

RESOLUTION NO. 2013-51

A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN FOR THE CITY OF FRANKLIN ADOPTING AN ESTIMATE OF REVENUES AND EXPENDITURES FOR THE WATER AND SANITARY SEWER UTILITY FUND, FISCAL YEAR 2013 – 2014 AND FISCAL YEAR 2014-2015; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Franklin owns and operates a water and sanitary sewer utility system under authorization of the Municipal Charter, and

WHEREAS, revenues received for water and sanitary sewer services are placed into a separate and distinct fund (Utility Fund), and

WHEREAS, this Utility Fund is an enterprise fund of the City in accordance with generally accepted accounting principles, and

WHEREAS, it is now deemed in the public interest to provide for authorization of an estimate of revenues and expenditures for such fund.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE THAT:

SECTION 1: That the Statement of Estimated Revenues and Expenditures for the Water and Sewer Utility Fund, for Fiscal Year 2013-2014 and for Fiscal Year 2014-2015, as set forth more fully in Attachment A, is herewith approved and adopted.

SECTION 2: That this Resolution shall be effective upon adoption.

ADOPTED THIS ____ DAY OF _____ 2013.

ATTEST:

CITY OF FRANKLIN, TENNESSEE

By: _____
Eric S. Stuckey
City Administrator/Recorder

By: _____
Dr. Ken Moore
Mayor

Approved as to Form:

By: _____
Shauna R. Billingsley
City Attorney



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MEMORANDUM

August 2, 2013

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Mark Hilty, Water Management Director
Mike Lowe, Comptroller

SUBJECT: FY 2014 and 2015 Water Management Budget:

The purpose of this memorandum is to provide to the Board of Mayor and Aldermen additional information regarding line item *85100, Property and Liability Costs* for the water, wastewater and reclaimed water operations expenditures for FY 2012.

The draft budget document presented to the Budget and Finance Committee during the July 24, 2013 meeting included significantly higher expenditures in the *85100, Property and Liability Costs* line items for water, wastewater and reclaimed water for actual FY 2012. After researching the issue, it was found that the actual FY 2012 numbers included depreciation.

As you are aware, the Water/Wastewater Fund is a proprietary fund and is reported similar to a private business in the City's financial statements. Certain items are recorded for the Water/Wastewater Fund that are not recorded in other funds such as depreciation. For budget purposes, this amount is excluded for comparability to the budgets of other funds that do not have depreciation. (Depreciation is the recognition in financial statements of capital outlay expense over time as it is used, whereas in a budget, capital outlay expense is recognized in the year of purchase).

In the budget draft discussed at the July Budget and Finance Committee, depreciation was inadvertently included in the Actual 2012 column under property and liability costs. The current draft has been updated and correctly excludes depreciation.



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City of Franklin, Tennessee Water Management

Operating & Capital Equipment
Biennial Budget
Fiscal Years 2014 & 2015



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Mark Hilty, Water Management Director

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Water Management

Mark S. Hilty, Director

The Water Management Department's vision, in support of the City's vision statement, is to continually strive to enhance quality of life through exceptional, responsive, and cost effective water resources services. These services include drinking water treatment and distribution, wastewater collection and treatment, and reclaimed water distribution for customers located primarily in the City of Franklin.

To achieve this vision it is necessary to safely and efficiently deliver drinking water, sanitary sewer and reclaimed water services to our customers. The Water Management Department continues to evolve through formalization and refinement of practices and through the implementation of the Integrated Water Resources Plan.

This biennial budget was developed to further refine operations to achieve the department's vision, in support of the City of Franklin's goals and objectives. Revenues and expenditures for each division are presented in consolidated Sections as follows:

Division	Section
Water Distribution	Water
Water Treatment	Water
Utility Billing	Water
Wastewater Collection	Wastewater
Wastewater Treatment	Wastewater
Utility Administration	Wastewater
Reclaimed Water	Reclaimed Water

Water and wastewater are independent business units of the City of Franklin and are required to be self-sufficient entities. These utilities are not subsidized by local taxes, paying the General Fund monies to cover the costs of services such as payroll, human resources and other support activities. Reclaimed water, while presented as its own section, is an alternative disposal method of treated sanitary sewer. This disposal method in effect, increases the discharge capacity of the wastewater treatment plant (primarily during summer months) and provides a cost effective source of irrigation water within the reclaimed water distribution system while providing revenue to support its operation.



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Water Section

Water Section

Overview

The Water Section comprises the Water Treatment and Distribution Divisions and the Utility Billing Division. The activities of these divisions are summarized below.

- The Water Treatment facility is located on Lewisburg Pike. Staff at the plant perform numerous functions including water treatment, compliance sampling, and assisting Water Distribution service crews with system maintenance and operation.
- The Water Distribution service crews maintain approximately 275 miles of distribution lines, six (6) booster stations, and seven (7) finished water reservoirs with a capacity of 11.5 million gallons.
- The Utility Billing Division is the interface between the Water Management Department and Revenue Management. The division is responsible for collecting metering data and working with the Water Distribution Division to perform meter repairs, replacements, and to restore or terminate water service.

Water Section

Goals & Strategic Initiatives

The primary goal for the Water Section is to continue to provide safe, reliable drinking water to customers. The Water Section has been working to refine practices and policies to better serve customers including the drafting of revisions to municipal code, review of internal work flow related to customer service requests and work orders and training and educating staff. Some of the ongoing work includes refinements to scheduled the flushing program and to the standard operating procedures.

A key strategic initiative is working through preliminary design of upgrades to the Water Treatment Facility. The aging facility currently uses conventional treatment technologies to treat water. Staff has been working with design consultants to evaluate various treatment technologies specific to Harpeth River and raw water reservoir water. Some of the considerations during this process include regulatory compliance (existing and future), taste and odor, lifecycle costs and operational considerations.

An ongoing project that the Water Section has been working through is leak detection surveys. Due to scheduling conflicts the Water Section was unable to contract with a leak detection firm in FY 2013. This work is proposed to continue in FY 2014 to finish initial leak detection surveys on the entire system and establish systematic surveys to be initiated in FY 2015.

