

ORDINANCE NO. 2011-29

TO BE ENTITLED: "AN ORDINANCE TO AMEND TITLE 22, CHAPTER 18, TO ESTABLISH NEW WATER, SEWER AND RECLAIMED WATER RATES

WHEREAS, the City of Franklin, Tennessee, has completed an independent third-party cost of service study that recommended sizable increases in water service rates and fees; and

WHEREAS, the Board of Mayor & Aldermen determined that these increases should be implemented over a five year period, beginning in January, 2011 and continuing until the cost of service is substantially offset by the increased water service rates and fees; and

WHEREAS, the State of Tennessee requires that rates and fees charged adequately in order to cover costs of such service.

NOW, THEREFORE:

SECTION I: BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, that:

Title 22, Chapter 18 of the Franklin Municipal Code is deleted in its entirety and replaced as follows:

CHAPTER 18
Water and Sewers

Application Fee	
Additional service	\$50
Transfer of existing service	\$50
New construction	\$25
Repairs, replacement or relocation of meters, boxes, service lines or associated utilities, necessitated by damage to meters, boxes, service lines or associated utilities, or failure to install according to city specifications.	Billed at full replacement price. Materials billed at full retail value along with associated equipment and labor costs. One-hour minimum labor charge for repair replacement or relocation of any damaged water utilities.
Temporary/Seasonal	
Disconnection Fee	\$25
Reconnection Fee	\$25
Fire Hydrants and Sprinkler Systems - Private	
System Development Fee	\$500 per inch diameter of connection line

Fire Hydrant Meters – Temporary Deposit Set-up Fee	\$1,000 \$500
Irrigation Access Fee to Potable Water Main	\$1,186
Inspection Fees Reinspection Fee	\$50 per reinspection
Penalties Municipal Code Violations Administrative Civil Penalty	\$50 per day per violation plus incurred administrative costs not to exceed \$1,000 \$10,000 per act or omission per day
Sanitary Sewer Service Connection Fee	\$50
Water Meters (Potable and Reclaimed) Meter repair resulting from damage caused by meter being obstructed, blocked, or otherwise unreadable Obstructed, blocked, or otherwise unreadable meter Unauthorized removal or tampering	Actual cost \$500 minimum \$50 per month \$500 per occurrence
Water Service (Potable and Reclaimed) Reconnect service charge	\$35 normal business hours \$75 non-business hours, holidays, & weekends

Fire Hydrant and Sprinkler System (Private) System Development and Meter Installation Fees

System Development Fee (SDF)		\$500 per inch diameter of connection line	
Meter Size	SDF	Complete Installation	Installation of Meter and Meter Box Only
3/4"X 5/8"	\$ 500	\$ 720	\$ 300
1"	500	854	356
1½"	750	1,375	625
2"	1,000	2,117	1,297
3"	1,500	3,480	1,506
4"	2,000	5,230	2,541
6"	3,000	7,035	4,498
8"	4,000	13,438	9,803

Water Development Fees

Access, System Development (SDF), Installation and Irrigation Meter Fees					
Hi-/Low-flow meters will be charged at the next meter size up for pricing purposes. Example: The fee for a 2-inch domestic water meter and 8 inch fire line shall be based on a 3 inch water meter plus the \$500 per inch for the fire line (8x\$500).					
Meter Size	Access Fee	SDF	Installation—Meter Only	Installation—Complete Tap	Irrigation Meter
¾"	\$ 1,186.00	\$ 903.00	\$ 315.00	\$ 756.00	\$ 3,150.00
1"	4,746.00	3,612.00	374.00	897.00	4,725.00
1 ½"	11,390.00	8,619.00	656.00	1,444.00	6,300.00
2"	15,187.00	11,558.00	1,362.00	2,223.00	7,875.00
3"	33,222.00	25,284.00	1,581.00	3,654.00	9,450.00
4"	47,460.00	36,120.00	2,668.00	5,492.00	11,025.00
6"	113,904.00	86,688.00	4,723.00	7,387.00	12,600.00
8"	142,380.00	108,360.00	10,293.00	14,110.00	14,175.00

