



HISTORIC
FRANKLIN
TENNESSEE

City of Franklin, Tennessee Water Management

**Operating & Capital Equipment
Biennial Budget
Fiscal Years 2012 & 2013**



HISTORIC
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Russell Truell, Assistant City Administrator for Finance and Administration

Vernon Gerth, Assistant City Administrator for Community Development

Mark Hilty, Water Management Director

Comparison of Water/Wastewater Budget to Financial Statements

The Water/Wastewater budget is presented on a budgetary basis for comparability to the budgets for the City’s governmental funds (General and Special Funds). However, as a proprietary fund whose activities are reported like a private business for its financial statements, certain items are shown in the financial statements differently than in the budget document.

These items are:

- 1) Capital outlay. In the budget, the actual outlay is shown as an expense. In financial statements, the outlay is shown as an asset and depreciation is expensed over the asset’s useful life.
- 2) Principal on debt. In the budget, principal paid is shown as an expense. In financial statements, principal paid is shown as a reduction of liability rather than as an expense.
- 3) Accrued leave liability. In the budget, this is not shown as an expense. In financial statements, accrued leave is included as an expense.
- 4) Recovery (ARRA) proceeds that are loans. A portion of the recovery funds received are actually loans to be repaid over time. On a budgetary basis, all proceeds received, whether grants or loans, are shown as revenues since the monies received offset actual project expenses made. On a financial statement basis, the portion that is a loan is shown as a payable rather than revenue.

	ARRA Proceeds			
	Water (Reservoir)	Wastewater (Country Rd, Boyd Mill, Simmons Ridge)	Reclaimed (West, Down Blvd)	Total
FY 2010	\$2,348,557	\$310,677	\$44,580	\$2,703,814
FY 2011	<u>\$151,443</u>	<u>\$777,914</u>	<u>\$774,937</u>	<u>\$1,704,294</u>
Total	<u>\$2,500,000</u>	<u>\$1,088,591</u>	<u>\$819,517</u>	<u>\$4,408,108</u>
<hr/>				
Principal				
Forgiveness:	\$1,000,000	\$435,436	\$327,807	\$1,763,243
Loan to be Repaid:	<u>\$1,500,000</u>	<u>\$653,155</u>	<u>\$491,710</u>	<u>\$2,644,865</u>
Total	<u>\$2,500,000</u>	<u>\$1,088,591</u>	<u>\$819,517</u>	<u>\$4,408,108</u>

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Water Management Overview

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 resource services. These services include drinking water treatment and distribution, wastewater collection and treatment, and reclaimed water treatment and distribution for its customers located primarily in the City of Franklin.

To achieve this vision it is necessary to effectively and consistently deliver safe drinking water and efficient collection and treatment of wastewater. As the Water Management Department evolves, aggressive operations and programs have been introduced to protect sources of supply and receiving streams, investments are ongoing to replace and renew infrastructure to enhance water quality and service delivery, and treatment operations are being refined.

In terms of planning, the Water Management Department is in Phase 2 of an Integrated Water Resources Plan to provide for long term planning and sustainable operations of the City's water, wastewater, reclaimed water, and stormwater programs in an economical, efficient, and conscientious manner. The project entails analyses of the Harpeth River and its tributaries, in terms of water quality and quantity to develop the technical baseline in which to evaluate policy, operations, capital improvement projects, private development, or other activities that may have a potential impact on the system. Recommendations are scheduled for submission by November 2011.

This six year financial plan 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
Wastewater Collection	Wastewater
Wastewater Treatment	Wastewater
Reclaimed Water	Reclaimed Water
Utility Billing	Water
Utility Administration	Wastewater

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 wastewater. This disposal method effectively 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 Water Distribution Divisions. In May 2011, the Tennessee Department of Environment and Conservation (TDEC) performed a Sanitary Survey of the Water Section resulting in an approved score of 98. Significant progress has been made in terms of regulatory compliance and quality assurance over the last five years and continues to remain a focus for these divisions.

The Water Treatment facility is located on Lewisburg Pike. Staff at the plant performs numerous functions including water production, 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 storage tanks with a capacity of 10 million gallons. A two (2) million gallon tank in the Goose Creek area has been constructed to serve the area as it develops. The new tank will increase the finished water storage capacity to 11.5 million gallons.

Water Section

Goals & Strategic Initiatives

The primary goal for the Water Section is to continue to provide safe, reliable drinking water to customers. Operationally, the Water Section is enhancing and implementing various programs to improve customer service and regulatory compliance, and to move from a reactive to a proactive approach in operating and maintaining the system. Some of these initiatives include the following:

- **Cross Connection Control Program** – The department brought the implementation of this program in-house in 2009 to maintain better control and oversight and to improve customer service. There were no deficiencies presented to staff by the auditors during the May 2011 sanitary survey. Further refinements to the Cross Connection Control Program were made in FY 2011 by adding an administrative assistant position to provide support in data management, customer service and scheduling. The position should be filled by the close of FY 2011.
- **Valve Exercising Program** – The Water Section is in the process of organizing a scheduled valve exercising program. It is anticipated that implementation will start in the fall of 2010.
- **Leak Detection Program** – With the success of the initial leak detection surveys, the department has recently contracted with a firm to perform surveys of approximately 130 miles of pipes in the distribution system. The financial plan provides for additional funding to complete surveys of the entire distribution system in FY 2012. Upon completion of these initial surveys, the department is considering purchasing the necessary equipment in the coming years to perform this work in-house.

- **Ordinance and Specification Revisions** – The department has contracted with a consultant to refine the water, wastewater and reclaimed water specifications. The final document is scheduled for submission in September 2011.
- **Cost Recovery** – Cover all operating cost including debt service without transfer from reserves or fees intended for capital investments.
- **Rate Funded Capital and Cash Reserve** – Budget for rate funded capital to allow funding of a prudent operating cash reserve of at least 25 percent of operating revenues by 2017.

The department continues to aggressively work on improving the reliability and distribution capacity of the system. Some of these projects include:

- **Raw Water Reservoir Rehabilitation** – The Raw Water Reservoir Rehabilitation project won an honors award for Engineering Excellence at the 2011 American Council of Engineering Companies of Tennessee. The project provides for an additional 30 million gallons of storage and significantly improves the reliability of the facility. The project was completed in the fall of 2010 and the improvements are functioning as intended.



- **Downs Boulevard Transmission Main** – The department has contracted for the installation of a 24 inch transmission main along Downs Boulevard from Highway 96W to Columbia Avenue. Construction is near completion and will significantly improve needed distribution to the Columbia Avenue and Carters Creek Pike storage tanks.

Water Section

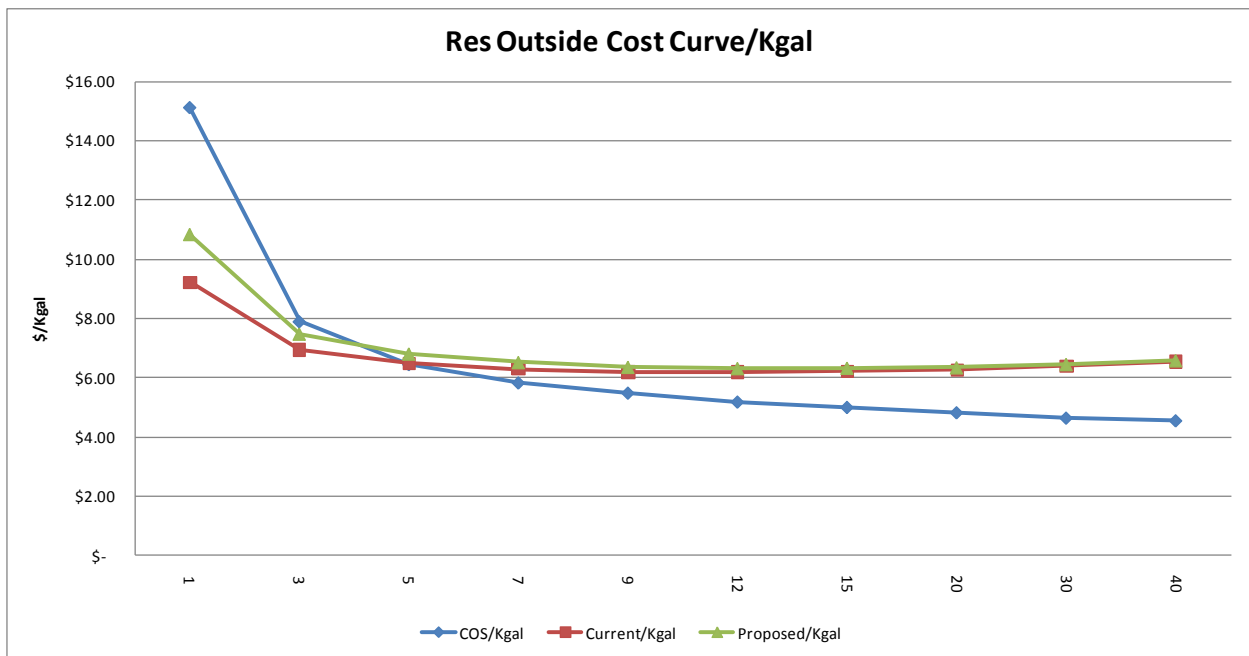
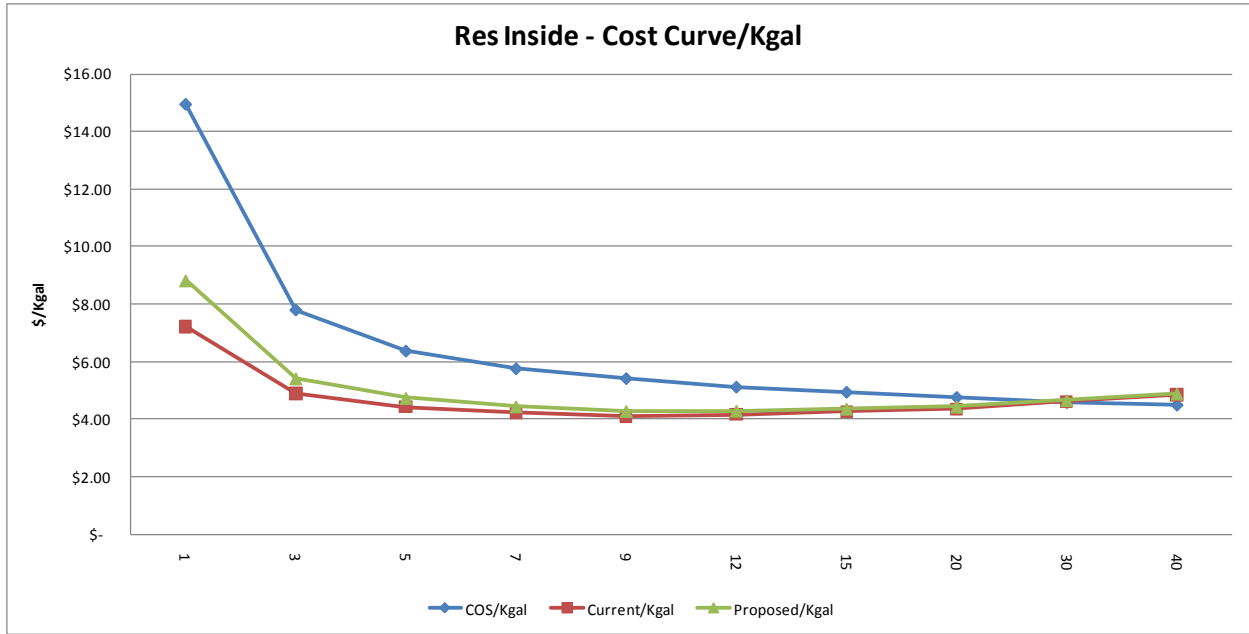
Current and Proposed Water Rates

The rate adjustment implemented in January 2010 was designed to achieve a 10% annual increase in revenues however with the decrease in average consumption revenues declined. Rates were further adjusted in January 2011 with the goal of achieving an incremental 4% increase in revenue above the projected increase in 2010. The projected revenues for FY 2011 indicate that the 4% increase will be substantially higher due to increased consumption. This highlights the fact that consumption can be volatile, emphasizing the importance of meeting the cost of service for the availability charge.

The Water Management Department has been performing cost of service analyses over the past several years to ensure that the department can adequately fund the cost of operations and capital investments. In October 2010, the Board of Mayor and Aldermen took measures that established a five year plan in which to achieve appropriate revenue streams by increasing projected water revenues by 4% annually (approximately \$308,000 based on the 2010 cost of service analysis) starting in January 2011.

Franklin's rate analyses and evolving rate structure has been developed using a cost of service approach per user class that includes a component for conservation through inclining rates based on monthly consumption. The structure also includes a higher rate for customers that have service outside of the city limits in recognition of the benefits to customers that do not pay city taxes. Staff recommends that in the long term, this structure be maintained with an immediate focus on achieving cost recovery for the areas in which the greatest difference lies.

The primary area of under recovery is in the availability charge in all classes. The availability charge helps to cover certain operating costs such as the costs of maintaining the meter, reading the meter each month, billing and other expenses. This is standard practice for all utility districts in the area. An example of how the availability charge is under recovering is presented in the following two graphs that were developed during the 2010 cost of service analysis for the residential classes. The green lines represent the current rates reflective of the rate adjustment implemented in January 2011 relative to the blue lines which represent the cost of service. The under recovery for inside the city and outside the city residential classes for the availability charge, inclusive of 1,000 gallons of water, is approximately \$6/1,000 gallons and \$4/1,000 gallons respectively.



The proposed rates strategically focus on taking measures to achieve cost recovery by increasing the availability charge for all classes. It is important to note that revenue stability also improves as the rates approach the cost of service for the availability charge. This approach reduces the fluctuation of revenues due to variables that drive consumption and stabilizes revenues to cover fixed costs. Consistent with this approach, staff proposes the rate design presented in the following table.

Proposed Rate Design to Achieve Approximately 4% Revenue Increase

Water - Residential; Inside	Cost of Service	Current	Proposed	Difference
Availability Charge (plus 1,000 Gal Included)	\$14.94 (\$10.71+\$4.23)	\$8.82	\$10.42	\$1.60
Next 9,000 Gallons		\$3.72	\$3.72	\$0.00
Next 15,000 Gallons		\$4.65	\$4.65	\$0.00
All Additional		\$5.58	\$5.58	\$0.00

Water - Residential; Outside	Cost of Service	Current	Proposed	Difference
Availability Charge (plus 1,000 Gal Included)	\$15.12 (\$10.84+\$4.28)	\$10.82	\$12.42	\$1.60
Next 9,000 Gallons		\$5.80	\$5.80	\$0.00
Next 15,000 Gallons		\$6.38	\$6.38	\$0.00
All Additional		\$6.96	\$6.96	\$0.00

Water - Commercial; Inside	Cost of Service	Current	Proposed	Difference
Availability Charge (plus 1,000 Gal Included)	\$18.66 (\$14.46+\$4.20)	\$11.61	\$13.21	\$1.60
Next 9,000 Gallons		\$3.72	\$3.72	\$0.00
Next 15,000 Gallons		\$4.65	\$4.65	\$0.00
All Additional		\$5.58	\$5.58	\$0.00

Water - Commercial; Outside	Cost of Service	Current	Proposed	Difference
Availability Charge (plus 1,000 Gal Included)	\$19.89 (\$15.54+\$4.35)	\$12.41	\$14.01	\$1.60
Next 9,000 Gallons		\$5.80	\$5.80	\$0.00
Next 15,000 Gallons		\$6.38	\$6.38	\$0.00
All Additional		\$6.96	\$6.96	\$0.00

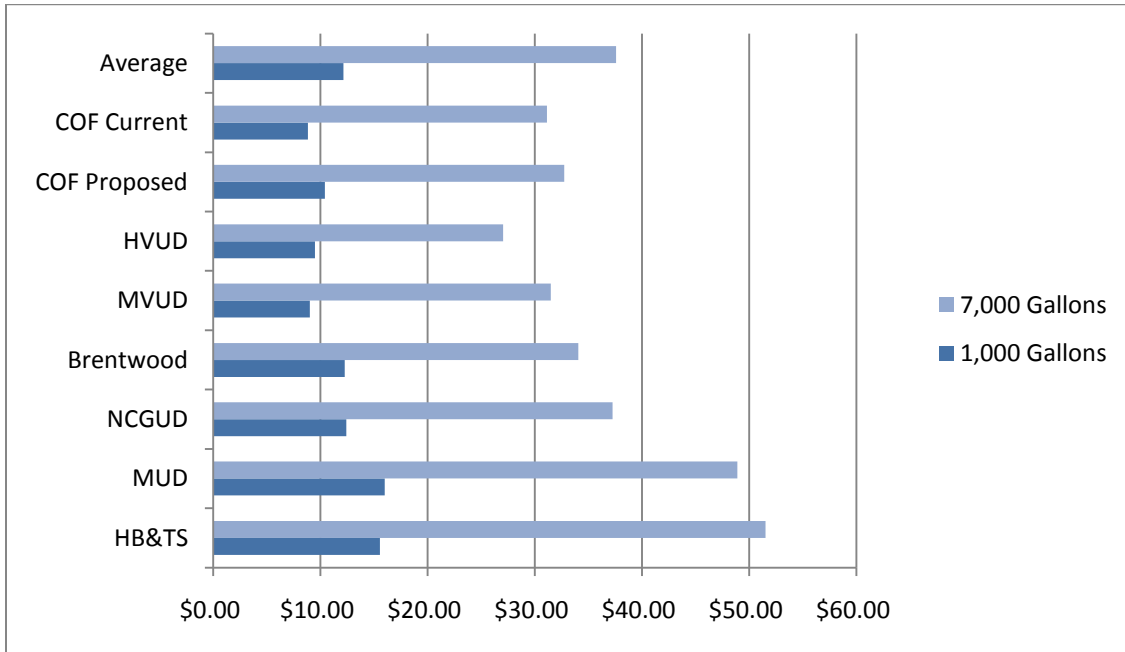
Proposed Rate Design Summary

Rate Class	Estimated Additional Revenue
Water - Residential; Inside	\$250,000
Water - Residential; Outside	\$44,000
Water - Commercial; Inside	\$19,600
Water - Commercial; Outside	\$1,200
Total	\$314,800

Water providers are required to recover the cost of operations and dependent on the utility’s programs and means of operation, rates can widely vary. The table and chart below present a rate comparison of various utilities within Franklin and Williamson County. Of the seven utilities presented, Franklin’s proposed rates are third from the lowest in both the 1,000 gallon and 7,000 gallon volumes.

