

HISTORICAL SYSTEM GROWTH

The following table provides information on the number of active water, wastewater and reclaimed water customers at the end of each of the last five fiscal years:

NUMBER OF CUSTOMERS					
	2012	2013	2014	2015	2016
Water					
Residential	15,598	15,780	16,026	16,079	16,257
Non-Residential	<u>1,244</u>	<u>1,244</u>	<u>1,255</u>	<u>1,415</u>	<u>1,428</u>
	<u><u>16,842</u></u>	<u><u>17,024</u></u>	<u><u>17,281</u></u>	<u><u>17,494</u></u>	<u><u>17,685</u></u>
Sewer					
Residential	19,340	19,818	20,423	21,063	21,992
Non-Residential	<u>1,497</u>	<u>1,515</u>	<u>1,505</u>	<u>1,514</u>	<u>1,538</u>
	<u><u>20,837</u></u>	<u><u>21,333</u></u>	<u><u>21,928</u></u>	<u><u>22,577</u></u>	<u><u>23,530</u></u>
Reclaimed					
Residential	32	32	33	33	33
Non-Residential	<u>12</u>	<u>12</u>	<u>18</u>	<u>28</u>	<u>31</u>
	<u><u>44</u></u>	<u><u>44</u></u>	<u><u>51</u></u>	<u><u>61</u></u>	<u><u>64</u></u>

Note: In 2016, the City updated the method by which it calculates customers to more accurately count each customer of each individual division of the System. Because customer numbers above were calculated according to this updated methodology, they may differ from prior annual financial statements of the City.

Source: City of Franklin Department of Water Management.

The following table shows average daily production and maximum daily production for the below-listed fiscal years.

WATER PRODUCTION		
<u>Year</u>	<u>Average Daily Production (MGD)</u>	<u>Maximum Daily Production (MGD)</u>
2012	1.34	2.73
2013	1.18	2.95
2014	1.34	2.78
2015	1.60	2.66
2016	1.21	2.35

Source: City of Franklin Department of Water Management.

WATER SYSTEM USAGE

<u>Year</u>	<u>Gallons Sold (000)</u>	<u>Total Revenues</u>
2012	1,626,547	\$8,842,549
2013	1,598,926	8,746,584
2014	1,485,715	8,860,972
2015	1,548,809	9,543,369
2016	1,573,538	10,252,017

Source: City of Franklin Department of Water Management.

WASTEWATER SYSTEM USAGE

<u>Year</u>	<u>Gallons Sold (000)</u>	<u>Total Revenues</u>
2012	2,305,363	\$11,473,094
2013	2,344,749	12,219,785
2014	2,275,611	13,060,064
2015	2,356,667	14,557,438
2016	2,449,963	16,215,570

Source: City of Franklin Department of Water Management.

RECLAIMED WATER USAGE

<u>Year</u>	<u>Gallons Sold (000)</u>	<u>Total Revenues</u>
2012	54,419	\$146,724
2013	45,756	135,041
2014	76,561	130,051
2015	88,916	80,505
2016	124,230	123,806

Note: The revenue decline in 2015 was due to the end of one customer's multi-year contract and subsequent renewal at a lower monthly minimum usage.

Source: City of Franklin Department of Water Management.

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MAJOR CUSTOMERS

The following table presents information on the ten largest customers of the System during the fiscal year ended June 30, 2016, ranked according to consumption and billings.

TOP TEN WATER CUSTOMERS

Customer	Gallons of Water Purchased (1,000)	% of Total Water Consumed	Revenue	% of Total Water Revenues
Williamson Medical (Hospital)	33,557	2.13%	\$207,109	2.02%
Franklin Estates (Residential)	25,539	1.62%	\$139,796	1.36%
Carrington Hills (Residential)	14,814	0.94%	\$96,254	0.94%
APCOM Inc. (Manufacturing)	12,290	0.78%	\$74,675	0.73%
Williamson County Jail	12,141	0.77%	\$74,559	0.73%
Battle Ground Academy (School)	11,304	0.72%	\$70,525	0.69%
Vulcan Materials (Quarry)	11,197	0.71%	\$68,757	0.67%
Prescott Place (Residential)	10,682	0.68%	\$64,801	0.63%
Star Heritage Place (Residential)	7,484	0.48%	\$41,628	0.41%
Ashley Co Apts (Residential)	<u>6,207</u>	<u>0.39%</u>	<u>\$37,645</u>	<u>0.37%</u>
TOTAL	<u>145,215</u>	<u>9.23%</u>	<u>\$875,749</u>	<u>8.54%</u>

Source: City of Franklin Department of Water Management.

