance: Cost Center 405

Water is allocated 50% of the 100s accounts, 56% of the 200s accounts, 50% of the 300s accounts, and 36% of the 400s accounts. Wastewater is allocated 50% of the 100s accounts, 44% of the 200s accounts, 50% of the 300s accounts, and 64% of the 400s accounts.

Water/Wastewater Rehabilitation: Cost Center 406

Water is allocated 50% of the 100s, 200s, and 300s accounts, and 51% of the 400s accounts, and wastewater is allocated 50% of the 100s, 200s, and 300s accounts, and 49% 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 FY16	Actual FY17	Adopted FY18	Projected FY18	Proposed FY19
Beginning Available Working Capital	11,966,913	15,178,246	10,550,081	10,550,081	11,112,586
Revenue					
Electric Utility					
Sale of Power	27,163,416	32,240,670	31,684,483	34,284,483	32,951,862
Interest & Other	972,439	934,037	903,605	959,239	903,605
<i>Subtotal Electric</i>	<i>28,135,855</i>	<i>33,174,707</i>	<i>32,588,088</i>	<i>35,243,722</i>	<i>33,855,467</i>
Water Utility					
Sale of Water - Retail	12,873,504	15,033,587	15,301,582	15,659,493	15,531,106
Sale of Water - Wholesale	177,971	111,287	60,000	111,287	125,000
Lake Lot Licenses	939,898	965,135	960,000	987,438	987,438
Water Taps	1,160	2,205	3,500	3,500	3,500
Interest & Other	226,379	290,975	108,464	504,818	128,464
<i>Subtotal Water</i>	<i>14,218,912</i>	<i>16,403,189</i>	<i>16,433,546</i>	<i>17,266,536</i>	<i>16,775,508</i>
Wastewater Utility					
Service Fees - Retail	5,622,349	6,563,609	6,545,595	6,689,267	6,643,779
Service Fees - Wholesale	141,890	135,697	135,000	136,232	135,000
Wastewater Tap Fees	3,135	-	1,200	8,060	1,200
Pre-Treatment Fees	33,999	30,605	26,000	30,244	30,000
Interest & Other	29,186	89,945	20,245	24,803	20,245
<i>Subtotal Wastewater</i>	<i>5,830,559</i>	<i>6,819,856</i>	<i>6,728,040</i>	<i>6,888,606</i>	<i>6,830,224</i>
Total Revenue	48,185,326	56,397,751	55,749,674	59,398,863	57,461,199
Expenses					
Electric					
Administration	233,752	236,252	243,923	260,389	245,566
Fiber	115,615	150,139	182,518	178,740	188,571
Distribution	5,576,024	5,887,667	6,558,841	6,440,051	6,683,010
Production	7,109	6,416	12,701	6,039	12,701
Warehouse	420,372	316,901	510,589	515,121	379,247
Non Departmental	22,348,408	26,608,831	25,180,745	27,996,477	26,983,808
<i>Subtotal Electric</i>	<i>28,701,279</i>	<i>33,206,206</i>	<i>32,689,317</i>	<i>35,396,816</i>	<i>34,492,903</i>
Water					
Administration	448,655	475,252	504,641	442,578	445,100
Water Treatment Plant	1,640,597	1,675,921	2,764,209	2,643,188	2,685,861
Water/WW Maintenance	1,051,037	1,176,706	1,214,320	1,296,091	1,244,307
Water/WW Rehabilitation	360,514	311,719	474,751	480,146	480,236
Engineering	228,641	217,583	254,513	257,050	219,751
Non Departmental	6,884,347	15,156,980	11,469,424	11,464,424	11,816,205
<i>Subtotal Water</i>	<i>10,613,790</i>	<i>19,014,160</i>	<i>16,681,858</i>	<i>16,583,478</i>	<i>16,891,459</i>

Municipal Utility Fund Revenue and Expense Summary

	Actual FY16	Actual FY17	Adopted FY18	Projected FY18	Proposed FY19
Wastewater					
Administration	427,405	456,994	488,679	426,617	430,139
Water/WW Maintenance	1,032,771	1,144,693	1,044,212	1,097,592	1,308,945
Water/WW Rehabilitation	313,441	383,509	463,751	469,146	469,236
Engineering	228,641	217,565	254,513	257,050	219,751
Wastewater Treatment Plant	852,598	941,332	981,857	986,025	942,477
Non Departmental	2,089,584	3,813,571	3,631,004	3,619,634	3,623,549
<i>Subtotal Wastewater</i>	<i>4,944,440</i>	<i>6,957,664</i>	<i>6,864,016</i>	<i>6,856,065</i>	<i>6,994,097</i>
Total Expenses	44,259,509	59,178,031	56,235,191	58,836,359	58,378,459
Revenue Over/(Under) Expenses	3,925,817	(2,780,280)	(485,517)	562,505	(917,260)
Reserve Contributions*					
Contribution to PCAF	-	(37,300)			
Contributions to Electric Reserves	-	(1,000,000)			
Contributions to Capital/Lake Lot Reserves	(200,000)	(200,000)			
Contribution to TRWD Reserves	(514,484)	(610,585)			
Ending Working Capital	15,178,246	10,550,081	10,064,565	11,112,586	10,195,326
Ending Days	196.32	136.46	129.10	142.54	121.73

Non-Operating Expenses	1,467,510
Non-Operating Revenues	347,826
Ongoing Revenues	57,113,373
Ongoing Expenses	56,910,950
Net Operating Gain/(Loss)	202,424
90 Day Target Reserve	(7,537,950)
Available Working Capital	2,657,376
One Day Cost (Ongoing Costs/365)	83,755.00
Total Working Days	122
Working Days, Less Vehicle Reserves	122
Target Reserve	90
Available Working Capital	32

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

**Municipal Utility Fund
Electric Utility FY19 Operating Position**

	Actual FY16	Actual FY17	Adopted FY18	Projected FY18	Proposed FY19
Revenue					
Electric Utility					
Sale of Power	27,163,416	32,240,670	31,684,483	34,284,483	32,951,862
Interest & Other	972,439	934,037	903,605	959,239	903,605
Total Revenue	28,135,855	33,174,707	32,588,088	35,243,722	33,855,467
Expenses					
Electric					
Administration	233,752	236,252	243,923	260,389	245,566
Fiber	115,615	150,139	182,518	178,740	188,571
Distribution	5,576,024	5,887,667	6,558,841	6,440,051	6,683,010
Production	7,109	6,416	12,701	6,039	12,701
Warehouse	420,372	316,901	510,589	515,121	379,247
Non Departmental	22,348,408	26,608,831	25,180,745	27,996,477	26,983,808
<i>Subtotal Electric</i>	<i>28,701,279</i>	<i>33,206,206</i>	<i>32,689,317</i>	<i>35,396,816</i>	<i>34,492,903</i>
Total Expenses	28,701,279	33,206,206	32,689,317	35,396,816	34,492,903
Other Items					
Contribution to Capital/Reserves	-	(1,000,000)	-	-	-
Release of Reserved Fund Balance					
Contribution to PCAF Reserve	-	(37,300)	-	-	-
Revenue Over/(Under) Expenses	(565,424)	(1,068,799)	(101,229)	(153,094)	(637,435)

One-Time Expenses	714,118
Ongoing Revenues	33,855,467
Ongoing Expenses	33,778,785
Net Operating Gain/(Loss)	76,682

Days Cost	38,330
Est. Apportioned Working Capital	4,551,231
90-Day Reserve	3,449,666
Available	1,101,565

Net of the Electric Department's available balance, the following reserve dollars are also available:

Total Substation Reserve Dollars Available (through 2019)	1,130,000
Total Vehicle Reserve Dollars Available (through 2019)	850,000

Municipal Utility Fund
Water Utility FY19 Operating Position

	Actual FY16	Actual FY17	Adopted FY18	Projected FY18	Proposed FY19
Revenue					
Water Utility					
Sale of Water - Retail	12,873,504	15,033,587	15,301,582	15,659,493	15,531,106
Sale of Water - Wholesale	177,971	111,287	60,000	111,287	125,000
Lake Lot Licenses	939,898	965,135	960,000	987,438	987,438
Water Taps	1,160	2,205	3,500	3,500	3,500
Interest & Other	226,379	290,975	108,464	504,818	128,464
Total Revenue	14,218,912	16,403,189	16,433,546	17,266,536	16,775,508
Expenses					
Water					
Administration	448,655	475,252	504,641	442,578	445,100
Water Treatment Plant	1,640,597	1,675,921	2,764,209	2,643,188	2,685,861
Water/WW Maintenance	1,051,037	1,176,706	1,214,320	1,296,091	1,244,307
Water/WW Rehabilitation	360,514	311,719	474,751	480,146	480,236
Engineering	228,641	217,583	254,513	257,050	219,751
Non Departmental	6,884,347	15,156,980	11,469,424	11,464,424	11,816,205
<i>Subtotal Water</i>	<i>10,613,790</i>	<i>19,014,160</i>	<i>16,681,858</i>	<i>16,583,478</i>	<i>16,891,459</i>
Total Expenses	10,613,790	19,014,160	16,681,858	16,583,478	16,891,459
Revenue Over/(Under) Expenses	3,605,122	(2,610,972)	(248,312)	683,058	(115,952)
Other Items					
Contribution TRWD Reserve	(514,484)	(610,585)	-	-	-
Contribution to Lake Capital Reserve	(200,000)	(200,000)	-	-	-
Revenue Over/(Under) Expenses	2,890,638	(3,421,557)	(248,312)	683,058	(115,952)

Non-Operating Expenses	530,768
Non-Operating Revenues	347,826
Ongoing Revenues	16,427,682
Ongoing Expenses	16,360,691
Net Operating Gain/(Loss)	66,990

Days Cost	30,417
Est. Apportioned Working Capital	3,653,371
90 Day Reserve	2,737,517
Available	915,854

Net of the Water Department's available balance, the following reserve dollars are also available:
Tarrant Regional Water District Reserve Available (through 2019) 2,576,239
Lake Capital Reserve Available (through 2019) 1,271,646

**Municipal Utility Fund
Wastewater Utility FY19 Operating Position**

	Actual FY16	Actual FY17	Adopted FY18	Projected FY18	Proposed FY19
Revenue					
Wastewater Utility					
Service Fees - Retail	5,622,349	6,563,609	6,545,595	6,689,267	6,643,779
Service Fees - Wholesale	141,890	135,697	135,000	136,232	135,000
Wastewater Tap Fees	3,135	-	1,200	8,060	1,200
Pre-Treatment Fees	33,999	30,605	26,000	30,244	30,000
Interest & Other	29,186	89,945	20,245	24,803	20,245
Total Revenue	5,830,559	6,819,856	6,728,040	6,888,606	6,830,224
Expenses					
Wastewater					
Administration	427,405	456,994	488,679	426,617	430,139
Water/WW Maintenance	1,032,771	1,144,693	1,044,212	1,097,592	1,308,945
Water/WW Rehabilitation	313,441	383,509	463,751	469,146	469,236
Engineering	228,641	217,565	254,513	257,050	219,751
Wastewater Treatment Plant	852,598	941,332	981,857	986,025	942,477
Non Departmental	2,089,584	3,813,571	3,631,004	3,619,634	3,623,549
<i>Subtotal Wastewater</i>	<i>4,944,440</i>	<i>6,957,664</i>	<i>6,864,016</i>	<i>6,856,065</i>	<i>6,994,097</i>
Total Expenses	4,944,440	6,957,664	6,864,016	6,856,065	6,994,097
Revenue Over/(Under) Expenses	886,119	(137,809)	(135,976)	32,541	(163,873)

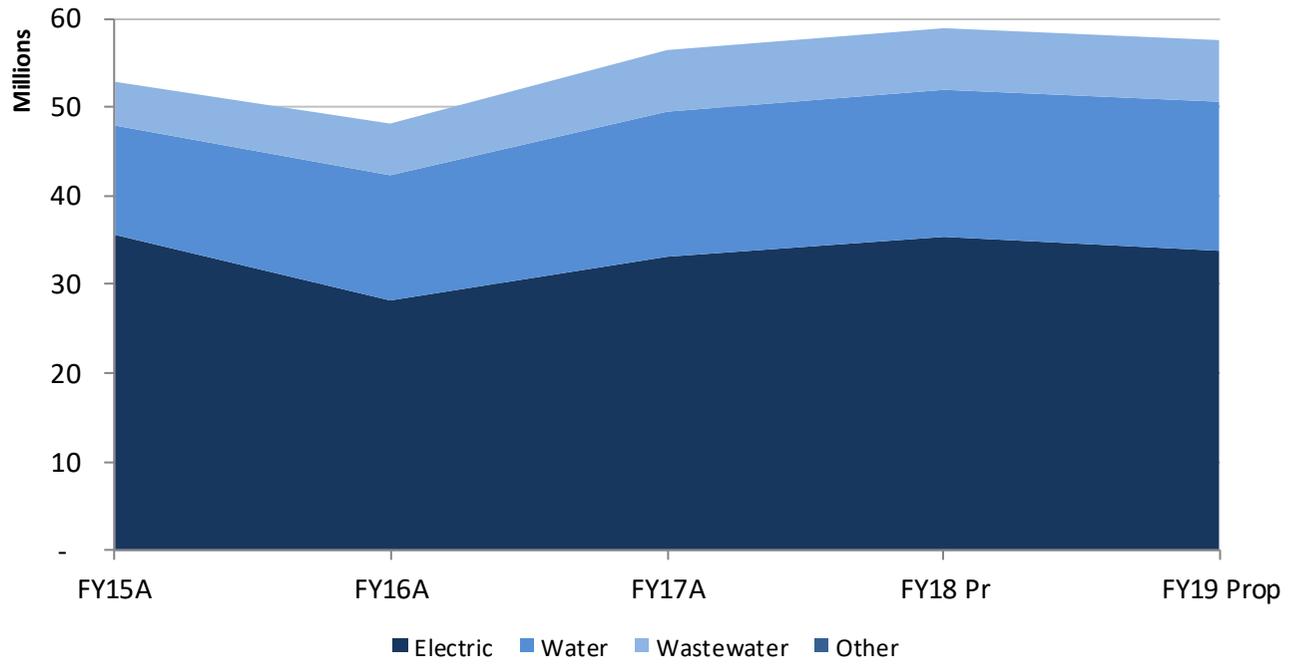
Non-Operating Expenses	222,624
Non-Operating Revenues	-
Ongoing Revenues	6,830,224
Ongoing Expenses	6,771,473
Net Operating Gain/(Loss)	58,751
Days Cost	15,008
Est. Apportioned Working Capital	1,990,724
90 Day Reserve	1,350,725
Available	639,999

Customer Service Fund
Customer Service FY19 Operating Position

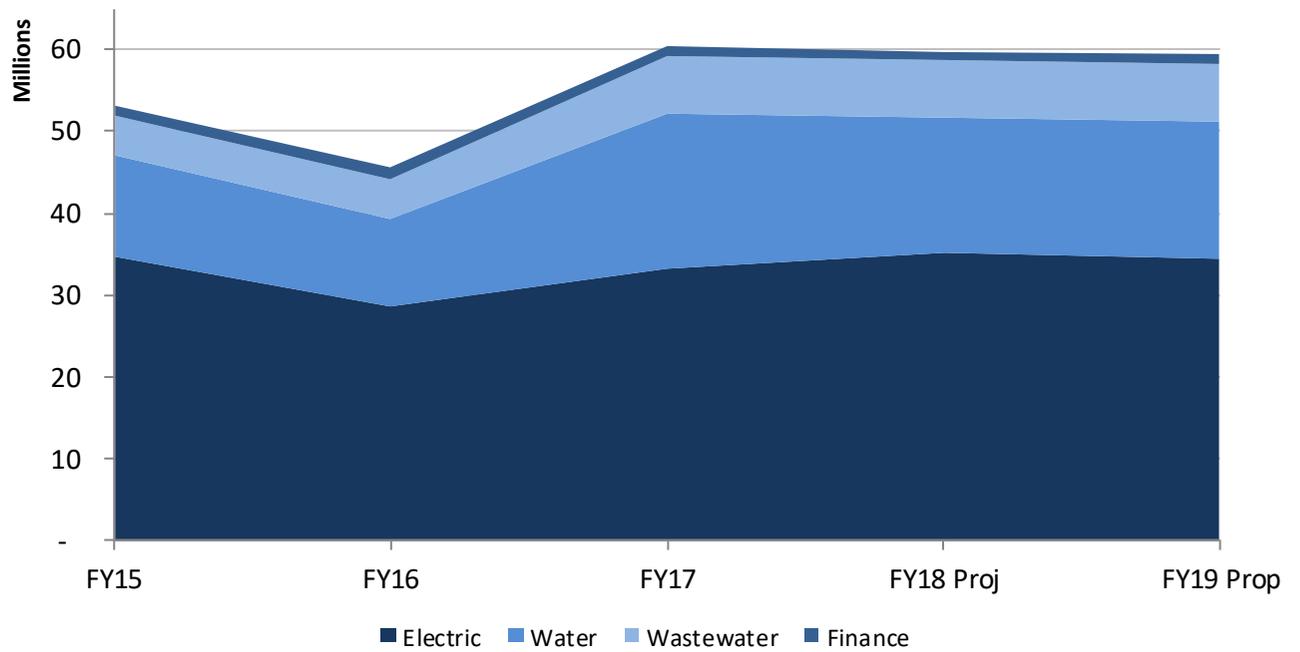
	Actual FY16	Actual FY17	Adopted FY18	Projected FY18	Proposed FY19
Beginning Available Working Capital	-	57,434	152,558	152,558	311,944
Revenue					
Charge-backs					
Electric	580,164	561,073	494,880	494,880	430,386
Water	352,094	364,677	338,784	338,784	294,633
Wastewater	324,061	335,642	311,767	311,767	271,137
Solid Waste	40,456	40,154	110,000	110,000	110,000
Storm Water	-	-	-	-	-
Misc. Revenue	-	6,493	-	-	-
Total Revenue	1,296,774	1,308,039	1,255,431	1,255,431	1,106,156
Expenses					
Personnel	645,639	621,046	641,298	563,069	555,131
Supplies	40,079	27,188	40,850	24,171	13,425
Contractual	553,622	513,671	522,781	508,806	537,600
Capital Outlay	-	-	-	-	-
Transfer to GF	-	51,011	-	-	-
Total Expenses	1,239,340	1,212,914.83	1,204,929	1,096,045	1,106,156
Revenue Over/(Under) Expenses	57,434	152,558	203,061	311,944	311,900