**Water Rate Comparison
(Sales Tax applies)**

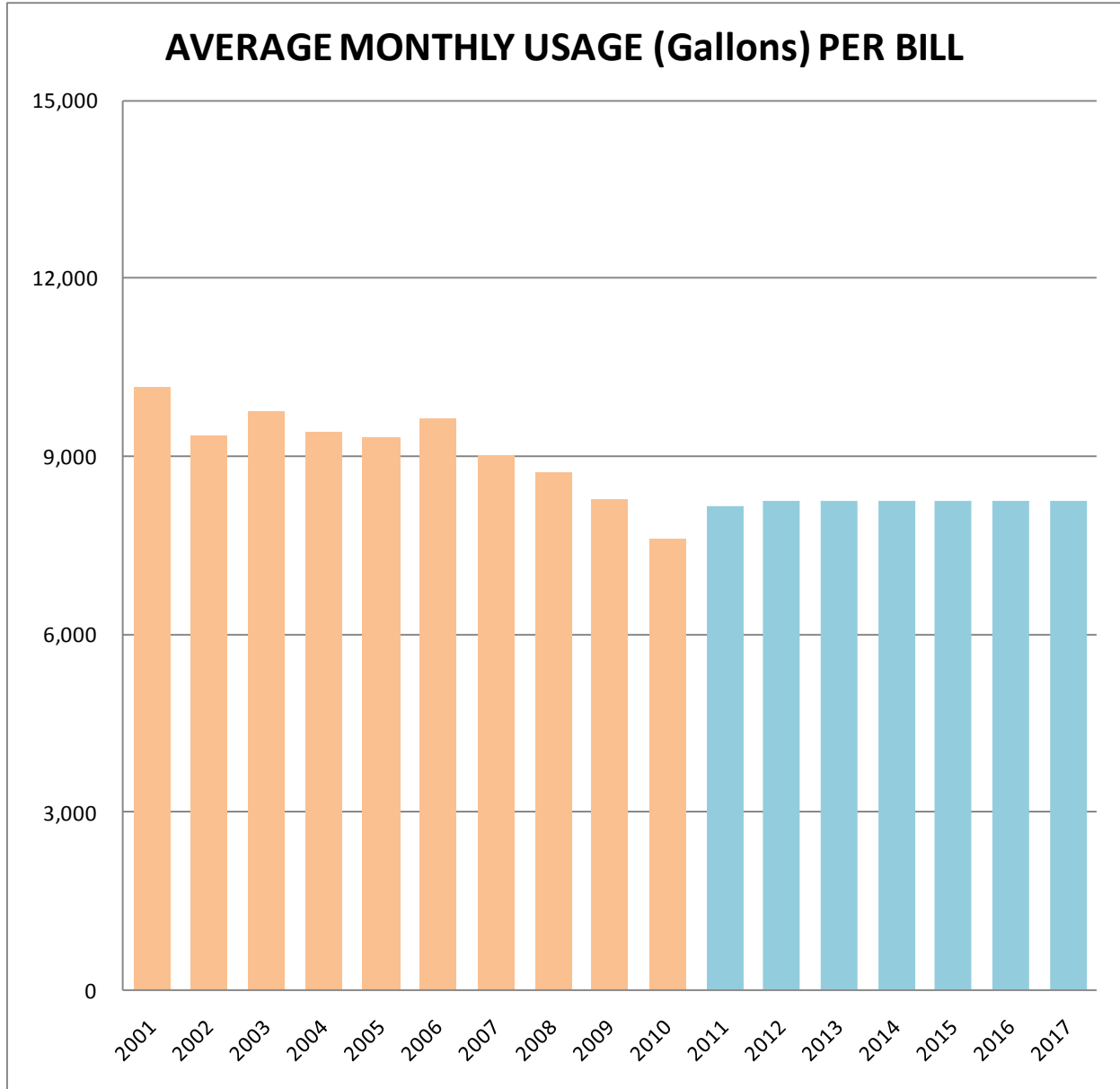
Service Provider	1,000 Gallons	7,000 Gallons
HB&TS	\$15.54	\$51.54
MUD	\$16.00	\$48.89
NCGUD	\$12.40	\$37.25
Brentwood	\$12.25	\$34.05
MVUD	\$9.00	\$31.50
HVUD	\$9.50	\$27.05
COF Proposed	\$10.42	\$32.74
COF Current	\$8.82	\$31.14
<i>Average (not including COF Current)</i>	<i>\$12.16</i>	<i>\$37.57</i>



Water Section

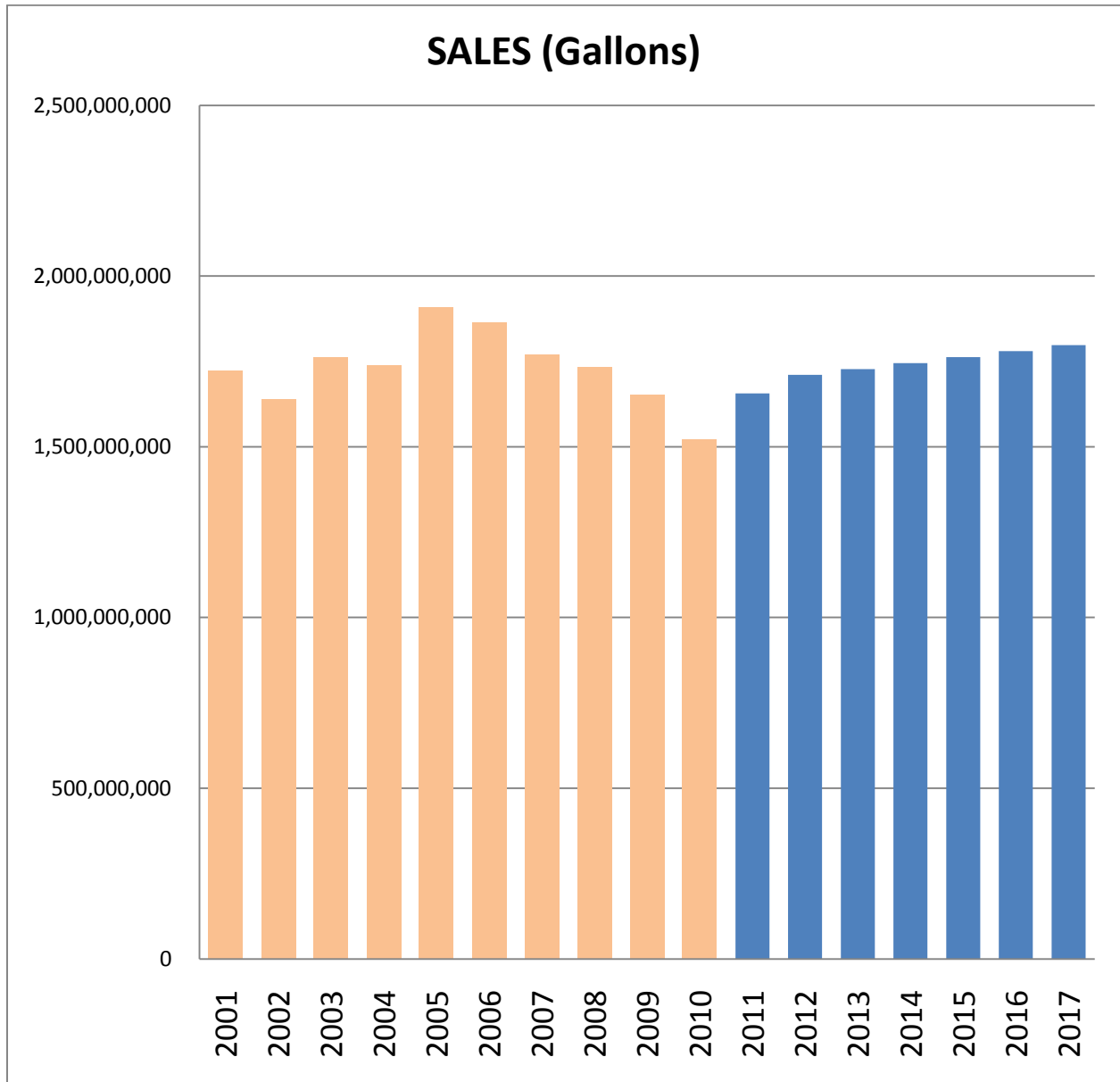
Consumption & Revenue History

A summary of consumption history and revenues is presented in the following graphs.



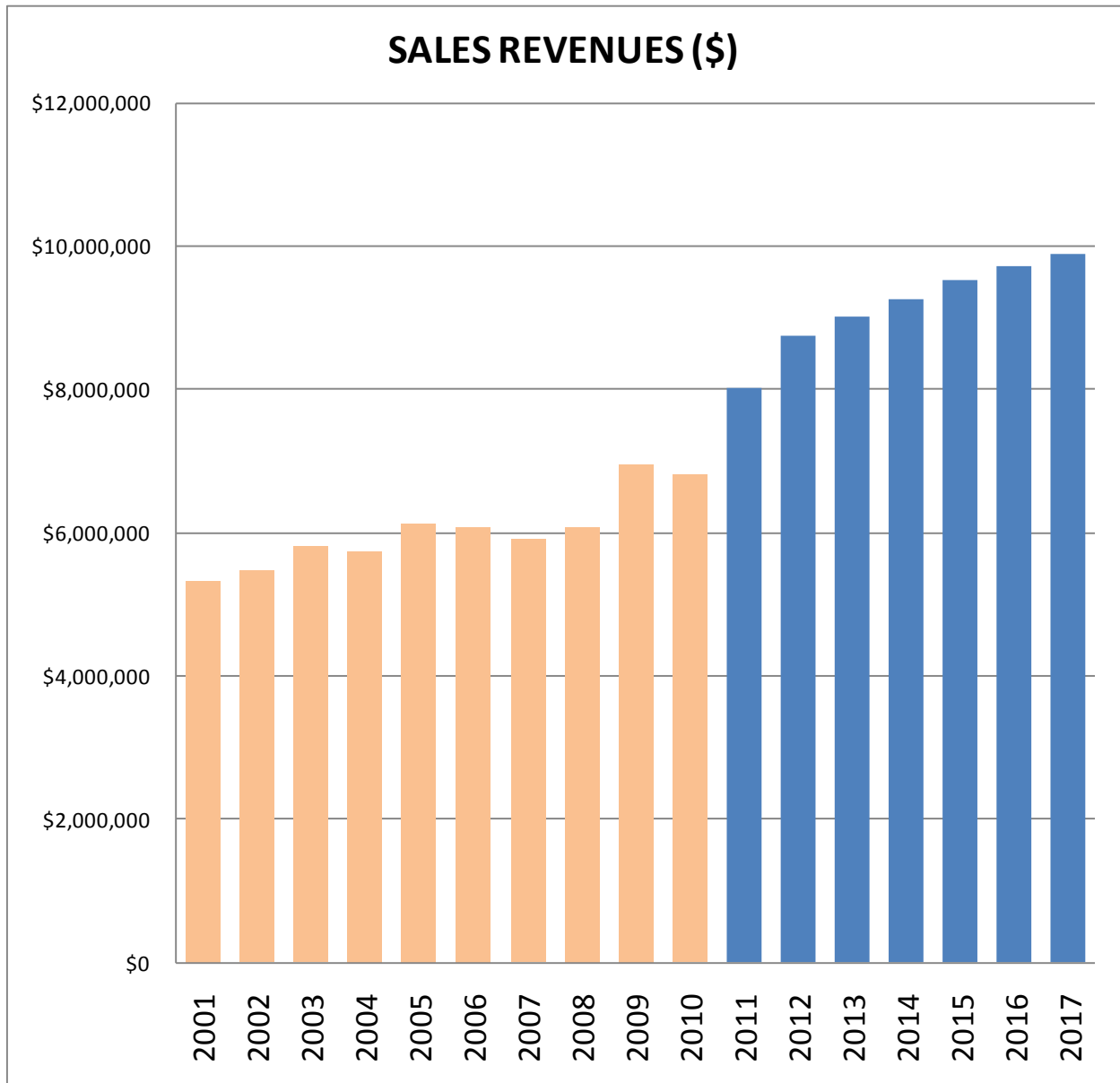
Water Section

Consumption & Revenue History (continued)



Water Section

Consumption & Revenue History



Water Section

Revenues

Revenues presented below are based on proposed revenue increases presented in the preceding section.

Revenues through Budget 2012

	Actual 2009	Actual 2010	Budget 2011	Estd 2011	Budget 2012
REVENUE					
33956 Federal ARRA # 6	0	2,348,557	0	151,443	0
TOTAL INTERGOVERNMENTAL	0	2,348,557	0	151,443	0
36100 Interest Income	2,508	9,253	100,000	15,000	15,300
36150 Lease Proceeds	0	0	0	136,676	0
36500 Rental Income	11,600	10,633	12,000	11,600	11,600
36800 Sale of Surplus Assets	0	5,995	0	0	0
TOTAL USE OF MONEY & PROPERTY	14,108	25,881	112,000	163,276	26,900
37100 Transfer from General Fund	45,000	45,000	0	0	0
TOTAL OTHER REVENUE	45,000	45,000	0	0	0
38100 Customer Service	7,047,516	6,964,693	8,333,218	8,025,000	8,745,000
38110 Penalties	167,149	181,385	230,000	225,000	240,000
38120 Service Charges	137,453	155,968	110,000	100,000	100,000
38130 Inspection Fees	59,201	55,374	98,000	55,000	65,000
38190 Other Service Revenue	112,600	38,834	100,000	75,000	100,000
TOTAL CUSTOMER SERVICE	7,523,919	7,396,254	8,871,218	8,480,000	9,250,000
39300 Installation Fee	46,673	28,186	25,000	25,747	25,000
TOTAL CAPITAL CONTRIBUTIONS	46,673	28,186	25,000	25,747	25,000
TOTAL REVENUE	7,629,700	9,843,878	9,008,218	8,820,466	9,301,900

Water Section

Revenues (continued)

Revenues Forecast 2013 – 2017

	Budget 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017
REVENUE					
33956 Federal ARRA # 6	0	0	0	0	0
TOTAL INTERGOVERNMENTAL	0	0	0	0	0
36100 Interest Income	15,600	15,900	16,200	16,500	16,800
36150 Lease Proceeds	0	0	0	0	0
36500 Rental Income	11,600	11,600	11,600	11,600	11,600
36800 Sale of Surplus Assets	0	0	0	0	0
TOTAL USE OF MONEY & PROPERTY	27,200	27,500	27,800	28,100	28,400
38100 Customer Service	9,007,500	9,270,000	9,532,500	9,707,500	9,882,500
38110 Penalties	247,650	254,850	261,720	269,160	276,330
38120 Service Charges	103,000	106,090	109,270	112,550	115,920
38130 Inspection Fees	66,950	68,960	71,030	73,160	75,350
38190 Other Service Revenue	103,000	106,090	109,270	112,550	115,930
TOTAL CUSTOMER SERVICE	9,528,100	9,805,990	10,083,790	10,274,920	10,466,030
39300 Installation Fee	25,750	26,520	27,320	28,140	28,980
TOTAL CAPITAL CONTRIBUTIONS	25,750	26,520	27,320	28,140	28,980
TOTAL REVENUE	9,581,050	9,860,010	10,138,910	10,331,160	10,523,410

Water Section

Water Expenditures Overview

Personnel – The cost of employee salaries and benefits is the second largest operational expense in the Water Section behind purchase of water for resale. The estimated personnel costs for 2011 are approximately \$1,500,000 which is about \$240,000 less than budgeted. This is due to continued vacancies in the Water Treatment and Water Distribution Divisions. Personnel costs for FY 2012 anticipate a 2% increase starting January 2012 with a subsequent 3% increases for the remainder of the financial plan.

Operations and Maintenance – Operations and maintenance accounts for the largest expense in the Water Section. The single largest component within this expenditure category is the purchase of finished water from Harpeth Valley Utility District (HVUD). The variability of this expenditure is dependent on a number of factors including but not limited to Franklin Water Treatment capabilities, weather, financial strain in the economy, and water resource conservation awareness. The expenditure for FY 2011 is approximately \$3,400,000 which is \$100,000 over budget. This is significantly higher than the expenditure from FY 2010 of approximately \$2,660,000. The nearly 28% increase in expenditures is primarily a result of the following:

- Consumption for FY 2011 increased from FY 2010 to FY 2011 after five consecutive years of decline.
- Franklin’s water treatment plant experienced a significant amount of downtime during the raw water reservoir rehabilitation project required larger purchase volumes from HVUD

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 MIT and Human Resources, which are originally paid by the general fund and then reimbursed.

Utilities are estimated to be in excess of \$250,000 for FY 2012. Electricity is the primary cost, required 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. It is anticipated that electrical costs at the plant will decrease upon completion of the raw water reservoir by reducing the volume of water pumped to the reservoir by two million gallons per day.

Operations Capital – Operations Capital expenditures are related to equipment and projects directly related to operations and repairs versus system replacement or expansion. Various expenditures budgeted for FY 2011 had been delayed due to economic pressures. Some budgeted expenditures were eliminated upon reevaluation and some items have been carried forward to FY 2012.



Water Section

Expenditures Summary

Expenditures through Budget 2012

	Actual 2009	Actual 2010	Budget 2011	Estd 2011	Budget 2012
PERSONNEL					
81100 Salaries & Wages	935,311	974,901	1,152,973	960,298	1,253,446
81400 Employee Benefits	524,871	589,726	590,012	544,180	538,240
TOTAL PERSONNEL	1,460,182	1,564,626	1,742,985	1,504,478	1,791,686
OPERATIONS					
82100 Transportation Services	5,691	4,826	5,787	2,860	3,687
82200 Operating Services	20,226	19,442	22,750	19,405	16,700
82300 Notices Subscriptions Publications	2,364	35,846	7,150	3,773	9,650
82400 Utilities	240,832	213,310	238,250	243,660	256,310
82500 Contractual Services	193,094	371,824	111,688	230,685	205,875
82600 Repair & Maintenance Services	141,304	69,208	122,900	88,100	150,800
82700 Employee Programs	1,355	2,581	4,500	288	5,100
82800 Professional Development/Travel	6,843	6,240	8,340	1,790	8,340
83100 Office Supplies	5,085	4,022	4,750	4,790	5,900
83200 Operating Supplies	171,892	200,799	174,225	160,230	191,950
83300 Fuel & Mileage	30,735	22,531	43,850	23,000	33,300
83400 Supplies for Resale	3,126,042	2,661,204	3,300,000	3,400,000	3,300,000
83500 Machinery & Equipment (<\$25,000)	7,352	9,355	16,100	27,553	80,900
83600 Repair & Maintenance Supplies	502,661	373,295	242,200	455,070	246,550
84000 Operational Units	792,306	3,262,824	907,238	1,058,681	965,211
85100 Property & Liability Costs	33,030	48,440	51,000	55,435	59,348
85200 Rentals	28,569	(4,462)	1,900	0	1,900
85300 Permits	29,018	31,398	41,600	32,040	32,640
85500 Financial Fees	76,209	71,571	70,000	51,460	56,100
85900 Other Business Expenses	0	400	500	0	500
86000 Debt Service and Lease Payments	142,989	109,378	410,587	162,175	202,496
TOTAL OPERATIONS	5,557,597	7,514,032	5,785,315	6,020,995	5,833,257
CAPITAL					
89100 Land	10,400	6,000	0	12,000	0
89200 Buildings	0	0	0	0	45,000
89300 Improvements	0	42,480	0	0	1,000,000
89500 Machinery & Equipment (>\$25,000)	125,500	37,500	116,800	304,420	414,000
TOTAL CAPITAL	135,900	85,980	116,800	316,420	1,459,000
TOTAL EXPENDITURES	7,153,679	9,164,638	7,645,100	7,841,893	9,083,943

Note: Operational Units (84000) in 2010 and 2011 includes the ARRA payments made to repair the City reservoir. The actual amounts are those listed on page 4.

Rate funded capital is accounted for in code 89300, consistent with the cost of service analyses performed in 2010.