Wastewater Development Fees

Access, System Development (SDF) and Installation Fees				
Access Fee			Minimum \$2,100 per Single Family Unit (SFU)	
Meter Size	Access Fee	System Development Fee (SDF)	Installation Fee, tap in place	Installation Fee, tap not in place
¾"	\$ 2,100.00	\$ 1,444.00	\$263.00	\$1,240.00
1"	8,400.00	5,775.00	263.00	1,240.00
1 ½"	20,160.00	13,860.00	263.00	1,240.00
2"	26,880.00	18,480.00	263.00	1,240.00
3"	58,800.00	40,425.00	263.00	1,240.00
4"	84,000.00	57,750.00	263.00	1,240.00
6"	201,600.00	138,600.00	263.00	1,240.00
8"	252,000.00	173,250.00	263.00	1,240.00

Effluent Disposal Assessment Fee (EDA)

Meter Size	GPM	EDA FEE
5/8"X3/4"	12.5	\$ 450
1"	50	1,800
1 ½"	120	4,320
2"	160	5,760
3"	350	12,600
4"	500	18,000
6"	1200	43,200
8"	1500	54,000

Reclaimed Water Connection and Meter Installation Fee

Meter Size	Reclaimed Water Connection Fee	Complete Installation	Total Fee
5/8" x 3/4"	\$ 500	\$ 720.00	\$ 1,220.00
1"	500	853.50	1,354.00
1 ½"	500	1,375.00	1,875.00
2"	500	2,116.50	2,617.00
3"	500	3,480.00	3,980.00
4"	500	5,230.00	5,730.00
6"	500	7,035.00	7,535.00
8"	500	13,438.00	13,938.00

Reclaimed Water Rate

Reclaimed Water Rate	\$0.97/1,000 gallons Availability charge/1,000 gallons
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Sanitary Sewer Rates

<i>Residential-inside, per 1,000 gallons</i>		<i>Residential-outside, per 1,000 gallons</i>	
Availability charge (1,000 gallons)	\$ 14.55	Availability charge (1,000 gallons)	\$ 19.21
Next 14,000 gallons	3.61	Next 14,000 gallons	5.62
All additional gallons	2.82	All additional gallons	4.47
<i>Commercial-inside, per 1,000 gallons</i>		<i>Commercial-outside, per 1,000 gallons</i>	
Availability charge (1,000 gallons)	\$ 29.00	Availability charge	\$ 31.00
Next 14,000 gallons	4.42	Next 14,000 gallons	6.91
All additional gallons	3.43	All additional gallons	5.02

Water User Rates

<i>Residential-inside, per 1,000 gallons</i>		<i>Residential-outside, per 1,000 gallons</i>	
Availability charge (1,000 gallons)	\$10.42	Availability charge (1,000 gallons)	\$12.42
Next 9,000 gallons	3.72	Next 9,000 gallons	5.80
Next 15,000 gallons	4.65	Next 15,000 gallons	6.38
All additional gallons	5.58	All additional gallons	6.96
<i>Commercial-inside, per 1,000 gallons</i>		<i>Commercial-outside, per 1,000 gallons</i>	
Availability charge	\$13.21	Availability charge	\$14.01
Next 9,000 gallons	3.72	Next 9,000 gallons	5.80
Next 15,000 gallons	4.65	Next 15,000 gallons	6.38
All additional gallons	5.58	All additional gallons	6.96

SECTION II. BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, that this ordinance shall take effect on January 1, 2012.

ATTEST:

CITY OF FRANKLIN, TENNESSEE

By: _____
ERIC STUCKEY
 City Administrator

By: _____
KEN MOORE, M.D.
 Mayor



PASSED FIRST READING:

Aug. 9, 2011

PUBLIC HEARING:




PASSED SECOND READING:

PASSED THIRD READING:




**Water Management
Recommended FY 2012-13
Biennial Operating Budget**

**July 15, 2011
Budget and Finance Committee**



Water and Sanitary Sewer Funds

- The water and sanitary sewer enterprise funds are established to account for operations and capital investments. The expenditures associated with providing services to customers on a continuing basis is recovered solely through user charges and development fees.