Municipal Utility Fund
Charts and Graphs

Historical Fund Revenues by Utility (millions)

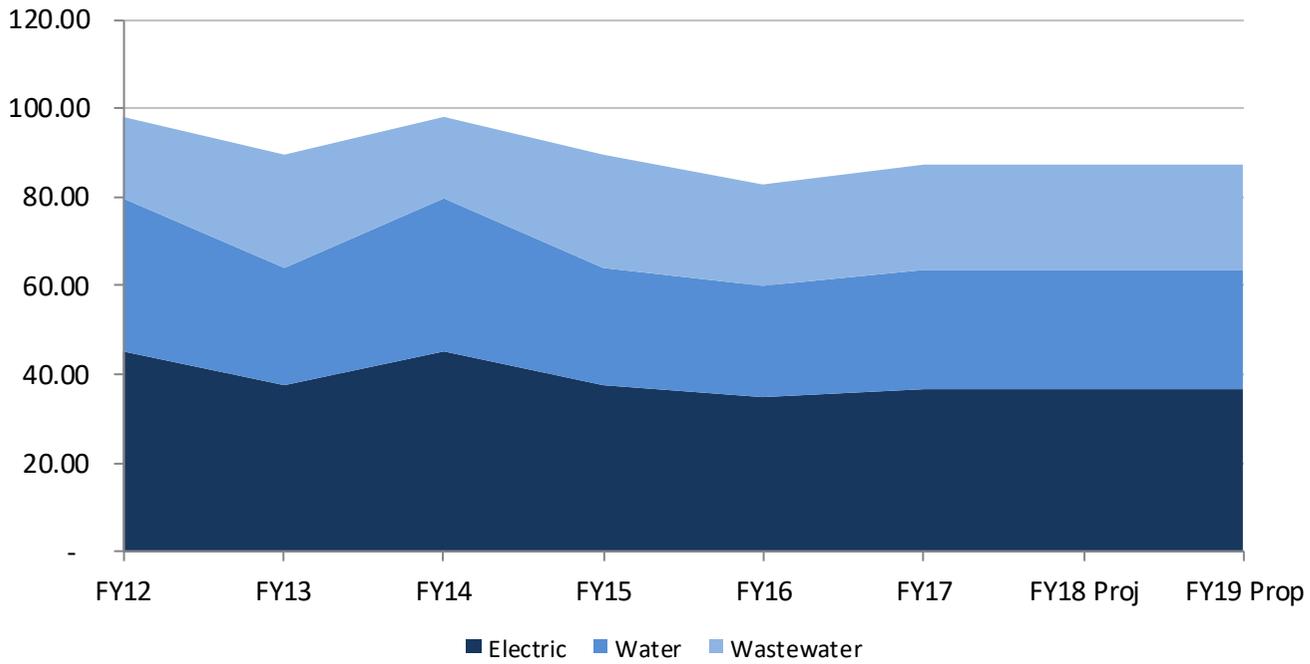


Historical Fund Expenses by Utility (millions)

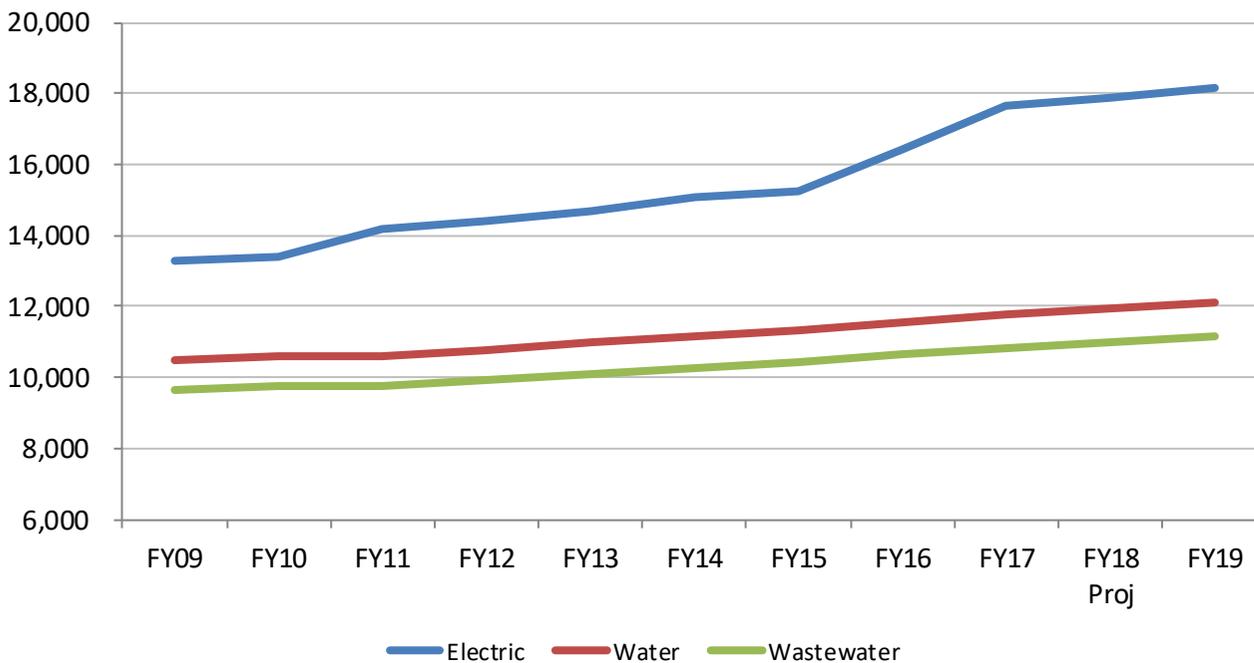


**Municipal Utility Fund
Charts and Graphs**

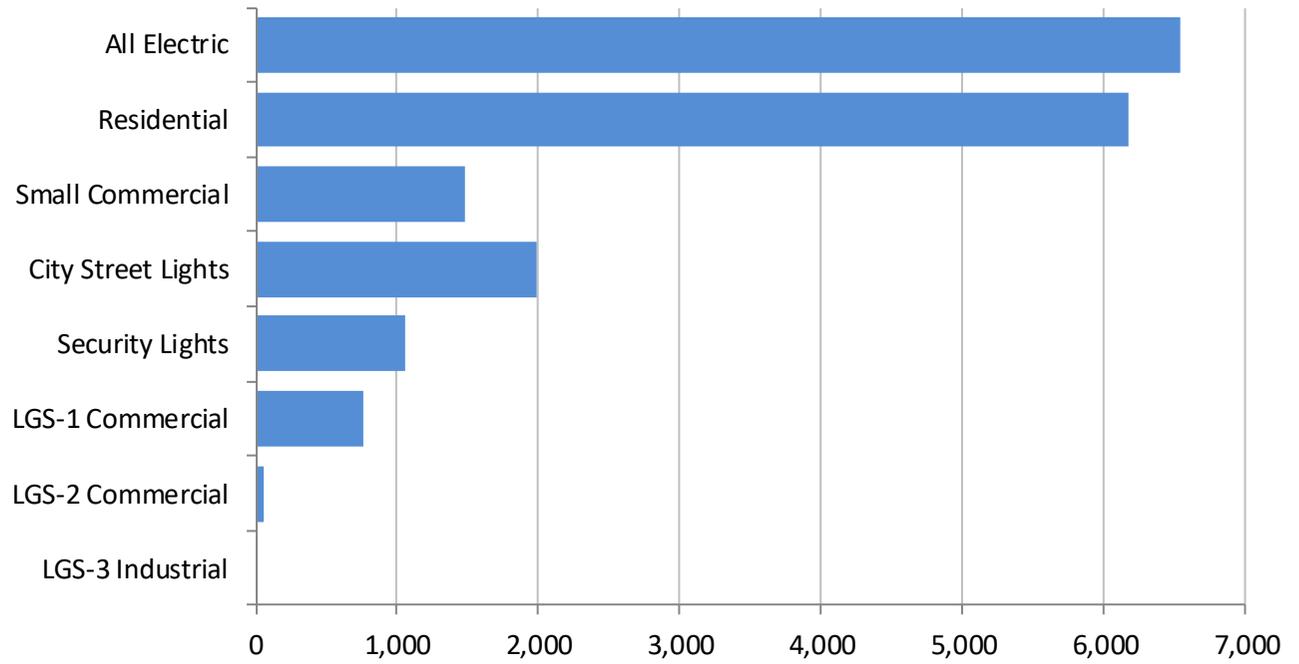
Historical Personnel (FTE) by Utility



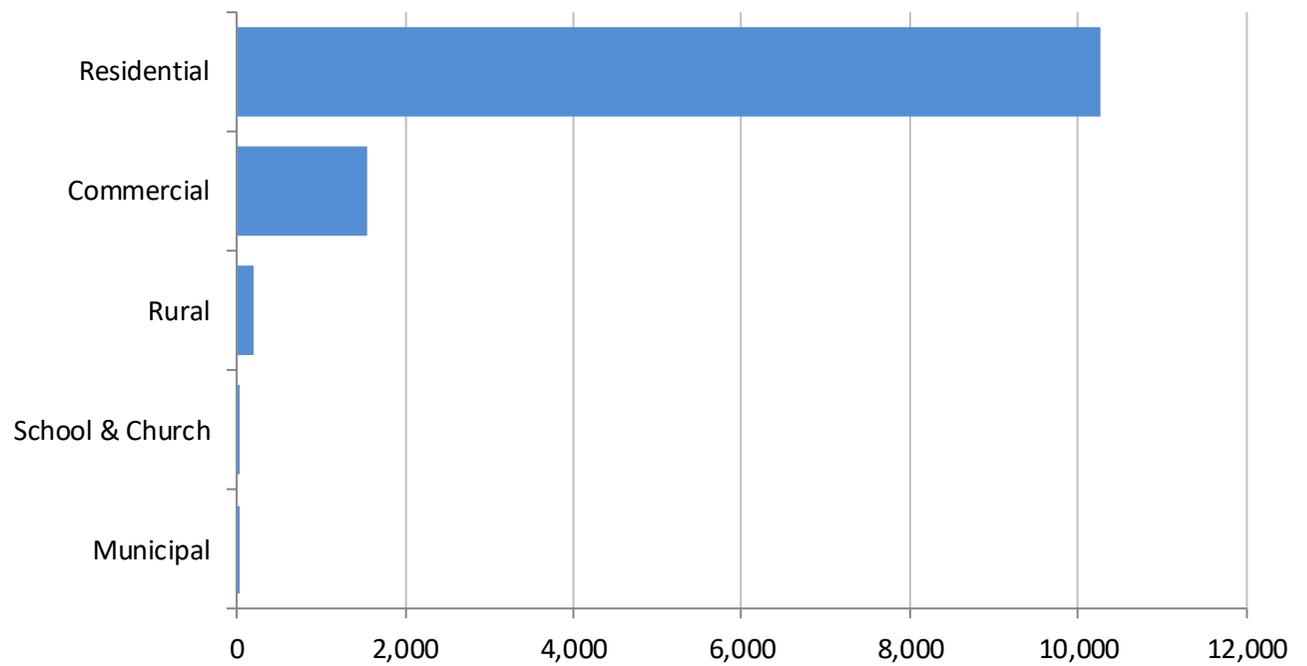
Historical Number of Customers by Utility



