



FY16 Water and Wastewater Budget Presentation

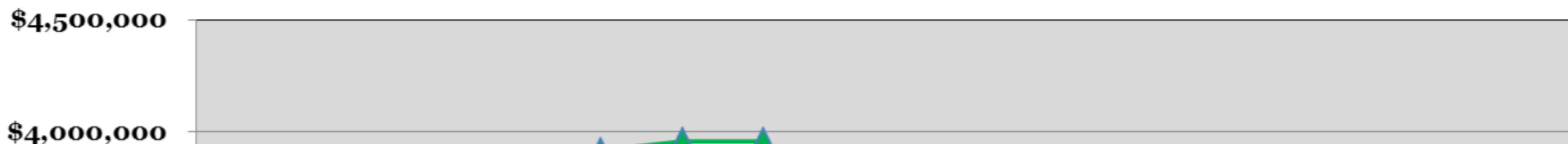
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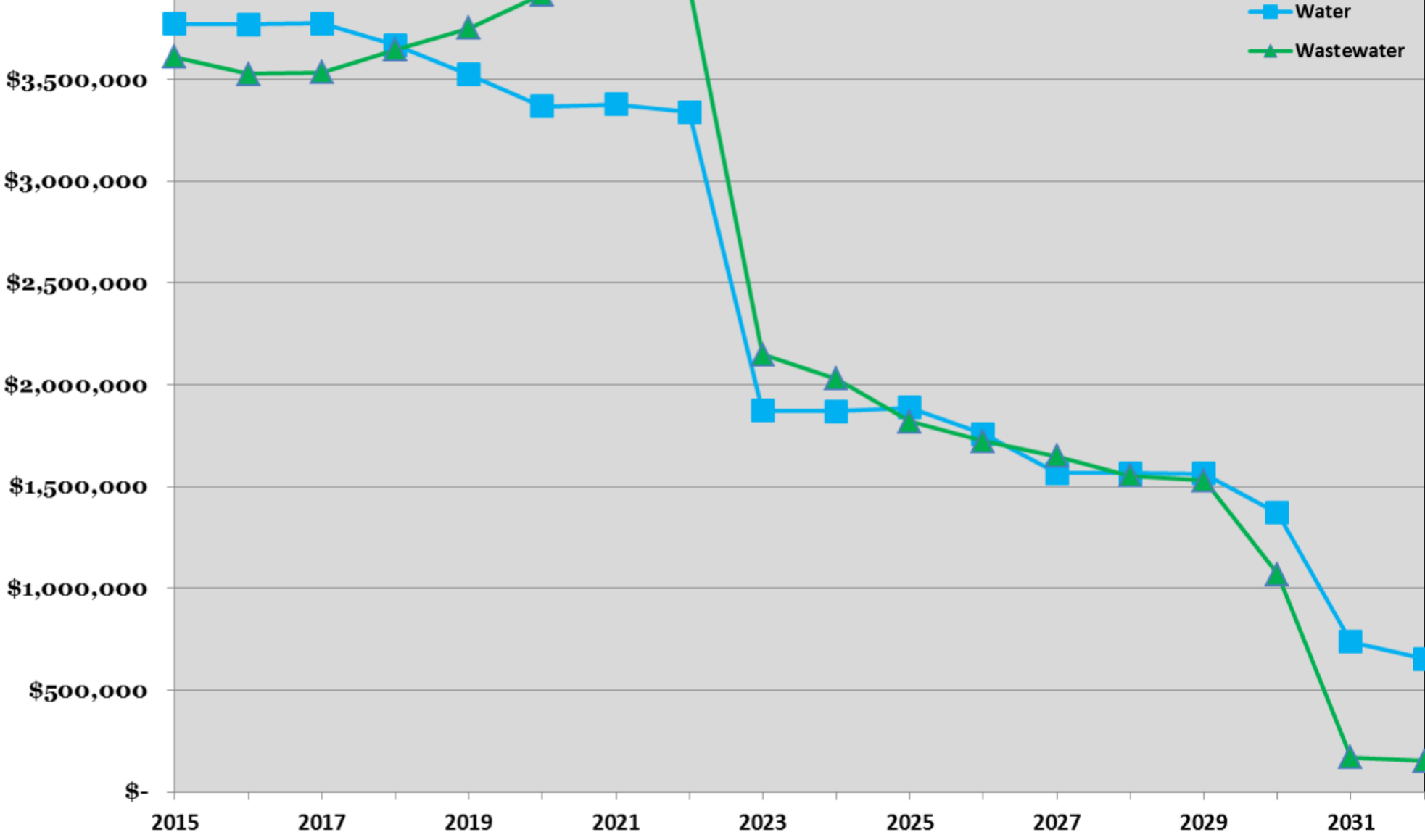


- Budget Assumptions
- Water Budget
- Wastewater Budget
- Future Items/Recommendations
- Questions

- No projected rate increase through FY20
- No immediate cost increase in electric services
- Right-of-way fees - 5%
- No appreciable increase in Admin Fees
- Estimated increases in revenue and expenses due to growth and inflation
- Revenue from Bed and Banks not included
- Future vehicle replacements included
- Future capital expenditures for billing and BTU customer service included