Financial Planning Path



- Cost of Service Analyses – 2007, 2009, & 2010
 - Rate Funded Capital
 - Operations Reserve
 - User Charges
- Biennial Budgeting and Financial Plans
- Development Fee Evaluation – in progress
- Integrated Water Resources Planning
- Cost of Service Analyses – FY 2012 (inclusive of Reclaimed Water)



Budget Overview

- Operations Revenues
- Operations Expenditures
 - Operations Capital
 - Rate Funded Capital
- Proposed Rate Adjustments

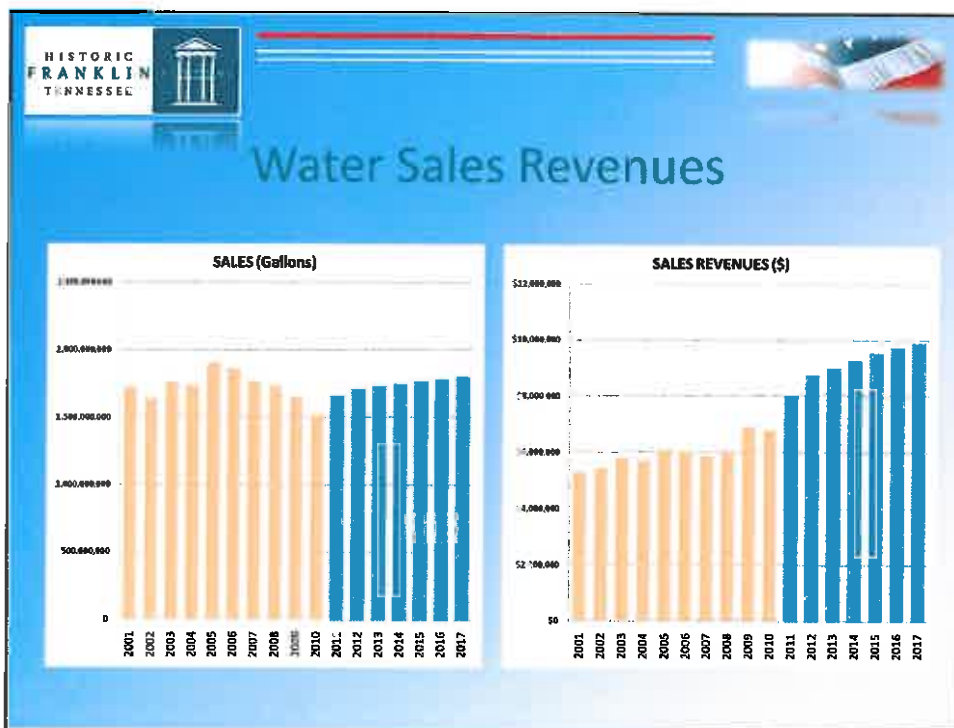
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Water and Sanitary Sewer Revenues


- Water consumption declined from 2005 through 2010
- Sanitary Sewer service declined from 2008 through 2010

- Variable consumption
- Rate Adjustments





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Water and Sanitary Sewer Expenditures


Water Section	Actual 2009	Actual 2010	Budget 2011	Est'd 2011	Budget 2012
Personnel	\$1,402,000	\$1,564,626	\$1,742,985	\$1,494,573	\$1,791,686
Operations	\$5,153,507	\$7,816,032	\$7,787,715	\$6,026,995	\$5,633,757
Capital	\$200,000	\$85,989	\$16,800	\$516,420	\$1,450,000
Total Expenditures	\$7,155,679	\$9,166,638	\$9,647,500	\$8,038,088	\$9,065,443


Water Section	Budget 2012	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017
Personnel	\$1,718,092	\$1,970,076	\$2,053,651	\$2,091,532	\$2,154,260
Operations	\$5,645,566	\$5,745,740	\$5,892,232	\$6,074,332	\$6,107,504
Capital	\$1,461,088	\$1,250,000	\$1,090,000	\$1,050,000	\$1,050,000
Total Expenditures	\$9,020,966	\$8,945,816	\$9,012,956	\$9,175,964	\$9,311,764

Wastewater Section	Actual 2009	Actual 2010	Budget 2011	Est'd 2011	Budget 2012
Personnel	\$3,172,504	\$3,175,075	\$3,246,329	\$3,121,638	\$3,267,741
Operations	\$4,720,625	\$5,122,605	\$5,587,904	\$5,247,277	\$5,800,272
Capital	\$152,334	\$68,152	\$967,500	\$229,046	\$1,451,000
Total Expenditures	\$8,052,514	\$8,948,524	\$9,603,733	\$8,297,971	\$10,519,613