Water Section

Expenditures Summary (continued)

Expenditures Forecast 2013 – 2017

	Budget 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017
PERSONNEL					
81100 Salaries & Wages	1,335,006	1,374,065	1,416,325	1,458,810	1,502,582
81400 Employee Benefits	579,086	596,011	614,306	632,722	651,678
TOTAL PERSONNEL	1,914,092	1,970,076	2,030,631	2,091,532	2,154,260
OPERATIONS					
82100 Transportation Services	3,987	4,587	4,537	4,600	4,600
82200 Operating Services	10,850	10,950	20,950	11,300	11,300
82300 Notices Subscriptions Publications	8,000	8,000	8,000	8,000	8,000
82400 Utilities	263,350	273,850	283,050	291,600	294,600
82500 Contractual Services	21,000	21,125	36,250	36,620	72,000
82600 Repair & Maintenance Services	121,800	121,800	122,000	122,500	121,500
82700 Employee Programs	5,100	5,100	5,100	5,100	5,100
82800 Professional Development/Travel	8,340	8,340	8,340	8,340	8,340
83100 Office Supplies	4,800	4,850	4,900	4,950	4,950
83200 Operating Supplies	194,200	197,000	202,000	207,250	207,250
83300 Fuel & Mileage	36,200	38,300	40,200	41,900	42,900
83400 Supplies for Resale	3,400,000	3,500,000	3,600,000	3,700,000	3,700,000
83500 Machinery & Equipment (<\$25,000)	49,300	44,700	17,000	17,800	17,600
83600 Repair & Maintenance Supplies	245,850	245,850	245,850	246,100	246,100
84000 Operational Units	994,170	1,024,000	1,054,720	1,086,370	1,118,960
85100 Property & Liability Costs	44,400	44,500	44,600	45,000	45,000
85200 Rentals	1,500	1,500	1,500	1,500	1,500
85300 Permits	41,100	36,600	36,600	36,600	36,600
85500 Financial Fees	100	100	100	100	100
85900 Other Business Expenses	500	500	500	500	500
86000 Debt Service and Lease Payments	191,321	154,088	156,128	158,302	160,604
TOTAL OPERATIONS	5,645,868	5,745,740	5,892,325	6,034,432	6,107,504
CAPITAL					
89200 Buildings	0	200,000	60,000	0	0
89300 Improvements	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
89500 Machinery & Equipment (>\$25,000)	461,000	30,000	30,000	50,000	50,000
TOTAL CAPITAL	1,461,000	1,230,000	1,090,000	1,050,000	1,050,000
TOTAL EXPENDITURES	9,020,960	8,945,816	9,012,956	9,175,964	9,311,764

Rate funded capital is accounted for in code 89300, consistent with the cost of service analyses performed in 2010.

Water Section

Summary

Summary through Budget 2012

	Actual 2009	Actual 2010	Budget 2011	Estd 2011	Budget 2012
WATER OPERATING REVENUES					
Intergovernmental	0	2,348,557	0	151,443	0
Use of Money & Property	14,108	25,881	112,000	163,276	26,900
Other Revenue	45,000	45,000	0	0	0
Customer Service	7,523,919	7,396,254	8,871,218	8,480,000	9,250,000
Capital Contributions	46,673	28,186	25,000	25,747	25,000
Total Revenue	7,629,700	9,843,878	9,008,218	8,820,466	9,301,900
UTILITY BILLING					
Personnel	142,175	147,263	154,146	161,600	161,423
Operations	8,319	18,158	24,587	19,610	57,337
Capital	0	0	14,400	0	0
Total Expenditures	150,494	165,421	193,133	181,210	218,760
WATER DISTRIBUTION					
Personnel	580,156	729,979	793,441	683,916	850,712
Operations	824,747	3,037,157	632,725	1,009,408	748,714
Capital	135,900	85,980	92,400	48,300	139,000
Total Expenditures	1,540,803	3,853,116	1,518,566	1,741,624	1,738,426
WATER PLANT					
Personnel	737,851	690,536	795,398	664,762	785,351
Operations	3,692,911	3,056,353	3,727,490	3,776,852	3,779,940
Capital	0	0	10,000	0	320,000
Total Expenditures	4,430,762	3,746,889	4,532,888	4,441,614	4,885,291
WATER-GENERAL EXP					
Personnel	0	(3,151)	0	(5,800)	(5,800)
Operations	1,031,619	1,402,364	1,400,513	1,215,125	1,247,266
Capital	0	0	0	268,120	1,000,000
Total Expenditures	1,031,619	1,399,212	1,400,513	1,477,445	2,241,466
Total Water Expenditures	7,153,679	9,164,638	7,645,100	7,841,893	9,083,943
Change in Reserves	476,021	679,240	1,363,118	978,573	217,957

Water Section

Summary (continued)

Summary Forecast 2013 – 2017

	Budget 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017
WATER OPERATING REVENUES					
Intergovernmental	0	0	0	0	0
Use of Money & Property	27,200	27,500	27,800	28,100	28,400
Customer Service	9,528,100	9,805,990	10,083,790	10,274,920	10,466,030
Capital Contributions	25,750	26,520	27,320	28,140	28,980
Total Revenue	9,581,050	9,860,010	10,138,910	10,331,160	10,523,410
UTILITY BILLING					
Personnel	166,270	171,270	176,400	181,690	187,130
Operations	35,187	29,637	30,437	31,800	31,800
Capital	28,000	0	0	0	0
Total Expenditures	229,457	200,907	206,837	213,490	218,930
WATER DISTRIBUTION					
Personnel	939,169	967,327	996,334	1,026,206	1,056,983
Operations	657,164	659,764	674,063	677,464	714,863
Capital	208,000	30,000	30,000	50,000	50,000
Total Expenditures	1,804,333	1,657,091	1,700,397	1,753,670	1,821,846
WATER PLANT					
Personnel	808,653	831,479	857,897	883,636	910,147
Operations	3,854,240	3,964,340	4,062,940	4,166,090	4,166,490
Capital	225,000	200,000	60,000	0	0
Total Expenditures	4,887,893	4,995,819	4,980,837	5,049,726	5,076,637
WATER-GENERAL EXP					
Personnel	0	0	0	0	0
Operations	1,099,277	1,091,999	1,124,885	1,159,078	1,194,351
Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Expenditures	2,099,277	2,091,999	2,124,885	2,159,078	2,194,351
Total Water Expenditures	9,020,960	8,945,816	9,012,956	9,175,964	9,311,764
Change in Reserves	560,090	914,194	1,125,954	1,155,196	1,211,646



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Wastewater Section

Wastewater Section

Overview

The Wastewater Section includes the Wastewater Collection and Wastewater Treatment (Water Reclamation) 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 has received a new NPDES permit effective November 1, 2010 through November 1, 2011 and is in the process of applying for a new NPDES permit.

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. Some of these initiatives include the following:

- **Wet Weather Evaluation** – Consistent with the Sustainability Task Force and the Integrated Water Resources Plan, the department conducted wet weather flow monitoring of the collection system to determine the percent of rainfall dependent inflow and

infiltration (RDII) that enters the collection system. The data are currently being evaluated to determine the RDII from each of the 31 sewersheds monitored. Though it has not been a problem historically in Franklin, the program will reduce the potential for wet weather overflows and decrease the volume of water necessary for treatment, ultimately reducing operations costs.

- **Ordinance and Specification Revisions** – The department has contracted with a consultant to refine the specification for water, wastewater and reclaimed water. The final product is scheduled for submission in September 2011.
- **Cost Recovery** – Cover all operating cost including debt service without transfer from reserves or fees intended for capital investments.
- **Rate Funded Capital and Cash Reserve** – Budget for rate funded capital to allow funding of a prudent operating cash reserve of at least 25 percent of operating revenues.
- **Simmons Ridge Interceptor** – The Simmons Ridge Interceptor project is funded with a loan through the State Revolving Fund. The loan entails 40% principal forgiveness. The project is near completion.

Wastewater Section

Current and Proposed Wastewater Rates

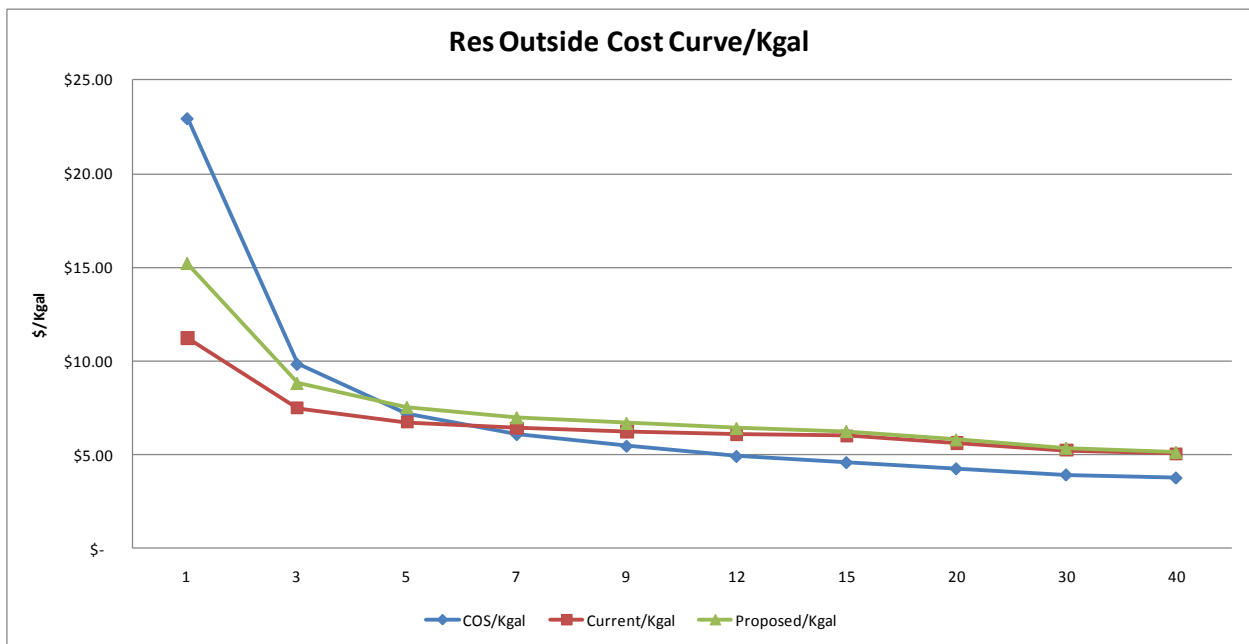
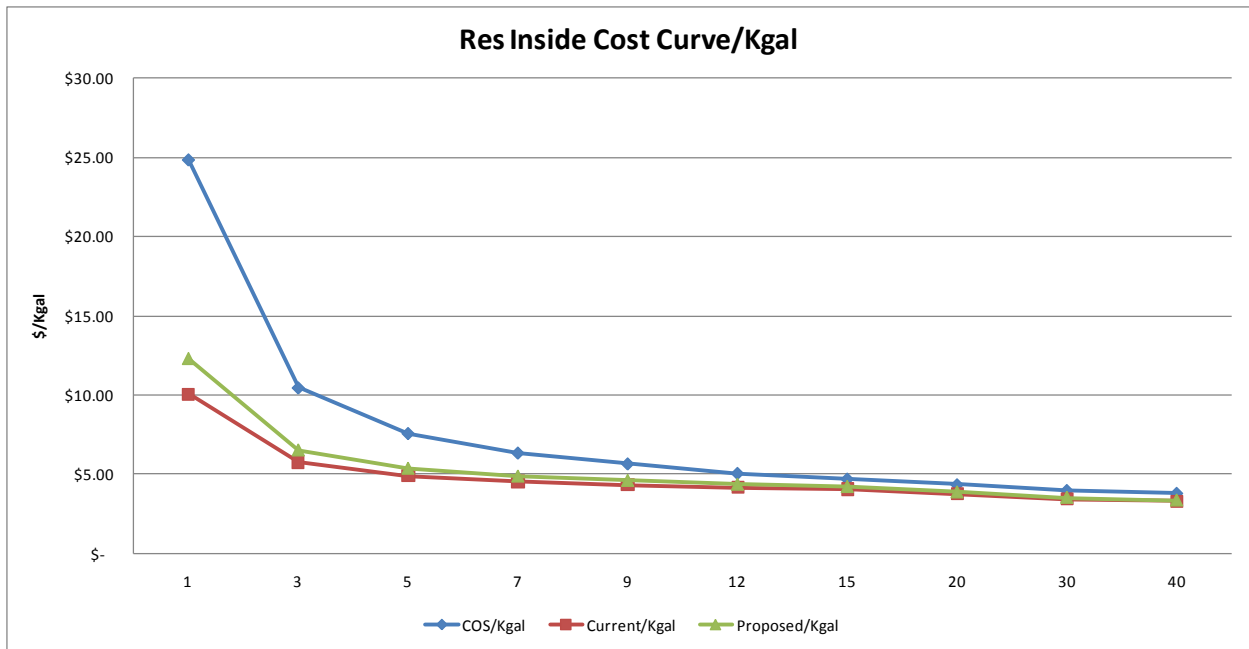
As with the Water Section, the Water Management Department has been performing cost of service analyses for the Wastewater Section to ensure that the Department can adequately fund the cost of operations and capital investments.

In October 2010, the Board of Mayor and Aldermen took measures that established a five year plan in which to achieve appropriate revenue streams by increasing projected wastewater revenues by 7% annually, starting in January 2011.

Similar to water rates, the sanitary sewer rate analyses and evolving rate structure has been developed using a cost of service approach per user class. Similar to the water rates, the sanitary sewer rates are higher for customers that have service outside of the city limits in recognition of the benefits to customers that do not pay city taxes.

The sanitary sewer rates, as opposed to water rates, include a declining structure that is intended to alleviate wastewater user fees that are potentially due to water consumption associated with flows that do not reach the sanitary sewer stream such as irrigation. The City also allows for irrigation meters to be installed which are not billed sanitary sewer fees. Due to customer inquiries regarding these practices, staff is evaluating other methods for presentation to the Board of Mayor and Aldermen.

Sanitary sewer rates also under recovery in the availability charge for all classes. Again, the availability is a standard practice for all utility districts in the area to help recover fixed costs for operation. The following two graphs, developed during the 2010 cost of service analysis, illustrate the under recovery of the availability charge for the residential classes. The green lines represent the current rates reflective of the rate adjustment implemented in January 2011 relative to the blue lines which represent the cost of service. The under recovery for inside the city and outside the city residential classes for the availability charge, inclusive of 1,000 gallons of water, is approximately \$12.50/1,000 gallons and \$7.75/1,000 gallons respectively.



The proposed rates strategically focus on taking measures to achieve cost recovery by increasing the availability charge for all classes. As with water, revenue stability improves as the rates approach the cost of service for the availability charge. This approach reduces the fluctuation of revenues due to variables that drive consumption and stabilizes revenues to cover fixed costs. Consistent with this approach, staff proposes the rate design presented in the following table.

Proposed Rate Design to Achieve 7% Revenue Increase

Wastewater - Residential; Inside	Cost of Service	Current	Proposed	Difference
Availability Charge (plus 1,000 Gal Included)	\$24.82 (\$21.56+\$3.26)	\$12.30	\$14.55	\$2.25
Next 14,000 Gallons		\$3.61	\$3.61	\$0.00
All Additional		\$2.82	\$2.82	\$0.00

Wastewater - Residential; Outside	Cost of Service	Current	Proposed	Difference
Availability Charge (plus 1,000 Gal Included)	\$22.94 (\$19.68+\$3.26)	\$15.21	\$19.21	\$4.00
Next 14,000 Gallons		\$5.62	\$5.62	\$0.00
All Additional		\$4.47	\$4.47	\$0.00

Wastewater - Commercial; Inside	Cost of Service	Current	Proposed	Difference
Availability Charge (plus 1,000 Gal Included)	\$46.87 (\$43.52+\$3.35)	\$21.00	\$29.00	\$8.00
Next 14,000 Gallons		\$4.42	\$4.42	\$0.00
All Additional		\$3.43	\$3.43	\$0.00

Wastewater - Commercial; Outside	Cost of Service	Current	Proposed	Difference
Availability Charge (plus 1,000 Gal Included)	\$40.81 (\$37.46+\$3.35)	\$23.00	\$31.00	\$8.00
Next 14,000 Gallons		\$6.91	\$6.91	\$0.00
All Additional		\$5.02	\$5.02	\$0.00

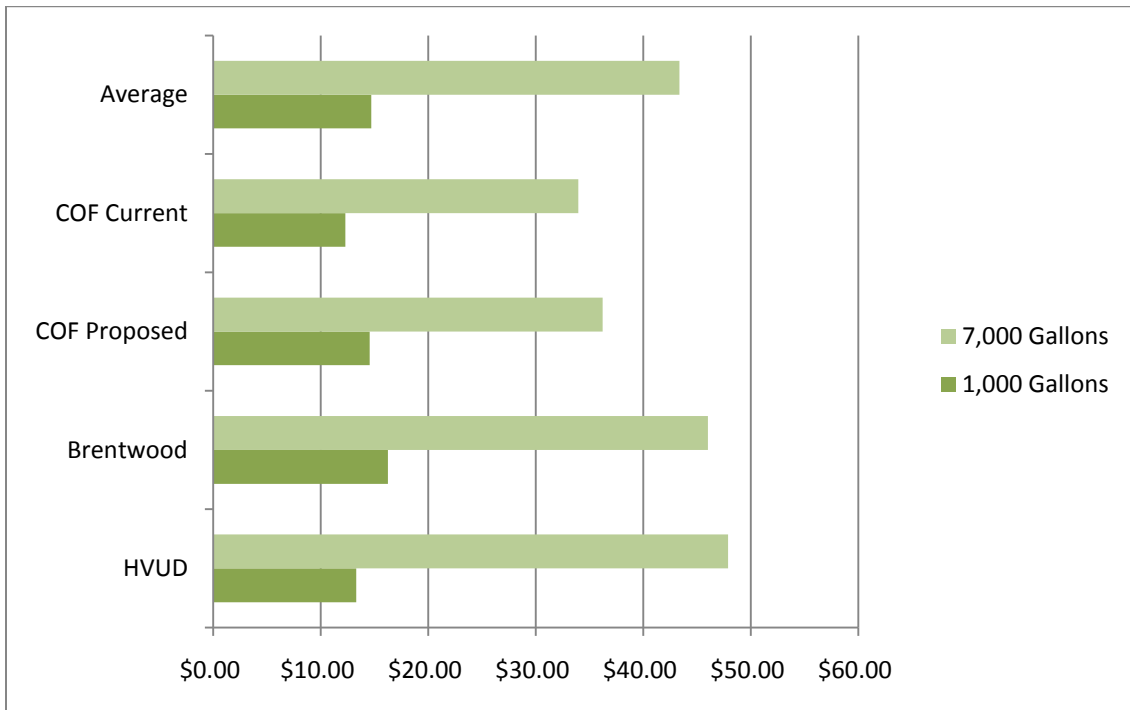
Proposed Rate Design Summary

Rate Class	Estimated Additional Revenue
Wastewater - Residential; Inside	\$485,000
Wastewater - Residential; Outside	\$16,000
Wastewater - Commercial; Inside	\$130,000
Wastewater - Commercial; Outside	\$6,500
Total	\$637,500

Wastewater providers are required to recover the cost of operations and dependent on the utility’s programs and means of operation, rates can widely vary. The table and chart below present a rate comparison of various utilities within Franklin and Williamson County. Of the three utilities presented, Franklin’s proposed rates continue to be significantly lower for the 7,000 gallon volume and remain competitive for the 1,000 gallon volume.