Existing Debt Service





Water

FY16 – Water Revenues



Water Fund Summary of Revenues - FY16

FY2014 Actual	FY2015 Adopted	FY2015 Amended	FY2015 Projected	FY2016 Proposed	\$Chng/FY15 Amended	% Chng / FY15
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	Actual	Adopted	Amended	Projected	Proposed	Amended	FY15
Revenues							
Operating Revenues:							
Water Sales	\$ 10,965,216	\$ 11,600,000	\$ 11,600,000	\$ 11,610,317	\$ 11,610,317	\$ 89,200	0.8%
Water Penalties	133,257	140,000	140,000	135,852	135,852	15,000	10.7%
Transfers In			-			-	N/A
Miscellaneous	580,218	682,900	682,900	684,925	681,173	682,900	100.0%
<i>Total Operating Revenues</i>	11,678,691	12,422,900	12,422,900	12,431,094	12,427,342	787,100	6.3%
Non-Operating Revenues:							
Interest Income	43,372	25,000	25,000	35,000	25,000	(75,000)	-300.0%
Gain (Loss) on Assets	6,677	-	-	-	-	-	N/A
Water Tap Fees	114,900	85,000	85,000	96,000	85,000	(65,000)	-76.5%
Oil & Gas Royalty	1,579	1,500	1,500	1,483	1,500	-	0.0%
Inventory markup	19,394	18,000	18,000	18,763	18,000	(5,000)	-27.8%
Miscellaneous non-operating income	588,426	246,215	246,215	247,123	90,000	246,215	100.0%
Contribution Cap from Developer		-	-	-	-	-	N/A
Transfers In	13,956	32,566	32,566	32,566	42,022	32,566	100.0%
US Dept of Commerce						-	N/A
<i>Total Non-Operating Revenues</i>	788,304	408,281	408,281	430,935	261,522	(146,759)	-35.9%
Total Revenues	12,466,995	12,831,181	12,831,181	12,862,029	12,688,864	(142,317)	-1.1%

FY16 – Water Expenses



Water Fund Summary of Expenses - FY16

	FY2014 Actual	FY2015 Adopted	FY2015 Amended	FY2015 Projected	FY2016 Proposed	\$Chng/FY15 Amended	% Chng / FY15
Expenditures							
Operating Expenses:							

Net Increase/(Decrease)	(1,352,340)	(1,326,724)	(3,298,529)	(2,532,691)	6,454
Beginning Operating Funds	6,081,243	3,757,661	7,297,851	7,297,851	4,765,160
CAFR Adjustment	2,568,948				
Ending Operating Funds	\$ 7,297,851	\$ 2,430,937	\$ 3,999,322	\$ 4,765,160	\$ 4,771,614
Reserve Requirement :					
(Sixty days operating expenses)	\$ 956,405	\$ 1,148,637	\$ 1,149,673	\$ 1,097,380	\$ 1,132,726

Water Decision Packages

	<u>Description</u>	<u>Est.Cost</u>
1	Vehicle replacement (Unit 22-07)	\$ 32,000
2	Vehicle replacement (Unit 22-08)	\$ 33,000

3	Vehicle replacement (Unit 22-10)	\$ 33,000
4	Backhoe replacement (Unit 23-18)	\$ 85,000
5	Replace gate access at MSC	\$ 20,000
	Total:	\$ 203,000

Future Projects



FY16: Debt \$4.5 MM (Cash \$1.1 MM)

- Well Collection Line: \$3.0 MM
- Old Hearne Ph 2: \$0.5 MM
- West 26th: \$0.5 MM
- Distribution Lines: \$0.5 MM
- Distribution Lines (Hwy 21): \$0.6 MM
- Well Rehab: \$0.15 MM
- Paint Elevated Storage (Royal): \$0.35 MM

FY17: Cash \$2.0 MM

- Paint Elevated Storage (Luza): \$0.65 MM
- Well Rehab: \$0.85 MM
- Design West Side Water: \$0.5 MM

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Future Projects



FY18: Debt \$4.0 MM (Cash \$1.5 MM)

- Hwy 21 West: \$4.0 MM
- Paint Elevated Storage (North Texas): \$0.85 MM
- Distribution Lines: \$0.65 MM

FY19: Cash \$0.50 MM

- Distribution Lines: \$0.50 MM

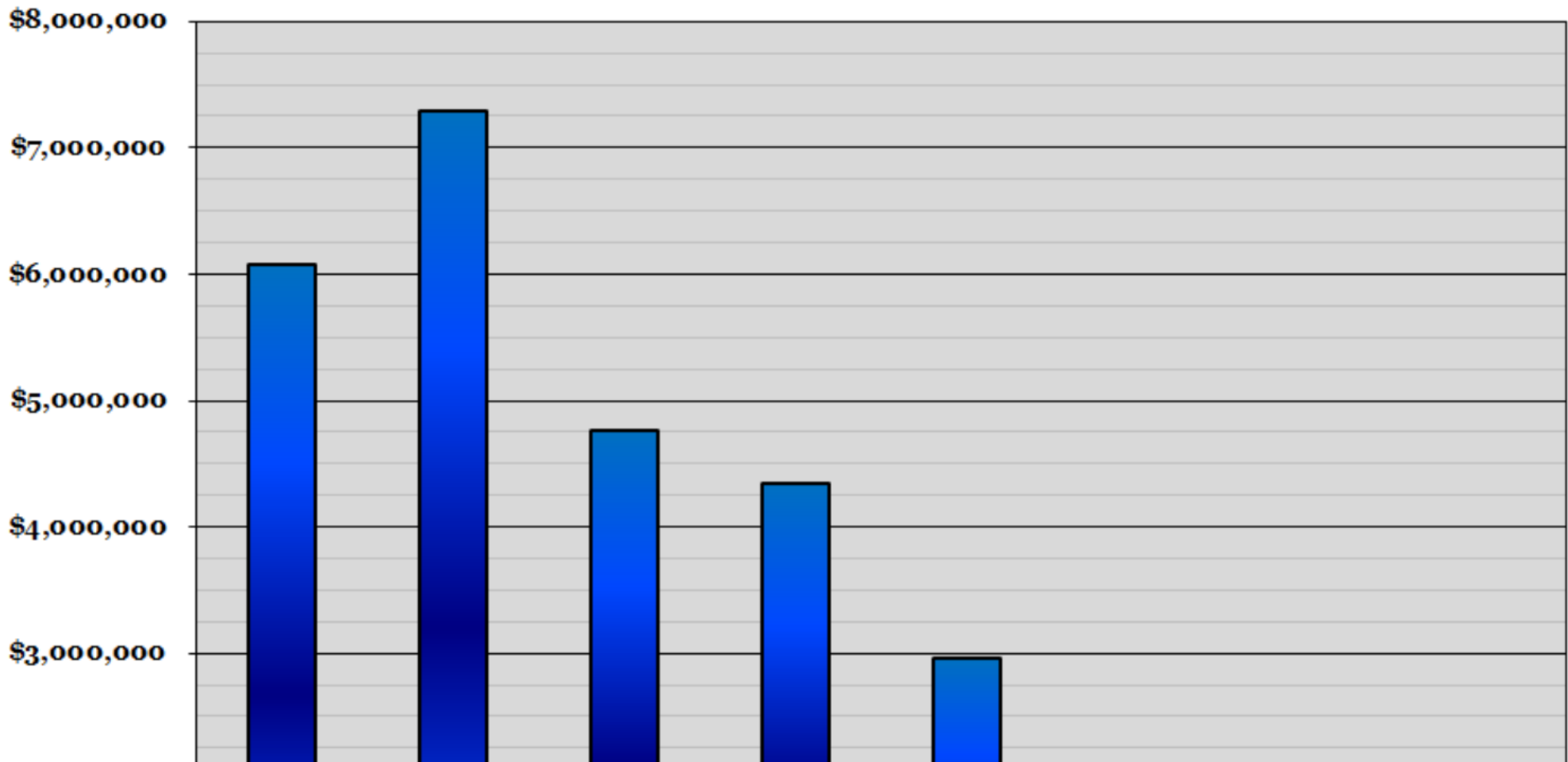
FY20: Debt \$ 4.0 MM (Cash \$0.50 MM)