Wastewater Section	Budget 2012	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017
Personnel	\$3,122,405	\$3,517,040	\$3,604,186	\$3,794,547	\$3,906,206
Operations	\$5,265,081	\$5,644,252	\$5,711,181	\$5,800,261	\$5,837,160
Capital	\$2,668,601	\$2,175,000	\$2,250,000	\$2,347,000	\$2,450,000
Total Expenditures	\$11,052,887	\$11,396,292	\$11,745,367	\$12,041,928	\$12,175,366









Water and Sanitary Sewer Capital Expenditures

- Operations Capital
 - Vehicles, equipment
- Rate Funded Capital
 - Infrastructure replacement and rehabilitation





Summary of Operations Capital Expenditures Per Division (Page 60 of Narrative)

Rate Center	Budget FY 2012	Projected FY 2012	Projected FY 2014	Projected FY 2015	Projected FY 2016	Projected FY 2017
City Administration	\$52,000	\$0	\$0	\$0	\$0	\$0
Public Works	\$5,000	\$0	\$0	\$0	\$0	\$0
Water Billing	\$0	\$20,000	\$0	\$0	\$0	\$0
Machinery & Equipment	\$0	\$20,000	\$0	\$0	\$0	\$0
Watermeter Collection	\$510,000	\$425,000	\$400,000	\$380,000	\$360,000	\$340,000
Machinery & Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Water Treatment Plant	\$1,000,000	\$720,000	\$475,000	\$0	\$270,000	\$19,000
Water Distribution	\$150,000	\$60,000	\$35,000	\$15,000	\$0	\$0
Machinery & Equipment	\$131,000	\$40,000	\$15,000	\$0	\$0	\$0
Water Distribution	\$180,000	\$100,000	\$40,000	\$30,000	\$20,000	\$10,000
Machinery & Equipment	\$150,000	\$80,000	\$0	\$0	\$0	\$0
Water Treatment	\$50,000	\$120,000	\$30,000	\$30,000	\$0	\$0
Machinery & Equipment	\$45,000	\$0	\$0	\$0	\$0	\$0
Machinery & Equipment	\$25,000	\$25,000	\$0	\$0	\$0	\$0
Total	\$1,110,000	\$1,225,000	\$905,000	\$440,000	\$370,000	\$190,000



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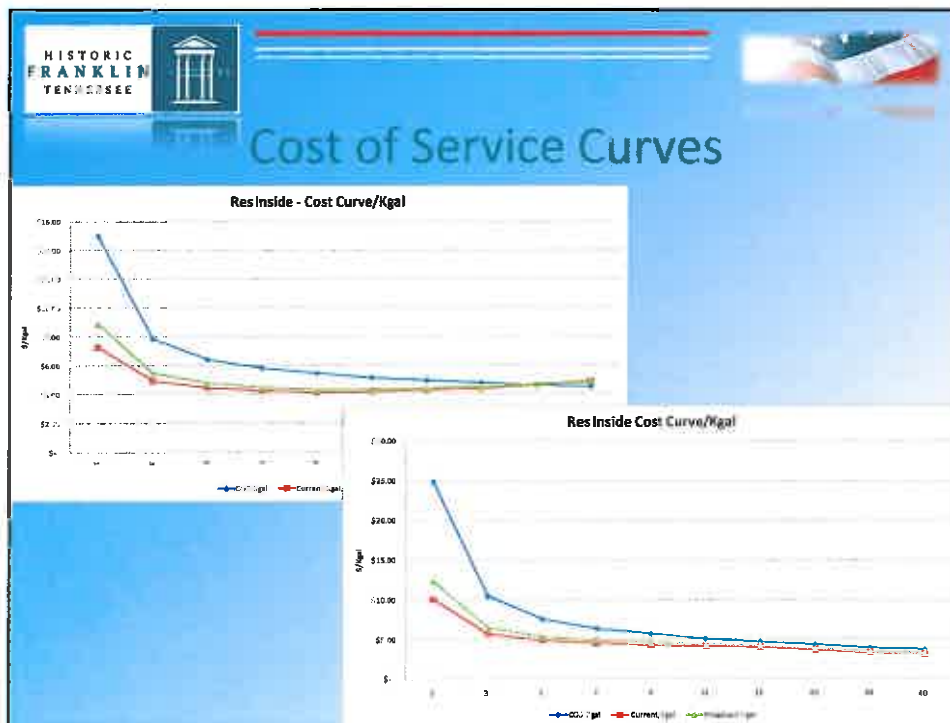
Sample Rate Funded Capital Priority Projects