Water Section

Consumption and Revenues

The water customer base has increased 175 accounts from FY 2012 to FY 2013. The average consumption for residential customers in FY 2013 was approximately 6,220 gallons per month. This consumption level has remained relatively flat since FY 2010 ranging from 6,160 gal/month to 6,410 gal/month. The table below presents the account information and consumption values (residential and commercial totals) from FY 2007 through FY 2013.

Year	Customer Accounts	Annual Total (Million Gallons)	Monthly Average - Residential and Commercial (Gallons)
FY 07	16,194	1,662	8,554
FY 08	16,360	1,628	8,294
FY 09	16,444	1,576	7,989
FY 10	16,426	1,443	7,318
FY 11	16,454	1,489	7,539
FY 12	16,530	1,508	7,601
FY 13	16,705	1,492	7,444

Rate based revenues are projected to be at 99.4% of the budget. The tables below present a two year history, FY 2013 budgeted and estimated figures, the proposed budgets for FY 2014 and 2015 and projected revenues through FY 2020. The FY 2014 and FY 2015 budget revenues are based on the approved rate adjustment scheduled for January 1, 2014 and projected growth within the service area.

Revenues through Budget 2015

	Actual 2012	Budget 2013	Estd 2013	Budget 2014	Budget 2015
Available Funds					
INTEREST INCOME	18,726	15,600	15,600	15,600	15,600
RENTAL INCOME	23,273	11,600	21,600	20,000	20,000
SALE OF SURPLUS ASSETS	(26,065)	0	7,793	0	0
TOTAL USE OF MONEY & PROPERTY	15,933	27,200	44,993	35,600	35,600
MISCELLANEOUS OTHER REVENUE	1,252	0	0	0	0
TOTAL OTHER REVENUE	1,252	0	0	0	0
CUSTOMER SERVICE	8,875,364	9,007,500	8,952,401	9,489,646	9,679,336
PENALTIES	217,210	247,650	250,000	260,000	265,000
SERVICE CHARGES	159,580	103,000	148,500	95,000	95,000
INSPECTION FEES	60,877	60,950	61,353	60,000	60,000
OTHER SERVICE REVENUE	60,766	103,000	101,082	91,800	91,800
TOTAL CUSTOMER SERVICE	9,381,787	9,528,100	9,513,336	9,996,346	10,191,136
CONTRIBUTIONS FROM DEVELOPER	327,880	0	0	0	0
INSTALLATION FEE	55,323	25,750	97,663	75,000	75,000
TOTAL CAPITAL CONTRIBUTIONS	383,203	25,750	97,663	75,000	75,000
Total Available Funds	9,782,175	9,581,050	9,655,992	10,106,946	10,301,736

Revenues Forecast 2016 through 2020

	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020
Available Funds					
INTEREST INCOME	15,600	15,600	15,600	15,600	15,600
RENTAL INCOME	20,000	20,000	20,000	20,000	20,000
TOTAL USE OF MONEY & PROPERTY	35,600	35,600	35,600	35,600	35,600
CUSTOMER SERVICE	9,872,923	10,070,381	10,271,789	10,477,225	10,686,770
PENALTIES	270,000	275,000	280,000	285,000	290,000
SERVICE CHARGES	95,000	95,000	95,000	95,000	95,000
INSPECTION FEES	60,000	60,000	60,000	60,000	60,000
OTHER SERVICE REVENUE	91,800	91,800	91,800	91,800	91,800
TOTAL CUSTOMER SERVICE	10,389,723	10,592,181	10,798,589	11,009,025	11,223,570
INSTALLATION FEE	75,000	75,000	75,000	75,000	75,000
TOTAL CAPITAL CONTRIBUTIONS	75,000	75,000	75,000	75,000	75,000
Total Available Funds	10,500,323	10,702,781	10,909,189	11,119,625	11,334,170

Water Section

Water Expenditures

Personnel – The staffing tables below present the position, pay grade, the proposed number of budgeted positions for FY 2014 and FY 2015, and the projected positions for FY 2016 through FY 2020. There are no proposed staffing changes in the Water Section for the planning horizon. Also included is the anticipated pay grade of the position based on the compensation and classification study currently being evaluated by the Board of Mayor and Aldermen and is subject to change based on the Board’s decisions regarding this matter. Appendix A presents the overall department organization.

WATER SECTION - Proposed Personnel

UTILITY BILLING							
POSITION	PAY GRADE	ANTICIPATED PAY GRADE	BUDGETED FY 2012	BUDGETED FY 2013	AMENDED FY 2013	BUDGETED FY 2014	BUDGETED FY 2015
Meter Reader Sr	10	C	1	1	1	1	1
Meter Reader	9	B	2	2	2	2	2
TOTALS			3	3	3	3	3
WATER DISTRIBUTION							
POSITION	PAY GRADE	ANTICIPATED PAY GRADE	BUDGETED FY 2012 FULL-TIME	BUDGETED FY 2013 FULL-TIME	AMENDED FY 2013 FULL-TIME	BUDGETED FY 2014	BUDGETED FY 2015
Service Division Superintendent	20	I	1	1	1	1	1
Water Distribution Assistant Superintendent	19	G	1	1	1	1	1
Utilities Crew Chief	13	E	3	3	3	3	3
Backflow Inspector	16	D	2	2	2	2	2
Administrative Assistant	12	D	1	1	1	1	1
Stock Room Supervisor	12	D	1	1	1	1	1
Equipment Operator Senior	11	D	2	3	2	2	2
Utility Service Worker Sr	10	C	4	5	4	4	4
TOTALS			15	17	15	15	15
WATER TREATMENT PLANT							
POSITION	PAY GRADE	ANTICIPATED PAY GRADE	BUDGETED FY 2012 FULL-TIME	BUDGETED FY 2013 FULL-TIME	AMENDED FY 2013 FULL-TIME	BUDGETED FY 2014	BUDGETED FY 2015
Water Plant Superintendent	20	H	1	1	1	1	1
Water Plant Assistant Superintendent	19	G	1	1	1	1	1
Water Operator Sr	16	E	5	5	5	5	5
Water Operator 2	13	TBD	2	2	2	2	2
Administrative Assistant	12	D	1	1	1	1	1
Water Operator 1	11	D	3	3	3	3	3
TOTALS			13	13	13	13	13
WATER SECTION TOTALS			31	33	31	31	31

