

FY17

Water and Wastewater Budget Presentation

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Outline

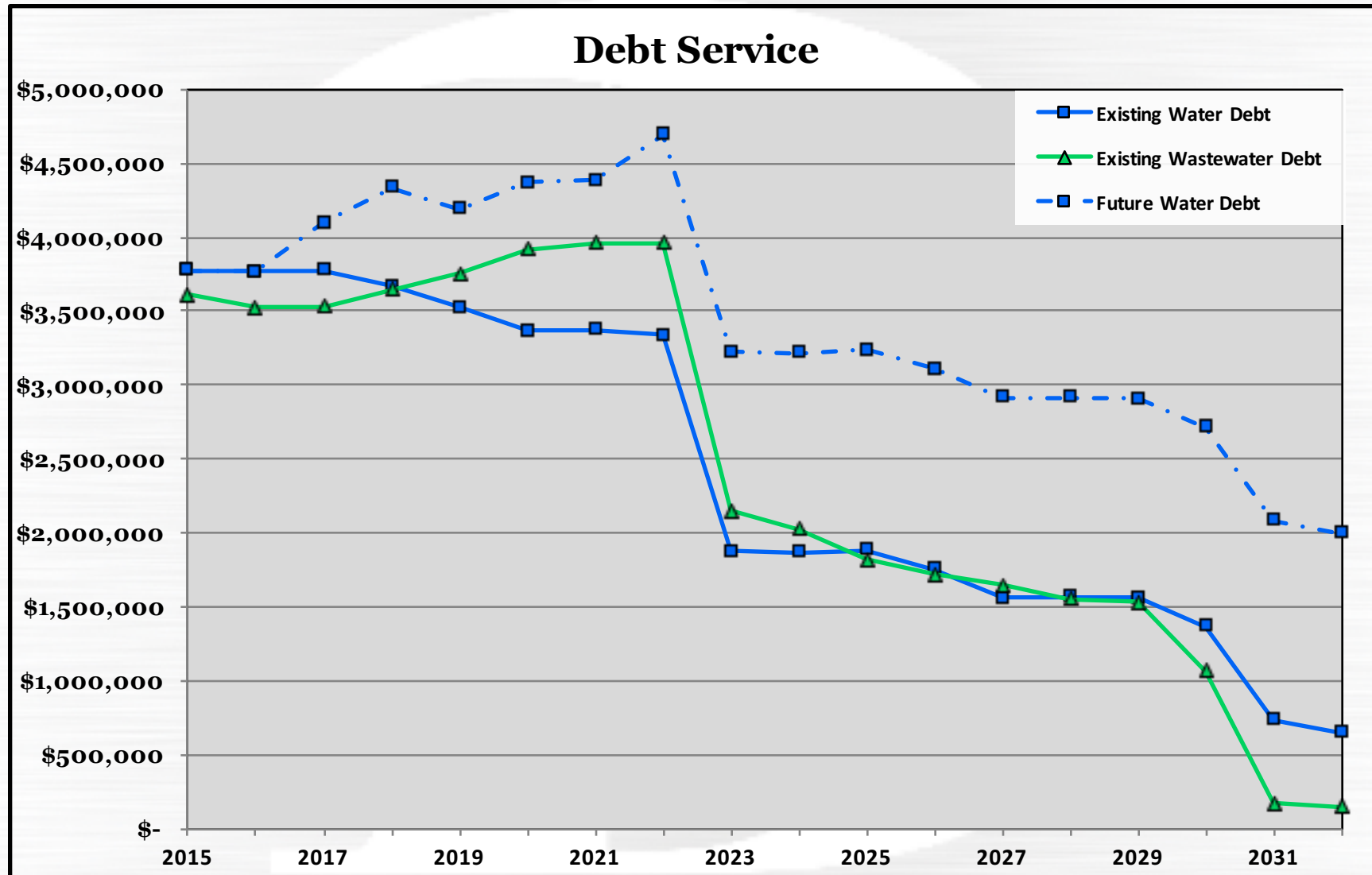
- Budget Assumptions
- Water Budget
- Wastewater Budget
- Future Items/Recommendations
- Questions



Assumptions/Unknowns

- 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

Debt Service



A large, stylized graphic of the letters 'D' and 'B' in white. The 'D' is on the left and the 'B' is on the right. A white five-pointed star is positioned on the right side of the 'B'. The word 'Water' is written in a bold, black, sans-serif font across the middle of the 'D' and 'B'.