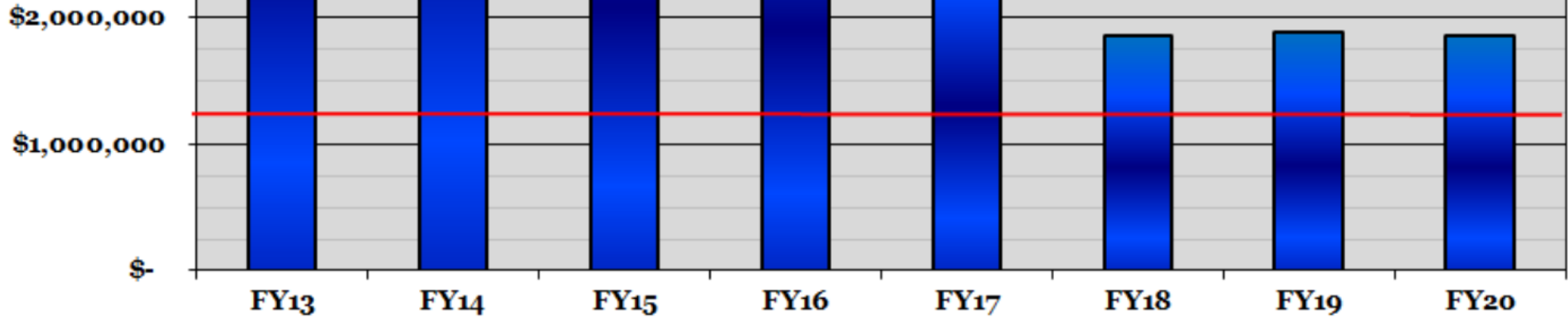
- Old Hearne Rd Ph 1: \$0.75 MM

- Old Hearne Rd Ph 1: \$0.75 MM
- South Coulter Reconstruct: \$0.5 MM
- Design ASR: \$2.0 MM
- Distribution Lines: \$0.75 MM
- Distribution Lines: \$0.50 MM