**Wastewater Rate Comparison
(Sales Tax Does Not Apply)**

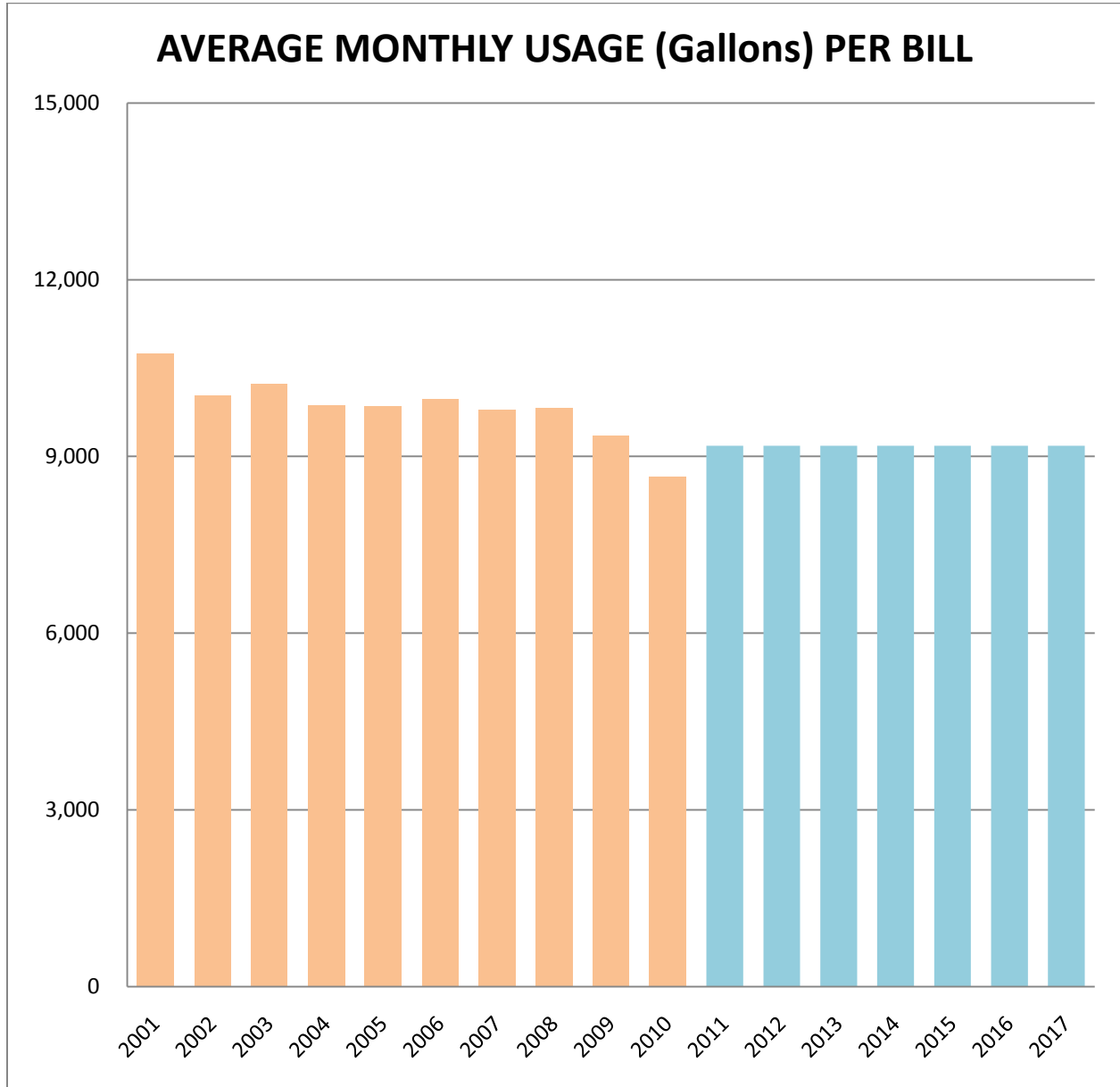
Service Provider	1,000 Gallons	7,000 Gallons
HVUD	\$13.30	\$47.90
Brentwood	\$16.25	\$46.00
COF Proposed	\$14.55	\$36.21
COF Current	\$12.30	\$33.96
<i>Average (not including COF Current)</i>	<i>\$14.70</i>	<i>\$43.37</i>



Wastewater Section

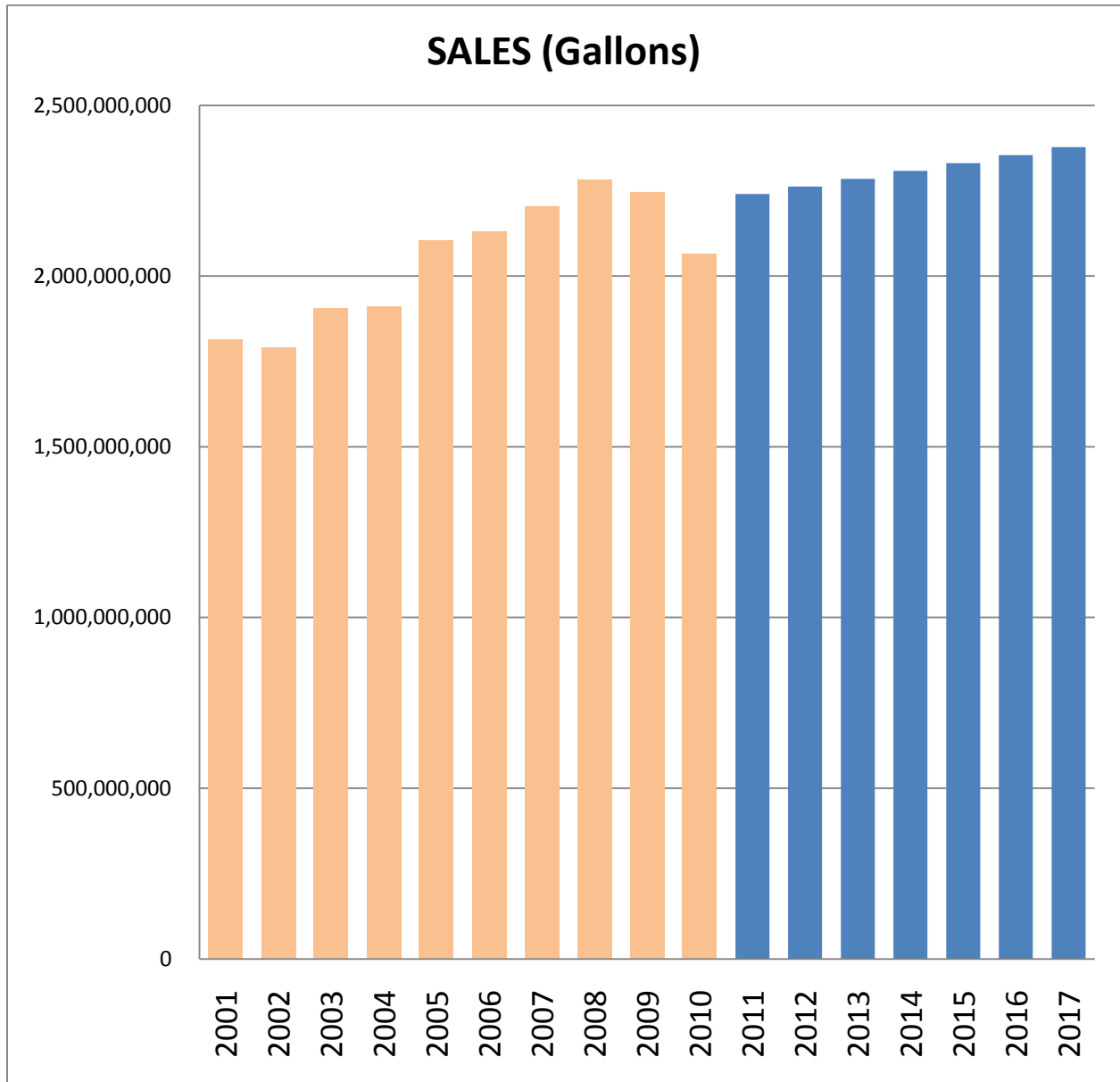
Consumption & Revenue History

A summary of wastewater service history and revenues is presented in the following graphs:

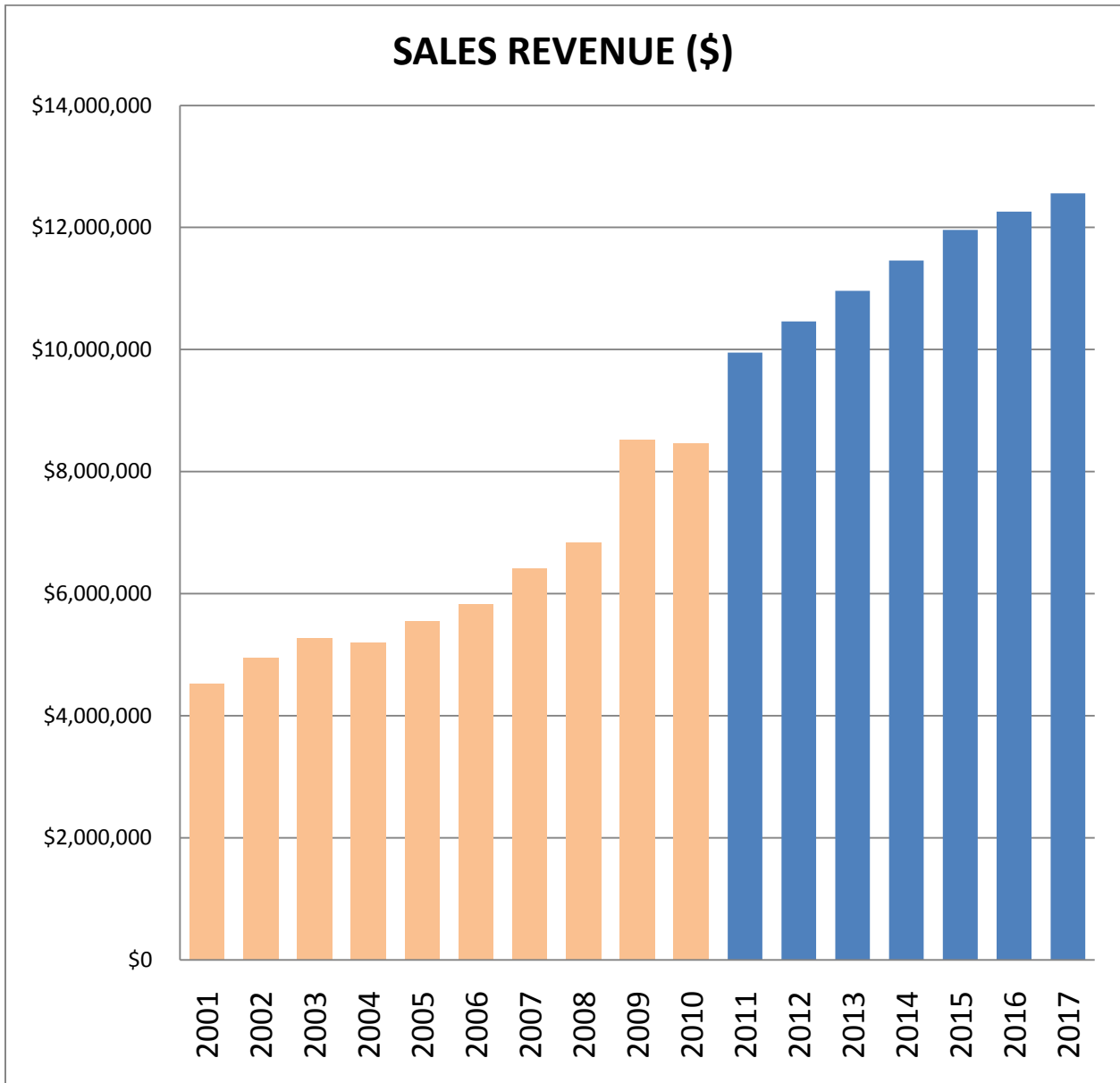


Wastewater Section

Consumption & Revenue History (continued)



Wastewater Section
Consumption & Revenue History (continued)



Wastewater Section

Revenues

The Wastewater Section has shown steady growth resulting from sales (gallons), rates and the customer mix. Potential exists for adverse revenue impacts should we see (1) movement to install residential irrigation meters (wastewater is excluded) (2) reclaimed use expands (3) sales decline due to efforts to reduce residential water consumption or (4) the economy fails to recover as expected.

The overall sales volume has shown strong growth over the last few years. Wastewater sales in the MVUD, Milcrofton and HB&TS water districts are expected to continue to be a larger portion of our total sales as the majority of the development is occurring outside the City water district. Future growth is expected in the Cool Springs area as well as in the Goose Creek area. Although some of the Goose Creek area is served water by the City, the majority of the area will be served by others.

Revenues through Budget 2012

	Actual 2009	Actual 2010	Budget 2011	Estd 2011	Budget 2012
REVENUE					
33956 Federal ARRA # 6	0	310,677	0	777,914	0
TOTAL INTERGOVERNMENTAL	0	310,677	0	777,914	0
36100 Interest Income	2,217	10,058	110,000	15,000	15,300
36150 Lease Proceeds	0	0	0	136,676	0
36500 Rental Income	0	2,800	0	2,800	2,800
36800 Sale of Surplus Assets	(36,808)	8,111	0	22	0
TOTAL USE OF MONEY & PROPERTY	(34,591)	20,969	110,000	154,498	18,100
37900 Miscellaneous Other Revenue	0	216	0	162	0
TOTAL OTHER REVENUE	0	216	0	162	0
38100 Customer Service	8,774,499	8,692,758	8,881,611	9,950,000	10,460,000
38130 Inspection Fees	31,191	13,028	100,000	25,000	30,000
38190 Other Service Revenue	30,634	24,400	100,000	16,192	100,000
TOTAL CUSTOMER SERVICE	8,836,324	8,730,186	9,081,611	9,991,192	10,590,000
39300 Installation Fee	79,873	78,863	75,000	70,630	75,000
TOTAL CAPITAL CONTRIBUTIONS	79,873	78,863	75,000	70,630	75,000
TOTAL REVENUE	8,881,606	9,140,911	9,266,611	10,994,396	10,683,100

Wastewater Section

Revenues (continued)

Revenues Forecast 2013 – 2017

	Budget 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017
REVENUE					
33956 Federal ARRA # 6	0	0	0	0	0
TOTAL INTERGOVERNMENTAL	0	0	0	0	0
36100 Interest Income	15,600	15,900	16,200	16,500	16,800
36150 Lease Proceeds	0	0	0	0	0
36500 Rental Income	0	0	0	0	0
36800 Sale of Surplus Assets	0	0	0	0	0
TOTAL USE OF MONEY & PROPERTY	15,600	15,900	16,200	16,500	16,800
37900 Miscellaneous Other Revenue	180	190	200	210	220
TOTAL OTHER REVENUE	180	190	200	210	220
38100 Customer Service	10,960,000	11,460,000	11,960,000	12,260,000	12,560,000
38130 Inspection Fees	31,000	32,000	33,000	34,000	35,000
38190 Other Service Revenue	103,000	106,090	109,270	112,550	115,930
TOTAL CUSTOMER SERVICE	11,094,000	11,598,090	12,102,270	12,406,550	12,710,930
39300 Installation Fee	77,250	79,570	81,960	84,420	86,950
TOTAL CAPITAL CONTRIBUTIONS	77,250	79,570	81,960	84,420	86,950
TOTAL REVENUE	11,187,030	11,693,750	12,200,630	12,507,680	12,814,900

Wastewater Section

Expenditures Overview

Personnel – The cost of employee salaries and benefits is the second largest operational expense in the Wastewater Section with approximately \$3,200,000 annually. There are no additional personnel requests this year in the Wastewater Section. The FY 2012 budget provides for a 2% salary increase to be implemented in January 2012. Subsequent years provide for a 3% increase annually.

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 \$1,300,000 annually. These costs are associated with aeration of the wastewater for biological processes, pumping, odor control and various other processes and operations. Measures have been taken to automate processes to improve energy efficiencies.

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 MIT and Human Resources.

There are several contractual services planned for FY 2012. These include the Regional Integrated Water Resources Plan (IRP), Fats Oils and Grease (FOG) Inspection services, and a vulnerability assessment of the wastewater collection system and plant. 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 vulnerability assessment is intended to provide the department with a set of priorities to reduce risk and to improve security and redundancies.

Debt Service in the Wastewater Section is approximately \$1,200,000 annually. In general, the debt service is for upgrades to the collection system and Water Reclamation Facility that were made in the late 1990s and early 2000s.

Operations Capital – A number of the operations capital items budgeted for FY 2011 were not pursued due to economic pressures. As with other divisions, the Water Management Department has evaluated the condition and age of equipment and vehicles in the Wastewater Section. The equipment and vehicles, if practicable, has been placed on a replacement schedule and has been incorporated into the budget and projections.

Wastewater Section

Expenditures Summary

Expenditures through Budget 2012

	Actual 2009	Actual 2010	Budget 2011	Estd 2011	Budget 2012
PERSONNEL					
81100 Salaries & Wages	2,157,875	2,079,358	2,216,286	2,099,730	2,259,156
81400 Employee Benefits	1,021,626	1,095,716	1,032,043	1,021,958	1,008,585
TOTAL PERSONNEL	3,179,501	3,175,075	3,248,329	3,121,688	3,267,741
OPERATIONS					
82100 Transportation Services	1,066	1,285	3,445	1,300	3,075
82200 Operating Services	287,681	319,716	338,900	280,830	596,747
82300 Notices Subscriptions Publications	7,618	65,601	10,870	33,069	9,400
82400 Utilities	1,329,576	1,261,835	1,356,710	1,380,185	1,451,200
82500 Contractual Services	43,461	58,013	492,087	542,088	668,075
82600 Repair & Maintenance Services	232,008	152,045	236,750	232,200	233,550
82700 Employee Programs	2,400	96	1,700	600	1,800
82800 Professional Development/Travel	15,157	5,210	13,100	2,920	15,100
83100 Office Supplies	8,923	6,859	7,750	5,775	7,650
83200 Operating Supplies	227,288	202,299	223,000	187,270	235,800
83300 Fuel & Mileage	95,503	90,023	103,800	99,300	124,300
83500 Machinery & Equipment (<\$25,000)	12,677	5,432	63,500	35,646	94,400
83600 Repair & Maintenance Supplies	224,870	345,206	199,400	150,070	206,000
84000 Operational Units	401,874	769,717	604,825	1,382,739	857,965
85100 Property & Liability Costs	67,020	86,813	96,000	94,640	100,100
85200 Rentals	5,558	850	7,600	1,200	7,600
85300 Permits	10,181	16,781	22,000	14,130	16,500
85500 Financial Fees	42,630	56,136	45,000	65,590	66,000
85900 Other Business Expenses	0	2,487	1,100	0	600
86000 Debt Service and Lease Payments	1,705,192	1,676,199	1,760,367	1,437,685	1,105,010
TOTAL OPERATIONS	4,720,683	5,122,605	5,587,904	5,947,237	5,800,872
CAPITAL					
89100 Land	4,500	3,850	0	0	0
89200 Buildings	0	0	40,000	0	0
89300 Improvements	25,040	505,262	0	0	800,000
89500 Machinery & Equipment (>\$25,000)	122,790	152,033	927,500	229,046	651,000
TOTAL CAPITAL	152,330	661,145	967,500	229,046	1,451,000
TOTAL EXPENDITURES	8,052,514	8,958,824	9,803,733	9,297,971	10,519,613

Note: Operational Units (84000) in 2010 and 2011 includes the ARRA payments made for sewer improvements at Country Road, Boyd Mill, and Simmons Ridge. The actual amounts are those listed on page 4.