FY18 Electric Customers by Class

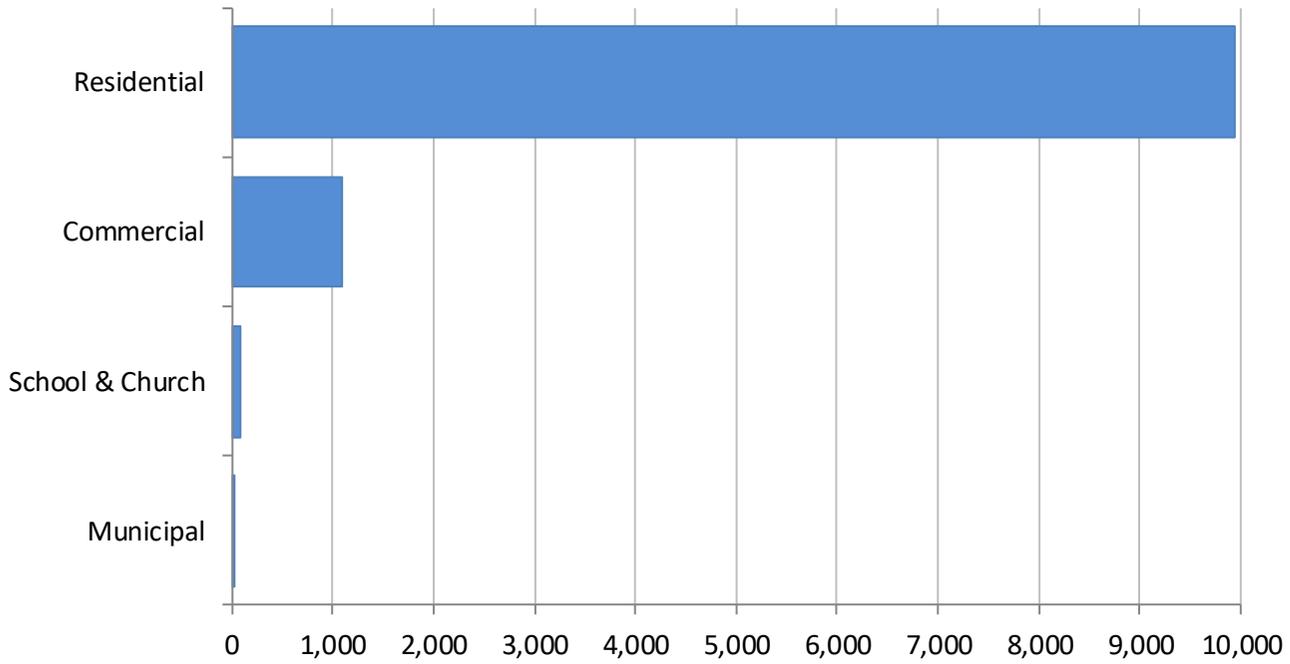


FY18 Water Retail Customers by Class

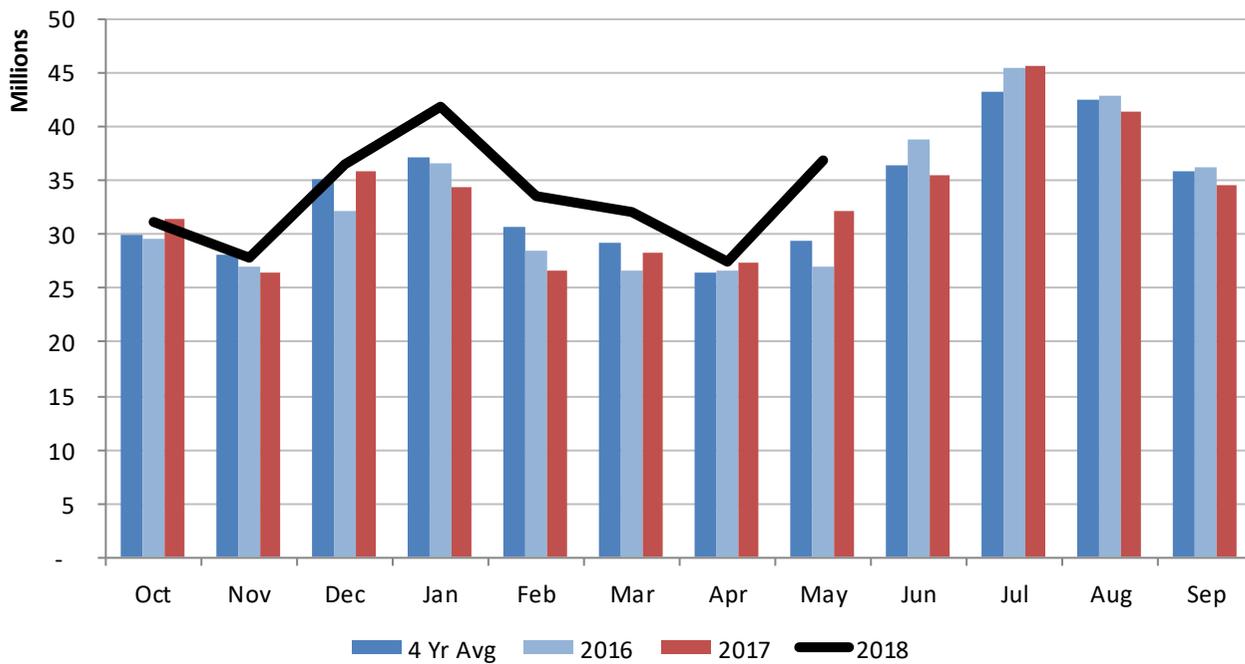


**Municipal Utility Fund
Charts and Graphs**

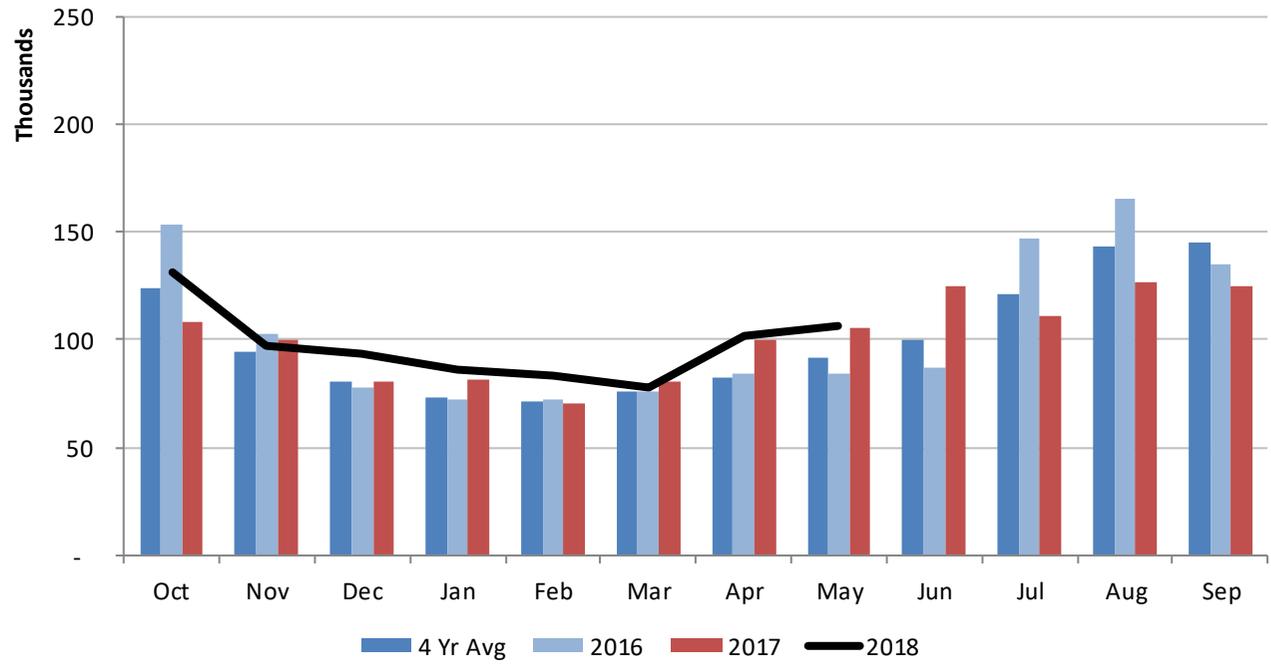
FY18 Wastewater Customers by Class



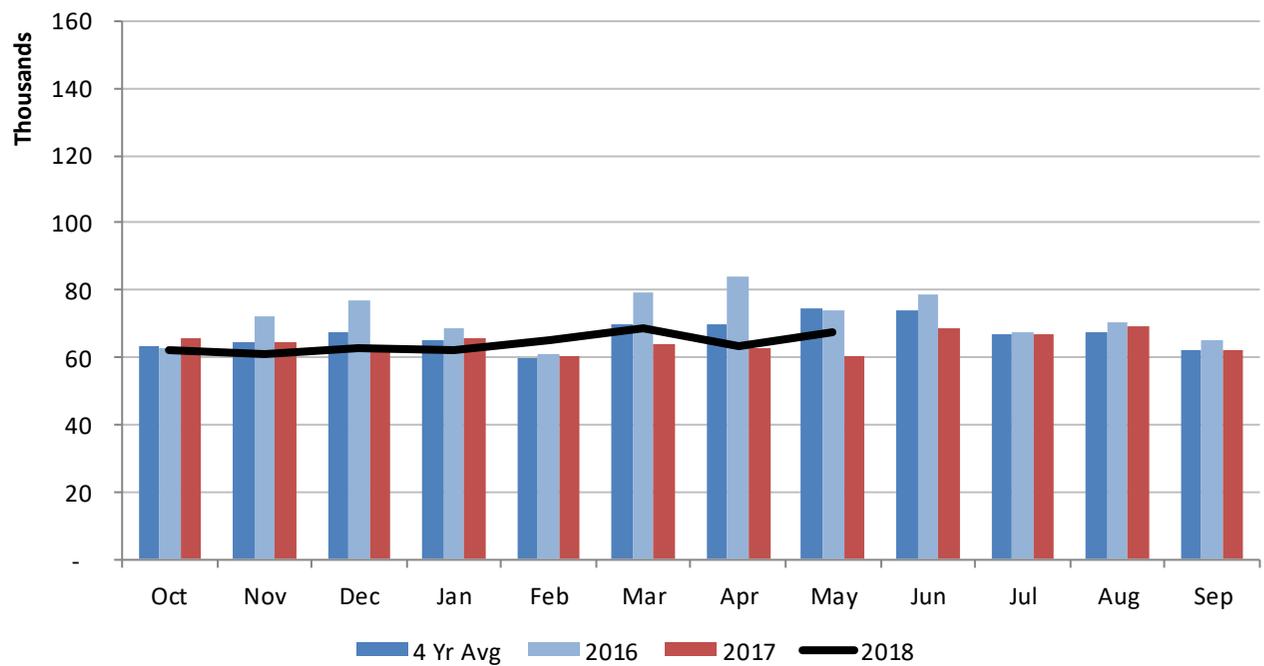
FY18 Electric Consumption vs. Historical (millions)



FY18 Water Consumption vs. Historical (thousands)

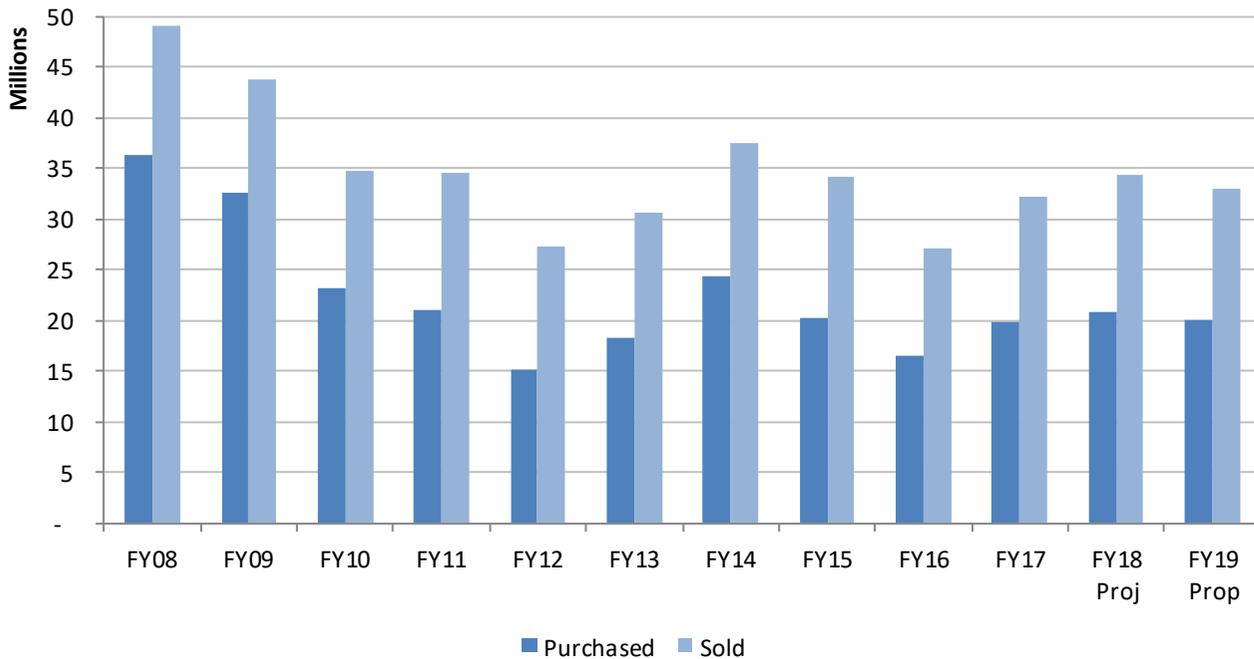


FY18 Wastewater Consumption vs. Historical (thousands)



Municipal Utility Fund Charts and Graphs

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 FY16	Actual FY17	Projected FY18	Proposed FY19
Revenues				
Electric Utility	27,163,416	32,240,670	34,284,483	32,951,862
Returned Check Charges	6,870	6,450	5,930	8,000
Interest Income	227,462	203,487	256,013	90,000
Net Change In Fair Value - Invest	(86,633)	(81,386)	(126,524)	-
Sale Of Fixed Assets	1,073	-	-	-
Sale Of Salvage	3,661	7,631	735	-
Pole Rental - Cable TV	106,630	108,605	134,183	108,605
Late Payment Fees	98,753	97,307	86,765	100,000
Temp Connects & Reconnects	72,930	58,420	55,590	60,000
Service Initiation Fees	93,445	95,985	89,705	90,000
Service Transfer Fees	8,740	7,280	6,500	12,000
Electric Miscellaneous	21,878	31,190	108,808	120,000
Contrib In Aid Of Construction	212,664	169,882	150,000	150,000
Proceeds from Insurance	39,874	67,909	26,534	-
Electric Fiber Lease Fee	165,091	161,276	165,000	165,000
Total Revenue	28,135,855	33,174,707	35,243,722	33,855,467

**Municipal Utility Fund
Revenue Summary**

Water System Revenues

	Actual FY16	Actual FY17	Projected FY18	Proposed FY19
Revenues				
Inspection Service Fee	16,059	67,557	4,877	15,000
Wholesale Water Sales	177,971	111,287	111,287	125,000
Water Utility	12,873,504	15,033,587	15,659,493	15,531,106
Raw Water Sales	4,051	-	-	2,500
TRWD Pumping Pass-Through	-	-	-	-
Water Taps	1,160	2,205	3,500	3,500
Water Connection Fee	49,455	41,605	40,355	45,000
Sale Of Fixed Assets	6,760	17,753	21,528	-
Sale Of Salvage	3,061	1,248	3,235	-
Lake Lot Leases	939,898	965,135	987,438	987,438
Maintenance Services	-	-	-	-
Lake Lot Transfers	11,050	11,250	11,000	9,000
Lake Concession Rental	13,711	13,282	12,000	12,000
Water Tower License Fee	41,941	45,370	18,900	38,964
Proceeds from Insurance	3,006	2,284	-	-
Shortages & Overages	(7,062)	(4,634)	249	-
Water Miscellaneous	84,348	95,259	392,673	6,000
Total Revenue	14,218,912	16,403,189	17,266,536	16,775,508

**Municipal Utility Fund
Revenue Summary**

Wastewater System Revenues

	Actual FY16	Actual FY17	Projected FY18	Proposed FY19
Revenues				
Sewer Fees	5,622,349	6,563,609	6,689,267	6,643,779
Pre-Treatment Fees	33,999	30,605	30,244	30,000
Sewer Taps	3,135	-	8,060	1,200
Proceeds from Insurance	-	16,330	-	-
Inspection Service Fee	19,071	61,157	14,348	15,000
Non System Wastewater Svc Fee	141,890	135,697	136,232	135,000
Sewer Miscellaneous	8,545	458	10,455	5,245
Sale of Salvage	1,570	-	-	-
Sale of Fixed Assets	-	12,000	-	-
Total Revenue	5,830,559	6,819,856	6,888,606	6,830,224
Total System Revenue	48,185,326	56,397,751	59,398,863	57,461,199

**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	\$702,655
All Other	\$12,975,169
Subtotal*	\$13,677,824
Fuel & Purchase Power (includes \$.015 of PP)	
Industrial	\$2,019,448
All Other	\$17,254,590
Subtotal**	\$19,274,038
Total Revenues	
Industrial	\$2,722,103
All Others	\$30,229,759
Total Retail Sales Revenue	\$32,951,862

* Net operating capital available for the Electric Utility
** Adopted FY19 subtotal is budgeted in 11-2-902-373

**Municipal Utility Fund
Revenue Summary**

Water Revenue Worksheet

Retail Water Sales Worksheet

Three-Year Average (Includes FY18 Projected)	1,219,726
Projected Growth Factor	18,574
<hr/>	
FY19 Projected Water Consumption (1,000s gallons)	1,238,300
FY19 Effective Rate per 1,000 gallons	\$12.54
<hr/>	
FY19 Total Projected Retail Revenue*	<u>\$15,531,106</u>

Wastewater Revenue Worksheet

Sewer Fees	
<u>Revenues</u>	<u>FY2019 - Projected</u>
Oct 2018 \$	556,235
Nov 2018 \$	551,371
Dec 2018 \$	536,337
Jan 2019 \$	522,843
Feb 2019 \$	514,346
Mar 2019 \$	540,257
Apr 2019 \$	546,267
May 2019 \$	546,226
Jun 2019 \$	564,711
Jul 2019 \$	575,536
Aug 2019 \$	581,481
Sep 2019 \$	<u>608,169</u>
Total Projected FY19 \$	6,643,779

Note: Wastewater revenue tends to be relatively stable. All revenue growth is coming from anticipated growth in customers.