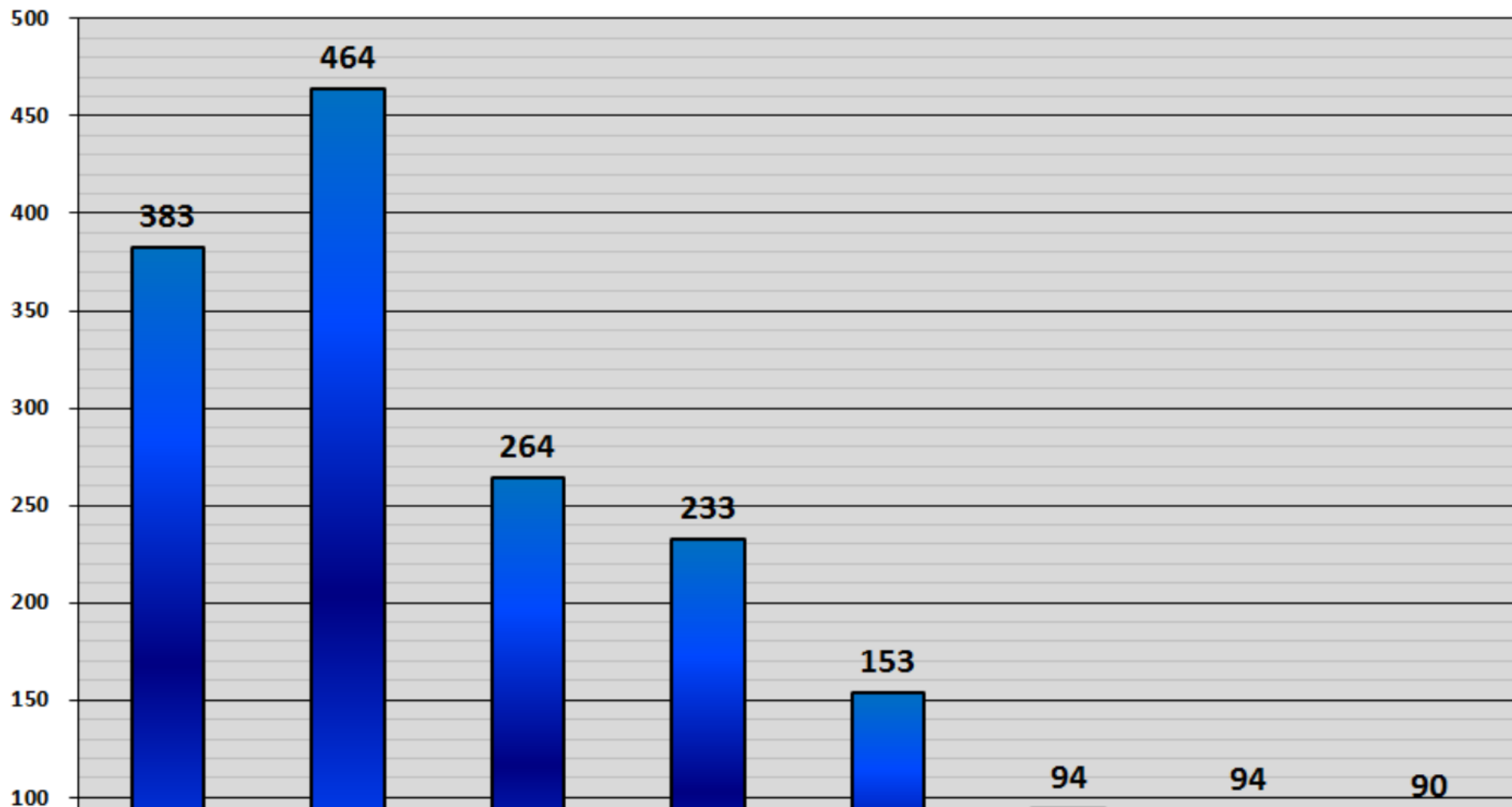


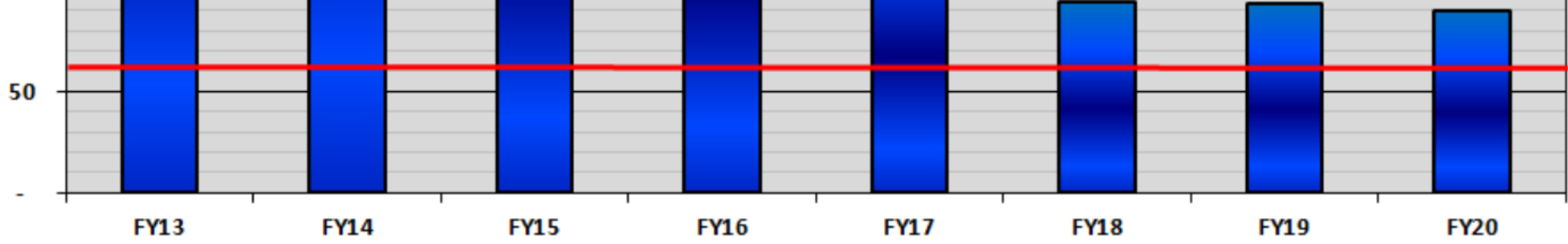
Ending Cash on Hand- Water Fund



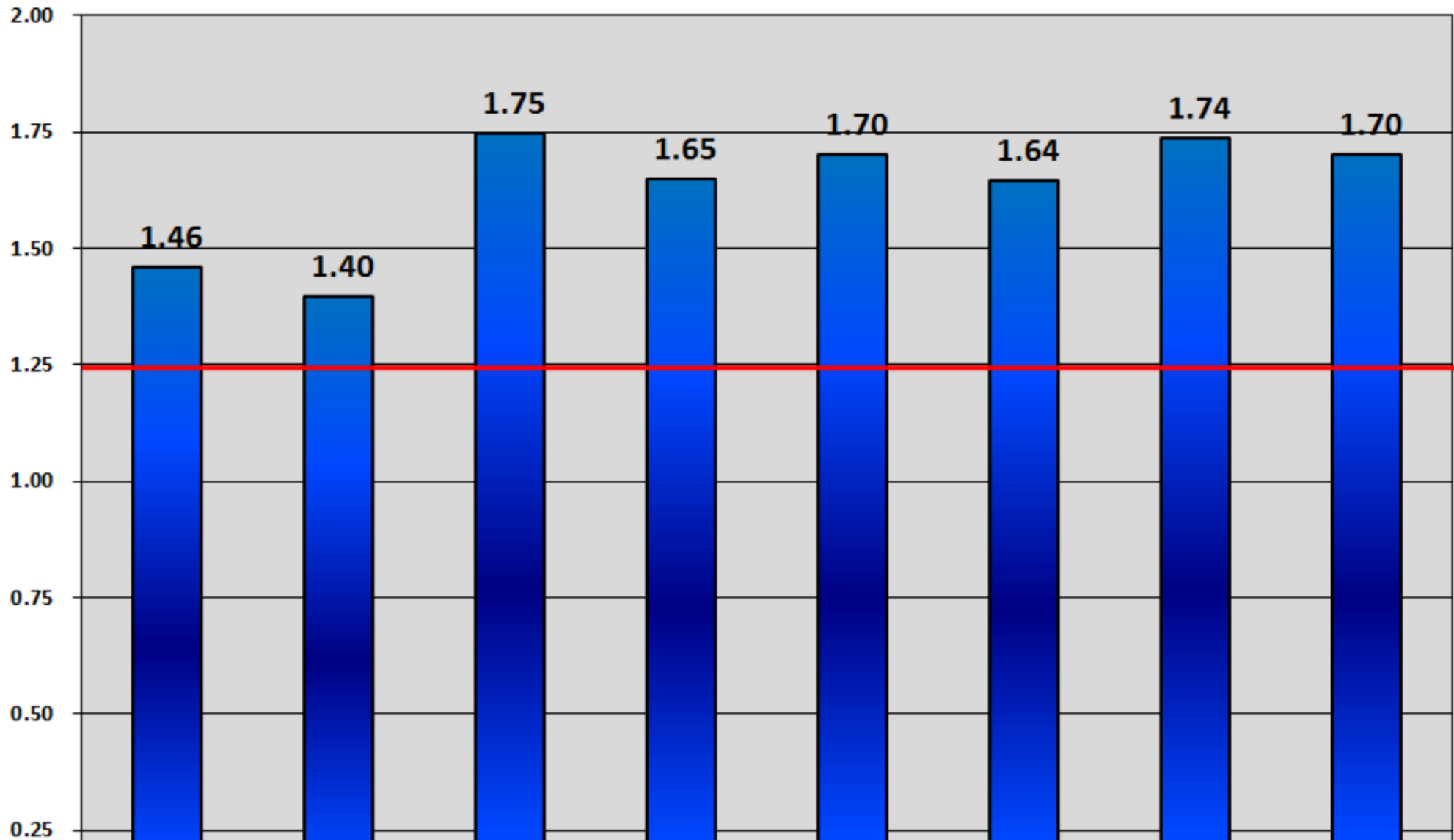


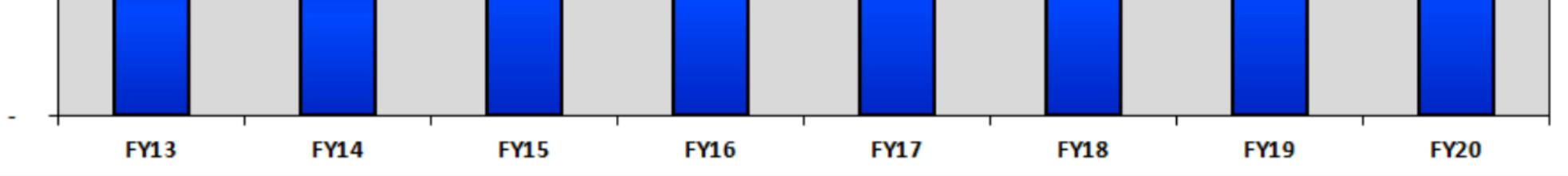
Days of Cash on Hand - Water Fund





Debt Service Coverage - Water Fund





Wastewater



FY16— Wastewater Revenue

Wastewater Fund Summary of Revenues - FY16

	FY2014 Actual	FY2015 Adopted	FY2015 Amended	FY2015 Projected	FY2016 Proposed	\$Chng/FY15 Amended	% Chng / FY15
Revenues							
Operating Revenues							
Sewer System Revenue	\$ 11,877,572	\$ 11,775,000	\$ 11,775,000	\$ 11,890,000	\$ 12,114,723	\$ 339,723	2.9%
Sewer Penalties	129,364	135,000	135,000	135,000	135,000	-	0.0%
Miscellaneous	149,662	48,200	48,200	9,110	5,000	(43,200)	-89.6%
Pretreatment Fees	468,984	360,000	360,000	410,000	405,000	45,000	12.5%
Hauler & Sewer Inspection Fees	10,425	5,900	5,900	46,300	41,600	35,700	605.1%
<i>Total Operating Revenues</i>	12,636,006	12,324,100	12,324,100	12,490,410	12,701,323	377,223	3.1%
Non-Operating Revenues							
Sewer Tap Fees	65,325	60,000	60,000	60,000	60,000	-	0.0%
Miscellaneous-Non Operating	23,484	27,500	27,500	22,545	23,500	(4,000)	-14.5%
Transfers from Other Funds	52,824	34,500	34,500	34,500	143,049	108,549	314.6%
Interest Income	59,911	50,000	50,000	52,000	50,000	-	0.0%
Gain on sale of asset	19,540	-	-	-	-	-	N/A
Administrative Transfers						-	N/A
<i>Total Non-Operating Revenues</i>	221,084	172,000	172,000	169,045	276,549	104,549	60.8%
Total Revenues	12,857,090	12,496,100	12,496,100	12,659,455	12,977,872	481,772	3.9%

FY16 – Wastewater Expenses

Wastewater Fund Summary of Expenses - FY16							
	FY2014	FY2015	FY2015	FY2015	FY2016	\$Chng/FY15	% Chng