Rate funded capital is accounted for in code 89300, consistent with the cost of service analyses performed in 2010.

Wastewater Section

Expenditures Summary (continued)

Expenditures Forecast 2013 – 2017

	Budget 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017
PERSONNEL					
81100 Salaries & Wages	2,373,501	2,479,684	2,554,076	2,630,704	2,709,620
81400 Employee Benefits	1,049,302	1,097,356	1,130,110	1,163,843	1,198,586
TOTAL PERSONNEL	3,422,803	3,577,040	3,684,186	3,794,547	3,908,206
OPERATIONS					
82100 Transportation Services	3,145	3,145	3,145	3,145	3,145
82200 Operating Services	607,573	633,210	649,595	659,595	659,595
82300 Notices Subscriptions Publications	8,600	8,600	8,600	8,600	8,600
82400 Utilities	1,510,076	1,567,795	1,625,902	1,675,902	1,725,902
82500 Contractual Services	169,800	182,925	173,050	202,420	175,800
82600 Repair & Maintenance Services	233,350	233,350	233,350	233,350	233,350
82700 Employee Programs	1,800	1,800	1,800	1,800	1,800
82800 Professional Development/Travel	14,400	14,400	14,400	14,400	14,400
83100 Office Supplies	7,850	7,850	7,850	7,850	7,850
83200 Operating Supplies	226,256	229,050	232,089	232,389	232,389
83300 Fuel & Mileage	136,750	149,805	163,526	165,926	169,326
83500 Machinery & Equipment (<\$25,000)	30,700	28,650	18,700	19,900	15,700
83600 Repair & Maintenance Supplies	205,900	205,900	205,900	205,900	205,900
84000 Operational Units	883,380	910,220	937,530	965,650	994,620
85100 Property & Liability Costs	101,000	101,000	101,000	101,000	101,000
85200 Rentals	7,600	7,600	7,600	7,600	7,600
85300 Permits	14,500	14,500	14,500	14,500	14,500
85900 Other Business Expenses	600	600	600	600	600
86000 Debt Service and Lease Payments	1,101,801	1,343,952	1,312,044	1,279,754	1,265,083
TOTAL OPERATIONS	5,265,081	5,644,352	5,711,181	5,800,281	5,837,160
CAPITAL					
89100 Land	0	0	0	0	0
89200 Buildings	0	0	0	0	0
89300 Improvements	1,300,000	1,800,000	1,800,000	1,800,000	2,300,000
89500 Machinery & Equipment (>\$25,000)	1,065,000	375,000	550,000	647,000	130,000
TOTAL CAPITAL	2,365,000	2,175,000	2,350,000	2,447,000	2,430,000
TOTAL EXPENDITURES	11,052,884	11,396,392	11,745,367	12,041,828	12,175,366

Rate funded capital is accounted for in code 89300, consistent with the cost of service analyses performed in 2010.

Wastewater Section

Summary

Summary through Budget 2012

	Actual 2009	Actual 2010	Budget 2011	Estd 2011	Budget 2012
WASTEWATER OPERATING REVENUES					
Intergovernmental	0	310,677	0	777,914	0
Use of Money & Property	(34,591)	20,969	110,000	154,498	18,100
Other Revenue	0	216	0	162	0
Customer Service	8,836,324	8,730,186	9,081,611	9,991,192	10,590,000
Capital Contributions	79,873	78,863	75,000	70,630	75,000
Total Revenue	8,881,606	9,140,911	9,266,611	10,994,396	10,683,100
UTILITY ADMINISTRATION					
Personnel	583,002	608,377	621,476	584,945	640,354
Operations	77,251	74,309	412,725	364,170	418,800
Capital	0	0	78,000	31,922	52,000
Total Expenditures	660,253	682,686	1,112,201	981,037	1,111,154
WASTEWATER COLLECTION					
Personnel	1,410,721	1,364,652	1,412,789	1,410,403	1,435,759
Operations	544,754	965,869	570,190	1,225,229	603,720
Capital	29,540	640,238	400,000	0	210,000
Total Expenditures	1,985,015	2,970,759	2,382,979	2,635,632	2,249,479
WASTEWATER PLANT					
Personnel	1,185,719	1,199,557	1,214,064	1,123,170	1,188,458
Operations	1,931,805	1,874,488	2,182,110	2,037,050	2,597,722
Capital	122,790	20,907	489,500	60,448	389,000
Total Expenditures	3,240,314	3,094,952	3,885,674	3,220,668	4,175,180
WASTEWATER-GENERAL EXPENSES					
Personnel	60	2,488	0	3,170	3,170
Operations	2,166,873	2,207,938	2,422,879	2,320,788	2,180,630
Capital	0	0	0	136,676	800,000
Total Expenditures	2,166,933	2,210,427	2,422,879	2,460,634	2,983,800
Total Wastewater Expenditures	8,052,514	8,958,824	9,803,733	9,297,971	10,519,613
Change in Reserves	829,092	182,087	(537,122)	1,696,425	163,487

Wastewater Section

Summary (continued)

Summary Forecast 2013 – 2017

	Budget 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017
WASTEWATER OPERATING REVENUES					
Intergovernmental	0	0	0	0	0
Use of Money & Property	15,600	15,900	16,200	16,500	16,800
Other Revenue	180	190	200	210	220
Customer Service	11,094,000	11,598,090	12,102,270	12,406,550	12,710,930
Capital Contributions	77,250	79,570	81,960	84,420	86,950
Total Revenue	11,187,030	11,693,750	12,200,630	12,507,680	12,814,900
UTILITY ADMINISTRATION					
Personnel	721,736	743,386	765,681	788,650	812,311
Operations	167,150	188,400	167,800	195,450	168,850
Capital	0	0	0	0	0
Total Expenditures	888,886	931,786	933,481	984,100	981,161
WASTEWATER COLLECTION					
Personnel	1,477,834	1,573,722	1,620,787	1,669,260	1,719,179
Operations	591,012	604,575	616,516	619,766	618,566
Capital	425,000	140,000	85,000	250,000	30,000
Total Expenditures	2,493,846	2,318,297	2,322,303	2,539,026	2,367,745
WASTEWATER PLANT					
Personnel	1,223,233	1,259,932	1,297,718	1,336,637	1,376,716
Operations	2,569,957	2,645,300	2,725,261	2,787,261	2,837,261
Capital	640,000	235,000	465,000	397,000	100,000
Total Expenditures	4,433,190	4,140,232	4,487,979	4,520,898	4,313,977
WASTEWATER-GENERAL EXPENSES					
Operations	1,936,962	2,206,077	2,201,604	2,197,804	2,212,483
Capital	1,300,000	1,800,000	1,800,000	1,800,000	2,300,000
Total Expenditures	3,236,962	4,006,077	4,001,604	3,997,804	4,512,483
Total Wastewater Expenditures	11,052,884	11,396,392	11,745,367	12,041,828	12,175,366
Change in Reserves	134,146	297,358	455,263	465,852	639,534



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.

The Division anticipates increasing demand on the reclaimed water system as the Westhaven Golf Course comes online this year as well as an increased interest due to the droughts experienced in the summers of 2007 and 2008. Additional long term planning for the reclaimed water system continues with the

completion of a transmission line in the Goose Creek portion of the service area and design of a transmission line on the west side of Franklin in the vicinity of Downs Boulevard and Jim Warren Park.

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. The Department is continuing to extend the distribution system throughout the City. The Downs Boulevard and West Reclaimed Water Lines are currently under construction and are being funded through a loan by the State Revolving Fund which provides for 40% principal forgiveness. Both of these projects are near completion opening up a new service area for reclaimed water service.

Though it 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

Current and Proposed Water Rates

The reclaimed water rate of \$0.87/1,000 gallons was established in 1990s. Since that time, numerous improvements have been made in the distribution system and at the Water Reclamation Facility. These recent improvements continue to expand the service area and customer base making it necessary to evaluate the rate established nearly 20 years ago. Staff proposes that a rate increase of \$0.10/1,000 gallons be implemented in January 2012 as an initial step to maintain cost recovery while incorporating the reclaimed water rates into the cost of service analysis planned for FY 2012.

Reclaimed Water Section

Revenues

Revenues through Budget 2012

	Actual 2009	Actual 2010	Budget 2011	Estd 2011	Budget 2012
REVENUE					
33956 Federal ARRA # 6	0	44,580	0	774,937	0
TOTAL INTERGOVERNMENTAL	0	44,580	0	774,937	0
36100 Interest Income	750	520	4,000	695	500
TOTAL USE OF MONEY & PROPERTY	750	520	4,000	695	500
38100 Customer Service	252,892	139,365	330,000	150,000	272,000
38110 Penalties	51	1,477	1,650	500	500
38130 Inspection Fees	0	0	500	0	500
TOTAL CUSTOMER SERVICE	252,943	140,842	332,150	150,500	273,000
TOTAL REVENUE	253,693	185,942	336,150	926,132	273,500

Reclaimed Water Section

Revenues (continued)

Revenues Forecast 2013 – 2017

	Budget 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017
REVENUE					
33956 Federal ARRA # 6	0	0	0	0	0
TOTAL INTERGOVERNMENTAL	0	0	0	0	0
36100 Interest Income	510	520	530	540	550
TOTAL USE OF MONEY & PROPERTY	510	520	530	540	550
38100 Customer Service	287,740	182,620	187,650	192,830	198,160
38110 Penalties	500	500	500	500	500
38130 Inspection Fees	520	540	560	580	600
TOTAL CUSTOMER SERVICE	288,760	183,660	188,710	193,910	199,260
TOTAL REVENUE	289,270	184,180	189,240	194,450	199,810

Reclaimed Water Section

Expenditures Summary

Expenditures through Budget 2012

	Actual 2009	Actual 2010	Budget 2011	Estd 2011	Budget 2012
OPERATIONS					
82100 Transportation Services	84	0	250	0	250
82300 Notices Subscriptions Publications	0	1,926	100	0	100
82400 Utilities	0	9,400	31,500	8,400	40,000
82500 Contractual Services	1,800	0	0	0	0
82600 Repair & Maintenance Services	25	1,106	12,000	3,000	12,000
83200 Operating Supplies	145,091	108,859	131,700	129,475	132,700
83500 Machinery & Equipment (<\$25,000)	1,501	9,735	2,000	0	2,000
83600 Repair & Maintenance Supplies	2,090	1,246	13,000	6,500	15,500
84000 Operational Units	0	44,580	0	774,937	0
86000 Debt Service and Lease Payments	0	0	93,280	0	70,693
TOTAL OPERATIONS	150,590	176,852	283,830	922,312	273,243
CAPITAL					
89500 Machinery & Equipment (>\$25,000)	0	0	35,000	0	0
TOTAL CAPITAL	0	0	35,000	0	0
TOTAL EXPENDITURES	150,590	176,852	318,830	922,312	273,243

Note: Operational Units (84000) in 2010 and 2011 includes the ARRA payments made for reclaimed improvements for the West Reclaimed Line and Downs Boulevard. The actual amounts are those listed on page 4.

Reclaimed Water Section

Expenditures Summary (continued)

Expenditures Forecast 2013 – 2017

	Budget 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017
OPERATIONS					
82100 Transportation Services	250	250	250	250	250
82300 Notices Subscriptions Publications	100	100	100	100	100
82400 Utilities	41,600	43,800	45,800	48,100	50,100
82600 Repair & Maintenance Services	12,000	13,000	13,000	13,000	13,000
83200 Operating Supplies	135,700	137,700	140,700	142,700	144,700
83500 Machinery & Equipment (<\$25,000)	2,000	2,000	2,000	2,000	2,000
83600 Repair & Maintenance Supplies	17,500	19,500	19,500	21,500	21,500
86000 Debt Service and Lease Payments	70,692	70,693	70,693	70,692	70,692
TOTAL OPERATIONS	279,842	287,043	292,043	298,342	302,342
CAPITAL					
89500 Machinery & Equipment (>\$25,000)	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0
TOTAL EXPENDITURES	279,842	287,043	292,043	298,342	302,342

Reclaimed Water Section

Summary

Summary through Budget 2012

	Actual 2009	Actual 2010	Budget 2011	Estd 2011	Budget 2012
RECLAIMED OPERATING REVENUES					
Intergovernmental	0	44,580	0	774,937	0
Use of Money & Property	750	520	4,000	695	500
Customer Service	252,943	140,842	332,150	150,500	273,000
Total Revenue	253,693	185,942	336,150	926,132	273,500
RECLAIMED OPERATIONS					
Operations	150,590	176,852	283,830	922,312	273,243
Capital	0	0	35,000	0	0
Total Expenditures	150,590	176,852	318,830	922,312	273,243
Total Reclaimed Expenditures	150,590	176,852	318,830	922,312	273,243
Change in Reserves	103,103	9,090	17,320	3,820	257

Reclaimed Water Section

Summary (continued)

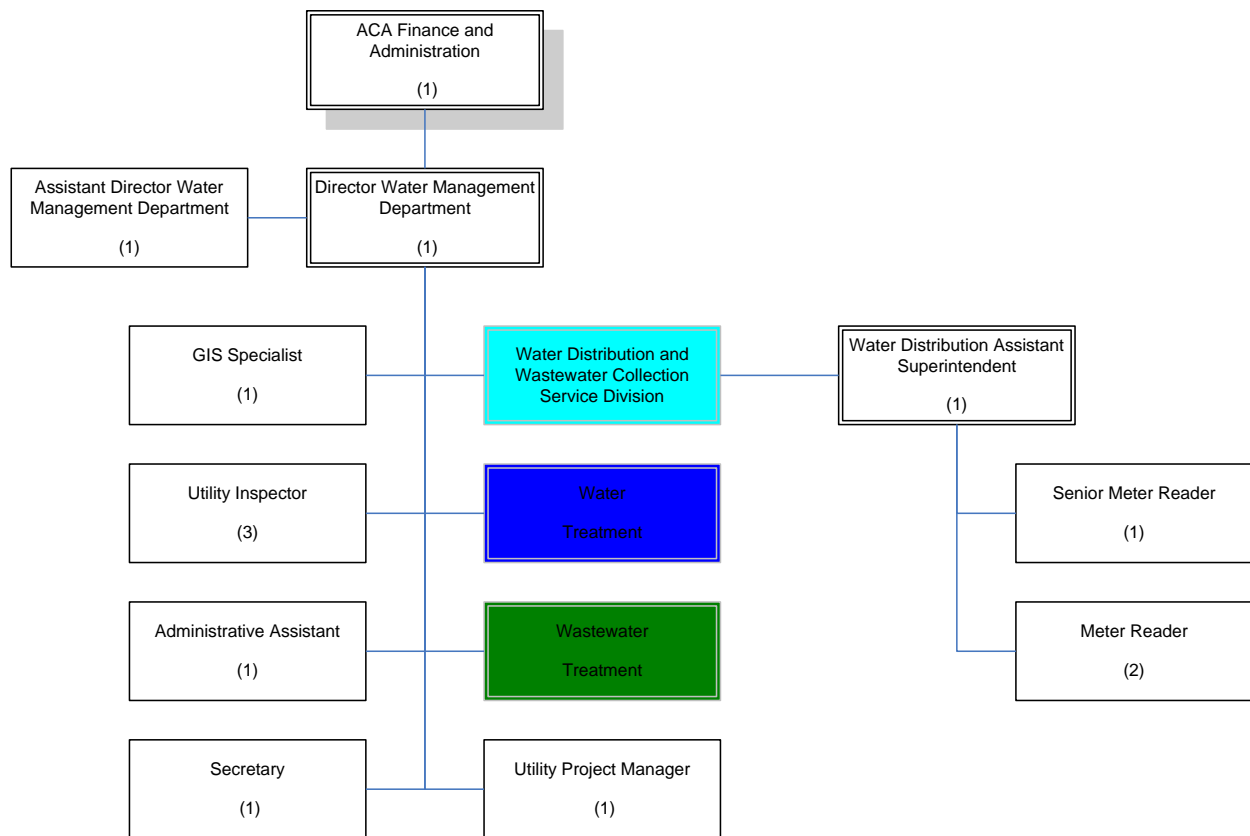
Summary Forecast 2013 – 2017

	Budget 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017
RECLAIMED OPERATING REVENUES					
Intergovernmental	0	0	0	0	0
Use of Money & Property	510	520	530	540	550
Customer Service	288,760	183,660	188,710	193,910	199,260
Total Revenue	289,270	184,180	189,240	194,450	199,810
RECLAIMED OPERATIONS					
Operations	279,842	287,043	292,043	298,342	302,342
Capital	0	0	0	0	0
Total Expenditures	279,842	287,043	292,043	298,342	302,342
Total Reclaimed Expenditures	279,842	287,043	292,043	298,342	302,342
Change in Reserves	9,428	(102,863)	(102,803)	(103,892)	(102,532)

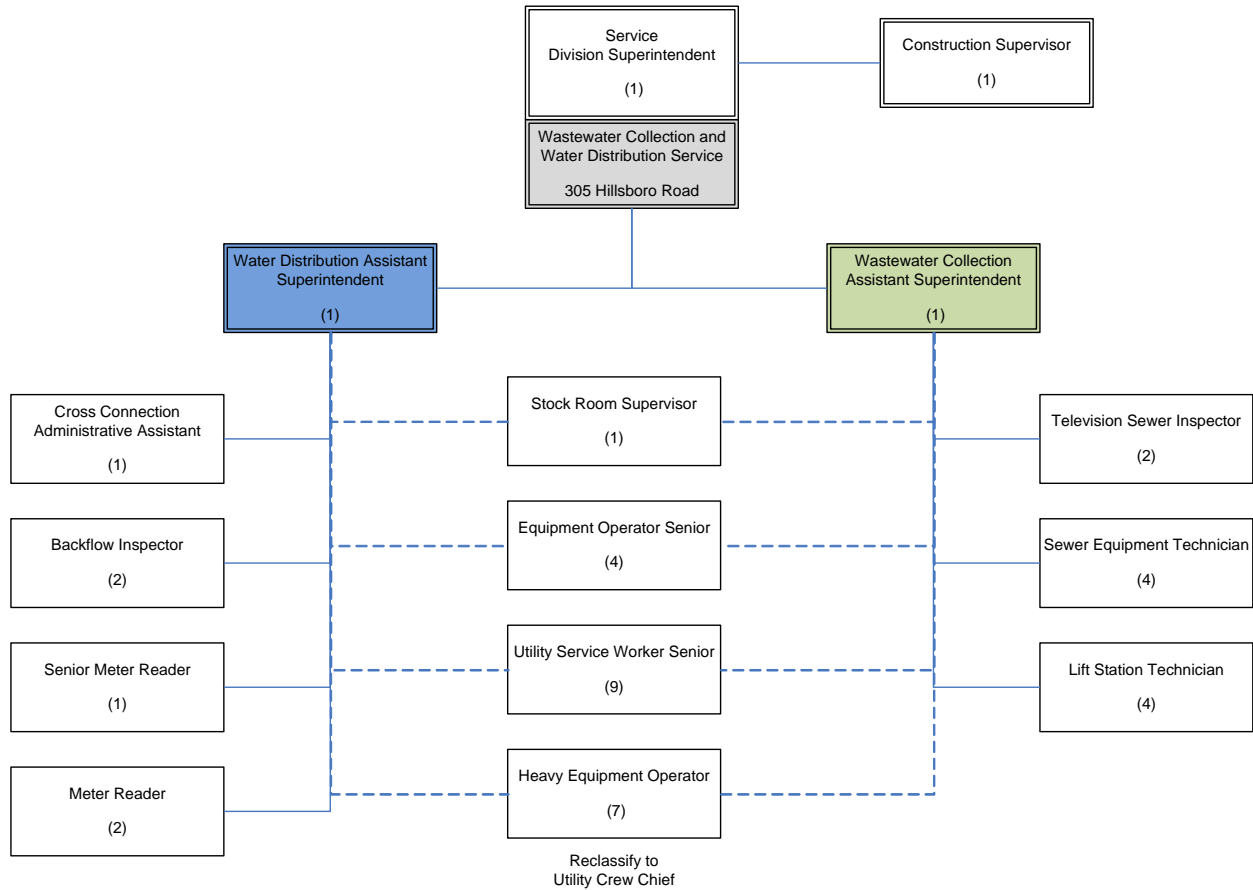
Appendix A: Staffing by Position

The Water Management Department staffed facilities include the Administration and Service Divisions facility, the Water Reclamation Facility and the Water Treatment Plant. The need for new positions has been reevaluated and several anticipated needs for FY 2012 has been pushed back or eliminated. Included in the organizational chart and the personnel tables are proposed budget positions for FY 2012. Projected positions for FYs 2013-2017 are included in the tables following the organizational charts.