WATER SECTION - Projected Personnel

UTILITY BILLING							
POSITION	PAY GRADE	ANTICIPATED PAY GRADE	PROJECTED FY 2016	PROJECTED FY 2017	PROJECTED FY 2018	PROJECTED FY 2019	PROJECTED FY 2020
Meter Reader Sr	10	C	1	1	1	1	1
Meter Reader	9	B	2	2	2	2	2
TOTALS			3	3	3	3	3
WATER DISTRIBUTION							
POSITION	PAY GRADE	ANTICIPATED PAY GRADE	PROJECTED FY 2016	PROJECTED FY 2017	PROJECTED FY 2018	PROJECTED FY 2019	PROJECTED FY 2020
Service Division Superintendent	20	I	1	1	1	1	1
Water Distribution Assistant Superintendent	19	G	1	1	1	1	1
Utilities Crew Chief	13	E	3	3	3	3	3
Backflow Inspector	16	D	2	2	2	2	2
Administrative Assistant	12	D	1	1	1	1	1
Stock Room Supervisor	12	D	1	1	1	1	1
Equipment Operator Senior	11	D	2	2	2	2	2
Utility Service Worker Sr	10	C	4	4	4	4	4
TOTALS			15	15	15	15	15
WATER TREATMENT PLANT							
POSITION	PAY GRADE	ANTICIPATED PAY GRADE	PROJECTED FY 2016	PROJECTED FY 2017	PROJECTED FY 2018	PROJECTED FY 2019	PROJECTED FY 2020
Water Plant Superintendent	20	H	1	1	1	1	1
Water Plant Assistant Superintendent	19	G	1	1	1	1	1
Water Operator Sr	16	E	5	5	5	5	5
Water Operator 2	13	TBD	2	2	2	2	2
Administrative Assistant	12	D	1	1	1	1	1
Water Operator 1	11	D	3	3	3	3	3
TOTALS			13	13	13	13	13
WATER SECTION TOTALS			31	31	31	31	31

Operations – The largest operations expense in the Water Section continues to be the purchase of finished water. Expenditures on purchased water can fluctuate depending on a number of factors. Some of these factors include Franklin Water Treatment capacities, weather, financial considerations, and water resource conservation efforts. The expenditure for FY 2013 is approximately \$3,000,000, nearly \$350,000 less than the expense in FY 2012.

Indirect Expenses also is a large expense item in the Water Section. These expenses include payment to the General Fund for customer service, utility billing, and other support functions such as Engineering and Human Resources.

Utilities are estimated to be approximately \$230,000 for FY 2013. Electricity is the primary cost, and is necessary for booster pump stations in the distribution system, high service and raw water pumps at the Water Treatment Plant, and other day to day needs. Raw water pumping expenditures has decreased since the rehabilitation work to the reservoir. Additionally, the Water Section is taking steps to evaluate and reduce electrical consumption based on the efforts taken in the Wastewater Section.

Operations Capital – Operations Capital expenditures are related to equipment and vehicles directly related to operations versus system replacement or expansion. As originally presented in the FY 2013 Budget Amendment, the Water Management Department has evaluated the annual cost of replacement of operations capital items based on present day replacement value,

anticipated lifecycle, and a projected annual increase in replacement cost of five percent. The department hopes to achieve the following goals by using this approach:

- Provide for adequate funding of operations capital,
- Avoid significant swings in required funding from one budget to another, and
- Provide more stable data in performing cost of service analyses.

This process was applied to operations capital expenditures on machinery and equipment, vehicles, information technology expenditures, and buildings.

Expenditures through Budget 2015

	Actual 2012	Budget 2013	Est'd 2013	Budget 2014	Budget 2015
PERSONNEL					
01100 Salaries & Wages	1,080,217	1,286,123	1,137,634	1,328,338	1,374,008
01400 Employee Benefits	528,155	577,353	528,537	559,045	575,820
TOTAL PERSONNEL	1,608,380	1,863,466	1,666,171	1,887,383	1,949,828
OPERATIONS					
02100 Transportation Services	4,724	3,687	610	1,350	1,350
02200 Operating Services	17,172	12,400	12,836	15,000	15,840
02300 Notices Subscriptions Publication	10,568	11,250	5,135	10,250	10,450
02400 Utilities	252,578	270,925	239,456	252,850	264,802
02500 Contractual Services	735,494	35,000	184,084	55,000	55,000
02600 Repair & Maintenance Services	260,575	189,500	172,057	112,000	116,420
02700 Employee Programs	433	1,500	1,594	7,400	7,400
02800 Professional Development/Travel	2,569	8,480	11,539	8,900	8,900
03100 Office Supplies	8,123	4,350	4,191	4,500	4,500
03200 Operating Supplies	358,021	208,400	280,467	275,750	283,790
03300 Fuel & Mileage	26,301	26,500	44,795	50,200	32,012
03400 Supplies for Resale	3,344,865	3,400,000	3,000,000	3,500,000	3,500,000
03500 Machinery & Equipment (<=\$25,000)	123,048	81,025	10,675	61,000	62,265
03600 Repair & Maintenance Supplies	315,635	250,250	328,482	248,000	259,772
04000 Operational Units	965,211	1,033,983	1,033,983	1,033,923	1,080,588
06100 Property & Liability Costs	65,483	80,950	42,775	88,075	81,748
06200 Rentals	545	2,000	29,525	2,000	2,000
06300 Permits	28,234	38,100	31,136	38,100	40,005
06500 Financial Fees	32,814	40,000	61,643	41,300	41,854
06000 Debt Service and Lease Payments	71,548	209,363	224,245	209,738	209,821
TOTAL OPERATIONS	6,621,118	5,871,173	5,636,545	6,023,338	6,195,646
CAPITAL					
05200 Buildings	0	0	0	2,000	2,100
05300 Improvements	0	1,000,000	495,235	1,300,000	1,300,000
05500 Machinery & Equipment (>=\$25,000)	0	452,000	155,595	185,000	189,350
TOTAL CAPITAL	0	1,452,000	650,830	1,487,000	1,491,450
TOTAL EXPENDITURES	8,239,498	9,165,629	7,983,549	9,397,742	9,636,826