	Actual	Adopted	Amended	Projected	Proposed	Amended	/ FY15
Expenditures							
Operating Expenses							
Wastewater Administration	266,597	489,763	592,775	467,846	350,630	(242,145)	-40.8%
Wastewater Collection	1,561,141	1,845,417	1,847,958	1,759,277	1,874,600	26,642	1.4%
Wastewater Pre-Treatment	63,423	90,436	90,436	80,776	92,342	1,906	2.1%
Wastewater Treatment	2,376,049	2,812,510	2,882,080	2,598,560	2,926,657	44,577	1.5%
Environmental Services	494,061	564,195	564,195	548,543	581,399	17,204	3.0%
General & Admin Reimbursement	765,311	693,703	693,703	693,703	517,840	(175,863)	-25.4%
Transfer to Other Funds	32,968	30,219	30,219	45,536	35,077	4,858	16.1%
Transfer to BTU	358,013	358,013	358,013	418,056	412,366	54,353	15.2%
<i>Total Operating Expenses</i>	<i>5,917,563</i>	<i>6,884,256</i>	<i>7,059,379</i>	<i>6,612,297</i>	<i>6,790,911</i>	<i>(268,468)</i>	<i>-3.8%</i>
Non-Operating Expenses							
Annual Capital	2,639,571	6,530,270	8,710,951	6,539,431	5,946,307	(2,764,644)	-31.7%
Right of Way Payments	621,513	613,500	613,500	613,500	643,466	29,966	4.9%
Paying Agent Fee	2,251	5,000	5,000	5,000	5,000	-	0.0%
Bond Sales Expense						-	N/A
Misc. Debt Expense	3,712	-	-	-	-	-	N/A
Debt Service: General Obligation Debt	132,382	249,521	249,521	249,521	253,053	3,532	1.4%
Debt Service: Revenue Debt	3,037,129	2,727,786	2,727,786	2,727,786	2,641,520	(86,266)	-3.2%
Debt Service: Certificates of Obligation	834,475	631,600	631,600	631,600	632,221	621	0.1%
<i>Total Non-Operating Expenses</i>	<i>7,271,033</i>	<i>10,757,677</i>	<i>12,938,358</i>	<i>10,766,838</i>	<i>10,121,567</i>	<i>(2,816,791)</i>	<i>-21.8%</i>
Total Expenditures	13,188,596	17,641,933	19,997,737	17,379,135	16,912,478	(3,085,259)	-15.4%