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Departmental Summaries

Operational Summary

Water/Wastewater

Division	Cost Center	Positions		FY19 Budget
Water/Wastewater Administration	402	9	\$	875,239
Water Treatment Plant	404	8	\$	2,685,861
Water/Wastewater Maintenance	405	21	\$	2,553,251
Water/Wastewater Rehabilitation	406	6	\$	949,471
Engineering	427	3	\$	439,503
Wastewater Treatment Plant	454	5	\$	942,477
Water Non-Departmental*	903	0	\$	11,788,542
Wastewater Non-Departmental*	904	0	\$	3,612,338
Total Water/Wastewater		52	\$	23,846,683

Electric

Division	Cost Center	Positions		FY18 Budget
Electric Administration	422	7	\$	245,566
Electric Distribution	424	27	\$	6,683,010
Electric Production	425	0	\$	12,701
Electric Warehouse	426	3	\$	379,247
Fiber	440	1	\$	188,571
Electric Non-Departmental*	902	0	\$	26,859,479
Total Electric		38	\$	34,368,574

Finance

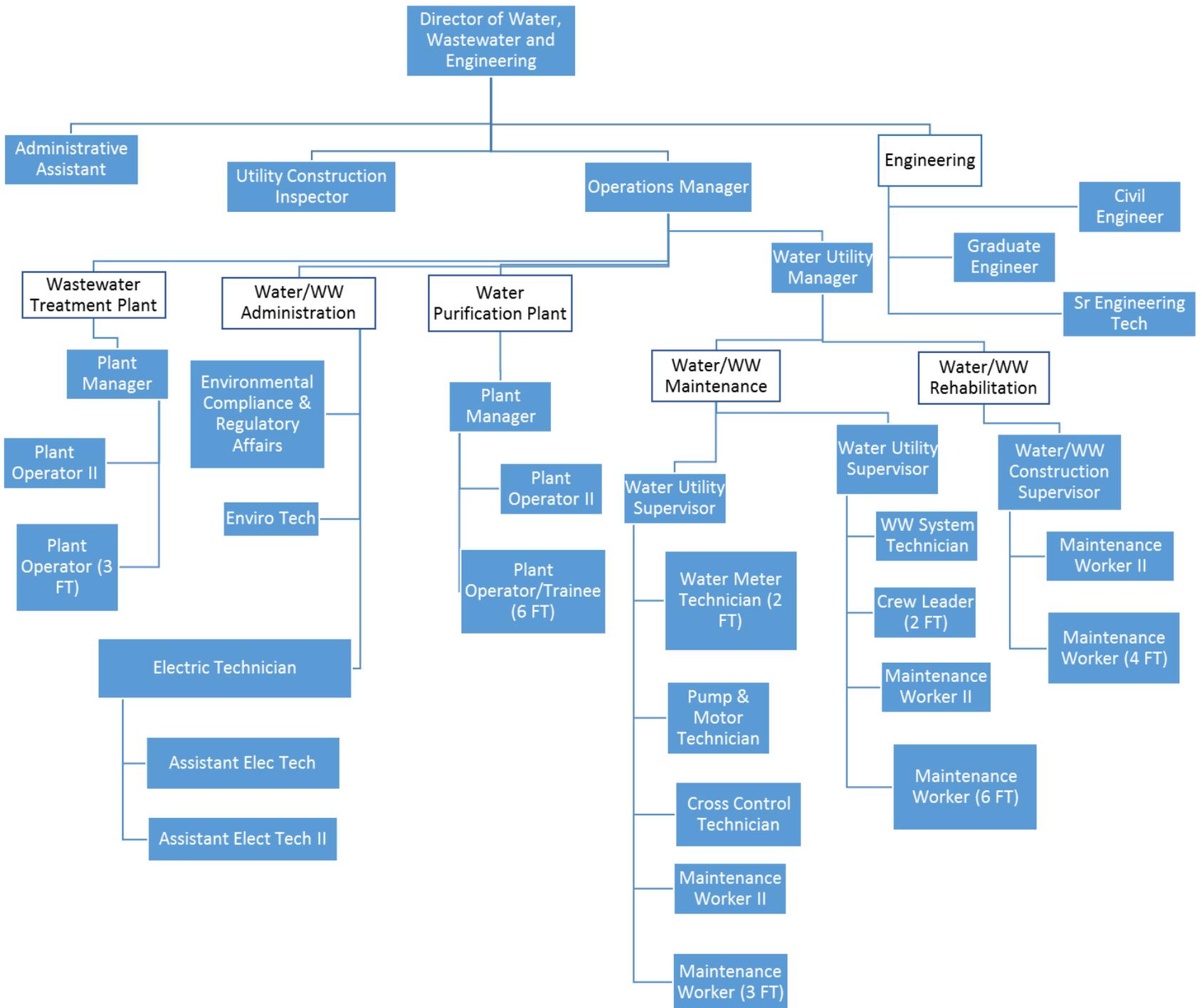
Division	Cost Center	Positions		FY18 Budget
Utility Billing	205	10	\$	1,106,156
Total Utility Operations		100	\$	59,321,413

*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.

FY17 or FY18 Noteworthy Accomplishments

- 1 Assisted with design of the wastewater treatment plant SCADA Project.
- 2 Provided support to departments for TCEQ rules and regulations compliance.
- 3 Inspected the construction of the Deerfield water transmission pipeline.
- 4 Inspected the utility construction of various new subdivisions.

FY19 Objectives

- 1 Oversee the construction of the wastewater treatment plant SCADA project.
- 2 Inspect the rehab of the wastewater line in the 1000 block of Ft. Worth Hwy.
- 3 Inspect the rehab of water distribution lines on East and West Oak St
- 4 Inspect water system expansion projects along RWMH, and Ft. Worth Hwy.

Budget Summary	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Adopted
Personnel	\$ 808,037	\$ 864,794	\$ 909,585	\$ 787,028	\$ 795,754
Supplies	\$ 49,970	\$ 43,498	\$ 48,950	\$ 48,950	\$ 48,950
Contractual	\$ 18,053	\$ 23,954	\$ 34,785	\$ 33,218	\$ 30,535
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 876,060	\$ 932,246	\$ 993,320	\$ 869,195	\$ 875,239

Significant Budget Changes

During FY17, the Director of Water/WW was reallocated into this Department.

Performance Dashboard

Workload Measures	FY14	FY15	FY16	FY17
1 Water Quality Tests Performed (#)	4,836	4,836	4,986	3,284
2 Utility Projects Inspected (daily average)			5	6
3 Pretreatment Programs managed (#)	8	8	8	8
4 Electric/SCADA Projects/ Workorders Completed (#)			109	119

Key Result Indicators

1 Percentage of water quality samples passed		99%	100%	100%
2 Number of Utility Construction inspections performed	2,760	2,500	2,750	2,880
3 Pretreatment Violations Issued	2	4	7	1

Position Summary	FY16	FY17	FY18	FY19
Assistant Director W/WW (Full Time)	1	1	0	0
Electric 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. Elect Tech II (Full Time)	1	1	1	1
Executive Assistant (Full Time)	1	1	1	1
Regulatory Affairs (Full Time)	1	1	1	1
Dir. Of W/WW & Eng (Full Time)	1	1	1	1
Assist. Elect Tech (Full Time)	1	1	1	1
Total	10	10	9	9

Water Treatment Plant (404)

Purpose and Description of the Division

The Weatherford Water Purification/Treatment Plant (WTP) 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 1,419,887,500 gallons of treated water to the public in 2017.

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.

FY17 or FY18 Noteworthy Accomplishments

- 1 Securing the SCADA network with new IP addresses
- 2 Installing new critical CPU replacements for HSP's
- 3 Installing new critical CPU replacements for WTP
- 4 Replace Sodium Chlorite Bulk Storage Tank
- 5 Replace RWP # 4

Current Objectives

	Target Completion Date
1 Purchase a HACH DR6000 for laboratory analysis	6/20/2018
2 Purchase and install a Raw Water RTU with fiber	5/15/2018
3 Purchase and install Emergency Chlorine Shut-Off Valves	9/15/2018
4 Started the Taste and Odor/Pre-Treatment project	Open
5 Complete 2 years of the LT-2 testing	9/4/2018

Performance Dashboard

Workload Measures	FY14	FY15	FY16	FY17
1 Treated water	1,831,398MG	1,761,581MG	1,831,398MG	1,419,888MG
2 Treatment cost per 1,000 gallons	\$1.10	\$1.00	\$1.10	\$1.16
3 Fines to the city by TCEQ	0	0	0	0

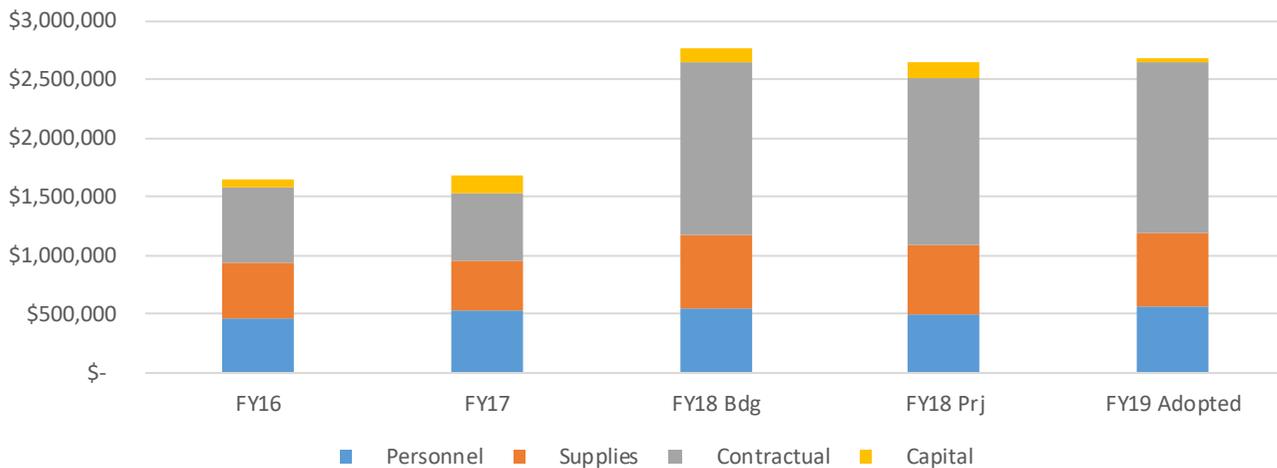
Budget Summary	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Adopted
Personnel	\$ 453,350	\$ 536,068	\$ 551,612	\$ 495,072	\$ 568,692
Supplies	\$ 482,705	\$ 412,491	\$ 614,175	\$ 589,751	\$ 612,060
Contractual	\$ 641,862	\$ 582,280	\$ 1,471,663	\$ 1,431,446	\$ 1,457,109
Capital	\$ 62,679	\$ 145,082	\$ 126,759	\$ 126,919	\$ 48,000
Total	\$ 1,640,597	\$ 1,675,921	\$ 2,764,209	\$ 2,643,188	\$ 2,685,861

Significant Budget Changes

	Ongoing	One-Time	Total
Chlorine bulk storage heaters	\$ -	\$ 10,932	\$ 10,932
Replacement of 5 chlorine feeders, 2 new injectors	\$ -	\$ 48,000	\$ 48,000
	\$ -	\$ 58,932	\$ 58,932

Position Summary	FY16	FY17	FY18	FY19
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 II (Full Time)	1	1	1	1
Water Plant Operator (Full Time)	2	2	3	3
Total	7	7	8	8

Budget History



Water/Wastewater Maintenance (405)

Purpose and Description of the Division

The Water/Wastewater Maintenance division is responsible for the maintenance of 281 miles of water lines, 211 miles of wastewater lines, 1,603 fire hydrants, 25 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 12,149 water meters and taking care of 15,608 water and sewer 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 Clean, inspect, and camera sewer mains to evaluate condition and plan repairs.
- 4 To continue to use the AMR system to it's full capacity to detect customer leaks in a timely manner
- 5 Reduce water loss to reduce city cost.

FY17 or FY18 Noteworthy Accomplishments

- 1 Implemented a valve and hydrant inspection and repair program
- 2 Installed 200' of 8" water line for new building at Houston & Palo Pinto
- 3 Track and aggressively treat roots in wastewater system to minimize sewer overflows
- 4 Completed the AMR meter swap program
- 5 Repaired 314 water meters, 4 water valves, 39 water services, 52 water mains, 35 fire hydrants, 24 wastewater services, 25 wastewater mains and 34 manholes and cleanouts

Current Objectives

	Target Completion Date
1 Clean camera and smoke 16 miles of wastewater main	9/30/2018
2 Repair wastewater mains in designated sheds	9/30/2018
3 Monitor AMR system to catch incoming alarms	9/30/2018
4 Clean and paint all piping and pumps at College pump station	5/1/2018
5 Paint, seal and stain 4 different lift station fences	9/30/2018

Budget Summary	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Adopted
Personnel	\$ 1,058,076	\$ 1,162,128	\$ 1,178,290	\$ 1,213,636	\$ 1,281,796
Supplies	\$ 493,253	\$ 525,640	\$ 465,048	\$ 607,293	\$ 488,202
Contractual	\$ 268,687	\$ 369,674	\$ 352,187	\$ 309,872	\$ 345,626
Capital	\$ 263,792	\$ 263,956	\$ 263,007	\$ 262,883	\$ 437,627
Total	\$ 2,083,808	\$ 2,321,398	\$ 2,258,532	\$ 2,393,684	\$ 2,553,251

Position Summary	FY16	FY17	FY18	FY19
Maintenance Worker III (Full Time)	1	1	1	0
Water Utility Supervisor (Full Time)	2	2	2	2
Water Utility Manager (Full Time)	1	1	1	1
Water Meter Tech (Full Time)	2	1	1	1
Maintenance Worker I (Full Time)	6	9	9	9
Pump & Motor Tech (Full Time)	1	1	1	1
Light Equipment Operator (Full Time)	2	2	2	0
Cross Connect Control Tech (Full Time)	0	0	1	1
Crew Leader (Full Time)	0	0	0	2
Meter Tech (Full Time)**	0	0	0	1
Maintenance Worker II (Full Time)	2	1	1	2
WW System Tech (Full Time)	1	1	1	1
Total	18	19	20	21

Significant Budget Changes

	Ongoing	One-Time	Total
Replacement of 2 chlorine analyzers	\$ 7,000	\$ -	\$ 7,000
Cleaning trunk line to wastewater treatment plant	\$ -	\$ 17,639	\$ 17,639
Laptop for 2nd Meter Tech in field	\$ -	\$ 2,000	\$ 2,000
F-450 with utility bed	\$ -	\$ 76,248	\$ 76,248
Truck with jet machine to replace truck and trailer	\$ -	\$ 115,879	\$ 115,879
Total	\$ 7,000	\$ 211,766	\$ 218,766

Performance Dashboard

Workload Measures	FY14	FY15	FY16	FY17
1 Number of water main breaks	42	40	55	52
2 Number of system overflows	2	8	4	2
3 Number of system stop-ups	260	113	137	111

Key Results Indicators

1 Meter Change out	510	218	3060	5125
2 Comprehensive sewer shed inspection/cleaning	34,100	105,646	88,837	74,431
3 % of Scheduled maintenance completed on time	100%	100%	100%	100%

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.

FY17 or FY18 Noteworthy Accomplishments

- 1 Completed 9 wastewater line projects in 16/17
- 2 Completed 4 water line projects in 16/17
- 3 Completed 4 water line projects to date in 18
- 4 Completed 2 wastewater projects to date in 18
- 5 Installed 22 manholes

Current Objectives

Current Objectives	Target Completion Date
1 Complete drainage and road project at LS#6	7/30/2018
2 Remove LS# 2	9/30/2018
3 Install 9,689 feet of sewer line	9/30/2018
4 Install 4,724 feet of water line	9/30/2018

Performance Dashboard

Workload Measures	FY14	FY15	FY16	FY17
1 Footage of wastewater mains replaced	2,840	5,268	2,552	4,981
2 Footage of water mains replaced	3,064	1,530	3,822	3,296

Key Result Indicators

1 Cost per foot of wastewater main replacements	\$150.00	\$69.81	\$83	\$75
2 Cost per foot of water main replacements	\$45.00	\$126.74	\$104.38	\$80.00

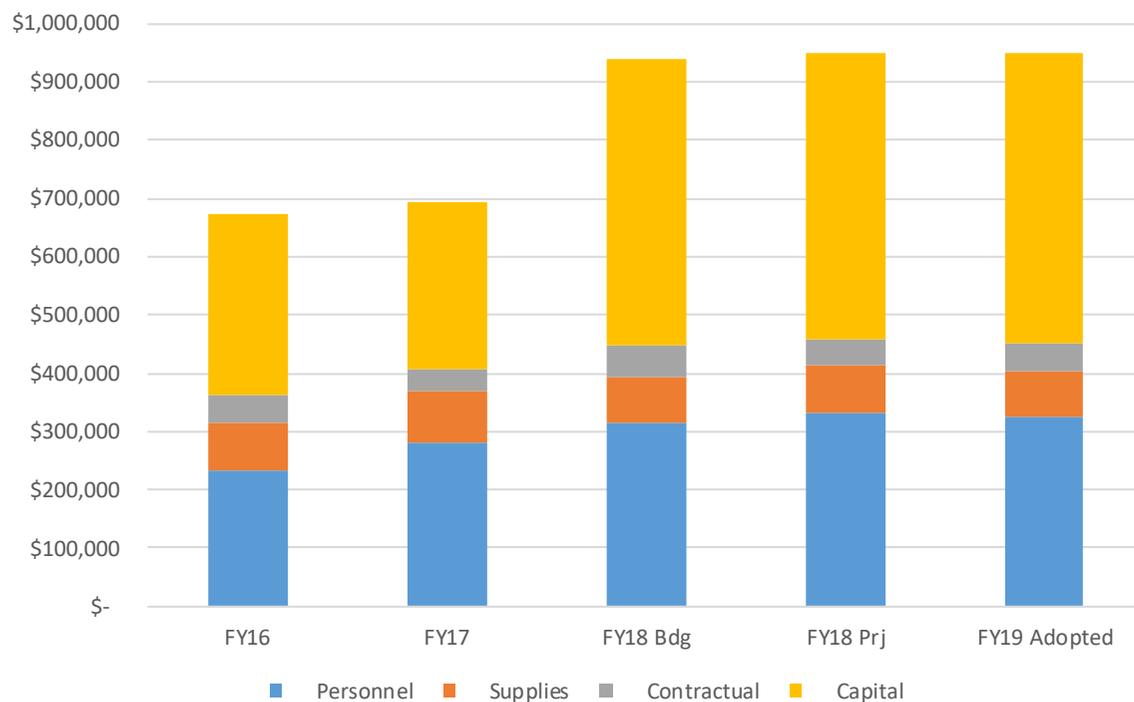
Position Summary	FY16	FY17	FY18	FY19
Construction Crew Leader (Full Time)	1	1	1	1
W/WW Construction Maint II (Full Time)	1	1	1	1
Maintenance Worker I (Full Time)	3	4	4	4
Total	5	6	6	6

Significant Budget Changes

	Ongoing	One-Time	Total
Mini Excavator \$	- \$	60,938 \$	60,938 \$
Sweeper Attachment \$	- \$	5,016 \$	5,016 \$
Total	- \$	65,954 \$	65,954 \$

Budget Summary	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Adopted
Personnel	\$ 233,387	\$ 281,148	\$ 316,150	\$ 331,207	\$ 325,965
Supplies	\$ 82,027	\$ 87,940	\$ 78,150	\$ 84,145	\$ 78,550
Contractual	\$ 46,411	\$ 37,753	\$ 52,002	\$ 41,740	\$ 48,002
Capital	\$ 312,129	\$ 288,387	\$ 492,200	\$ 492,200	\$ 496,954
Total	\$ 673,954	\$ 695,228	\$ 938,502	\$ 949,292	\$ 949,471

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, Floodplain Management and other departments within the City. The Division also 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 Division also provides representation for all predevelopment, development, and preconstruction 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.