Expenditures Forecast 2016 through 2020

	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020
PERSONNEL					
81100 Salaries & Wages	1,385,824	1,426,319	1,468,029	1,510,989	1,555,239
81400 Employee Benefits	593,079	610,855	629,160	648,016	667,440
TOTAL PERSONNEL	1,978,903	2,037,174	2,097,189	2,159,005	2,222,679
OPERATIONS					
82100 Transportation Services	1,350	1,350	1,350	1,350	1,350
82200 Operating Services	16,762	17,775	18,886	20,105	21,444
82300 Notices Subscriptions Publication	10,660	10,881	11,112	11,365	11,610
82400 Utilities	277,534	290,781	304,674	319,239	334,515
82500 Contractual Services	55,000	55,000	55,000	55,000	55,000
82600 Repair & Maintenance Services	121,016	125,797	130,771	135,942	141,318
82700 Employee Programs	7,400	7,400	7,400	7,400	7,400
82800 Professional Development/Travel	8,900	8,900	8,900	8,900	8,900
83100 Office Supplies	4,500	4,500	4,500	4,500	4,500
83200 Operating Supplies	309,134	337,012	367,679	401,411	438,518
83300 Fuel & Mileage	33,932	35,968	38,126	40,414	42,839
83400 Supplies for Resale	3,800,000	3,900,000	4,050,000	4,200,000	4,375,000
83500 Machinery & Equipment (<\$25,000)	65,379	68,647	72,080	75,684	79,467
83600 Repair & Maintenance Supplies	264,468	272,394	280,561	288,967	297,628
84000 Operational Units	1,123,306	1,157,005	1,191,715	1,227,466	1,264,290
85100 Property & Liability Costs	94,500	97,332	100,256	103,261	106,360
85200 Rentals	2,061	2,093	2,126	2,159	2,194
85300 Permits	42,006	44,106	46,311	48,627	51,057
85500 Financial Fees	41,910	41,967	42,026	42,087	42,149
86000 Debt Service and Lease Payments	209,851	209,828	209,754	209,628	209,799
TOTAL OPERATIONS	6,489,668	6,688,736	6,943,226	7,203,494	7,495,338
CAPITAL					
89200 Buildings	2,205	2,315	2,431	2,553	2,680
89300 Improvements	1,300,000	1,300,000	1,300,000	1,500,000	1,500,000
89500 Machinery & Equipment (>\$25,000)	193,713	198,398	203,318	208,484	213,908
TOTAL CAPITAL	1,495,918	1,500,713	1,505,749	1,711,037	1,716,588
TOTAL EXPENDITURES	9,964,489	10,226,623	10,546,164	11,073,536	11,434,605



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Wastewater Section

Wastewater Section

Overview

The Wastewater Section includes the Wastewater Collection, Water Reclamation, Maintenance, and Utility Administration Divisions.

The City of Franklin operates an activated sludge treatment facility located at 135 Claude Yates Drive. The City of Franklin presently has a National Pollutant Discharge Elimination System Permit (NPDES) for treatment and discharge of twelve (12) million gallons of treated effluent per day. Limits and procedures were incorporated into the NPDES Permit that allows the City of Franklin to operate a reclaimed water network. This Division is facing increasing regulatory constraints from EPA and TDEC in the area of Local Limit Loading Reductions to the Harpeth River and additional Capacity Management Operation Maintenance (CMOM) Initiative requirements. The City is currently operating under an expired NPDES permit, awaiting issuance of new permit from the Tennessee Department of Environment and Conservation (TDEC).

The Wastewater Collection Division is responsible for the operation and maintenance of the wastewater collection system including gravity sewer lines, force main lines and sewage lift stations located throughout the service area. Under this division, there are crews that are assigned to the replacement and extension of the wastewater collection system which collects and transports wastewater to the treatment plant. It is anticipated that this division will be facing an increasing workload in order to maintain compliance with EPA's Capacity Management Operation Maintenance (CMOM) Initiative requirements.



Wastewater Section

Goals and Strategic Initiatives

The primary goal for the Wastewater Section is to effectively operate the collection system with no sanitary sewer overflows and to produce high quality effluent water for distribution in the reclaimed water system and discharge to the Harpeth River that meets or exceeds permit requirements. As with the Water Section, the Wastewater Section is enhancing and implementing various programs to improve customer service, regulatory compliance, and overall operations.

One ongoing initiative is the department's energy management program. Water Reclamation Facility staff participated in an energy management partnership with the United States

Environmental Protection Agency (EPA), the Tennessee Valley Authority (TVA) and the Tennessee Department of Environment and Conservation (TDEC). Department representatives have worked with this group to develop an energy management analysis with the goal to identify operational changes to reduce electricity consumption. The team involved with this process will be working with other divisions of the department in FY 2014 and FY 2015 to apply the lessons learned and expand the departments energy management program.

In addition to this program, the Water Reclamation Facility is participating with TVA's EnerNOC program. The plant participated in two demand response events in FY 2012, exceeding the targeted reduction of 400 kW during both periods. The division has already participated in two events in FY 2013. Based on preliminary results, the participation in both events were successful at meeting the 400 kW target reduction.

Electrical costs per thousand gallons of water treated in FY 2011 and FY 2012 was approximately \$0.35 and \$0.33 respectively. In FY 2013, it is projected that the cost per thousand gallons treated is approximately \$0.29. This equates to approximately \$140,000 to \$220,000 annual savings relative to the FY 2011 and FY 2012 costs per thousand gallons.