FY16 – Wastewater Summary

Wastewater Fund Summary - FY16

	FY2014 Actual	FY2015 Adopted	FY2015 Amended	FY2015 Projected	FY2016 Proposed
Net Increase/(Decrease)	(331,506)	(5,145,833)	(7,501,637)	(4,719,680)	(3,934,606)
Beginning Operating Funds	11,314,592	8,083,844	11,223,392	11,223,392	6,503,712
CAFR Adjustment	240,306				
Ending Operating Funds	\$ 11,223,392	\$ 2,938,011	\$ 3,721,755	\$ 6,503,712	\$ 2,569,107
Reserve Requirement : (Sixty days operating expenses)	\$ 986,261	\$ 1,147,376	\$ 1,176,563	\$ 1,102,050	\$ 1,131,819

Decision Packages



	<u>Description</u>	<u>Est. Cost</u>
1	Swing Check Assemblies	\$ 8,123
2	Dump-Veyor system BC WWTP	\$215,325
3	Security Fence SC WWTP	\$ 16,000
4	New Trailer for mini-excavator	\$ 8,000
5	Replace gate access at MSC	\$ 20,000
	Total:	\$267,448



FY16: Cash \$5.6 MM

- Hwy 21 East: \$3.0 MM
- West 26th: \$0.62 MM
- Eastside Sewer: \$.67 MM
- Old Hearne/Wilkes: \$0.45 MM
- Hwy 21 (Texas Ave to Hwy 6): \$0.36 MM
- Collection Lines (North Bryan/Woodville): \$0.50 MM