FY17 or FY18 Noteworthy Accomplishments

- 1 Managed capital improvement projects estimated over \$30,000,000.00
- 2 Updated three year Water/Wastewater Rehabilitation Plan
- 3 Completed Water Master Plan Update
- 4 Completed over 850 development reviews

Current Objectives

Current Objectives	Target Completion Date
1 Manage project for an elevated storage tank in the Miller pressure plane	3/1/2019
2 Assist in updating Subdivision Ordinance	12/1/2018
3 Manage project to abandon Lift Station 2 and 10	TBD
4 Manage project to rehabilitate Lift Station 3	TBD

Performance Dashboard

Workload Measures	FY14	FY15	FY16	FY17
1 Developer Reviews	544	649	802	869
2 Cost of Capital projects managed	\$ 14,058,848	\$ 25,839,709	\$ 31,774,746	\$ 33,232,000
3 In-house engineering designs completed	3	8	9	10

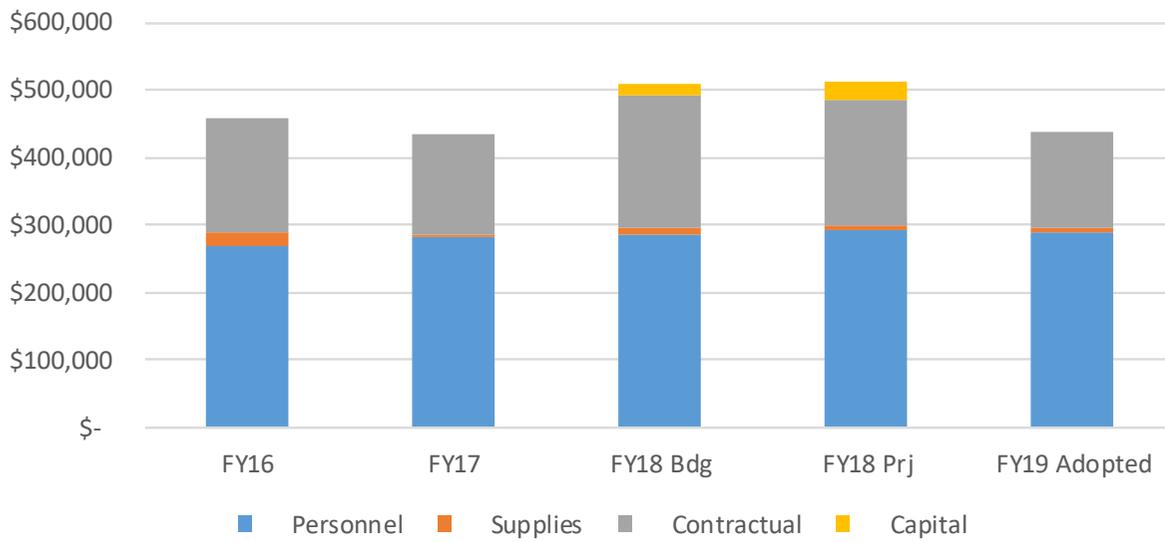
Key Result Indicators

1 Percent increase in Developer Review	0.18%	19.30%	23.57%	8.35%
2 Percent increase in Cost of Capital projects managed	19.79%	83.80%	22.97%	4.59%
3 Percent increase in In-house engineering designs completed	-62.50%	166.67%	12.50%	11.11%

Position Summary	FY16	FY17	FY18	FY19
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	3	3	3	3

Budget Summary	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Adopted
Personnel	\$ 270,549	\$ 283,434	\$ 286,383	\$ 292,782	\$ 289,552
Supplies	\$ 19,798	\$ 3,069	\$ 8,641	\$ 7,307	\$ 6,375
Contractual	\$ 166,935	\$ 148,663	\$ 197,297	\$ 187,384	\$ 143,576
Capital	\$ -	\$ -	\$ 16,705	\$ 26,422	\$ -
Total	\$ 457,283	\$ 435,166	\$ 509,026	\$ 513,896	\$ 439,503

Budget History



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

FY17 or FY18 Noteworthy Accomplishments

- 1 Replaced New plant Ras pumps
- 2 Replaced the Grates at the old plant
- 3 Installed new switch gear in the MCC 1 and 2
- 4 Repaired the crack in the Sandfilter Bridge

Current Objectives

	Target Completion Date
1 Install new media in the sandfilters	9/1/2018
2 Install a new electric hoist at the U.V. area.	9/1/2018
3 Remodel the old plant Admin for our pretreatment program.	TBD
4 Plant is in the process of a SCADA Upgrade	TBD
Reuse/ Plant Improvements	TBD

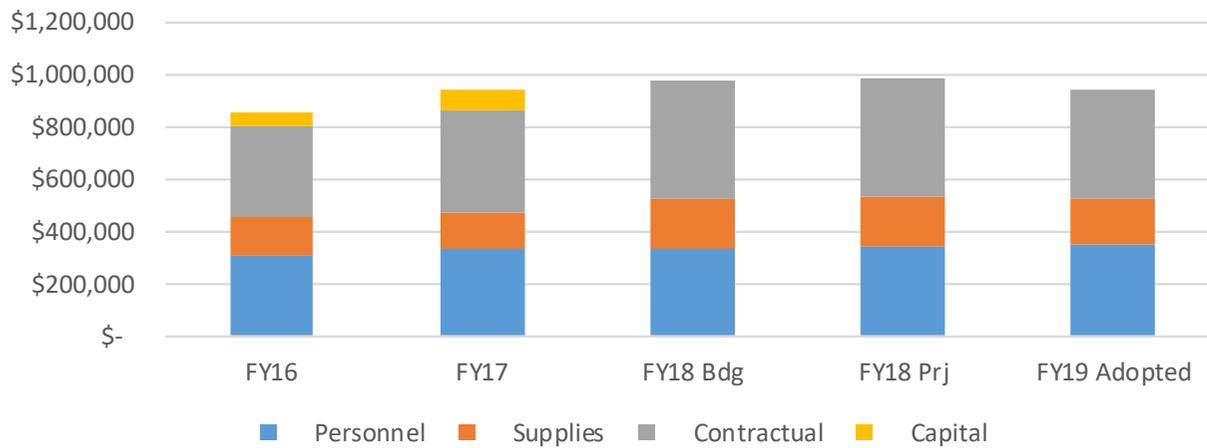
Workload Measures

	FY14	FY15	FY16	FY17
1 Treated wastewater	774 mg	801 mg	926mg	773mg
2 Treatment cost per 1,000 gallons	0.93	1.15	0.91	1.19
3 Fines to the city by TCEQ	0	0	0	0

Position Summary	FY16	FY17	FY18	FY19
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	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Adopted
Personnel	\$ 309,843	\$ 334,836	\$ 332,878	\$ 342,295	\$ 349,437
Supplies	\$ 145,839	\$ 135,244	\$ 191,100	\$ 189,004	\$ 173,350
Contractual	\$ 352,099	\$ 393,460	\$ 457,879	\$ 454,726	\$ 419,690
Capital	\$ 44,817	\$ 77,791	\$ -	\$ -	\$ -
Total	\$ 852,598	\$ 941,332	\$ 981,857	\$ 986,025	\$ 942,477

Budget History



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.

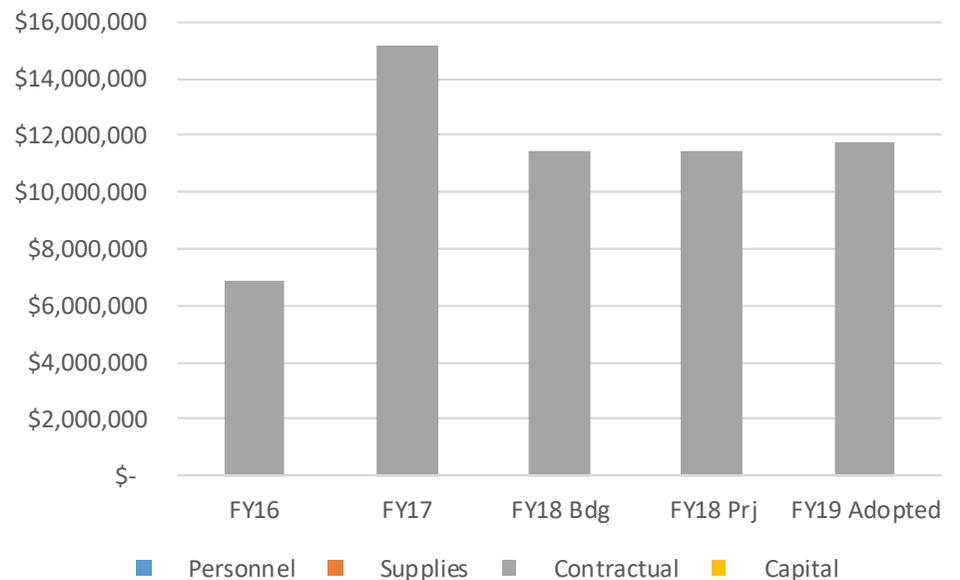
Budget Summary	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Adopted
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual	\$ 6,884,347	\$ 15,156,980	\$ 11,469,424	\$ 11,464,424	\$ 11,788,542
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 6,884,347	\$ 15,156,980	\$ 11,469,424	\$ 11,464,424	\$ 11,788,542

Significant Budget Changes

Given that FY17 represented 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 is projected to increase only as much as consumption does.

When the last 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, a significant amount of debt service rolled off the books in the current year, reducing the cost of debt service and allowing for more cash to be moved into the utility's capital funds.

Budget History



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.

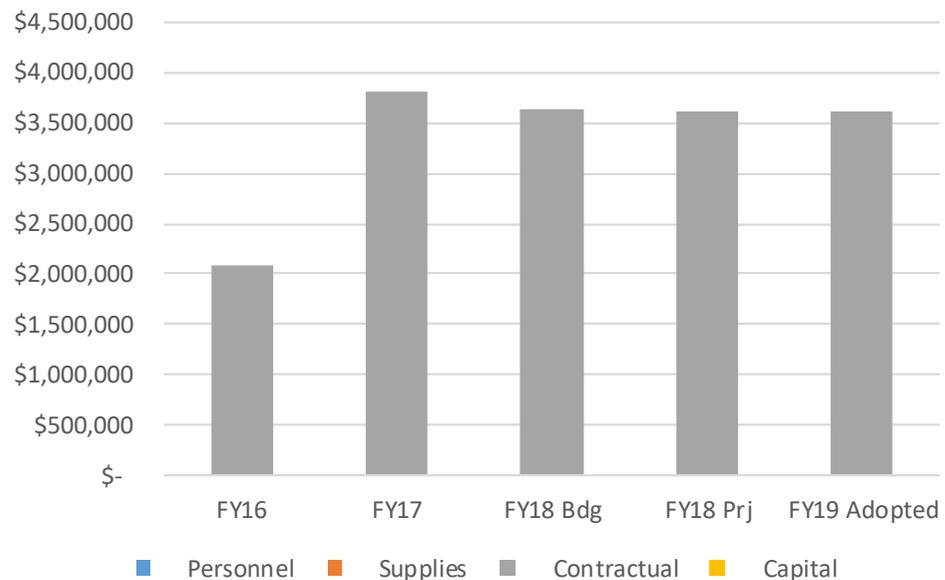
Budget Summary	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Adopted
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual	\$ 2,089,584	\$ 3,813,571	\$ 3,631,004	\$ 3,619,634	\$ 3,612,338
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,089,584	\$ 3,813,571	\$ 3,631,004	\$ 3,619,634	\$ 3,612,338

Significant Budget Changes

Given that FY17 represented 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 is projected to increase slightly.

When the last 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, a significant amount of debt service rolled off the books in the current year, reducing the cost of debt service and allowing for more cash to be moved into the utility's capital funds.

Budget History

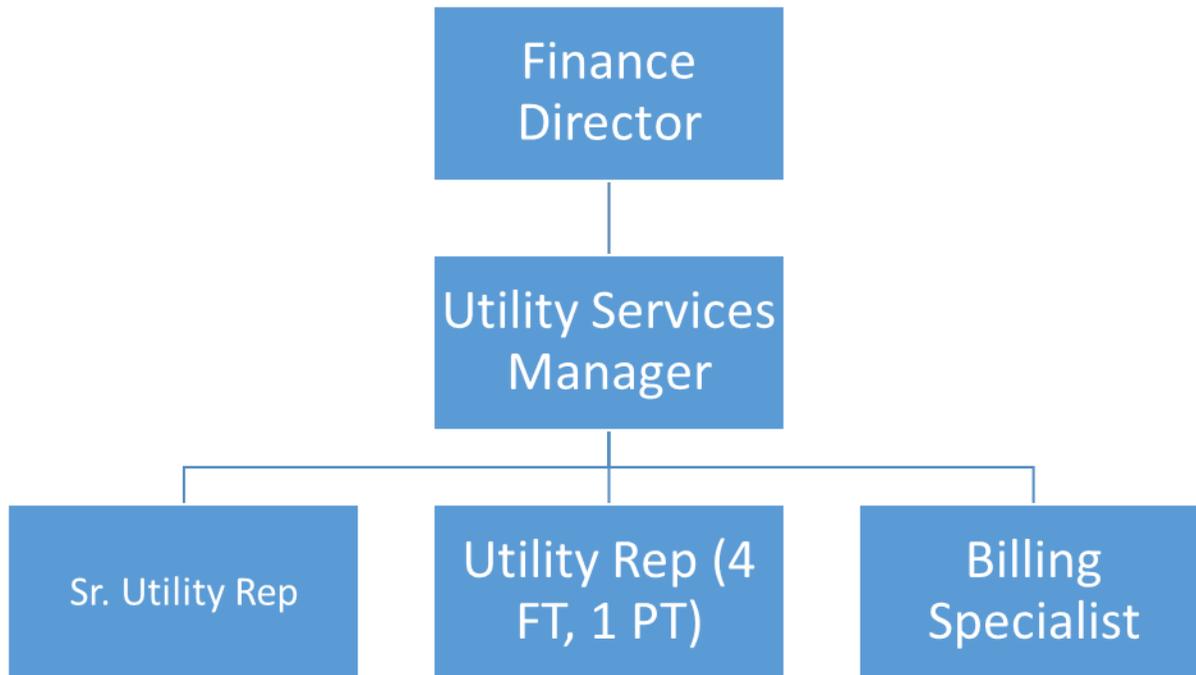




Utility Billing

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.

FY17 or FY18 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.

Current 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

Performance Dashboard

Workload Measures	FY14	FY15	FY16	FY17
1 Collections	1,450	6,000	2,761	1,898
2 Work Orders Printed	12,000	14,440	15,263	15,348
3 Phone calls	85,000	64,000	72,570	69,941

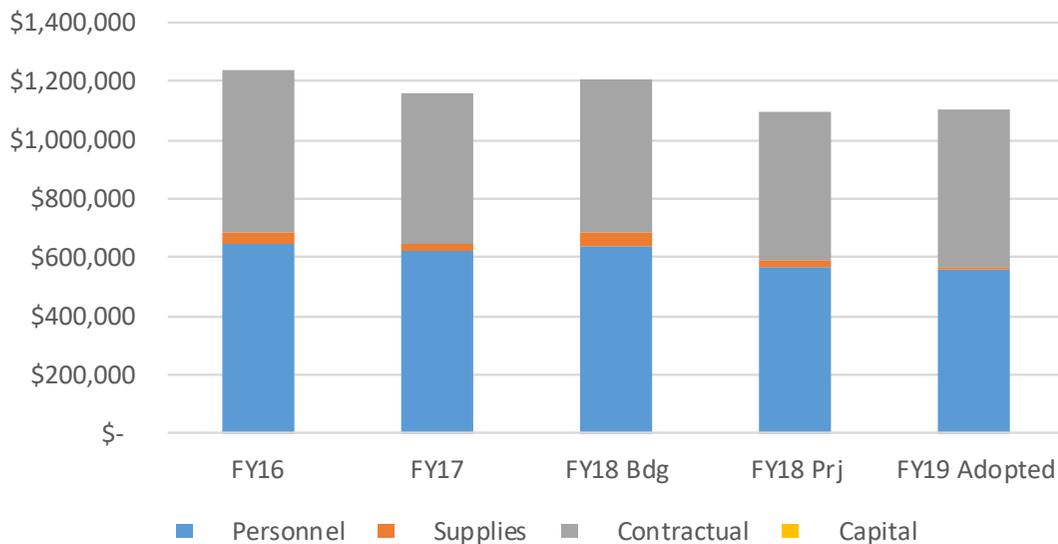
Key Result Indicators

- 1 The IVR has processed over 30k payments which reduces phone calls for our department.
- 2 We have over 2k 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.
- 4 We have over 1k customers that receive electronic billing which reduces cost of paper and postage.