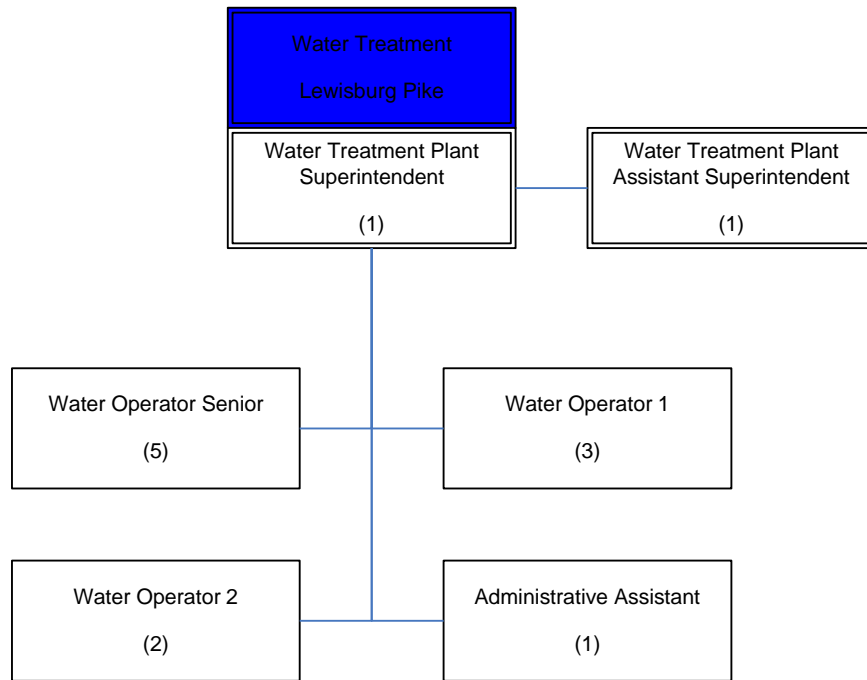
Water Management Department Utility Administration and Utility Billing FY 2012



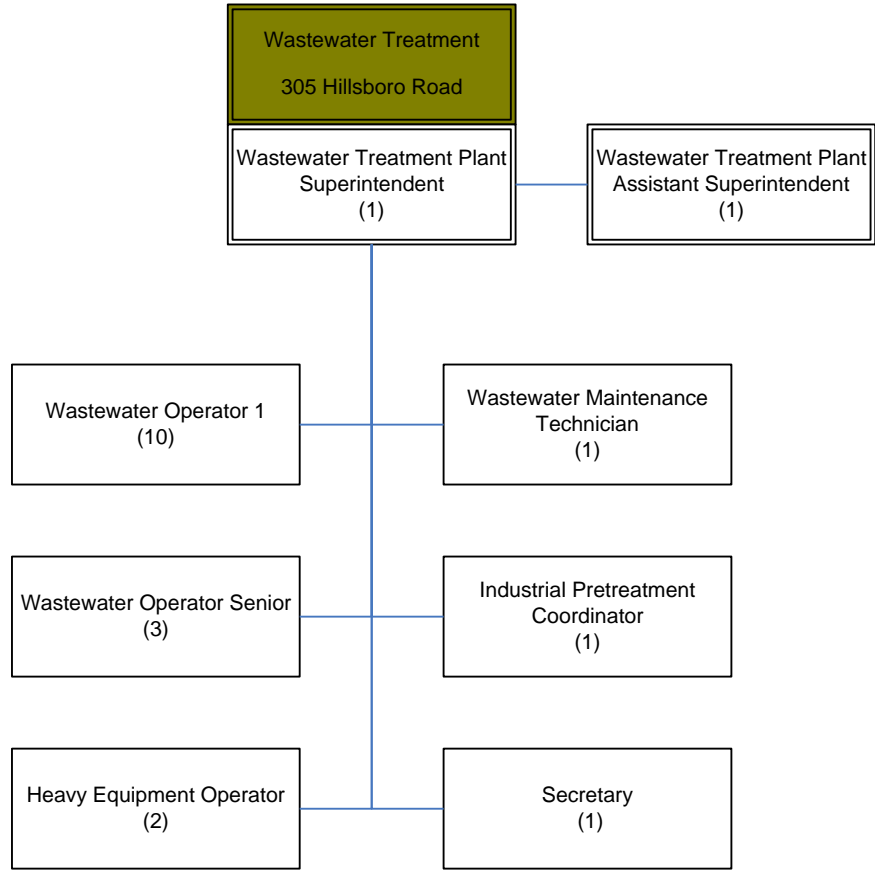
Water Management Department
 Water Management Service Division
 FY 2012



Water Management Department
Water Treatment
FY 2012



Water Management Department
Water Reclamation
FY 2012



City of Franklin
Water Management Department
Personnel by Position

UTILITY BILLING

POSITION	PAY GRADE	BUDGETED	BUDGETED	BUDGETED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
		FY 2011 FULL-TIME	FY 2012 FULL-TIME	FY 2013 FULL-TIME	FY 2014 FULL-TIME	FY 2015 FULL-TIME	FY 2016 FULL-TIME	FY 2017 FULL-TIME
Meter Reader Sr	10	1	1	1	1	1	1	1
Meter Reader	9	2	2	2	2	2	2	2
TOTALS		3	3	3	3	3	3	3

NARRATIVE OF PERSONNEL CHANGES	TYPE OF CHANGE	FORMER TITLE	PROPOSED TITLE	BUDGET YEAR OF HIRE
No Personnel Requests				

WATER DISTRIBUTION

POSITION	PAY GRADE	BUDGETED	BUDGETED	BUDGETED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
		FY 2011 FULL-TIME	FY 2012 FULL-TIME	FY 2013 FULL-TIME	FY 2014 FULL-TIME	FY 2015 FULL-TIME	FY 2016 FULL-TIME	FY 2017 FULL-TIME
Distribution Superintendent	20	0	0	0	0	0	0	0
Service Division Superintendent	20	1	1	1	1	1	1	1
Water Distribution Assistant Superintendent	19	0	1	1	1	1	1	1
Backflow Inspector Sr	17	0	0	0	0	0	0	0
Utilities Crew Chief	13	0	3	3	3	3	3	3
Backflow Inspector	16	2	2	2	2	2	2	2
Heavy Equipment Operator	12	3	0	0	0	0	0	0
Administrative Assistant	12	1	1	1	1	1	1	1
Stock Room Supervisor	12	1	1	1	1	1	1	1
Equipment Operator Senior	11	2	2	3	3	3	3	3
Utility Service Worker Sr	10	4	4	5	5	5	5	5
TOTALS		14	15	17	17	17	17	17

NARRATIVE OF PERSONNEL CHANGES	TYPE OF CHANGE	PROPOSED TITLE	YEAR OF HIRE	NUMBER OF POSITIONS
Reclassify Heavy Equipment Operator positions to Utilities Crew Chief positions to better characterize the positions requirements and responsibilities	New	Utilities Crew Chief	2012	3
Create Assistant Superintendent position	New	Assistant Superintendent	2012	1
Additional staff for anticipated growth of the distribution system	New	Utility Service Worker Senior	2013	1
Additional staff for anticipated growth of the distribution system	New	Equipment Operator Senior	2013	1

WATER PLANT

POSITION	PAY GRADE	BUDGETED	BUDGETED	BUDGETED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
		FY 2011 FULL-TIME	FY 2012 FULL-TIME	FY 2013 FULL-TIME	FY 2014 FULL-TIME	FY 2015 FULL-TIME	FY 2016 FULL-TIME	FY 2017 FULL-TIME
Water Plant Superintendent	20	1	1	1	1	1	1	1
Asst Superintendent	19	1	1	1	1	1	1	1
Water Operator Sr	16	5	5	5	5	5	5	5
Water Operator 2	13	2	2	2	2	2	2	2
Administrative Assistant	12	1	1	1	1	1	1	1
Water Operator 1	11	3	3	3	3	3	3	3
TOTALS		13	13	13	13	13	13	13

NARRATIVE OF PERSONNEL CHANGES	TYPE OF CHANGE	PROPOSED TITLE	YEAR OF HIRE	NUMBER OF POSITIONS
No staff changes requested				

UTILITY ADMINISTRATION

POSITION	PAY GRADE	BUDGETED	BUDGETED	BUDGETED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
		FY 2011 FULL-TIME	FY 2012 FULL-TIME	FY 2013 FULL-TIME	FY 2014 FULL-TIME	FY 2015 FULL-TIME	FY 2016 FULL-TIME	FY 2017 FULL-TIME
Director	25	1	1	1	1	1	1	1
Assistant Director	23	1	1	1	1	1	1	1
GIS Specialist	17	1	1	1	1	1	1	1
Administrative Assistant	12	1	1	1	1	1	1	1
Utility Inspector	17	3	3	3	3	3	3	3
Secretary	9	1	1	1	1	1	1	1
Utilities Project Manager	20	1	1	1	1	1	1	1
Regulatory Coordinator	19 Est	0	0	1	1	1	1	1
TOTALS		9	9	10	10	10	10	10

NARRATIVE OF PERSONNEL CHANGE	TYPE OF CHANGE	PROPOSED TITLE	YEAR OF HIRE	NUMBER OF POSITIONS
Regulatory Coordinator is intended to maintain current ordinances, policies, specifications and guidance material for the Water Management Department. Additionally, the position will act as a liason between regulatory agencies and the department and assist with staff and public education of operations.	New	Regulatory Coordinator	2013	1

WASTEWATER COLLECTION

POSITION	PAY GRADE	BUDGETED	BUDGETED	BUDGETED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
		FY 2011 FULL-TIME	FY 2012 FULL-TIME	FY 2013 FULL-TIME	FY 2014 FULL-TIME	FY 2015 FULL-TIME	FY 2016 FULL-TIME	FY 2017 FULL-TIME
Collection Superintendent	20	0	0	0	0	0	0	0
Wastewater Collection Assistant Superintendent	19 estd	1	1	1	1	1	1	1
W&S Const. Supervisor	16	1	1	1	1	1	1	1
Television Sewer Inspector	15	2	2	2	2	2	2	2
Lift Station Technician	14	4	4	4	4	4	4	4
Utilities Crew Chief	13	0	4	4	5	5	5	5
Heavy Equipment Operator	12	4	0	0	0	0	0	0
Equipment Operator Senior	11	2	2	2	2	2	2	2
Sewer Equipment Technician	11	4	4	4	4	4	4	4
Utility Service Worker Sr	10	5	5	5	6	6	6	6
TOTALS		23	23	23	25	25	25	25

NARRATIVE OF PERSONNEL CHANGES	TYPE OF CHANGE	PROPOSED TITLE	YEAR OF HIRE	NUMBER OF POSITIONS
Reclassify Heavy Equipment Operator positions to Utilities Crew Chief positions to better characterize the positions requirements and responsibilities	New	Utilities Crew Chief	2012	4
Additional staff for anticipated growth of the collection system	New	Utility Service Worker Senior	2014	1
Additional staff for anticipated growth of the collection system	New	Utilities Crew Chief	2014	1

WASTEWATER PLANT

POSITION	PAY GRADE	BUDGETED	BUDGETED	BUDGETED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
		FY 2011 FULL-TIME	FY 2012 FULL-TIME	FY 2013 FULL-TIME	FY 2014 FULL-TIME	FY 2015 FULL-TIME	FY 2016 FULL-TIME	FY 2017 FULL-TIME
Wastewater Plant Superintendent	20	1	1	1	1	1	1	1
Asst Wastewater Superintendent	19	1	1	1	1	1	1	1
Industrial Pretreatment Coordinator	17	1	1	1	1	1	1	1
Wastewater Operator Sr	16	3	3	3	3	3	3	3
Wastewater Maint Technician	14	1	1	1	1	1	1	1
Heavy Equipment Operator	12	2	2	2	2	2	2	2
Wastewater Operator 1	11	10	10	10	10	10	10	10
Secretary	9	1	1	1	1	1	1	1
TOTALS		20	20	20	20	20	20	20

NARRATIVE OF PERSONNEL CHANGES	TYPE OF CHANGE	PROPOSED TITLE	YEAR OF HIRE	NUMBER OF POSITIONS
No staff changes requested				

TOTAL WATER MANAGEMENT		82	83	86	88	88	88	88
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Appendix B Capital Equipment

Description	Budget FY 2012	Projected FY 2013	Projected FY 2014	Projected FY 2015	Projected FY 2016	Projected FY 2017
Pickup Truck - Replacement	\$26,000	\$-	\$-	\$-	\$-	\$-
Pickup Truck - Replacement	\$26,000	\$-	\$-	\$-	\$-	\$-
Replace VXU - Dependent on Meter Reading System	\$-	\$28,000	\$-	\$-	\$-	\$-
Granite ESRI Module	\$-	\$-	\$-	\$-	\$-	\$-
Unit 5 Sewer Vacuum Truck	\$-	\$350,000	\$-	\$-	\$-	\$-
Unit 45S Front End Loader	\$-	\$-	\$115,000	\$-	\$-	\$-
6" Portable Pump	\$55,000	\$-	\$-	\$-	\$-	\$-
Grinder Pump Cores	\$-	\$-	\$-	\$-	\$-	\$30,000
Sewer Inspection Camera Replacement	\$-	\$-	\$-	\$-	\$-	\$-
Sewer Inspection Equipment, Portable	\$50,000	\$-	\$-	\$-	\$-	\$-
CCTV Sewer Inspection Equipment	\$-	\$-	\$-	\$-	\$250,000	\$-
Unit 19 Service Truck	\$40,000	\$-	\$-	\$-	\$-	\$-
Unit 1 Pickup Truck	\$25,000	\$-	\$-	\$-	\$-	\$-
Unit 38 Service Truck	\$40,000	\$-	\$-	\$-	\$-	\$-
Unit 30 Pickup Truck	\$-	\$25,000	\$-	\$-	\$-	\$-
Unit 33 Pickup Truck	\$-	\$-	\$25,000	\$-	\$-	\$-
Unit 31 Service Truck	\$-	\$50,000	\$-	\$-	\$-	\$-
Unit WF8 Dump Truck	\$-	\$-	\$-	\$85,000	\$-	\$-
Belt Press Rehabilitation	\$-	\$-	\$-	\$-	\$-	\$-
Ultraviolet Bulb and Ballast Replacment	\$60,000	\$60,000	\$60,000	\$65,000	\$65,000	\$65,000
Head Works Fine Screen Rehabilitation	\$-	\$300,000	\$-	\$-	\$-	\$-
Tetra Filter Analyzer Replacement	\$-	\$-	\$50,000	\$-	\$-	\$-
Influent Flow Monitor Replacement	\$-	\$80,000	\$-	\$-	\$-	\$-
Oxidation Ditch Aerator Replacement	\$-	\$-	\$-	\$400,000	\$-	\$-
Anoxic Zone Mixer Replacment	\$-	\$-	\$-	\$-	\$300,000	\$-
Odor Control Media Replacement	\$-	\$-	\$125,000	\$-	\$-	\$-
Line Item 9	\$-	\$-	\$-	\$-	\$-	\$-
Main Pump Station VFD Drive Replacement	\$150,000	\$150,000	\$-	\$-	\$-	\$-
Head Works Odor Control Recirculation Pumps Replacement	\$40,000	\$-	\$-	\$-	\$-	\$-
Oil Change Piping for Automated Oil Change - 9 Aerators	\$-	\$-	\$-	\$-	\$-	\$-
Copy Machine Replacement	\$-	\$-	\$-	\$-	\$-	\$-
Main Pump Station Comminutor Replacement	\$-	\$-	\$-	\$-	\$32,000	\$35,000
Supplemental Air VFD Installation	\$-	\$-	\$-	\$-	\$-	\$-
DAF Pump Relacement	\$-	\$-	\$-	\$-	\$-	\$-
DAF Recirculation Pump Replacement (2)	\$25,000	\$-	\$-	\$-	\$-	\$-
DAF Drive Arm Conversion	\$36,000	\$-	\$-	\$-	\$-	\$-
Main Pump Station AC Replacement	\$-	\$50,000	\$-	\$-	\$-	\$-
Generator Switch Gear Installation	\$-	\$-	\$-	\$-	\$-	\$-
Maintenance Truck Replacement	\$28,000	\$-	\$-	\$-	\$-	\$-
Pickup Truck Replacement	\$25,000	\$-	\$-	\$-	\$-	\$-
Pickup Truck Replacement	\$25,000	\$-	\$-	\$-	\$-	\$-
Guillotine Saw	\$-	\$-	\$-	\$-	\$-	\$-