FY17: Cash \$2.0 MM

- Collection Lines: \$2.0 MM

FY18: Cash \$1.25 MM

- Collection Lines: \$1.25 MM

FY19: Cash \$1.0 MM

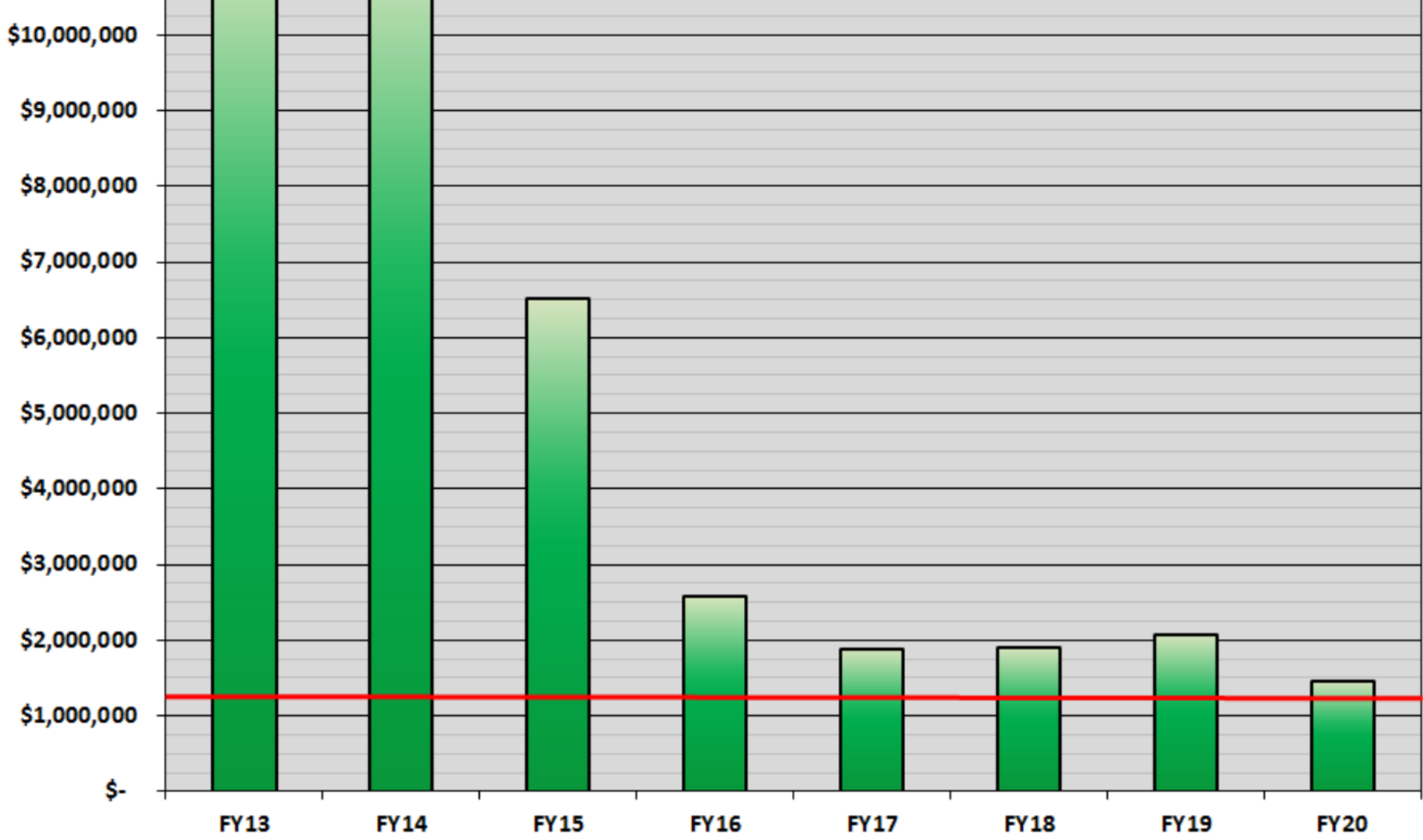
- Collection Lines: \$1.0 MM

FY20: Cash \$1.5 MM

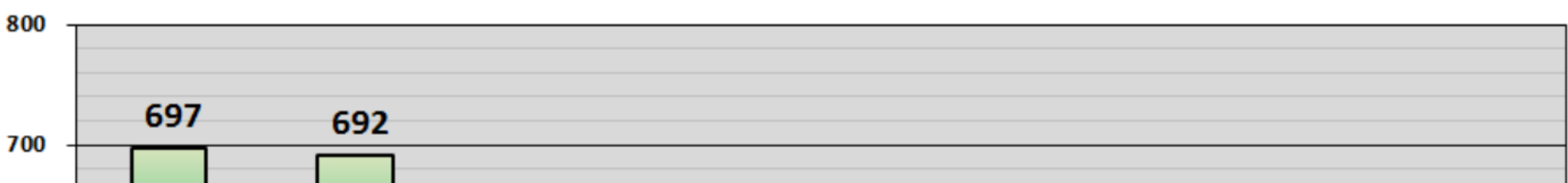
- Old Hearne Rd Ph 1: \$0.7 MM
- Collection Lines: \$0.5 MM
- South Coulter: \$0.3 MM