Water

- Brown Trailer Park Water Line Replacement
- Old Carberry Creek Pike Water Line Replacement, Downs Improvement to Approximately Ingersoll Road
- Old Westonsville Road Water Line Replacement, Interstate Crossing to Olds Creek Bypass
- Bobby Drive Water Line Replacement, Hillsboro Road to Overlook Drive
- Forest Street Water Line Replacement, Brookwood to West Main Street
- Advanced Metering Infrastructure
- West Main Street Water Line Replacement, In coordination with Sanitary Sewer Replacement Project
- Berry Circle Water Line Replacement

Sanitary Sewer


- West Main Street Sanitary Sewer Line Replacement, In coordination with Water Replacement Project
- 11th Avenue at Sevd Mill
- Frasier Drive Sanitary Sewer Rehab
- Ervas Street Sanitary Sewer Replacement/Rehab
- North Petway Sanitary Sewer Replacement/Rehab
- South Margin, Sanitary Sewer Line Replacement from 1st Ave to 5th Ave
- South Margin, 2nd Ave to 5th Ave
- Eastview Circle Sanitary Sewer Line Replacement





Proposed Water and Sanitary Sewer Rate Adjustments

- Consistent with 5-year approach established by BOMA in October 2010
- Proposed changes target availability charges which is the largest area of under-recovery
 - Reduces the fluctuation of revenues due to variables that drive consumption and stabilizes revenues to cover fixed costs.



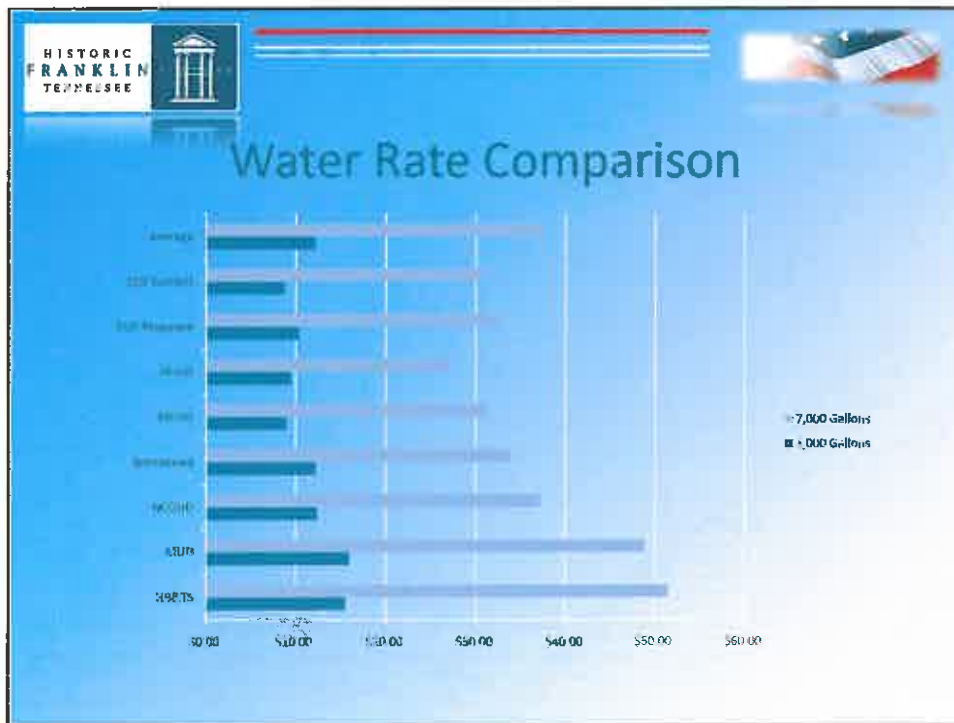
Proposed Water Rate Design to Achieve Approximately 4% Revenue Increase (Page 12 of Narrative)