The wastewater collection division continues to perform inspections of the sanitary sewer system to evaluate condition, risk and maintenance needs. In FY 2013 the division has inspected approximately 220,000 feet (over 41 miles) miles of sanitary sewer. The data captured through these inspections are being used to prioritize maintenance activities and to develop improvement projects based on risk and condition.

Wastewater Section

Service Volumes and Revenues

The sanitary sewer customer base has shown greater signs of growth primarily due to areas within the Mallory Valley and HB&TS Utility Districts. FY 2013 customer accounts are approximately 21,130 relative FY 2012 accounts totaling 20,645.

Rate based revenues are projected to be at 109% of the budget. The tables below present a two year history, FY 2013 budgeted and estimated figures, the proposed budgets for FY 2014 and 2015 and projected revenues through FY 2020. The FY 2014 and FY 2015 budget revenues are based on the approved rate adjustment scheduled for January 1, 2014 and projected growth within the service area.

Revenues through Budget 2015

Available Funds	Actual 2012	Budget 2013	Estd 2013	Budget 2014	Budget 2015
FEDERAL ARRA # 7	42,219	0	0	0	0
TOTAL INTERGOVERNMENTAL	42,219	0	0	0	0
INTEREST INCOME	46,364	15,600	22,843	16,000	16,000
RENTAL INCOME	0	0	1,800	0	0
SALE OF SURPLUS ASSETS	(162,425)	0	0	0	0
TOTAL USE OF MONEY & PROPERTY	(106,361)	15,600	24,643	16,000	16,000
MISCELLANEOUS OTHER REVENUE	0	180	0	0	0
TOTAL OTHER REVENUE	0	180	0	0	0
CUSTOMER SERVICE	11,500,186	11,094,000	12,094,217	12,858,178	13,199,442
INSPECTION FEES	32,290	0	75,298	50,000	50,000
OTHER SERVICE REVENUE	31,745	0	60,000	40,000	40,000
TOTAL CUSTOMER SERVICE	11,564,221	11,094,000	12,229,515	12,948,178	13,289,442
CONTRIBUTIONS FROM DEVELOPER	1,534,440	0	0	0	0
CONTRIBUTIONS - OTHERS	592,553	0	0	0	0
INSTALLATION FEE	140,723	77,250	160,170	125,000	125,000
TOTAL CAPITAL CONTRIBUTIONS	2,267,716	77,250	160,170	125,000	125,000
Total Available Funds	13,767,795	11,187,030	12,414,328	13,089,178	13,430,442

Revenues Forecast 2016 through 2020

Available Funds	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020
INTEREST INCOME	16,000	16,000	16,000	16,000	16,000
TOTAL USE OF MONEY & PROPERTY	16,000	16,000	16,000	16,000	16,000
CUSTOMER SERVICE	13,555,431	13,928,239	14,317,963	14,650,252	14,991,483
INSPECTION FEES	50,000	50,000	50,000	50,000	50,000
OTHER SERVICE REVENUE	40,000	40,000	40,000	40,000	40,000
TOTAL CUSTOMER SERVICE	13,645,431	14,018,239	14,407,963	14,740,252	15,081,483
INSTALLATION FEE	125,000	125,000	125,000	125,000	125,000
TOTAL CAPITAL CONTRIBUTIONS	125,000	125,000	125,000	125,000	125,000
Total Available Funds	13,786,431	14,159,239	14,548,963	14,881,252	15,222,483

Wastewater Section

Wastewater Expenditures

Personnel – The Water Management Department is requesting the following personnel changes:

- Eliminate two vacant Secretary positions - one from Utility Administration and one from the Water Reclamation Facility.
- Add an Office Manager position that accurately characterizes the activities being performed by the Administrative Assistant in Utility Administration. Retain the Administrative Assistant position to provide support in service request and work order

documentation and to provide assistance to treatment facilities for documentation of daily activities reported on the monthly operations reports to regulatory agencies.

- Eliminate one Utility Crew Chief position (currently vacant) in the Wastewater Collection Division.
- Shift two Wastewater Operator 1 positions to Wastewater Operator Senior positions. The goal is to have adequate coverage of Wastewater Operator Senior positions to cover all shifts.

The staffing tables below present the position, pay grade, the proposed number of budgeted positions for FY 2014 and FY 2015, and the projected positions for FY 2016 through FY 2020. Also included is the anticipated pay grade of the position based on the compensation and classification study currently being evaluated by the Board of Mayor and Aldermen and is subject to change based on the Board's decisions regarding this matter. Appendix A presents the overall organization for the department



WASTEWATER SECTION - Proposed Personnel

UTILITY ADMINISTRATION

POSITION	PAY GRADE	PAY GRADE	BUDGETED	BUDGETED	AMENDED FY	BUDGETED	BUDGETED
			ANTICIPATED	FY 2012 FULL-	FY 2013 FULL-		
			TIME	TIME	TIME		
Director	25	L	1	1	1	1	1
Assistant Director of Operations	23	J	1	1	1	1	1
Assistant Director of Administration and Policy	23	Jest	0	0	1	1	1
GIS Specialist	17	E	1	1	1	1	1
Administrative Assistant	12	D	1	1	1	1	1
Utility Inspector	17	E	3	3	3	3	3
Secretary	9	-	1	1	1	0	0
Office Manager	16	F	0	0	0	1	1
Utilities Project Manager	21	H	1	1	1	1	1
Grounds Maintenance Worker (Seasonal)	9	B	0	0	0	2	2
TOTALS			9	9	10	12	12

WASTEWATER COLLECTION

POSITION	PAY GRADE	PAY GRADE	BUDGETED	BUDGETED	AMENDED FY	BUDGETED	BUDGETED
			ANTICIPATED	FY 2012 FULL-	FY 2013 FULL-		
			TIME	TIME	TIME		
Wastewater Collection Assistant Superintendent	19	H	1	1	1	1	1
Construction Supervisor	16	TBD	1	1	1	1	1
Television Sewer Inspector	15	D	2	2	2	2	2
Lift Station Technician	14	E	4	4	0	0	0
Utilities Crew Chief	13	E	4	4	4	3	3
Equipment Operator Senior	11	D	2	2	2	2	2
Sewer Equipment Technician	11	D	4	4	4	4	4
Utility Service Worker Sr	10	C	5	5	5	5	5
TOTALS			23	23	19	18	18