TOP TEN WASTEWATER CUSTOMERS

Customer	Gallons Billed (1,000)	% of Total Gallons Billed	Revenue	% of Total Sewer Revenues
Ashton Brook Apt (Residential)	29,350	1.20%	\$117,905	0.73%
BMPP Aspen Grove (Residential)	26,652	1.09%	\$111,436	0.69%
Community Health (Medical)	26,551	1.08%	\$115,722	0.71%
Franklin Estates (Residential)	25,539	1.04%	\$127,975	0.79%
Williamson Medical (Hospital)	23,400	0.96%	\$98,362	0.61%
Alara Cool Springs (Residential)	17,995	0.73%	\$78,785	0.49%
BRE Apartment Holdings (Residential)	16,965	0.69%	\$74,844	0.46%
Cool Springs Galleria (Retail Mall)	13,892	0.57%	\$60,710	0.37%
APCOM Inc. (Manufacturing)	12,290	0.50%	\$52,717	0.33%
Battle Ground Academy (School)	<u>11,304</u>	<u>0.46%</u>	<u>\$49,788</u>	<u>0.31%</u>
TOTAL	<u>203,938</u>	<u>8.32%</u>	<u>\$888,244</u>	<u>5.48%</u>

Source: City of Franklin Department of Water Management.

TOP TEN RECLAIMED WATER CUSTOMERS

Customer	Gallons of Water Purchased (1,000)	% of Total Water Consumed	Water Revenue	% of Total Water Revenues
City of Franklin Parks (City Parks)	46,851	37.71%	\$45,445	36.71%
Vanderbilt Legends Club (Golf Course)	10,007	8.06%	\$1,099	0.89%
Battle Ground Academy (School)	5,369	4.32%	\$5,798	4.68%
Carlisle Homeowners (Residential)	3,902	3.14%	\$3,789	3.06%
Southern Land Co. (Residential/Commercial)	3,209	2.58%	\$3,112	2.51%
Berry Farms Town Ctr (Residential)	2,815	2.27%	\$3,654	2.95%
John Deere Landscaping (Retail Nursery)	1,884	1.52%	\$1,828	1.48%
Franklin High School (School)	1,800	1.45%	\$1,748	1.41%
Rizer Point Homeowners (Residential)	1,542	1.24%	\$1,548	1.25%
Boyle Investment (Residential/Commercial)	<u>852</u>	<u>0.69%</u>	<u>\$832</u>	<u>0.67%</u>
TOTAL	<u>78,231</u>	<u>62.97%</u>	<u>\$68,853</u>	<u>55.61%</u>

Note: The City credits Vanderbilt Legends Club (the “Club”) for an initial capital investment by the Club into the System against System charges to the Club.

Source: City of Franklin Department of Water Management.

BILLING AND COLLECTION PROCEDURES

The City reads meters on a monthly basis and handles its own billings. The City’s Revenue Management Department performs the billing, collections and customer service for much of the City’s departments, including the Department. The Utility Billing Division is the interface between the Department and the Revenue Management Department. The Utility Billing Division is responsible for collecting metering data and working with the Water Distribution Division to perform meter repairs, replacements, and to restore or terminate water service. The City processed an estimated 316,000 System payments in the Fiscal Year ended June 30, 2016. Implementation of the SCADA system discussed previously will provide for future automation of meter reading, bill payment, and presentment for System payments. Most of the System’s customers pay their bills electronically, with many of the customers utilizing automatic bank draft.

The City bills customers on a monthly basis, using a single invoice that includes charges for water and wastewater. Payments by customers are to be allocated first to delinquent fees and then to the current charge for water and/or wastewater service.

BUDGET PROCEDURES

Although the operating and capital budgets for the System (collectively, the “System Budget”) are formulated in the same manner as other City departments, the System Budget is a separate document from the City’s annual budget. The System Budget is approved by resolution as a biennial estimate of revenues and expenses. The Director of the Department prepares an initial budget request. The City Administrator reviews and may revise the submitted budget request and incorporates the request into the System Budget submitted to the Governing Body for its consideration.