Description	Budget FY 2012	Projected FY 2013	Projected FY 2014	Projected FY 2015	Projected FY 2016	Projected FY 2017
Unit 42W Backhoe	\$-	\$88,000	\$-	\$-	\$-	\$-
6" Portable Pump	\$50,000	\$-	\$-	\$-	\$-	\$-
Aluminum Trench Box	\$-	\$-	\$-	\$-	\$-	\$-
Equipment Replacment	\$-	\$-	\$-	\$-	\$50,000	\$50,000
Unit WF-9 Dump Truck	\$-	\$80,000	\$-	\$-	\$-	\$-
Unit 2 Service Truck	\$37,000	\$-	\$-	\$-	\$-	\$-
Unit 4 Service Truck	\$-	\$-	\$-	\$-	\$-	\$-
Unit 39 Service Truck	\$-	\$40,000	\$-	\$-	\$-	\$-
Unit 6 Supervisor Vehicle	\$25,000	\$-	\$-	\$-	\$-	\$-
Unit 26 Service Truck	\$-	\$-	\$30,000	\$-	\$-	\$-
Unit 46 Pickup Truck	\$-	\$-	\$-	\$30,000	\$-	\$-
Unit 48 Pickup Truck	\$27,000	\$-	\$-	\$-	\$-	\$-
Unit 32 Service Truck	\$-	\$-	\$-	\$-	\$-	\$-
Water Treatment Plant Driveway Resurfacing	\$45,000	\$-	\$-	\$-	\$-	\$-
Parking Area Resurfacing	\$-	\$-	\$-	\$60,000	\$-	\$-
Raw Water Reservoir Fencing (1.5 Miles)	\$-	\$-	\$200,000	\$-	\$-	\$-
Settling Basin Rehabilitation	\$-	\$225,000	\$-	\$-	\$-	\$-
Rate of Flow Valves (4)	\$150,000	\$-	\$-	\$-	\$-	\$-
High Service Distribution Pumps (3)	\$125,000	\$-	\$-	\$-	\$-	\$-
Total	\$1,110,000	\$1,526,000	\$605,000	\$640,000	\$697,000	\$180,000

Summary of Operations Capital Expenditures Per Division by Category

Row Labels	Budget FY 2012	Projected FY 2013	Projected FY 2014	Projected FY 2015	Projected FY 2016	Projected FY 2017
Utility Administration	\$52,000	\$0	\$0	\$0	\$0	\$0
VEHICLES (>\$25,000)	\$52,000	\$0	\$0	\$0	\$0	\$0
Utility Billing	\$0	\$28,000	\$0	\$0	\$0	\$0
MACHINERY & EQUIPMENT (>\$25,000)	\$0	\$28,000	\$0	\$0	\$0	\$0
Wastewater Collection	\$210,000	\$425,000	\$140,000	\$85,000	\$250,000	\$30,000
COMPUTER SOFTWARE (>\$25,000)	\$0	\$0	\$0	\$0	\$0	\$0
MACHINERY & EQUIPMENT (>\$25,000)	\$105,000	\$350,000	\$115,000	\$0	\$250,000	\$30,000
VEHICLES (>\$25,000)	\$105,000	\$75,000	\$25,000	\$85,000	\$0	\$0
Wastewater Treatment	\$389,000	\$640,000	\$235,000	\$465,000	\$397,000	\$100,000
MACHINERY & EQUIPMENT (>\$25,000)	\$311,000	\$640,000	\$235,000	\$465,000	\$397,000	\$100,000
VEHICLES (>\$25,000)	\$78,000	\$0	\$0	\$0	\$0	\$0
Water Distribution	\$139,000	\$208,000	\$30,000	\$30,000	\$50,000	\$50,000
MACHINERY & EQUIPMENT (>\$25,000)	\$50,000	\$88,000	\$0	\$0	\$50,000	\$50,000
VEHICLES (>\$25,000)	\$89,000	\$120,000	\$30,000	\$30,000	\$0	\$0
Water Treatment	\$320,000	\$225,000	\$200,000	\$60,000	\$0	\$0
BUILDING IMPROVEMENTS	\$45,000	\$0	\$200,000	\$60,000	\$0	\$0
MACHINERY & EQUIPMENT (>\$25,000)	\$275,000	\$225,000	\$0	\$0	\$0	\$0
Total	\$1,110,000	\$1,526,000	\$605,000	\$640,000	\$697,000	\$180,000

Summary of Operations Capital Expenditures by Category

Category	Budget FY 2012	Projected FY 2013	Projected FY 2014	Projected FY 2015	Projected FY 2016	Projected FY 2017
BUILDING IMPROVEMENTS	\$45,000	\$0	\$200,000	\$60,000	\$0	\$0
MACHINERY & EQUIPMENT (>\$25,000)	\$741,000	\$1,331,000	\$350,000	\$465,000	\$697,000	\$180,000
VEHICLES (>\$25,000)	\$324,000	\$195,000	\$55,000	\$115,000	\$0	\$0
Total	\$1,110,000	\$1,526,000	\$605,000	\$640,000	\$697,000	\$180,000

Appendix C

Debt Payments (Debt Service, ARRA Loans, Leases)

WATER OPERATIONS					% of Debt Paid by Water Operations	Type of Payment	DEBT PAYMENTS BY YEAR						
Debt Issue	Description	Maturing	Original Amount	Amount Outstanding @ June 30, 2011			2012	2013	2014	2015	2016	2017	Total
2008 Issue	Used to construct and improve various water & sewer projects	2030	\$20,000,000	\$19,362,000	7%	Principal	\$46,620	\$48,720	\$50,960	\$53,200	\$55,580	\$58,100	\$313,180
						Interest	\$5,286	\$5,704	\$4,914	\$4,715	\$4,508	\$4,291	\$29,418
ARRA Loan	Used to repair water reservoir	2031	\$1,500,000	\$1,471,879	100%	Principal	\$57,446	\$59,086	\$60,775	\$62,510	\$64,296	\$66,133	\$370,246
						Interest	\$40,768	\$39,128	\$37,439	\$35,703	\$33,918	\$32,080	\$219,036
Hansen UB Software Lease	Used to acquire new utility billing system	2013	\$361,697	\$241,931	40%	Principal	\$50,113	\$38,657					\$88,770
						Interest	\$2,263	\$626					\$2,889
Water Operations Total							\$202,496	\$191,921	\$154,088	\$156,128	\$158,302	\$160,604	\$1,023,539

WASTEWATER OPERATIONS					% of Debt Paid by Wastewater Operations	Type of Payment	DEBT PAYMENTS BY YEAR						
Debt Issue	Description	Maturing	Original Amount	Amount Outstanding @ June 30, 2011			2012	2013	2014	2015	2016	2017	Total
2002A Refunding	Used to refund 1995 & 1997 bonds used for wastewater projects	2013	\$4,715,000	\$1,540,000	6%	Principal	\$45,300	\$47,100					\$92,400
						Interest	\$2,790	\$942					\$3,732
2002B Issue	Used for various wastewater improvement projects	2013	\$26,230,000	\$2,600,000	25%	Principal	\$312,500	\$337,500					\$650,000
						Interest	\$28,469	\$15,188					\$43,656
2005 Refunding	Used to refund bonds issued in 2001 and large portion of 2002B issue	2025	\$24,670,000	\$24,390,000	40%	Principal	\$116,000	\$118,000	\$804,000	\$812,000	\$820,000	\$846,000	\$3,516,000
						Interest	\$479,940	\$475,880	\$471,750	\$431,550	\$390,950	\$349,950	\$2,600,020
2008 Issue	Used to construct and improve various water & sewer projects	2030	\$20,000,000	\$19,362,000	1%	Principal	\$6,660	\$6,960	\$7,280	\$7,600	\$7,940	\$8,300	\$44,740
						Interest	\$755	\$729	\$702	\$674	\$644	\$613	\$4,117
ARRA Loan	Used for sewer improvement projects @ Boyd Mill, Country Road, and Simmons Ridge	2031	\$1,888,200	\$1,888,200 (estd)	46%	Principal	\$36,855	\$37,846	\$38,865	\$39,910	\$40,984	\$42,086	\$236,546
						Interest	\$23,365	\$22,373	\$21,355	\$20,310	\$19,236	\$18,134	\$124,773
Hansen UB Software Lease	Used to acquire new utility billing system	2013	\$361,697	\$241,931	40%	Principal	\$50,113	\$38,657					\$88,770
						Interest	\$2,263	\$626					\$2,889
Wastewater Operations Totals							\$1,105,010	\$1,101,801	\$1,343,952	\$1,312,044	\$1,279,754	\$1,265,083	\$7,407,643

RECLAIMED WATER OPERATIONS					% of Debt Paid by Reclaimed Operations	Type of Payment	DEBT PAYMENTS BY YEAR						
Debt Issue	Description	Maturing	Original Amount	Amount Outstanding @ June 30, 2011			2012	2013	2014	2015	2016	2017	Total
ARRA Loan	Used for reclaimed water project at Downs Blvd & West Reclaimed Water Line	2031	\$1,888,200	\$1,888,200 (estd)	54%	Principal	\$43,265	\$44,428	\$45,624	\$46,851	\$48,111	\$49,405	\$277,684
						Interest	\$27,428	\$26,264	\$25,069	\$23,842	\$22,581	\$21,287	\$146,471
Reclaimed Operations Totals							\$70,693	\$70,692	\$70,693	\$70,693	\$70,692	\$70,692	\$424,155

Combined Totals

\$1,378,198 \$1,364,414 \$1,568,733 \$1,538,865 \$1,508,748 \$1,496,379 \$8,855,337

Appendix D Fund Reserves

In addition to the funds provided by access fees and tap fees, it is both customary and advisable for water and wastewater systems to maintain a level of cash reserves for emergency operations and for working capital purposes. Many systems have more reserves in their enterprise funds than in their general government accounts, strictly because utility systems are constructed and intended to operate as freestanding business models.

Currently, the water and wastewater funds do not have specific reserves for those purposes. In order to establish such reserves, a contribution from operating revenues above and beyond the normal funding of depreciation would be required for several years.

Over the next eight years, a suggested target rate of reserves of one months operating expenditures would be an advisable goal. Over a longer period of time, the goal should be set to increase those reserves to the level of 25% of operating revenues.

Appendix E Contributed Revenues

In addition to the operating (customer service) revenue shown in the Water/Wastewater budget document, the City receives access and taps fees for its Water, Wastewater, and Reclaimed systems. Access fees generally are used for implementing system improvements due to growth or upgrading existing facilities for additional capacity. Tap fees generally are used for capital maintenance of the systems.

The City has accumulated the following access and tap fees:

Tap and Access Reserves (Cash in Bank and Invested Less Accounts Payables at Fiscal Year End)		
<u>System</u>	<u>FY2010</u>	<u>FY2011 (estimated)</u>
Water	\$7,291,149	\$5,175,249
Wastewater	\$6,962,321	\$8,264,069
Reclaimed	\$1,197,435	\$1,299,000
Totals	\$15,450,905	\$14,738,318

* Wastewater access fees have been utilized to pay debt service on 75% of system improvements to the wastewater distribution system due to growth. As the portion of debt service has exceeded available access fees, this source is currently in a deficit position.

Appendix F

Examples of Eligible Uses of Contributed Revenues

Example	Potential Sources
New vehicle for meter reading	Water operating (customer service) revenues
New computer software for utility administration	Wastewater operating (customer service) revenues
Upgrade 6" water pipe to 10" pipe due to needs of fire department or capacity needs due to growth in residential housing	Water Access (due to growth) or Water Bonds
Replace 6" water pipe with leaks with like size pipe	Water Taps (system maintenance) or Water Bonds

*Each example could be partially funded by contributions from water or sewer rates derived from funding normal depreciation.

APPENDIX G EXPENDITURE CLASSIFICATIONS

The budget is presented in a format showing expenditure classifications within the three (3) major categories: Personnel, Operations, and Capital. These classifications, shown in bold below, are the level of expenditures budgeted within each department and fund.

The classifications budgeted under Personnel are:

81100 SALARIES & WAGES

Amounts paid to both permanent and temporary City employees, including personnel substituting for those in permanent positions. This category includes gross salary for personal services rendered while on the payroll of the City.

81110 REGULAR PAY

Full-time, part-time, and prorated portions of the costs for work performed by employees of the City.

81120 OVERTIME PAY

Amounts paid to employees of the City in either temporary or permanent positions for work performed in addition to the normal work period for which the employee is compensated.

81130 COURT OVERTIME PAY

Amounts paid to police employees for time spent testifying in court.

81150 TEMPORARY WORK BY NON-CITY EMPLOYEES

Work performed by non-City employees on a temporary or substitute basis.

81160 CENSUS WORKERS

Work performed by either City or non-City employees in performing census activities.

81200 OFFICIALS FEES

Amounts paid to the Board of Mayor and Aldermen, City judge, and officials of commissions and other boards.

81210 BOARD OF MAYOR & ALDERMEN

Amounts paid to the Board of Mayor and Aldermen for Board and committee meetings.

81220 CITY JUDGE

Salary amounts paid to City judge.

81230 PLANNING COMMISSION & BOZA

Amounts paid to City's Planning Commission and Board of Zoning Appeals Members.

81250 JUDICIAL COMMISSION – WARRANTS

Amounts paid to county for warrant handling.

81400 EMPLOYEE BENEFITS

Amounts paid by the City on behalf of employees; these amounts are not included in the gross salary, but are in addition to that amount. Such payments are fringe

benefit payments and, although not paid directly to employees, are part of the cost of personal services.

- 81410 FICA (EMPLOYER'S SHARE)
Employer's share of social security paid by the City.
- 81420 MEDICAL PREMIUMS
Any insurance claims and administrative fees for medical insurance coverage offered by the City.
- 81430 GROUP INSURANCE PREMIUMS
Any group insurance premiums for life, disability and dental insurance coverages offered by the City.
- 81440 EMPLOYEE INSURANCE CONTRIBUTIONS
Employee contributions for various insurance coverages offered by the City.
- 81450 RETIREMENT CONTRIBUTIONS
Any contributions the employee retirement system offered by the City.
- 81460 UNEMPLOYMENT CLAIMS
Amounts paid by the City to provide unemployment compensation claims of former employees.
- 81470 WORKERS COMPENSATION
Amounts paid by the City to provide workers compensation insurance for its employees, including claims. These charges may be distributed to functions in accordance with the budget.
- 81480 TOOL ALLOWANCE
Non-taxable benefit paid to Fleet Maintenance employees who use personal tools in performance of their work.
- 81481 CLOTHING ALLOWANCE
Taxable benefit of up to \$550 per fiscal year paid to police employees who wear "street clothes" in the performance of their duties.
- 81482 CAR ALLOWANCE
Taxable benefit of up to \$2,400 per fiscal year paid to department heads who drive their own personal vehicle in the performance of their job-related duties.
- 81490 MOVING EXPENSES
Benefit offered to some prospective employees as part of an employment package. Depending on the expenses incurred, the benefit may be taxable or non-taxable.

The classifications budgeted under Operations are:

- 82100 TRANSPORTATION CHARGES**
Charges for transport services needed for City operations
- 82110 MAILING & OUTBOUND SHIPPING SERVICES
Amounts paid for postage and related items. Includes metered postage, postage stamps, postage applied by a third-party vendor, fees for courier and metering services, and fees for outbound packages sent by shipping companies, as well as P.O. Box rentals.

- 82120 **FREIGHT FOR INBOUND PURCHASED ITEMS**
Amounts paid for the transport and/or delivery of inbound purchased goods if such service is invoiced by a vendor other than the vendor that invoiced for the purchased goods.
- 82130 **VEHICLE LICENSES & TITLES**
Amounts paid for titles and licensing of City vehicles.
- 82140 **VEHICLE TOW-IN SERVICES**
Amounts paid for necessary towing of City vehicles.
- 82200 OPERATING SERVICES**
Services necessary for the ongoing operations of the City.
- 82210 **PRINTING & COPYING SERVICES, OUTSOURCED**
Cost of having vendors print and/or copy City documents and publications. Includes cost of paper. Ex.: Annual reports, budgets, letterhead, business cards, forms, etc. Does NOT include expenses related to operating in-house printers and/or copiers (use 82620 for service and maintenance of such equipment, and 83110 for supplies like paper and toner for such equipment).
- 82230 **ARCHIVING / RECORDS MANAGEMENT SERVICES**
Amounts paid for archiving and records management.
- 82240 **TRANSCRIPTION FEES**
Amounts paid to for legal transcription, including preparing legal documents from written or dictated information.
- 82245 **FINGERPRINTING FEES**
Cost incurred by the police department in providing fingerprinting services.
- 82250 **TESTING & PHYSICALS**
Cost incurred for any type of testing or physical (employment physicals, drug testing, promotional testing, etc.).
- 82255 **INVESTIGATIVE POLYGRAPHS**
Costs incurred by police department for investigative polygraphs.
- 82260 **UNIFORM RENTAL & SERVICES**
Costs incurred for uniform rental and/or uniform-related services rendered, including garment cleaning and repairs. (Does NOT include costs incurred for uniforms purchased by a department, such as garments, work shoes and/or boots, and other uniform-related items; see 83260.)
- 82270 **LANDFILL & BIOSOLIDS MANAGEMENT SERVICES**
Cost incurred for disposal of solid waste and biosolids at landfill sites.
- 82280 **LAB FEES**
Costs incurred for lab testing.
- 82299 **OTHER OPERATING SERVICES**
Costs of all other operating services not listed above.
- 82300 NOTICES, SUBSCRIPTIONS, PUBLICITY**
Costs incurred by City for public notices, dues and subscriptions, promotion, elections, and surveys.
- 82310 **LEGAL NOTICES**
Cost of publishing legal notices in newspapers. Ex.: employment, bids, etc.

- 82350 **DUES FOR MEMBERSHIPS**
Cost of work-related membership dues, both organizational and individual, in professional / trade associations and/or civic groups.
- 82355 **PROFESSIONAL STANDARDS / ACCREDITATION**
Cost of departments maintaining professional standards and accreditation.
- 82360 **PUBLIC RELATIONS & EDUCATION (CITY SPONSORED)**
Costs related to City-sponsored public relations and citizen education. Includes the cost of announcements in professional publications, newspapers or broadcasts over radio and television.
- 82370 **PROMOTIONS & SPECIAL EVENTS (NOT CITY SPONSORED)**
Expenditures for participating in various promotions and special events, usually sponsored by organizations other than the City.
- 82371 **EMERGENCY RELIEF**
Expenditures for supporting relief efforts for disasters and/or emergencies.
- 82390 **PUBLICATIONS, NON-TRAINING**
Includes subscriptions to published periodicals, both printed and electronic, as well as other printed material such as pamphlets, books, audios and videos. Does NOT include multiple copies of pamphlets, books, audios and videos used for training purposes (see 83210). Use Computer Services (82510) for computer software subscriptions.
- 82400 UTILITIES**
Expenditures for energy, including gas, oil, coal, gasoline, and services received from public or private utility companies.
- 82410 **ELECTRIC SERVICE**
Expenditures for electric utility services.
- 82415 **ELECTRIC SERVICE – STREETLIGHTS**
Costs for electric service for streetlights within the City.
- 82420 **WATER & WASTEWATER SERVICE**
Costs for water & wastewater service. (Currently, this is not billed to departments).
- 82430 **STORMWATER SERVICE**
Costs incurred by departments for stormwater drainage provided by the City.
- 82440 **NATURAL GAS SERVICE**
Expenditures for gas utility services.
- 82450 **TELEPHONE SERVICE**
Cost for regular local and long distance service.
- 82451 **800 MHZ ACCESS LINE SERVICE**
Cost for 800 MHZ (radio usage) telephone service. As of 1/9/2007, this cost is allocated as follows: Police (50.3%), Parks (2.2%), Risk Management (0.2%), Codes (3.1%), Fire (16.8%), Water Billing (0.9%), Water / Wastewater (9.2%), Streets (6.3%), Solid Waste (9.9%), Engineering (0.7%), and Administration (0.4%).
- 82455 **CELLULAR TELEPHONE SERVICE**
Cost for employees' cellular telephone service.
- 82460 **PAGER SERVICE**
Cost for employees' pager service.