WATER RECLAMATION

POSITION	PAY GRADE	PAY GRADE	BUDGETED	BUDGETED	AMENDED FY	BUDGETED	BUDGETED
			ANTICIPATED	FY 2012 FULL-	FY 2013 FULL-		
			TIME	TIME	TIME		
Wastewater Plant Superintendent	20	I	1	1	1	1	1
Asst Wastewater Superintendent	19	G	1	1	1	1	1
Industrial Pretreatment Coordinator	17	G	1	1	1	1	1
Wastewater Operator Sr	16	E	3	3	3	5	5
Wastewater Maintenance Technician	14	E	1	1	0	0	0
Heavy Equipment Operator	12	E	2	2	2	2	2
Wastewater Operator 1	11	D	10	10	10	8	8
Secretary	9	-	1	1	1	0	0
TOTALS			20	20	19	18	18

MAINTENANCE

POSITION	PAY GRADE	PAY GRADE	BUDGETED	BUDGETED	AMENDED FY	BUDGETED	BUDGETED
			ANTICIPATED	FY 2012 FULL-	FY 2013 FULL-		
			TIME	TIME	TIME		
Maintenance Supervisor	19 EST	H	0	0	1	1	1
Maintenance Technician	14 EST	E	0	0	4	4	4
TOTALS			0	0	5	5	5

WASTEWATER SECTION TOTALS

52 52 53 53 53

WASTEWATER SECTION - Projected Personnel

UTILITY ADMINISTRATION							
POSITION	PAY GRADE	ANTICIPATED PAY GRADE	PROJECTED FY 2016	PROJECTED FY 2017	PROJECTED FY 2018	PROJECTED FY 2019	PROJECTED FY 2020
Director	25	L	1	1	1	1	1
Assistant Director of Operations	23	J	1	1	1	1	1
Assistant Director of Administration and Policy	23	J est	1	1	1	1	1
GIS Specialist	17	E	1	1	1	1	1
Administrative Assistant	12	D	1	1	1	1	1
Utility Inspector	17	E	3	3	3	3	3
Secretary	9	-	0	0	0	0	0
Office Manager	16	F	1	1	1	1	1
Utilities Project Manager	21	H	1	1	1	1	1
Grounds Maintenance Worker (Seasonal)	9	B	2	2	2	2	2
TOTALS			12	12	12	12	12
WASTEWATER COLLECTION							
POSITION	PAY GRADE	ANTICIPATED PAY GRADE	PROJECTED FY 2016	PROJECTED FY 2017	PROJECTED FY 2018	PROJECTED FY 2019	PROJECTED FY 2020
Wastewater Collection Assistant Superintendent	19	H	1	1	1	1	1
Construction Supervisor	16	TBD	1	1	1	1	1
Television Sewer Inspector	15	D	2	2	2	2	2
Lift Station Technician	14	E	0	0	0	0	0
Utilities Crew Chief	13	E	3	4	4	4	4
Equipment Operator Senior	11	D	2	3	3	3	3
Sewer Equipment Technician	11	D	4	4	4	4	4
Utility Service Worker Sr	10	C	5	6	6	6	6
TOTALS			18	21	21	21	21
WATER RECLAMATION							
POSITION	PAY GRADE	ANTICIPATED PAY GRADE	PROJECTED FY 2016	PROJECTED FY 2017	PROJECTED FY 2018	PROJECTED FY 2019	PROJECTED FY 2020
Wastewater Plant Superintendent	20	I	1	1	1	1	1
Asst Wastewater Superintendent	19	G	1	1	1	1	1
Industrial Pretreatment Coordinator	17	G	1	1	1	1	1
Wastewater Operator Sr	16	E	5	5	5	5	5
Wastewater Maintenance Technician	14	E	0	0	0	0	0
Heavy Equipment Operator	12	E	2	2	2	2	2
Wastewater Operator 1	11	D	8	8	8	8	8
Secretary	9	-	0	0	0	0	0
TOTALS			18	18	18	18	18
MAINTENANCE							
POSITION	PAY GRADE	ANTICIPATED PAY GRADE	PROJECTED FY 2016	PROJECTED FY 2017	PROJECTED FY 2018	PROJECTED FY 2019	PROJECTED FY 2020
Maintenance Supervisor	19 EST	H	1	1	1	1	1
Maintenance Technician	14 EST	E	4	4	4	4	4
TOTALS			5	5	5	5	5
WASTEWATER SECTION TOTALS			53	56	56	56	56

Operations and Maintenance – Operations and maintenance accounts for the largest costs in the Wastewater Section. Utility costs are a large expense item in Wastewater, exceeding \$1,000,000 annually. These costs are associated with aeration of the wastewater for biological processes, pumping, odor control and various other processes and operations.

Indirect Expenses also is a large expense item in the Wastewater Section. As with the Water Section, these expenses include reimbursement to the General Fund for customer service, utility billing, and other support functions such as Engineering and Human Resources.

The FOG program is an ongoing effort to remove fats oils and grease from the collection system to improve conveyance and treatment of wastewater. The work accomplished in FY 2013 has

lead to the recognition of the department through a nomination for the Control Authority Pretreatment Excellence Award. The award is to be presented on July 16, 2013 at the Kentucky Tennessee Water Professionals Conference.

Operations Capital – Operations Capital expenditures are related to equipment and vehicles directly related to operations versus system replacement or expansion. As originally presented in the FY 2013 Budget Amendment, the Water Management Department has evaluated the annual cost of replacement of operations capital items based on present day replacement value, anticipated lifecycle, and a projected annual increase in replacement cost of five percent. The department hopes to achieve the following goals by using this approach:

- Provide for adequate funding of operations capital,
- Avoid significant swings in required funding from one budget to another, and
- Provide more stable data in performing cost of service analyses.