Position Summary	FY16	FY17	FY18	FY19
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	0
Meter Reader (Full Time)	3	3	2	1
Customer Service Rep (Full Time)	4	4	4	4
Customer Service Rep (Part-Time)	0	0	1	1
Customer Service Manager (Full Time)	1	1	1	1
Sr. Customer Service Rep (Full Time)	1	1	1	1
Total	12	12	12	10

Budget Summary	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Adopted
Personnel	\$ 645,639	\$ 621,046	\$ 641,298	\$ 563,069	\$ 555,131
Supplies	\$ 40,079	\$ 27,188	\$ 40,850	\$ 24,171	\$ 13,425
Contractual	\$ 553,622	\$ 513,671	\$ 522,781	\$ 508,806	\$ 537,600
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,239,340	\$ 1,161,904	\$ 1,204,929	\$ 1,096,045	\$ 1,106,156

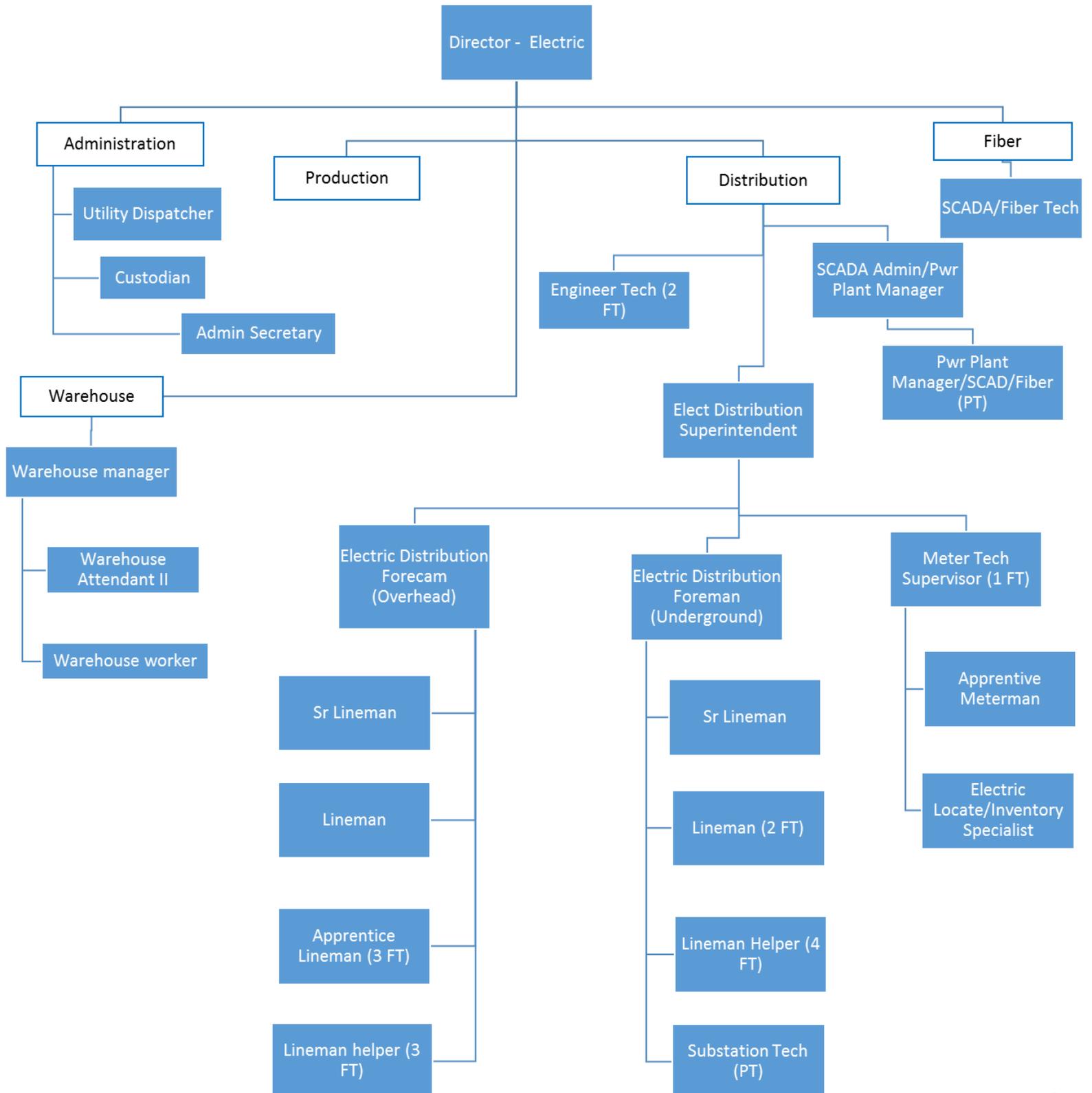
Budget History





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.

Position Summary	FY16	FY17	FY18	FY19
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	1	1	1
Total	8	7	7	7

Significant Budget Changes

Administrative Assistant was reallocated to a different Department 402 in FY16.

Budget Summary	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Prop
Personnel	\$ 183,983	\$ 191,471	\$ 189,561	\$ 201,933	\$ 191,204
Supplies	\$ 13,864	\$ 10,833	\$ 16,275	\$ 16,211	\$ 16,275
Contractual	\$ 35,904	\$ 33,914	\$ 38,087	\$ 42,245	\$ 38,087
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 233,752	\$ 236,217	\$ 243,923	\$ 260,389	\$ 245,566

Budget History



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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.

FY17 or FY18 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.

Current 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	FY14	FY15	FY16	FY17
1 Electric System Peak (Summer) (MW)	94.6	93.0	96.1	93.2
2 Electric System Peak (Winter) (MW)	99.7	93.6	75.1	101.3
3 Power Purchased (MWh)	408,450	410,584	397,820	404,395
4 Electric Customers	14,115	14,388	14,548	14,798

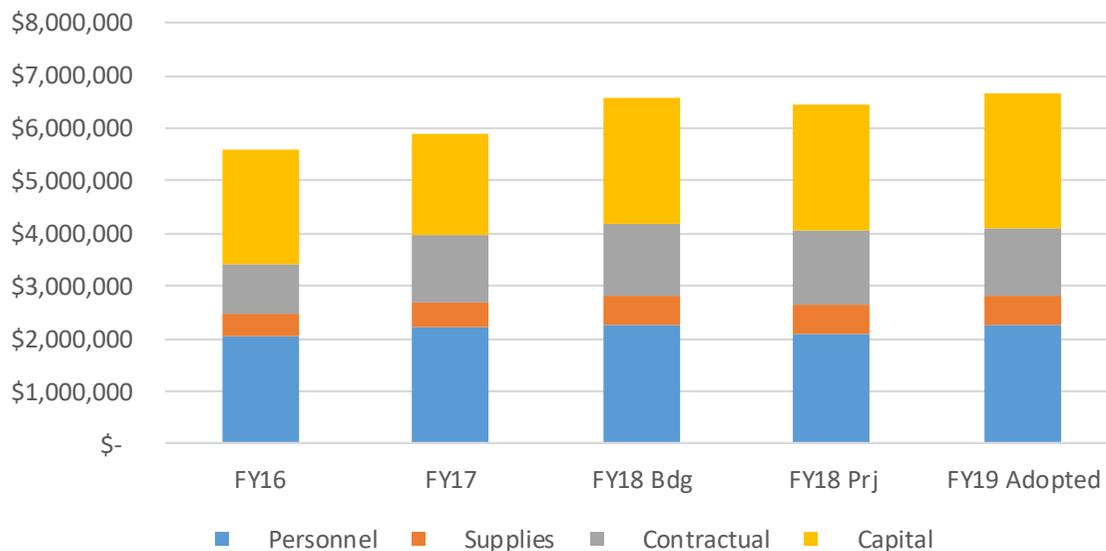
Key Result Indicators

1 System Electrical Losses	4.66%	5.35%	4.83%	3.00%
2 Average Monthly Residential Rate (¢/kWh)	10.0	9.6	7.8	9.1
3 Average Customer Outage Time (minutes)	126	61	107	122
4 Average System Outage Time	5	16	22	76

Position Summary	FY16	FY17	FY18	FY19
Apprentice Lineman (Full Time)	2	2	2	2
Director of Electric Utilities (Full Time)	1	1	1	1
Electric Distribution Foreman (Full Time)	2	2	2	2
Electric Apprentice Meterman (Full Time)	1	1	1	1
Electric Distribution Superintendent (Full Time)	1	1	1	1
Elect. Apprent. Meter Tech. (Full Time)	0	0	0	1
Electric Locate/Inventory Specialist (Full Time)	1	1	1	0
Electric Dist Apprent Lineman (Full Time)	0	0	0	1
Electrical Engineer (Full Time)	1	1	0	1
Electrical Engineer Tech (Full Time)	1	1	2	2
Lineman A (Full Time)	3	3	3	2
Lineman Helper (Full Time)	6	8	8	7
Meter Tech Supervisor (Full Time)	2	1	1	1
Power Plant Manager/SCADA/Fiber (Full Time)	1	1	1	1
SCADA Admin/Power Plant Mgr (Part Time)	1	1	1	1
Substation Tech (Part Time)	0	1	1	1
Senior Lineman (Full Time)	2	2	2	2
Total	25	27	27	27

Budget Summary	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Adopted
Personnel	\$ 2,041,465	\$ 2,216,864	\$ 2,273,278	\$ 2,099,903	\$ 2,267,315
Supplies	\$ 423,206	\$ 478,301	\$ 542,272	\$ 551,924	\$ 556,611
Contractual	\$ 965,468	\$ 1,287,115	\$ 1,364,544	\$ 1,409,370	\$ 1,277,884
Capital	\$ 2,145,884	\$ 1,905,386	\$ 2,378,747	\$ 2,378,854	\$ 2,581,200
Total	\$ 5,576,024	\$ 5,887,667	\$ 6,558,841	\$ 6,440,051	\$ 6,683,010

Budget History



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	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Prop
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ 762	\$ 759	\$ 5,800	\$ 1,500	\$ 5,800
Contractual	\$ 6,347	\$ 5,657	\$ 6,901	\$ 4,539	\$ 6,901
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 7,109	\$ 6,416	\$ 12,701	\$ 6,039	\$ 12,701

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.

FY17 or FY18 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.

Current Objectives

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

Performance Dashboard

Workload Measures	FY15	FY16	FY17
1 Total Year-End Inventory	\$3,371,266	\$3,583,016	\$3,305,929
2 Annual Inventory Received	\$3,077,926	\$2,477,750	\$3,497,090
3 Annual Inventory Issued	\$1,998,929	\$2,378,603	\$3,362,759

Key Result Indicators

1 Annual Turns	0.59	0.66	0.95
2 Annual Inventory Loss	0.16%	0.48%	1.05%

Position Summary	FY16	FY17	FY18	FY19
Warehouse Supervisor (Full Time)	1	1	1	0
Warehouse Manager (Full Time)	1	1	1	1
Warehouse Worker (Full Time)	0	1	1	1
Warehouse Worker (Full Time)	1	1	1	1
Total	3	4	4	3

Budget Summary	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Prop
Personnel	\$ 176,398	\$ 222,660	\$ 205,290	\$ 200,229	\$ 208,948
Supplies	\$ 14,910	\$ 18,807	\$ 164,735	\$ 161,985	\$ 99,735
Contractual	\$ 219,669	\$ 67,283	\$ 80,564	\$ 92,907	\$ 70,564
Capital	\$ 9,395	\$ 8,150	\$ 60,000	\$ 60,000	\$ -
Total	\$ 420,372	\$ 316,901	\$ 510,589	\$ 515,121	\$ 379,247

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.

Position Summary	FY16	FY17	FY18	FY19
Scada/Fiber Tech (Full Time)	1	1	1	1
Total	1	1	1	1

Budget Summary	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Prop
Personnel	\$ 63,696	\$ 69,495	\$ 68,780	\$ 67,527	\$ 74,833
Supplies	\$ 1,661	\$ 2,396	\$ 11,488	\$ 11,488	\$ 11,488
Contractual	\$ 14,341	\$ 17,568	\$ 29,250	\$ 26,725	\$ 29,250
Capital	\$ 35,917	\$ 60,680	\$ 73,000	\$ 73,000	\$ 73,000
Total	\$ 115,615	\$ 150,139	\$ 182,518	\$ 178,740	\$ 188,571

Significant Budget Changes

This Division was formally created in FY15. In FY18, the division increased its supplies budget by \$10,000.

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.

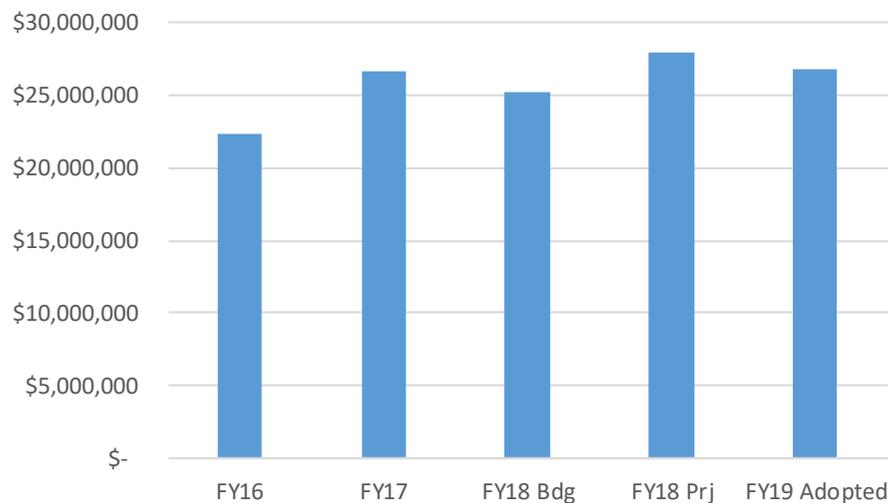
Budget Summary	FY16	FY17	FY18 Bdg	FY18 Prj	FY19 Adopted
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual	\$ 22,348,408	\$ 26,608,831	\$ 25,180,745	\$ 27,996,477	\$ 26,859,479
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 22,348,408	\$ 26,608,831	\$ 25,180,745	\$ 27,996,477	\$ 26,859,479

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 FY15, resulting in a lower overall budget here. The budgeted cost for FY19 is \$20 million, compared to \$24 in FY15. Additionally, a significant portion of the utility's debt rolled off of the books I FY18, reducing debt service payments for this year.

Budget History





Utilities System Forecast

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 have brought (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 multi-year forecast, which is shown in this document. This forecast is designed to simulate a possible financial and capital trajectory for all of Weatherford’s utilities, giving policy-makers and staff a roadmap to guide future decisions.

Methodology

This time frame of this forecast is from FY19 through FY25. As such, the proposed FY19 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% - 2% 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 and are considered available for use.

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 the water and electric utilities, 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.

When reading this forecast, the figure to keep an eye on is “Ending Available Cash”, highlighted in grey. This represents all projected dollars available to each utility (cumulative) at the end of each fiscal year. Each forecast begins with a beginning cash balance, comprised of projected available dollars (impact fees, bond proceeds, unspent capital cash) at the beginning of FY19. After that, the total inflows for each year are added in. These are separated into operating revenues (primarily service charges), use of operating working capital (operating reserves are only assumed to be used in FY19), impact fees, and bond funds. Then, cash outflows are listed by type – operational expenses, debt service, capital expenses funded by bonds, impact fee projects, and cash-funded capital. The final figure to be considered is any contribution to reserves. This leaves the ending available balance for each utility in the fiscal years presented.

Utilities System Forecast

Conclusions and Considerations

Because each of Weatherford's utilities operate under the consideration of numerous, changing variables, the forecast enclosed should be seen as a possible trajectory given all known factors at this time. Additionally, any negative "Ending Available Cash" figure indicates that the utility will likely spread out project funding to align resources with costs. With this in mind, each utility looks to be in significantly different positions.

Weatherford Electric is not currently facing any major capital expansion needs for the foreseeable future, and looks as if it will have no trouble maintaining a healthy balance sheet. The largest expense incurred by this utility is purchased power, a cost which is directly passed through to the consumer. While Weatherford Electric staff will utilize a power cost adjustment factor (PCAF) reserve to help mitigate large rate swings due to the cost of purchasing power, the forecast assumes that, ultimately, any purchased power costs will be recouped through service charges. The projected ending available cash through FY25 is sitting at just under \$1.5 million.