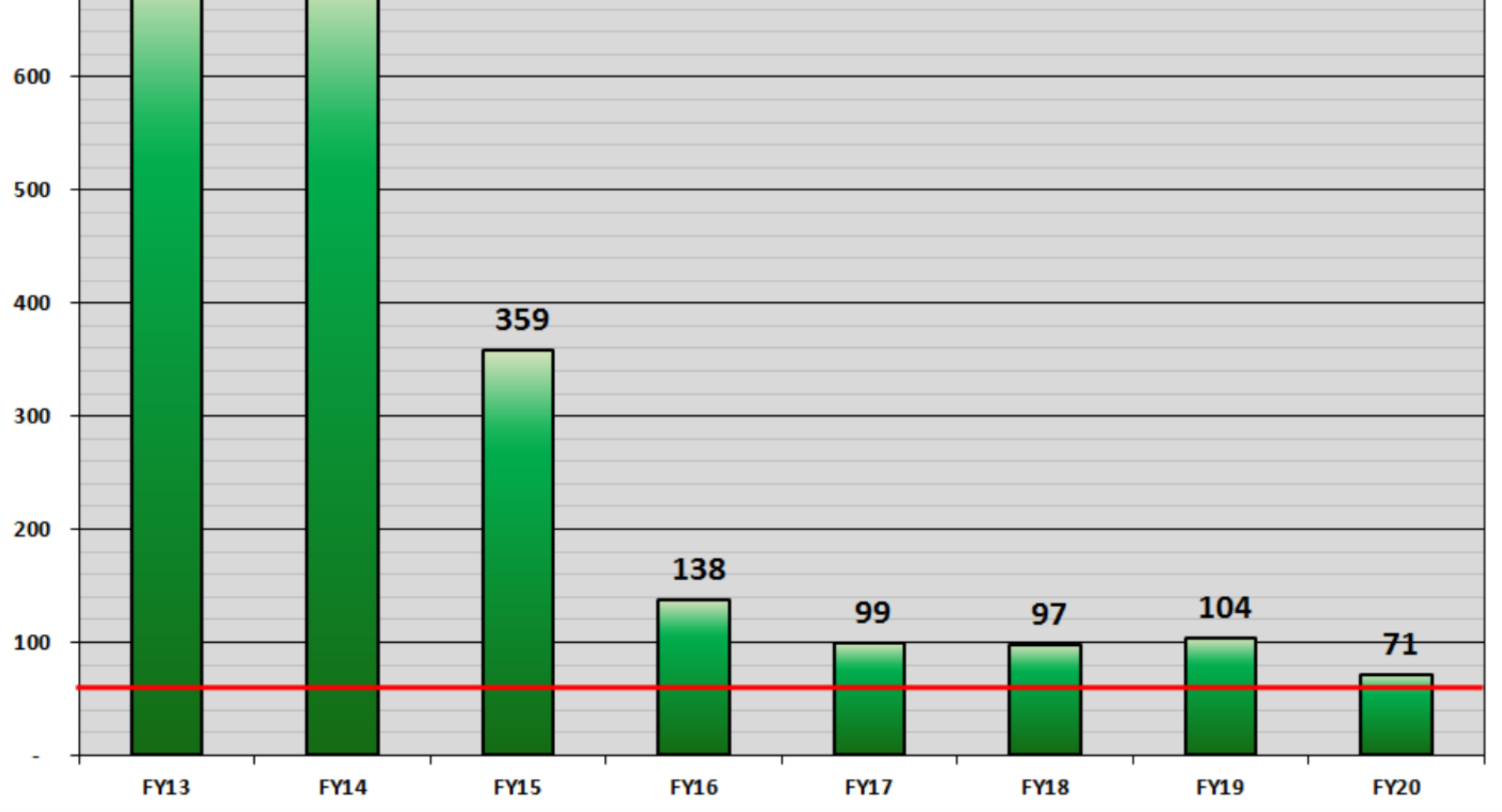
Ending Cash on Hand - Wastewater Fund



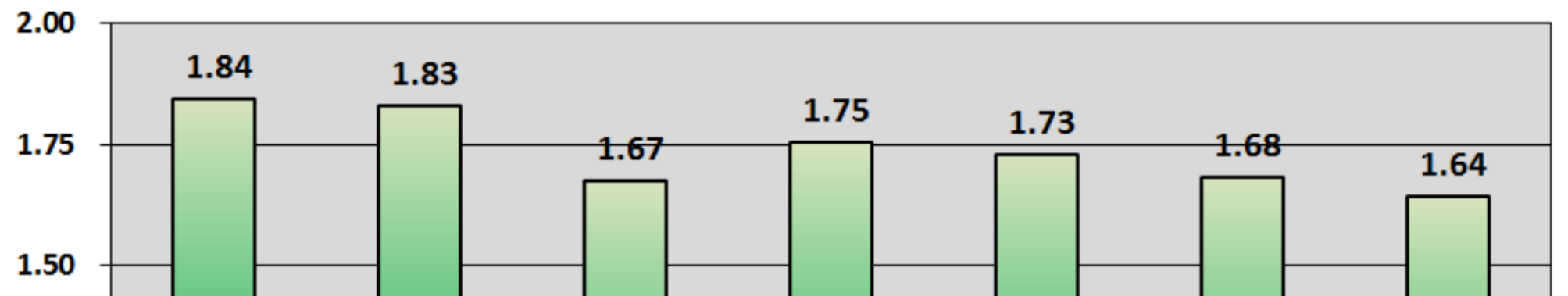


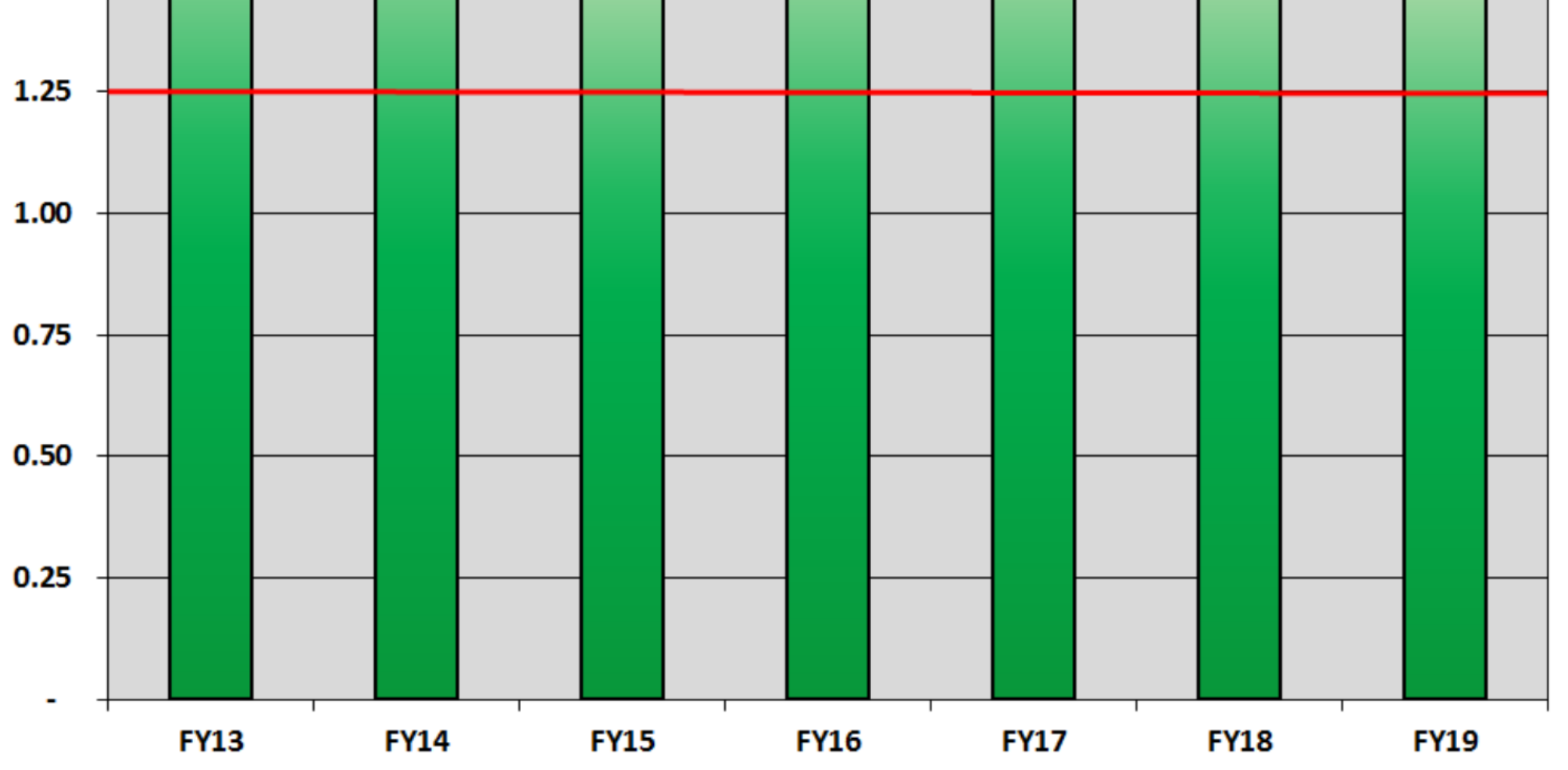
Days of Cash on Hand - Wastewater Fund





Debt Service Coverage - Wastewater Fund





Water and Wastewater Future Items



- Publish water quality report on-line only
- Private repairs to reduce I&I (ongoing)

- Extension Ordinance (Pro Rata)
- Reuse Water Customers
- Increase Commercial sewer to Residential rate
- Advanced notification of water outage
- Eastside Wastewater Treatment Plant Expansion
 - \$50-\$75 million
- Water Production ASR Project
 - \$40-\$50 million

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Recommendations



Water and Wastewater

- No projected rate increase through FY20
- Evaluate rate structures for future
- Evaluate operations to reduce costs
- Monitor implemented projects for savings

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Questions/Direction