This process was applied to operations capital expenditures on machinery and equipment, vehicals, information technology expenditures, and buildings.

Expenditures through Budget 2015

	Actual 2012	Budget 2013	Est'd 2013	Budget 2014	Budget 2015
PERSONNEL					
81100 Salaries & Wages	1,972,438	2,384,857	1,937,896	2,371,380	2,447,721
81400 Employee Benefits	954,910	1,027,831	949,577	958,576	993,423
TOTAL PERSONNEL	2,927,348	3,412,738	2,887,573	3,340,956	3,441,144

OPERATIONS					
82100 Transportation Services	1,912	3,120	2,604	3,350	3,350
82200 Operating Services	309,639	440,200	282,137	305,300	318,510
82300 Notice Subscriptions Publication	11,828	12,700	9,495	19,700	20,305
82400 Utilities	1,342,773	1,411,078	1,300,776	1,422,550	1,494,819
82500 Contractual Services	81,408	164,000	(33,597)	157,000	204,000
82600 Repair & Maintenance Services	195,433	253,300	246,364	235,300	244,320
82700 Employee Programs	748	1,580	1,149	4,750	4,750
82800 Professional Development/Travel	11,519	16,400	19,061	19,500	19,500
83100 Office Supplies	5,591	7,456	5,591	7,680	7,680
83200 Operating Supplies	263,613	239,825	268,798	296,900	321,885
83300 Fuel & Mileage	128,587	141,900	128,000	137,000	145,320
83500 Machinery & Equipment (<\$25,000)	205,258	86,350	42,173	99,320	104,257
83600 Repair & Maintenance Supplies	144,658	202,900	126,214	145,000	149,275
84000 Operational Units	857,865	919,994	1,508,071	941,177	969,412
85100 Property & Liability Costs	128,831	128,500	89,786	123,664	127,375
85200 Rentals	752	6,800	5,041	3,850	3,850
85300 Permits	16,533	10,500	19,428	17,000	17,850
85500 Financial Fees	27,242	30,800	36,886	45,000	45,800
85900 Other Business Expenses	0	500	0	0	0
86000 Debt Service and Lease Payments	540,730	1,070,793	1,094,023	1,348,336	1,316,148
TOTAL OPERATIONS	4,302,015	5,155,962	5,138,821	5,332,147	5,517,873

CAPITAL					
88200 Buildings	0	1,400	0	1,500	1,575
88300 Improvements	0	1,300,000	827,300	2,000,000	2,590,000
88500 Machinery & Equipment (>\$25,000)	0	1,607,300	98,050	1,175,950	965,748
TOTAL CAPITAL	0	2,908,900	825,350	3,177,450	3,407,323

TOTAL EXPENDITURES	7,229,363	10,877,500	9,001,932	11,850,563	12,370,540
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Expenditures Forecast 2016 through 2020

	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020
PERSONNEL					
81100 Salaries & Wages	2,491,117	2,564,140	2,639,355	2,716,825	2,796,619
81400 Employee Benefits	1,028,139	1,058,743	1,090,266	1,122,732	1,156,173
TOTAL PERSONNEL	3,519,256	3,622,883	3,729,621	3,839,557	3,952,792
OPERATIONS					
82100 Transportation Services	3,350	3,350	3,350	3,350	3,350
82200 Operating Services	332,381	346,946	362,238	378,294	395,153
82300 Notices Subscriptions Publication	20,941	21,608	22,307	23,043	23,815
82400 Utilities	1,570,314	1,649,609	1,732,908	1,820,400	1,912,307
82500 Contractual Services	206,000	206,000	157,000	157,000	157,000
82600 Repair & Maintenance Services	253,698	263,448	273,586	284,123	295,081
82700 Employee Programs	4,750	4,750	4,750	4,750	4,750
82800 Professional Development/Travel	19,500	19,500	19,500	19,500	19,500
83100 Office Supplies	7,650	7,650	7,650	7,650	7,650
83200 Operating Supplies	349,185	379,651	413,158	450,013	490,549
83300 Fuel & Mileage	153,933	163,169	172,960	183,338	194,337
83500 Machinery & Equipment (<\$25,000)	109,334	114,765	120,364	126,342	132,514
83600 Repair & Maintenance Supplies	153,678	158,213	162,887	167,698	172,652
84000 Operational Units	998,495	1,028,450	1,059,303	1,091,082	1,123,815
85100 Property & Liability Costs	131,196	135,131	139,183	143,361	147,662
85200 Rentals	3,850	3,850	3,850	3,850	3,850
85300 Permits	18,744	19,681	20,665	21,696	22,781
85500 Financial Fees	45,000	45,000	45,000	45,000	45,000
86000 Debt Service and Lease Payments	1,283,548	1,268,546	1,240,235	1,225,217	1,188,842
TOTAL OPERATIONS	5,665,547	5,839,317	5,960,894	6,155,707	6,340,608
CAPITAL					
89200 Buildings	1,654	1,736	1,823	1,914	2,010
89300 Improvements	2,500,000	2,500,000	3,000,000	3,000,000	3,000,000
89500 Machinery & Equipment (>\$25,000)	951,035	998,586	1,048,515	1,100,941	1,155,989
TOTAL CAPITAL	3,452,689	3,500,322	4,050,338	4,102,855	4,157,999
TOTAL EXPENDITURE \$	12,637,492	12,962,522	13,740,853	14,098,119	14,451,399



HISTORIC
FRANKLIN
TENNESSEE

Reclaimed Water Section

Reclaimed Water Section

Overview

On February 10, 2004, the City of Franklin Board of Mayor and Aldermen officially created the Reclaimed Division through adoption of Title 18, Chapter 4, of the Franklin Municipal Code. With the adoption of Chapter 4, the Water Management Department instituted the enforcement of the State Approved Construction Standards, Regulation and Fee Structures as set forth in the



Ordinance. The Reclaimed Water Section produces and distributes water for commercial and residential irrigation use within the City's water service area.