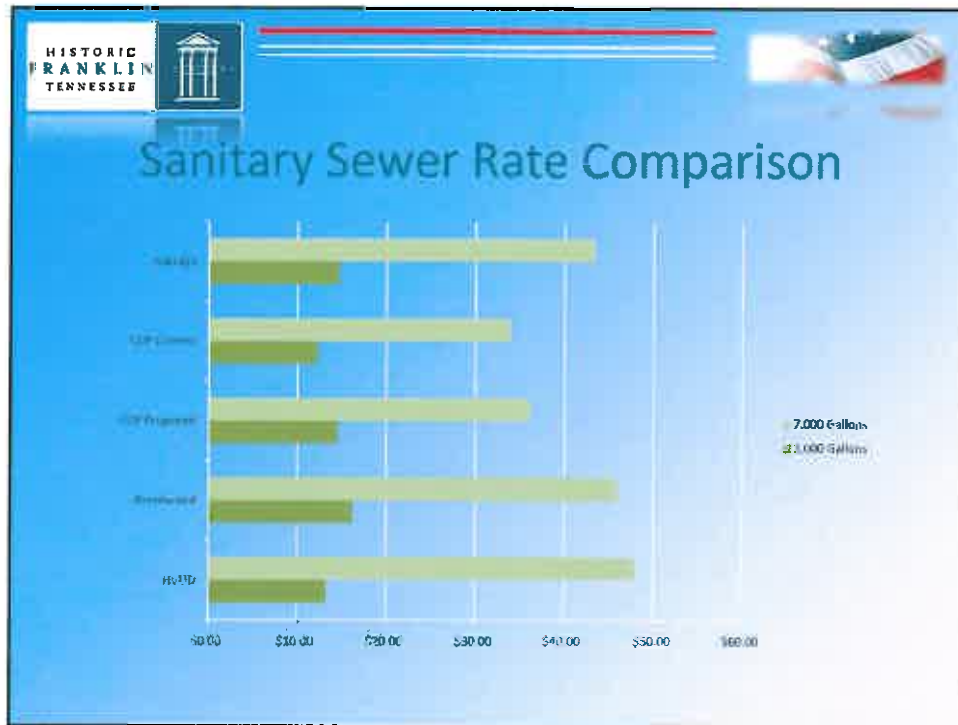
	Cost of Service	Current	Proposed	Difference
Water - Residential: Inside				
Availability Charge (plus 1.00%) (included)	\$14.94			
Water (200 Gallons)	(\$10.71-\$4.23)	\$8.82	\$10.02	\$1.20
Sanitary Sewer (100 Gallons)		\$2.72	\$2.72	\$0.00
Water (200 Gallons)		\$4.55	\$4.55	\$0.00
AD Additional		\$1.36	\$5.56	\$0.00
Water - Residential: Outside				
Availability Charge (plus 1.00%) (included)	\$18.12			
Water (200 Gallons)	(\$10.84-\$4.26)	\$10.02	\$12.42	\$2.40
Sanitary Sewer (100 Gallons)		\$2.80	\$2.80	\$0.00
Water (200 Gallons)		\$6.15	\$6.15	\$0.00
AD Additional		\$6.96	\$6.96	\$0.00
Water - Commercial: Inside				
Availability Charge (plus 1.00%) (included)	\$16.60			
Water (200 Gallons)	(\$14.46-\$4.20)	\$11.31	\$13.21	\$1.90
Sanitary Sewer (100 Gallons)		\$2.72	\$2.72	\$0.00
Water (200 Gallons)		\$4.65	\$4.65	\$0.00
AD Additional		\$5.58	\$5.58	\$0.00
Water - Commercial: Outside				
Availability Charge (plus 1.00%) (included)	\$19.89			
Water (200 Gallons)	(\$15.54-\$4.35)	\$12.41	\$14.01	\$1.60
Sanitary Sewer (100 Gallons)		\$5.86	\$5.86	\$0.00
Water (200 Gallons)		\$6.70	\$6.70	\$0.00
AD Additional		\$6.96	\$6.96	\$0.00

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Proposed Sanitary Sewer Rate Design to Achieve 7% Revenue Increase (Page 10 of Narrative)