Unlike Weatherford Electric, the water utility is facing substantial capital needs in the next several years. Because of this, the most significant rate increases in the past three years have been to these service charges, and \$9.25m in bonds were sold in FY15 to help fund the improvements as well. As far as the forecast shows, this cash is sufficient to maintain a positive financial position for the utility, although some projects will need to be pushed further out in the forecast to maintain a positive balance in the early years. The most expensive project listed here is the new water treatment plant, which comes with a price tag of around \$30m in FY21. The current plans are to fund this through bond proceeds and available cash, at a 50%/50% split. While the ending available cash in this forecast is showing to be positive, it bears noting that significant cost fluctuations are almost certain in a capital improvement program of this size, and the margin highlighted here can be depleted quickly. Additionally, while the forecast does take into account all known projects through these years, there are likely several that will be identified in years to come, further depleting resources here. As these additional projects come up, staff will need to weigh the relative importance of the projects listed with once that arise later on.

The wastewater utility is in a similar position as the water utility, albeit with lower margins. For the next five years, it appears as if the capital needs identified here outweigh the available resources. While the immediate years look to stay in positive territory, available cash is projected to be depleted by 2023 before coming back into slightly positive territory.

However, as stated with the water utility forecast, there are likely several that will be identified in years to come, making the financial picture for this utility more difficult to maintain. As these additional projects come up, staff will either need to delay projects listed here or consider revenue adjustments to handle the additional workload. This will undoubtedly be a main focus of the next rate study.

Following the forecast, a complete list of the projects identified for the water/wastewater capital improvement plan can be found. This list should be treated as tentative, as funding availability and additional project needs will arise over the included time period.

Electric Utility Pro-Forma

	FY19 Budg	FY20	FY21	FY22	FY23	FY24	FY25
Beginning Cash	\$ 553,898	\$ 630,580	\$ 561,431	\$ 647,684	\$ 737,976	\$ 943,679	\$ 1,142,765
Cash Inflows							
Operating Revenues	\$ 33,855,467	\$ 34,436,500	\$ 35,010,809	\$ 35,560,524	\$ 36,119,035	\$ 36,668,749	\$ 37,208,976
Use of Working Capital	\$ 614,118	-	-	-	-	-	-
Bond Inflows							
Total Inflows	\$ 34,469,585	\$ 34,436,500	\$ 35,010,809	\$ 35,560,524	\$ 36,119,035	\$ 36,668,749	\$ 37,208,976
Cash Outflows							
Operating Expense	\$ 30,995,798	\$ 31,194,546	\$ 31,612,127	\$ 32,158,312	\$ 32,715,256	\$ 33,272,234	\$ 33,828,982
Debt Service	\$ 742,904	\$ 743,103	\$ 744,429	\$ 743,920	\$ 630,076	\$ 629,430	\$ 649,930
Bond Outflows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash-Funded Capital/R&R	\$ 2,164,200	\$ 2,078,000	\$ 2,078,000	\$ 2,078,000	\$ 2,078,000	\$ 2,078,000	\$ 2,078,000
Total Outflows	\$ 33,902,903	\$ 34,015,649	\$ 34,434,556	\$ 34,980,233	\$ 35,423,331	\$ 35,979,664	\$ 36,556,912
Over/Under	\$ 566,682	\$ 420,851	\$ 576,253	\$ 580,292	\$ 695,704	\$ 689,085	\$ 652,065
Reserved for Future Expense	\$ 490,000						
Ending Available Cash	\$ 630,580	\$ 561,431	\$ 647,684	\$ 737,976	\$ 943,679	\$ 1,142,765	\$ 1,304,830
Reserve Balance Beg	1,000,000	1,490,000	1,980,000	2,470,000	2,960,000	3,450,000	3,940,000
Reserve Balance End	1,490,000	1,980,000	2,470,000	2,960,000	3,450,000	3,940,000	4,430,000

Utilities System Forecast

Utilities System Forecast

Water Utility Pro-Forma

	FY19 Budg	FY20	FY21	FY22	FY23	FY24	FY25
Beginning Cash	\$ 18,832,284	\$ (2,168,700)	\$ 6,420,320	\$ 1,702,633	\$ 4,089,002	\$ 2,354,602	\$ 1,755,098
Cash Inflows		\$ 16,664,322	\$ 16,898,578	\$ 17,136,366	\$ 17,377,742	\$ 17,622,759	
Operating Revenues	\$ 16,775,508	\$ 17,010,377	\$ 17,248,784	\$ 17,490,782	\$ 17,736,428	\$ 17,985,776	\$ 18,238,883
Use of Working Capital	\$ 530,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impact Fees	\$ 512,000	\$ 512,000	\$ 512,000	\$ 512,000	\$ 512,000	\$ 512,000	\$ 512,000
Impact Fee Transfer	\$ -	\$ -	\$ 900,000	\$ -	\$ -	\$ -	\$ -
Bond Inflows	\$ -	\$ 12,048,088	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -
Total Inflows	\$ 17,818,276	\$ 29,570,465	\$ 33,660,784	\$ 18,002,782	\$ 18,248,428	\$ 18,497,776	\$ 18,750,883
Total Available	\$ 36,650,560	\$ 27,401,764	\$ 40,081,104	\$ 19,705,415	\$ 22,337,429	\$ 20,852,378	\$ 20,505,982
Cash Outflows							
Operating Expense	\$ 6,540,176	\$ 6,657,196	\$ 6,815,357	\$ 6,978,678	\$ 7,147,379	\$ 7,321,127	\$ 7,500,102
Debt Service	\$ 3,425,882	\$ 3,423,092	\$ 4,431,158	\$ 4,424,809	\$ 3,858,646	\$ 3,850,988	\$ 3,792,177
Bond Outflows	\$ 17,293,439	\$ 3,245,351	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -
Impact Fee Projects	\$ 531,000	\$ 549,000	\$ 900,000	\$ -	\$ -	\$ -	\$ -
Cash-Funded Capital/R&R	\$ 10,828,763	\$ 6,906,805	\$ 11,031,956	\$ 4,012,926	\$ 8,776,803	\$ 7,725,165	\$ 8,250,176
Total Outflows	\$ 38,619,260	\$ 20,781,444	\$ 38,178,471	\$ 15,416,414	\$ 19,782,828	\$ 18,897,279	\$ 19,542,455
Over/Under	\$ (20,800,984)	\$ 8,789,020	\$ (4,517,687)	\$ 2,586,369	\$ (1,534,400)	\$ (399,503)	\$ (791,572)
Ending Cash	\$ (1,968,700)	\$ 6,620,320	\$ 1,902,633	\$ 4,289,002	\$ 2,554,602	\$ 1,955,098	\$ 963,527
Reserve Contribution	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Ending Available Cash	\$ (2,168,700)	\$ 6,420,320	\$ 1,702,633	\$ 4,089,002	\$ 2,354,602	\$ 1,755,098	\$ 763,527
Reserve Balance	1,816,130	2,016,130	2,216,130	2,416,130	2,616,130	2,816,130	3,016,130

Utilities System Forecast

Wastewater Utility Pro-Forma

	FY19 Budg	FY20	FY21	FY22	FY23	FY24	FY25
Beginning Cash	\$ 5,194,297	\$ 1,723,961	\$ 1,687,235	\$ 2,253,163	\$ 955,195	\$ (809,908)	\$ 183,148
Cash Inflows							
Operating Revenues	\$ 6,830,224	\$ 6,931,549	\$ 7,034,385	\$ 7,138,756	\$ 7,244,683	\$ 7,352,191	\$ 7,461,303
Use of Working Capital	\$ 222,624	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impact Fees	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000
Impact Fee Transfer	\$ 500,000	\$ 230,000	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Inflows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Inflows	\$ 7,862,848	\$ 7,471,549	\$ 7,344,385	\$ 7,448,756	\$ 7,554,683	\$ 7,662,191	\$ 7,771,303
Total Available	\$ 13,057,145	\$ 9,195,509	\$ 9,031,620	\$ 9,701,918	\$ 8,509,878	\$ 6,852,283	\$ 7,954,452
Cash Outflows							
Operating Expense	\$ 4,082,348	\$ 4,159,033	\$ 4,263,717	\$ 4,372,118	\$ 4,484,408	\$ 4,600,158	\$ 4,719,490
Debt Service	\$ 743,859	\$ 743,473	\$ 743,981	\$ 742,704	\$ 637,008	\$ 635,441	\$ 676,966
Bond Outflows	\$ 1,057,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impact Fee Projects	\$ 1,570,850	\$ 509,000	\$ -	\$ -	\$ -	\$ -	\$ -
Cash-Funded Capital/R&R	\$ 3,878,254	\$ 2,096,768	\$ 1,770,759	\$ 3,631,902	\$ 4,198,369	\$ 1,433,537	\$ 2,516,024
Total Outflows	\$ 11,333,185	\$ 7,508,274	\$ 6,778,457	\$ 8,746,724	\$ 9,319,786	\$ 6,669,135	\$ 7,912,481
Over/Under	\$ (3,470,337)	\$ (36,726)	\$ 565,928	\$ (1,297,968)	\$ (1,765,102)	\$ 993,056	\$ (144,177)
Ending Available Cash	\$ 1,723,961	\$ 1,687,235	\$ 2,253,163	\$ 955,195	\$ (809,908)	\$ 183,148	\$ 41,971

Capital Improvement Funds

For the purposes of budgeting and forecasting, City staff prefers to separate the cost of overhead for each utility with the cost of rehab and expansion. The primary method used to separate these costs is to use different funds to house the expenses.



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.

Water Impact Fee Fund (40)

	Actual FY16	Actual FY17	Budgeted FY18	Projected FY18	Adopted FY19
Beginning Fund Balance	\$ 564,609	\$ 927,392	\$ 1,522,297	\$ 1,522,297	\$ 1,559,839
<u>Revenues</u>					
Interest Income	\$ 883	\$ 4,698	\$ 150	\$ 13,668	\$ 5,000
Impact Fees	\$ 702,778	\$ 590,207	\$ 450,000	\$ 611,874	\$ 550,000
Total Revenues	\$ 703,661	\$ 594,905	\$ 450,150	\$ 625,542	\$ 555,000
Total Expenditures	\$ 340,878	\$ -	\$ 588,000	\$ 588,000	\$ 2,114,839
Over/(Under)	\$ 362,783	\$ 594,905	\$ (137,850)	\$ 37,542	\$ (1,559,839)
Ending Fund Balance	\$ 927,392	\$ 1,522,297	\$ 1,384,447	\$ 1,559,839	\$ -

Wastewater Impact Fund (41)

	Actual FY16	Actual FY17	Budgeted FY18	Projected FY18	Adopted FY19
Beginning Fund Balance	\$ 1,073,761	\$ 1,589,440	\$ 2,047,884	\$ 2,047,884	\$ 2,495,156
<u>Revenues</u>					
Interest Income	\$ 1,857	\$ 10,595	\$ 2,000	\$ 19,441	\$ 1,000
Impact Fees	\$ 513,823	\$ 447,849	\$ 100,000	\$ 472,831	\$ 450,000
Total Revenues	\$ 515,680	\$ 458,444	\$ 102,000	\$ 492,272	\$ 451,000
Total Expenditures	\$ -	\$ -	\$ 362,700	\$ 45,000	\$ 2,946,156
Over/(Under)	\$ 515,680	\$ 458,444	\$ (260,700)	\$ 447,272	\$ (2,495,156)
Ending Fund Balance	\$ 1,589,440	\$ 2,047,884	\$ 1,787,184	\$ 2,495,156	\$ -

**Water Utility R&R/Capital Fund
FY19 Operating Position**

	Actual FY16	Actual FY17	Adopted FY18	Projected FY18	Adopted FY19
Beginning Balance	10,402,821	11,317,868	16,320,195	16,320,195	15,649,912
Revenue					
Water Utility					
Bond Proceeds	-	-	-	-	-
Sale of Water - Retail	1,700,000	7,130,914	5,030,594	5,030,594	6,413,733
Other Miscellaneous	37,906	120,844	-	115,000	100,000
Total Revenue	1,737,906	7,251,758	5,030,594	5,145,594	6,513,733
Expenses					
Water					
Repair/Replacements	822,860	2,249,431	5,815,877	5,815,877	22,163,645
Total Expenses	822,860	2,249,431	5,815,877	5,815,877	22,163,645
Revenue Over/(Under) Expenses	915,046	5,002,327	(785,283)	(670,283)	(15,649,912)
Ending Balance	11,317,868	16,320,195	15,534,912	15,649,912	-

**Wastewater Utility R&R/Capital Fund
FY19 Operating Position**

	Actual FY16	Actual FY17	Adopted FY18	Projected FY18	Adopted FY19
Beginning Balance	5,114,264	4,926,940	3,764,064	3,764,064	2,557,564
Revenue					
Wastewater Utility					
Bond Proceeds	-	-	-	-	-
Service Charges	300,000	1,678,260	1,326,000	1,326,000	1,645,730
Other Miscellaneous	11,915	39,930	-	93,500	40,000
Total Revenue	311,915	1,718,190	1,326,000	1,419,500	1,685,730
Expenses					
Wastewater					
Repair/Replacements	499,238	2,881,066	2,626,000	2,626,000	4,243,295
Total Expenses	499,238	2,881,066	2,626,000	2,626,000	4,243,295
Revenue Over/(Under) Expenses	(187,324)	(1,162,876)	(1,300,000)	(1,206,500)	(2,557,564)
Ending Balance	4,926,940	3,764,064	2,464,064	2,557,564	-

**Municipal Utility Fund
AMI Funds FY18 Operating Positions**

	Actual FY16	Actual FY17	Adopted FY18	Projected FY18	Adopted FY19
Beginning Balance	1,290,215	756,304	-	-	-
Revenue					
Electric					
Transfer from Electric Utility	-	259,267	-	-	-
Interest	3,285	3,671	-	-	-
Total Revenue	3,285	262,939	-	-	-
Expenses					
Electric					
Other Services		77,713			
AMI Capital Costs	537,196	941,530	-	-	-
Total Expenses	537,196	1,019,242	-	-	-
Revenue Over/(Under) Expenses	(533,911)	(756,304)	-	-	-

	Actual FY16	Actual FY17	Adopted FY18	Projected FY18	Adopted FY19
Beginning Balance	677,257	54,127	400,285	400,285	158,581
Revenue					
Water					
Transfer from Water Utility	-	1,800,000	-	-	-
Interest	-	7,963	-	2,307	-
Total Revenue	-	1,807,963	-	2,307	-
Expenses					
Water					
Other Services					
AMI Capital Costs	623,131	1,461,806	-	244,010	
Total Expenses	623,131	1,461,806	-	244,010	-
Revenue Over/(Under) Expenses	(623,131)	346,158	-	(241,703)	-



Appendices



Appendix A

Utility Debt Summary

The Municipal Utility currently maintains over 211 miles of sanitary sewer, 281 miles of water mains, and 346 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.