There are no dedicated personnel assigned to this division. Personnel from the Wastewater Collection Division and Water Distribution Division currently maintain the reclaimed water lines and personnel from the Water Reclamation Plant operate and maintain the pumps and sampling stations.

Reclaimed Water Section

Goals and Strategic Initiatives

The primary goal for the Reclaimed Water Section is to distribute high quality effluent water for irrigation needs of customers. In FY 2014 and 2015, the department will focus particularly on metering of reclaimed water. In general, reclaimed water consumption occurs at relatively high volumes as compared to domestic water. In recent years, there have been a number of meters that have been replaced well before the expected lifecycle. Staff will evaluate meter effectiveness in the reclaimed water application to determine if alternative types of meters are more appropriate to ensure meter accuracy and ultimately accurate revenues.

Though reclaimed water is not an essential service, it is imperative that the Department be able to serve the demands for the system. Depending on growth and technical issues, it is anticipated that the existing Long Lane Water Tank (500,000 gallons) will be converted to a reclaimed storage facility in the coming years. Additional storage facilities are being considered using existing Department property.

Reclaimed Water Section

Revenues

The tables below present a two year history, FY 2013 budgeted and estimated figures, the proposed budgets for FY 2014 and 2015 and projected revenues through FY 2020.

Revenues through Budget 2015

	Actual 2012	Budget 2013	Estd 2013	Budget 2014	Budget 2015
Available Funds					
FEDERAL ARRA # 7	178,887	0	0	0	0
TOTAL INTERGOVERNMENTAL	178,887	0	0	0	0
INTEREST INCOME	1,840	510	500	500	500
TOTAL USE OF MONEY & PROPERTY	1,840	510	500	500	500
CUSTOMER SERVICE	146,724	287,740	213,927	200,000	200,000
PENALTIES	282	500	264	500	500
INSPECTION FEES	0	520	2,337	1,000	1,000
OTHER SERVICE REVENUE	0	0	600	500	500
TOTAL CUSTOMER SERVICE	147,006	288,760	217,128	202,000	202,000
INSTALLATION FEE	0	0	4,234	2,000	2,000
TOTAL CAPITAL CONTRIBUTIONS	0	0	4,234	2,000	2,000
Total Available Funds	327,733	289,270	221,862	204,500	204,500

Revenues Forecast 2016 through 2020

	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020
Available Funds					
INTEREST INCOME	500	500	500	500	500
TOTAL USE OF MONEY & PROPERTY	500	500	500	500	500
CUSTOMER SERVICE	200,000	200,000	200,000	200,000	200,000
PENAL TIES	500	500	500	500	500
INSPECTION FEES	1,000	1,000	1,000	1,000	1,000
OTHER SERVICE REVENUE	500	500	500	500	500
TOTAL CUSTOMER SERVICE	202,000	202,000	202,000	202,000	202,000
INSTALLATION FEE	2,000	2,000	2,000	2,000	2,000
TOTAL CAPITAL CONTRIBUTIONS	2,000	2,000	2,000	2,000	2,000
Total Available Funds	204,500	204,500	204,500	204,500	204,500

Reclaimed Water Section

Expenditures

Expenditures through Budget 2015

	Actual 2012	Budget 2013	Est'd 2013	Budget 2014	Budget 2015
PERSONNEL					
OPERATIONS					
82100 Transportation Services	0	250	0	250	250
82300 Notices Subscriptions Publication	0	100	0	100	100
82400 Utilities	51	41,000	12	50	32
82500 Contractual Services	7,373	0	0	0	0
82600 Repair & Maintenance Services	0	15,000	0	12,000	12,000
83200 Operating Supplies	78,857	135,700	92,459	100,200	100,200
83500 Machinery & Equipment (-\$25,000)	0	2,000	0	2,000	2,000
83600 Repair & Maintenance Supplies	1,194	20,500	3,447	15,500	15,500
86000 Debt Service and Lease Payments	18,101	70,882	47,562	55,975	55,975
TOTAL OPERATIONS	102,006	285,842	143,480	196,075	199,975
CAPITAL					
TOTAL EXPENDITURES	102,006	285,842	143,480	196,075	199,975

Expenditures Forecast 2016 through 2020

	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020
OPERATIONS					
82100 Transportation Services	265	273	282	290	298
82200 Operating Services	0	0	0	0	0
82300 Notices Subscriptions Publication	106	109	113	116	119
82400 Utilities	53	55	56	58	60
82500 Contractual Services	0	0	0	0	0
82600 Repair & Maintenance Services	12,732	13,113	13,507	13,911	14,328
82700 Employee Programs	0	0	0	0	0
82800 Professional Development/Travel	0	0	0	0	0
83100 Office Supplies	0	0	0	0	0
83200 Operating Supplies	106,302	109,492	112,776	116,159	119,644
83300 Fuel & Mileage	0	0	0	0	0
83400 Supplies for Resale	0	0	0	0	0
83500 Machinery & Equipment (<\$25,000)	2,122	2,185	2,251	2,319	2,388
83600 Repair & Maintenance Supplies	16,445	16,936	17,446	17,970	18,507
84000 Operational Units	0	0	0	0	0
85100 Property & Liability Costs	0	0	0	0	0
85200 Rentals	0	0	0	0	0
85300 Permits	0	0	0	0	0
85500 Financial Fees	0	0	0	0	0
85900 Other Business Expenses	0	0	0	0	0
86000 Debt Service and Lease Payments	65,975	65,975	65,975	65,975	65,975
87000 Appropriations	0	0	0	0	0
88000 Transfers to Other Funds	0	0	0	0	0
TOTAL OPERATIONS	204,000	208,138	212,406	216,798	221,319
TOTAL EXPENDITURES	204,000	208,138	212,406	216,798	221,319

Appendix A: Organization

The Water Management Department staffed facilities include the Administration and Service Divisions facility, the Water Reclamation Facility and the Water Treatment Plant. The following organizational chart presents the Water Management Department organization and the staffing per division.

City of Franklin Water Management – Proposed Organization

FY 2014 and FY 2015 Biennial Budget.