- 82470 INTERNET AND RELATED SERVICES
Cost for internet and related services.
- 82483 CONNECTION CHARGES
Charges for service connections not covered elsewhere. Includes Fire-Training Satellite.
- 82500 CONTRACTUAL SERVICES**
Amounts paid for services rendered by organizations or personnel not on the payroll of the City. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.
- 82510 COMPUTER SERVICES
Cost of computer service and periodic software maintenance, license and subscription fees. Compare with computer software (83550 & 89550).
- 82520 LEGAL SERVICES
Cost of legal services provided by City attorney(s) and other attorneys.
- 82530 AUDIT SERVICES
Cost of auditing services (financial and performance).
- 82540 ENGINEERING SERVICES
Cost of engineering services in anticipation of a project.
- 82550 AERIAL PHOTOGRAPHY / MAPPING SERVICES
Cost of aerial photography for GIS and other mapping of the City (such as for tree inventories).
- 82560 CONSULTANT SERVICES
Other professional, technical, or administrative services not covered elsewhere.
- 82599 OTHER CONTRACTUAL SERVICES
Services purchased to operate, repair, maintain and rent property owned or used by the City. These services are performed by persons other than City employees. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.
- 82600 REPAIR & MAINTENANCE SERVICES**
Expenditures for repair and Maintenance services not provided directly by City personnel.
- 82610 VEHICLE REPAIR & MAINTENANCE SERVICES
Maintenance services of City vehicles by non-City employees.
- 82620 EQUIPMENT REPAIR & MAINTENANCE SERVICES
Maintenance services of equipment by non-City employees. Includes maintenance agreements for in-house printers and copiers.
- 82630 WATER HYDRANT MAINTENANCE SERVICES
Maintenance services of City water hydrants (a.k.a., fire hydrants).
- 82640 PAVING & REPAIR SERVICES
Maintenance services of City owned streets. Costs over \$25,000 are considered capital.
- 82652 LANDSCAPING SERVICES
Maintenance services for landscaping City owned property or easements.

- 82653 **IRRIGATION SERVICES**
Maintenance services for providing irrigation to City owned property or easements.
- 82654 **GROUNDS MAINTENANCE SERVICES**
Maintenance services to maintain areas around City owned property or easements.
- 82660 **BUILDING REPAIR & MAINTENANCE SERVICES**
Services purchased to clean, repair or maintain buildings (apart from services provided by City employees). Includes security system monitoring, repairs performed by contractors to HVAC, electrical and plumbing systems, etc.
- 82683 **WATER TANK MAINTENANCE SERVICES**
Maintenance services for water tanks.
- 82684 **PUMP STATION REPAIR SERVICES**
Maintenance services for pump stations.
- 82699 **OTHER REPAIR & MAINTENANCE SERVICES**
Any other repair and maintenance service not covered elsewhere.
- 82700 EMPLOYEE PROGRAMS**
Primarily administered by Human Resources, these are programs established for employee development.
- 82720 **TUITION ASSISTANCE PROGRAM**
Amounts reimbursed by the City to any employee qualifying for tuition reimbursement, based upon City policy.
- 82750 **EMPLOYEE RECOGNITION / RECEPTIONS**
Recognition and receptions provided to employees to reward job performance.
- 82780 **TRAINING, OUTSIDE**
Required training provided to employees outside of City premises.
- 82790 **TRAINING, IN-HOUSE**
Required training provided to employees on City premises. Includes cost of instructor(s) travel to conduct training on site.
- 82800 PROFESSIONAL DEVELOPMENT / TRAVEL**
Expenditures for transportation, meals, hotel, and other expenses associated with staff travel for the City. Payments for per diem in lieu of reimbursements for subsistence (room and board) also are charged here.
- 82810 **REGISTRATIONS**
Costs for registrations to conferences, seminars, etc.
- 82820 **GROUND TRANSPORTATION (OUTSIDE WILLIAMSON COUNTY)**
Expenses related to ground transportation for travel outside of Williamson County. Includes costs incurred for using personal vehicle (on a per mile basis), cabs, shuttles, buses, trains, or car rentals. Also includes parking, toll way tolls, fuel for City vehicles used for out-of-county travel, and fuel for rental vehicles used for out-of-county travel. (Fuel for personal vehicle should be purchased by employee; City should then reimburse employee for use of personal vehicle including fuel at the City's then-current mileage rate.)
- 82830 **AIR TRAVEL**
Costs of travel by airplane, including skycap tips.
- 82840 **LODGING**

- Costs of lodging, including hotel bellhop tips, during travel.
- 82850 MEALS (OUTSIDE WILLIAMSON COUNTY)
Cost of meals, including server tips, incurred outside Williamson County. For meals within Williamson County, see 83140.
- 82890 OTHER TRAVEL EXPENSES
Other travel expenses such as telephone, internet access.
- 82899 TRAVEL OFFSET
Amounts provided to City for staff's participation in professional development. (Ex.: presenter at a conference or seminar.)
- 83100 OFFICE SUPPLIES**
Costs incurred for various office supplies, décor items, benevolence items, and business meals and refreshments.
- 83110 OFFICE SUPPLIES
Cost of supplies and various other items necessary for the proper operation of an office. Includes: copy / printer paper and toner, writing instruments, legal pads, envelopes, and desk and filing supplies. Does NOT include: printed material (82210), office décor items (83120), furniture (83510 & 89510), equipment (83530 & 89530), computer hardware (83540 & 89540) and computer software (83550 & 89550).
- 83120 OFFICE DÉCOR ITEMS (OTHER THAN FURNITURE)
Items purchased to enhance the appearance of work space or offices. Ex.: paintings for wall.
- 83130 EMPLOYEE BENEVOLENCE ITEMS
Items purchased as kindly, good-will and non-compensatory gestures to employees. Ex.: flowers for death within family.
- 83140 MEALS & FOOD (INSIDE WILLIAMSON COUNTY)
Includes the cost of all items of food incurred within Williamson County. Ex.: beverages and related supplies, meeting refreshments, staff luncheons, business meals, meals associated with local training and/or professional development, etc. For meals outside Williamson County, see 82850. For employee recognition and receptions, see 82750.
- 83200 OPERATING SUPPLIES**
Amounts paid for items that are consumed or deteriorated through use or that lose their identity through fabrication or incorporation into different or more complex units or substances.
- 83210 TRAINING SUPPLIES
Includes the cost of supplies ordinarily used for classrooms or general education purposes.
- 83220 CHEMICALS & LAB SUPPLIES
Costs for chemicals as well as items needed for lab testing.
- 83221 ODOR CONTROL CHEMICALS
Costs for items needed for odor control. Ex.: Water Reclamation Facility; pump stations.

- 83240 **MEDICAL SUPPLIES**
 Medical, dental, laboratory and scientific - Includes the cost of all items such as bandages, gauze, corks, braces, general dental and optical supplies, glass tubes, cylinders, instruments.
- 83250 **SAFETY SUPPLIES**
 Cost incurred to enhance safety in the workplace.
- 83260 **UNIFORMS PURCHASED**
 Costs incurred for uniforms purchased by a department. Includes garments, work shoes and/or boots, and other uniform-related items. (Does not include costs incurred for uniform rental and/or uniform-related services rendered, including garment cleaning and repairs; see 82260.)
- 83265 **UNIFORMS, SPECIALIZED**
 Cost of specialized uniforms purchased by a department. Ex.: Body armor in police department.
- 83270 **CONSUMABLE TOOLS**
 Tools used within a department that are not tracked as inventory.
- 83299 **OTHER OPERATING SUPPLIES**
 Includes the cost of those items necessary for operation of an agency which are not covered in another category. Examples are dishes, silverware, paper cups, household articles, hand tools, mattresses, etc., for an institution; supplies for the print shop; recreational equipment for an institution; barber and beauty supplies, supplies for making employee identification (ID) badges, etc.
- 83300 FUEL & MILEAGE (NON-TRAVEL)**
 Costs of operating vehicles on duty.
- 83310 **GASOLINE & DIESEL FUEL FOR FLEET (INSIDE WILLIAMSON COUNTY)**
 Cost of fleet fuel used for department operations other than travel.
- 83320 **MILEAGE (INSIDE WILLIAMSON COUNTY)**
 Standard mileage rate paid to employees for work-related use of their personal vehicle within Williamson County.
- 83400 SUPPLIES PURCHASED FOR RESALE**
 Supplies purchased for use in providing City services.
- 83410 **WATER PURCHASED**
 Water purchased from Harpeth Valley Utility in providing City water service.
- 83500 EQUIPMENT (<\$25,000)**
 Equipment used with an item cost under \$25,000. To distinguish from supplies, equipment usually has a power source: electrical, battery, fuel, etc.
- 83510 **FURNITURE, FIXTURES (<\$25,000)**
 Expenditures for furniture and fixtures, including office furniture and building fixtures, with a unit cost less than \$25,000. Normally, such items would be indoors and would not require power to operate. Examples include chairs, tables, bookcases, and office cubicles.

- 83520 VEHICLES (<\$25,000)
All vehicles with unit costs of less than \$25,000. Ex.: trailers, motorcycles. Expenditures for on-road rolling stock with a unit cost less than \$25,000 each, used to transport persons or objects. May include expenditures for permanent improvements to new vehicles that fit this definition prior to placing the vehicle in service for the first time, regardless of cost (e.g., permanent attachments, etc.). Does NOT include off-road rolling stock to which the City does NOT affix a license plate.
- 83530 MACHINERY & EQUIPMENT (<\$25,000)
Expenditures for machinery and equipment with a unit cost less than \$25,000 each, usually composed of a complex combination of parts. Examples include copiers, electronics, power tools, self-contained breathing apparatus, off-road rolling stock to which the City does NOT affix a license plate, traffic controllers and monitors, and radio equipment. Does NOT include computer hardware and vehicles to which the City affixes a license plate.
- 83540 COMPUTER HARDWARE (<\$25,000)
All computer hardware with a unit cost of less than \$25,000.
- 83550 COMPUTER SOFTWARE (<\$25,000)
Non-recurring cost of computer software purchased for less than \$25,000. Compare with computer services (82510) and computer software >\$25,000 (89550).
- 83600 REPAIR & MAINTENANCE PARTS & SUPPLIES**
Expenditures for supplies for repair and maintenance services provided directly by City personnel.
- 83610 VEHICLE PARTS & SUPPLIES
Parts and supplies for vehicle repairs performed directly by City employees.
- 83620 EQUIPMENT PARTS & SUPPLIES
Parts and supplies for equipment repairs performed directly by City employees.
- 83630 WATER HYDRANT SUPPLIES
Supplies for City water hydrants (a.k.a., fire hydrants).
- 83640 PAVING & REPAIR SUPPLIES
Supplies for City owned streets. Costs over \$25,000 are considered capital.
- 83652 LANDSCAPING SUPPLIES
Supplies for landscaping City owned property or easements.
- 83653 IRRIGATION SUPPLIES
Supplies for irrigation of City owned property or easements.
- 83654 GROUNDS MAINTENANCE SUPPLIES
Grounds maintenance supplies for areas around City owned property or easements.
- 83660 BUILDING MAINTENANCE SUPPLIES
Building maintenance supplies to clean or maintain buildings (apart from services). Includes cleaning supplies, kitchen and bathroom supplies, and supplies for remodeling and redecorating. Example: paint and painting supplies. See also 89230 (“Building Improvements.”)
- 83680 METER REPAIR AND REPLACEMENT SUPPLIES
Repair and replacement of water meters and related supplies.

- 83682 **UTILITY LINES REPAIR SUPPLIES**
 Repair supplies for City utility lines used for water distribution, wastewater collection and reclaimed water distribution.
- 83683 **WATER TANK MAINTENANCE SUPPLIES**
 Maintenance supplies for water tanks.
- 83684 **PUMP STATION REPAIR SUPPLIES**
 Supplies needed for pump stations.
- 83685 **OTHER INVENTORY SUPPLIES**
 Supplies needed from department inventories not listed elsewhere.
- 83699 **OTHER REPAIR AND MAINTENANCE PARTS & SUPPLIES**
 Any other repair and maintenance parts and supplies not covered elsewhere.
- 84000 OPERATIONAL UNITS**
 Costs incurred by departments for specific operational units or activities.
- 84610 **CITY SPONSORED TRAINING PROGRAM**
 Operating costs incurred for City sponsored training, example: Planning.
- 84620 **TREE BANK PROGRAM**
 For any Tree Bank expenditure, the department should use 110-84620-45900.
- 85100 PROPERTY & LIABILITY COSTS**
 Property and liability costs.
- 85110 **PROPERTY & LIABILITY INSURANCE**
 Cost of property and liability insurance premiums.
- 85120 **PROPERTY DAMAGE COSTS**
 Cost for property damage for which City is responsible, less reimbursements and proceeds from insurance settlement, if any.
- 85130 **LEGAL SETTLEMENTS**
 Cost for legal settlements for which City is responsible.
- 85140 **SURETY / NOTARY BONDS**
 Cost for providing surety / notary bonds for personnel handling funds.
- 85150 **WARRANTIES PURCHASED**
 Cost of warranties purchased in lieu of insurance.
- 85200 RENTALS**
 Costs for renting or leasing land, buildings, equipment, and vehicles.
- 85210 **BUILDING & OFFICE RENTAL**
 Expenditures for leasing or renting land and buildings for both temporary and long-range use by the City.
- 85220 **PROPERTY TAX – RENTAL PROPERTY**
 Property taxes paid by the City due to rental of property to taxable organizations.
- 85230 **LAND USE RENTAL**
 Rental cost of land. Ex.: parking lot, impound lot, etc.
- 85240 **EQUIPMENT RENTAL & LEASES**
 Expenditures for leasing or renting equipment or vehicles for both temporary and long-range use by the City. These expenditures include bus and other vehicle rental when operated by a local capital lease arrangements and other rental agreements.

- 85250 STORAGE RENTAL
Rental cost for storage of City equipment, etc. at a non-City owned facility.
- 85260 VEHICLE RENTAL (INSIDE WILLIAMSON COUNTY)
Rental cost of vehicle(s) to transport persons for City business within Williamson County.
- 85300 PERMITS & FEES**
Costs incurred by City for necessary permits and fees.
- 85310 PERMITS
Costs related to permits for the City or its employees.
- 85320 STATE FEES
Fees paid to the State of Tennessee. Includes cost of certifying, licensing and credentialing City personnel, cost of obtaining elevator permits, and cost of renewals thereof.
- 85325 FEDERAL FEES
Fees paid to the federal government. Includes cost of fees paid to the U.S. Court System.
- 85330 UTILITY DISTRICT FEES
Costs related specifically to utility district fees.
- 85340 RECORDING & FILING FEES
Costs related specifically to property acquisition recording fees (Sadie Wade, Register of Deeds) and filing fees (Williamson County Circuit Court).
- 85500 FINANCIAL FEES**
Costs incurred related to financial operations.
- 85530 E-COMMERCE FEES
Costs incurred by City for e-commerce, including credit card processing.
- 85540 BILLING SERVICES
Costs incurred by City for billing services.
- 85550 CASH SHORT / OVER
Non-material, unintentional differences in daily cash deposits.
- 85560 PRIOR YEAR TAX WRITE-OFFS
Amount of prior year taxes written off by the City as non-collectible.
- 85570 BAD DEBT EXPENSE (NET OF RECOVERIES)
Amount of bad debts, net of recoveries, written off by the City as non-collectible.
- 85575 LEAK ADJUSTMENTS
Adjustments to customer accounts due to leaks.
- 85580 LATE CHARGES
Costs incurred for late payments.
- 85900 OTHER BUSINESS EXPENSES**
Business-related expenditures not classified elsewhere.
- 85990 MISCELLANEOUS
Non-recurring expenditures not classified elsewhere.
- 86000 DEBT SERVICE**
Costs incurred by City for outstanding debt.

- 86100 PRINCIPAL
Amounts owed by City for debt principal.
- 86200 INTEREST
Amounts owed by City for debt interest.
- 86300 PAYING AGENT & OTHER DEBT FEES
Amounts owed by City to its paying agents and other debt fees.
- 86400 BOND SALE EXPENSES
Amounts incurred upon issuance of bonds.
- 86500 AMORTIZATION OF BOND PREMIUM
Reduction of bond premium over the life of a bond issue.
- 86600 PRINCIPAL ON LEASES
Amounts owed by City for lease principal.
- 86700 INTEREST ON LEASES
Amounts owed by City for lease interest.

The expenditure classifications budgeted under Capital are:

- 89100 LAND**
- 89110 LAND ACQUIRED
Expenditures for the purchase of land, including right-of-way.
- 89120 EASEMENTS ACQUIRED
Expenditures for the purchase of easements.
- 89200 BUILDINGS**
- 89210 BUILDINGS ACQUIRED
Expenditures for acquiring existing buildings. These expenditures include the principal amount of capital lease payments resulting in the acquisition of buildings, except payments to building authorities or similar agencies.
- 89220 BUILDING DESIGN & CONSTRUCTION
Expenditures for design and construction of new buildings.
- 89230 BUILDING IMPROVEMENTS
Expenditures for improvements made to existing buildings. In this instance, “improvements” means any expenditure greater than \$25,000 that adds new capacity to an existing building or extends the estimated useful life of an existing building. Examples: **an addition, a new roof or a new HVAC system.**
- 89300 IMPROVEMENTS**
Expenditures for acquiring improvements not associated with buildings.
- 89310 PARKS & RECREATION FACILITIES
Cost of acquisition and improvements to City parks.
- 89320 DISTRIBUTION SYSTEMS
Cost of acquisition and improvements to City’s water, wastewater, and reclaimed distribution systems.
- 89500 EQUIPMENT (>\$25,000)**
Expenditures for the initial, additional and replacement items of equipment such as machinery, furniture and fixtures, and vehicles.

- 89510 FURNITURE, FIXTURES (>\$25,000)
Expenditures for furniture and fixtures, including office furniture and building fixtures, with a unit cost more than \$25,000. Normally, such items would be indoors and would not require power to operate. Examples include chairs, tables, bookcases, and office cubicles.
- 89520 VEHICLES (>\$25,000)
Expenditures for on-road rolling stock with a unit cost in excess of \$25,000 each, used to transport persons or objects. May include expenditures for permanent improvements to new vehicles prior to placing the vehicle in service for the first time, regardless of cost (e.g., permanent attachments, pickup truck bed covers and bed liners, patrol car light bars, window tinting, etc.). Examples of vehicles include automobiles and on-road trucks to which the City affixes a license plate. Does NOT include off-road rolling stock to which the City does NOT affix a license plate.
- 89530 MACHINERY & EQUIPMENT (>\$25,000)
Expenditures for machinery and equipment with a unit cost in excess of \$25,000 each, usually composed of a complex combination of parts. Examples include copiers, electronics, power tools, self-contained breathing apparatus, off-road rolling stock to which the City does NOT affix a license plate, traffic controllers and monitors, and radio equipment. Does NOT include computer hardware and vehicles to which the City affixes a license plate.
- 89540 COMPUTER HARDWARE (>\$25,000)
Computer hardware with a unit cost over \$25,000.
- 89550 COMPUTER SOFTWARE (>\$25,000)
Non-recurring cost of computer software with a unit cost over \$25,000. Compare with computer services (82510) and computer software <\$25,000 (83550).