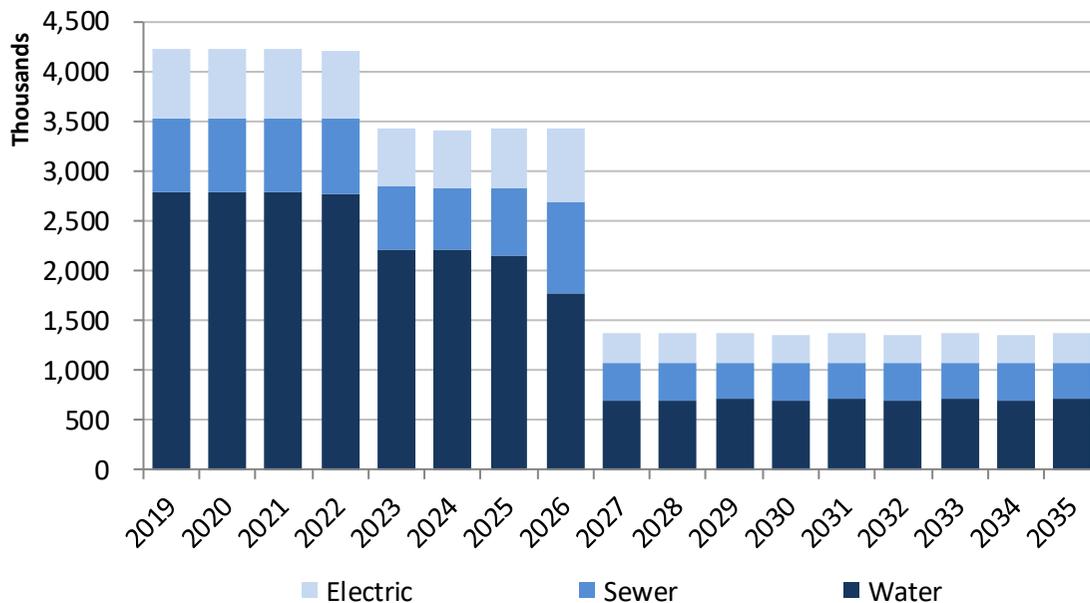
Fund Balance 9/30/2017	411,827
Revenues Projected FY18	6,312,854
Expenses Projected FY18	6,294,854
Current Year-End Projection Fund Balance	329,827
Revenues Projected FY19	4,861,050
Expenses Projected FY19	4,861,050
Projected Year-End Fund Balance FY19	429,827

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
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
31,855,000	5,486,978	5,486,978	42,828,955	

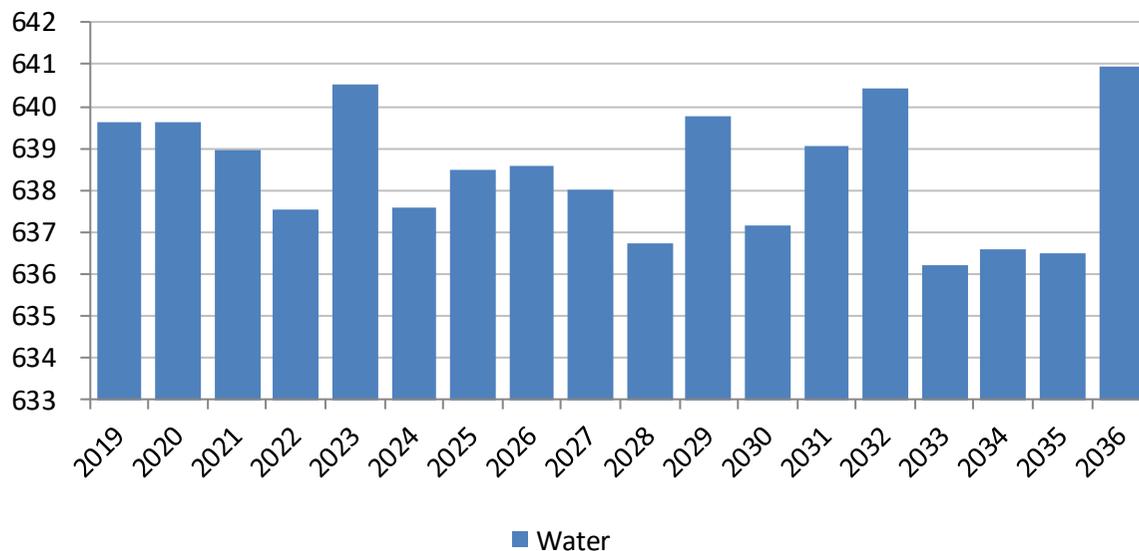


Appendix A—Utility Debt Summary

Tarrant Regional Water District Bonds

Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2019	530,000	54,806	54,806	639,612
2020	530,000	54,806	54,806	639,612
2021	530,000	54,488	54,488	638,976
2022	530,000	53,773	53,773	637,545
2023	535,000	52,766	52,766	640,531
2024	535,000	51,295	51,295	637,589
2025	540,000	49,235	49,235	638,469
2026	545,000	46,778	46,778	638,555
2027	550,000	43,998	43,998	637,996
2028	555,000	40,863	40,863	636,726
2029	565,000	37,395	37,395	639,789
2030	570,000	33,581	33,581	637,161
2031	580,000	29,534	29,534	639,067
2032	590,000	25,213	25,213	640,425
2033	595,000	20,611	20,611	636,221
2034	605,000	15,791	15,791	636,582
2035	615,000	10,740	10,740	636,479
2036	630,000	5,481	5,481	640,962
	10,130,000	681,149	681,149	11,492,297



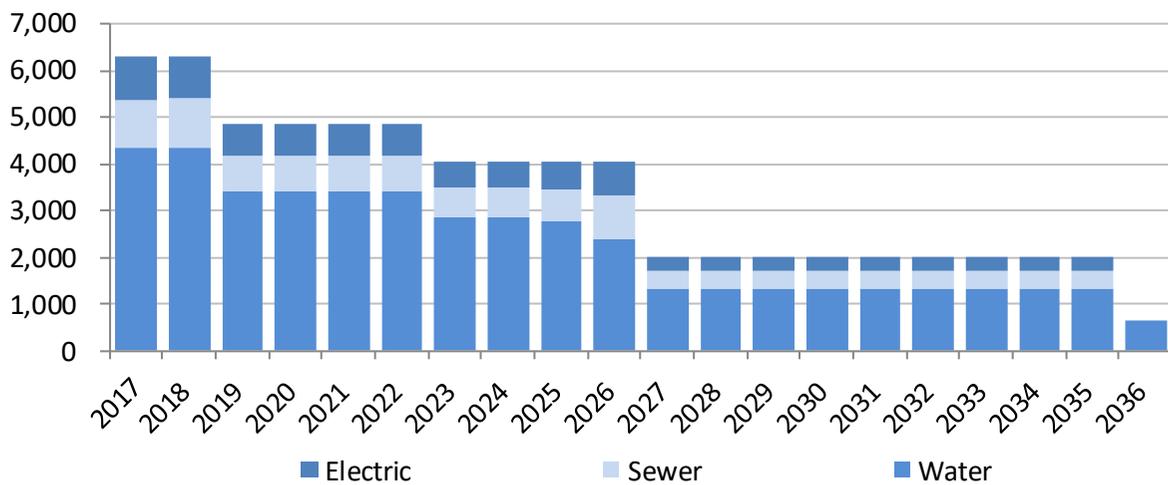
Appendix A—Utility Debt Summary

Utility System Revenue Refunding Bonds—Total

Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2019	3,205,000	828,025	828,025	4,861,050
2020	3,335,000	761,150	761,150	4,857,300
2021	3,480,000	690,707	690,707	4,861,414
2022	3,620,000	616,242	616,242	4,852,483
2023	2,990,000	537,985	537,985	4,065,969
2024	3,105,000	475,139	475,139	4,055,277
2025	3,240,000	408,829	408,829	4,057,657
2026	3,380,000	338,872	338,872	4,057,743
2027	1,470,000	265,217	265,217	2,000,434
2028	1,505,000	247,132	247,132	1,999,264
2029	1,550,000	227,632	227,632	2,005,264
2030	1,585,000	206,581	206,581	1,998,161
2031	1,650,000	177,159	177,159	2,004,317
2032	1,710,000	146,088	146,088	2,002,175
2033	1,775,000	113,486	113,486	2,001,971
2034	1,840,000	79,166	79,166	1,998,332
2035	1,915,000	43,240	43,240	2,001,479
2036	630,000	5,481	5,481	640,962
	41,985,000	6,168,126	6,168,126	54,321,252

Total Debt Service by Utility (000's)



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Appendix B

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. This year, departments began the budget process with a target budget equal to their FY18 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

ELECTRIC UTILITY

2019 Funded Supplemental Requests

Program	Type	One-time amount funded	Ongoing Cost	Total Cost
COSI - Training	General Increase	\$0.00	\$10,000.00	\$10,000.00
COSI - Overhead Electric Services	General Increase	\$0.00	\$15,000.00	\$15,000.00
Commercial Electric Meter Tester	Small Tools	\$20,000.00	\$0.00	\$20,000.00
Residential Electric Meter Tester	Small Tools	\$4,600.00	\$0.00	\$4,600.00
Power Quality Recorder	Repair/Replacement	\$5,600.00	\$0.00	\$5,600.00
AMS Customer Portal	Software	\$56,000.00	\$79,000.00	\$135,000.00
Total		\$86,200.00	\$104,000.00	\$190,200.00
Subtotals	General Increase	\$0.00	\$25,000.00	\$25,000.00
	Small Tools	\$24,600.00	\$0.00	\$24,600.00
	Repair/Replacement	\$5,600.00	\$0.00	\$5,600.00
	Software	\$56,000.00	\$79,000.00	\$135,000.00
Total		\$86,200.00	\$104,000.00	\$190,200.00

2019 Non-Funded Supplemental Requests

Program	Type	One-Time requested amount	Ongoing request-ed amount	Total Cost
Lineman	Personnel	\$0.00	\$65,812.00	\$65,812.00
Lineman Helper	Personnel	\$0.00	\$43,625.00	\$43,625.00
Increase in marketing	Contract Service	\$0.00	\$50,000.00	\$50,000.00
Total		\$0.00	\$159,437.00	\$159,437.00

Appendix B—Decision Packages by Department

WATER & WASTEWATER UTILITES

2019 Funded Supplemental Requests

Program	Type	One-time amount funded	Ongoing Cost	Total Cost
Chlorine Bulk Storage Heaters	Repair/Replacement	\$10,932.00	\$0.00	\$10,932.00
Replace 5 chlorine feeders and 2 new injectors	Repair/Replacement	\$48,000.00	\$0.00	\$48,000.00
Truck with jet machine to replace truck and trailer	Vehicle/Equipment	\$115,879.00	\$0.00	\$115,879.00
Replacement of 2 CL17 chlorine analyzers	Repair/Replacement	\$0.00	\$7,000.00	\$7,000.00
Laptop for 2nd Meter Tech in field	Hardware	\$2,000.00	\$0.00	\$2,000.00
Cleaning trunk line to ww treatment plant	Repair/Replacement	\$17,639.00	\$0.00	\$17,639.00
F-450 with utility bed	Vehicle/Equipment	\$76,248.00	\$0.00	\$76,248.00
Mini Excavator	Vehicle/Equipment	\$60,938.00	\$0.00	\$60,938.00
Sweeper Attachment	Vehicle/Equipment	\$5,016.00	\$0.00	\$5,016.00
Total		\$336,652.00	\$7,000.00	\$343,652.00
Subtotals	Vehicle/Equipment	\$258,081.00	\$0.00	\$258,081.00
	Repair/Replacement	\$76,571.00	\$7,000.00	\$83,571.00
	Hardware	\$2,000.00	\$0.00	\$2,000.00
Total		\$336,652.00	\$7,000.00	\$343,652.00

2019 Non-Funded Supplemental Requests

Program	Type	One-Time requested amount	Ongoing request- ed amount	Total Cost
Cross Control Tech Position	Personnel	\$0.00	\$47,569.00	\$47,569.00
Extend Driveway at Lift Station 15	Facilities	\$8,000.00	\$0.00	\$8,000.00
Sharp Disposal for Take Back Meds events	Miscellaneous	\$0.00	\$1,500.00	\$1,500.00
Total		\$8,000.00	\$49,069.00	\$57,069.00

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Appendix: Transfer Calculations and Sample Ordinance

Transfer Calculations

Return on Investment Transfer Calculations

	Est Volume	Unit Rate	Transfer
Electric kWh Sales	404,889,903	0.0056	2,267,383
Water Sales (1,000 gallons)	1,238,300	0.2469	305,736
Wastewater Treated (1,000 gallons)	784,620	0.2716	213,103

Gross Receipts Charge Transfer Calculations

	Est Volume	Unit Rate	Transfer
Electric kWh Sales	404,889,903	0.0044	1,781,516
Water Sales (1,000 gallons)	1,238,300	0.2223	275,274
Wastewater Treated (1,000 gallons)	784,620	0.1975	154,963

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	1,141,797	46%	530,015	265,008	132,504	132,504
Comms & Marketing	220,724	46%	101,700	50,850	25,425	25,425
Emergency Management	384,988	46%	177,386	88,693	44,346	44,346
Budget/Purchasing	366,391	46%	168,817	84,409	42,204	42,204
HR	396,625	42%	165,260	69,777	50,496	44,988
Accounting	280,349	46%	129,173	64,587	32,293	32,293
City Attorney	137,190	46%	63,211	31,606	15,803	15,803
ED	155,087	46%	71,458	35,729	17,864	17,864
City Hall	(65,304)	100%	(65,304)	(32,652)	(16,326)	(16,326)
Lake Maintenance	296,452	100%	296,452	-	296,452	-
Audit Service	55,500	44%	24,681	12,340	6,170	6,170
Information Technology	2,920,773	36%	1,058,476	639,503	209,486	209,486
Total	6,290,573		2,721,326	1,309,849	856,719	554,758

Summary of All Transfers

Type	Actual FY16	Actual FY17	Projected FY18	Proposed FY19	Increase / (Decrease)
Gross Receipts Fee	2,149,889	2,149,889	2,176,884	2,211,752	34,868
Return on Investment	2,714,776	2,714,776	2,741,262	2,786,223	44,961
Street Maintenance Transfer	11,851	11,851	20,000	20,000	-
Administrative Services	1,994,761	2,132,812	2,409,295	2,721,326	312,031
	6,871,276	7,009,328	7,347,441	7,739,301	391,860

Appendix C—Transfer Calculations

Summary of All Transfers

Type	Actual FY16	Actual FY17	Projected FY18	Proposed FY19	Increase / (Decrease)
Gross Receipts Fee	2,149,889	2,149,889	2,176,884	2,211,752	34,868
Return on Investment	2,714,776	2,714,776	2,741,262	2,786,223	44,961
Street Maintenance Transfer	11,851	11,851	20,000	20,000	-
Administrative Services	1,994,761	2,132,812	2,409,295	2,481,269	71,974
	6,871,276	7,009,328	7,347,441	7,499,244	151,803

Appendix D

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 ration at 100%.

Assets

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

Available Working Capital

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

Balanced Budget

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

Basis of Accounting

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

Bond

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

Budget

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

Budget Calendar

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

Budget Document

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

Appendix D—Glossary

Budget Control

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

Capital Expense

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

Cost Center

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

Capital Budget

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

Capital Projects Fund

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

Capital Outlay

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

Certificate of Obligation

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

City Charter

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

City Council

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

Comprehensive Annual Financial Report

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

Contractual Services

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

Current Refunding

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

Current Taxes

Property taxes that are levied and due within one year.

Appendix D—Glossary

Debt Service

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

Debt Service Fund

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

Delinquent Taxes

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

Department

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

Depreciation

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

Division

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

Effectiveness

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

Effective Tax Rate

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

Efficiency

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

Encumbrance

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

Enterprise Fund

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

Appendix D—Glossary

Environmental Protection Agency

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

Estimated Revenue

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

Expenditure

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

Expense

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

Fiduciary Fund

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

Fiscal Management Policy Statements

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

Fiscal Year

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

Fixed Assets

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

Franchise Fee

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

Full-Time Equivalent

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

Fund

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

Fund Balance

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

Fund Type

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

Appendix D—Glossary

GAAP

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

General Fund

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

General Obligation Bonds

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

Governmental Accounting Standards Board

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

Governmental Fund

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

Impact Fees

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

Infrastructure

The underlying permanent foundation or basic framework.

Interest & Sinking

See Debt Service Fund.

Interest Earnings

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

Interfund Transfer

Amounts transferred from one fund to another.

Internal Service Fund

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

Investments

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

Lake Lot License Fees

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

Lake Lot License Reserve

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

Appendix D—Glossary

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

Levy

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

Liabilities

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

Long-Term Debt

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

Maintenance & Operations (M&O)

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

Materials and Supplies

Expendable materials and operating supplies necessary to conduct departmental activity.

Modified Accrual Accounting

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

Municipal Utility Board

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

Net Bonded Debt

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

Non-Departmental Expense

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

Operating Budget

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

Operating Expenses

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

Operating Revenues

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

Ordinance

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

Appendix D—Glossary

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

Other Post-Employment Benefits Reserve

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

Overlapping Debt

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

Paying (Fiscal) Agent Fee

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

Per Capita Costs

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

Performance Measures

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

Personnel Services

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

Proprietary Fund

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

Purchase Cost of Power

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

Refunding

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

Reserve

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

Revenues

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

Revenue Bonds

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

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.

Appendix E

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, 2019 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, 2019 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, 2019.

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, 2019, being within and as provided in said budget, to-wit:

Utilities Fund	Adopted (\$)
Electric	
Administration	245,566
Fiber	188,571
Distribution	6,683,010
Production	12,701
Warehouse	379,247
Non Departmental	26,983,808
Total	34,492,903
Water	
Administration	445,100
Maintenance	1,244,307
Rehabilitation	480,236
Engineering	219,751
Treatment Plant	2,685,861
Non Departmental	11,816,205
Total	16,891,459

Utilities Fund

Wastewater

Administration	430,139
Maintenance	1,308,945
Rehabilitation	469,236
Engineering	219,751
Treatment Plant	942,477
Non Departmental	<u>3,623,549</u>
Total	6,994,097
Total Utilities Fund	<u>58,378,459</u>

Customer Services Fund

Customer Services	<u>1,106,156</u>
Total Customer Services Fund	1,106,156

Water/Wastewater/Electric Capital	Adopted (\$)
Water Impact	2,114,839
Wastewater Impact	2,946,456
Electric Capital	553,898
Water Capital	22,147,621
Wastewater Capital	<u>4,243,295</u>
Total Utilities Capital Funds	32,006,108

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 27th day of September, 2018.