Watermeter - Residential Inside	Cost of Service	Current	Proposed	Difference
Availability Charge (plus 1,000 Gal. Included)	\$24.82			
Net 14,000 Gallons	(\$21.66+(\$3.26)	\$12.50	\$12.57	\$0.25
All Additional		\$7.61	\$7.61	\$0.00
		\$2.02	\$2.02	\$0.00
Wastewater - Residential Outside	Cost of Service	Current	Proposed	Difference
Availability Charge (plus 1,000 Gal. Included)	\$22.94			
Net 14,000 Gallons	(\$19.66+(\$3.26)	\$13.21	\$13.21	\$0.00
All Additional		\$5.62	\$5.62	\$0.00
		\$4.57	\$4.57	\$0.00
Wastewater - Commercial Inside	Cost of Service	Current	Proposed	Difference
Availability Charge (plus 1,000 Gal. Included)	\$46.87			
Net 14,000 Gallons	(\$43.52+(\$3.35)	\$21.00	\$21.00	\$0.00
All Additional		\$7.42	\$7.42	\$0.00
		\$3.43	\$3.43	\$0.00
Wastewater - Commercial Outside	Cost of Service	Current	Proposed	Difference
Availability Charge (plus 1,000 Gal. Included)	\$40.81			
Net 14,000 Gallons	(\$37.46+(\$3.35)	\$23.00	\$23.00	\$0.00
All Additional		\$6.91	\$6.91	\$0.00
		\$3.02	\$3.02	\$0.00





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- HISTORIC FRANKLIN TENNESSEE**
- ### Proposed Reclaimed Water Rate Adjustment
- Reclaimed water is an alternative disposal method of treated sanitary sewer which provides a source of revenue to sustain it's operation.
 - \$0.10 Proposed increase to reclaimed water user fee
 - FY 2012 Cost of Service Analysis






ARRA Proceeds

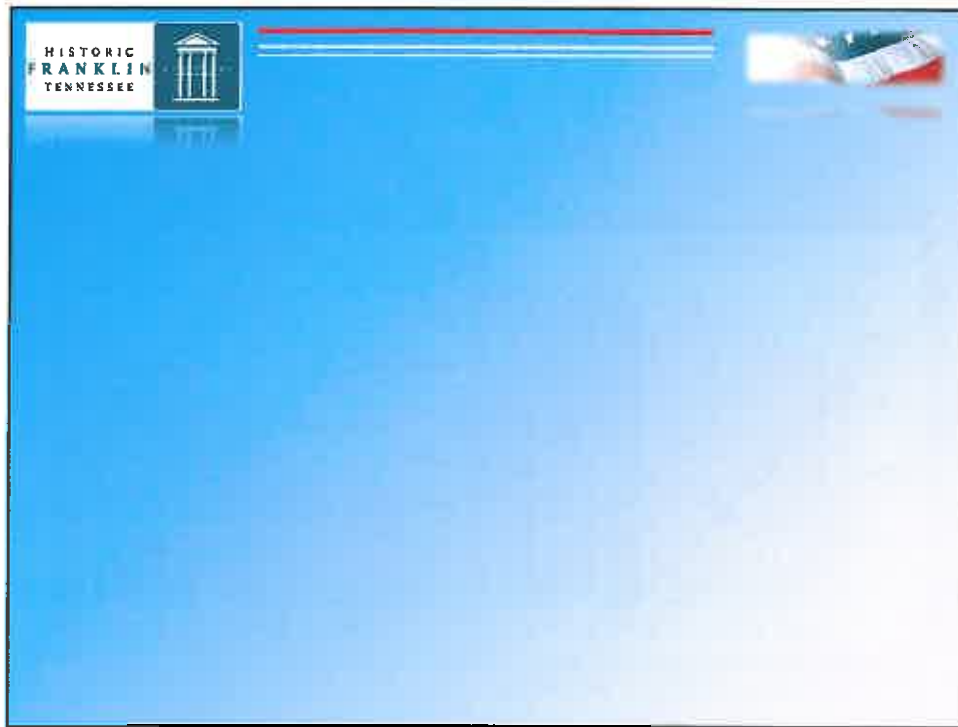
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	Water	Wastewater	Reclaimed Water	Total
FY 2010	\$2,348,557	\$310,677	\$44,589	\$2,703,813
FY 2011	\$151,443	\$773,914	\$724,932	\$1,704,299
Total	\$2,500,000	\$1,086,591	\$819,517	\$4,408,108

Principal				
Debt Service:	\$1,000,000	\$435,436	\$327,307	\$1,762,743
Loans to be Repaid:	\$1,500,000	\$652,154	\$491,710	\$2,644,865
Total	\$2,500,000	\$1,088,591	\$819,517	\$4,408,106

Discussion



Historic Franklin Tennessee

Revenue Assumptions

- Water – Growth of 1%/year; rate increased 2% thru FY 15, then 1% for 16/17
- Sewer – Growth of 1%/year; rate increased 4% thru FY 15, then 2% for 16/17