Water

FY17 – Water Revenues

	FY2015 Actual	FY2016 Adopted	FY2016 Amended	FY2016 Projected	FY2017 Proposed	\$Chng/FY16 Amended	%Chng FY16
<u>Revenues</u>							
Operating Revenues:							
Water Sales	\$ 11,689,957	\$ 11,610,317	\$ 11,610,317	\$ 11,465,326	\$ 11,688,655	\$ 78,338	0.7%
Water Penalties	131,878	135,852	135,852	134,000	134,000	(1,852)	-1.4%
Miscellaneous	568,183	681,173	681,173	629,348	635,625	(45,548)	-6.7%
<i>Total Operating Revenues</i>	12,390,018	12,427,342	12,427,342	12,228,674	12,458,280	30,938	0.2%
Non-Operating Revenues:							
Interest Income	57,158	25,000	25,000	45,000	25,000	-	0.0%
Gain (Loss) on Assets	5,587	-	-	-	-	-	N/A
Water Tap Fees	97,155	85,000	85,000	120,000	85,000	-	0.0%
Oil & Gas Royalty	65	1,500	1,500	100	1,500	-	0.0%
Inventory markup	22,367	18,000	18,000	22,805	18,000	-	0.0%
Miscellaneous non-operating income	313,024	90,000	90,000	70,211	90,000	-	0.0%
Transfers In	32,566	42,021	42,021	42,021	40,054	(1,967)	-4.7%
<i>Total Non-Operating Revenues</i>	527,922	261,521	261,521	300,137	259,554	(1,967)	-0.8%
Total Revenues	12,917,940	12,688,863	12,688,863	12,528,811	12,717,834	28,971	0.2%

FY17 – Water Expenses

	FY2015 Actual	FY2016 Adopted	FY2016 Amended	FY2016 Projected	FY2017 Proposed	\$Chng/FY16 Amended	%Chng FY16
<u>Expenditures</u>							
Operating Expenses:							
Water Administration	671,783	449,752	565,515	641,661	352,726	(212,789)	-37.6%
Water Production	2,489,376	3,067,478	3,112,968	3,018,389	2,993,964	(119,004)	-3.8%
Water Distribution	1,962,842	2,325,216	2,331,918	2,102,489	2,360,552	28,634	1.2%
General & Admin. Reimbursement	668,809	462,635	462,635	462,635	433,420	(29,215)	-6.3%
Transfer to Other Funds	54,124	57,794	57,794	57,794	70,015	12,221	21.1%
Transfer to BTU	432,421	433,478	433,478	433,478	421,970	(11,508)	-2.7%
<i>Total Operating Expenses</i>	6,279,355	6,796,353	6,964,308	6,716,446	6,632,647	(331,661)	-4.8%
Non-Operating Expenses:							
Annual Capital	2,976,720	1,428,611	2,826,943	3,635,773	2,672,500	(154,443)	-5.5%
Right of Way Payments	612,491	633,970	633,970	633,970	629,300	(4,670)	-0.7%
Over/Short Inventory						-	N/A
Paying Agent Fee	1,269	15,000	15,000	15,000	15,000	-	0.0%
Miscellaneous Debt Expense	(1,746)	40,000	40,000	40,000	40,000	-	0.0%
Debt Service: General Obligation Debt	3,333,546	3,768,476	3,768,476	3,768,477	4,100,588	332,112	8.8%
<i>Total Non-Operating Expenses</i>	6,922,280	5,886,057	7,284,389	8,093,220	7,457,388	172,999	2.4%
Total Expenditures	13,201,635	12,682,410	14,248,697	14,809,666	14,090,035	(158,662)	-1.1%

FY17 – Water Summary

	FY2015 Actual	FY2016 Adopted	FY2016 Amended	FY2016 Projected	FY2017 Proposed
Net Increase/(Decrease)	(283,695)	6,453	(1,559,834)	(2,280,855)	(1,372,201)
Beginning Operating Funds	7,297,851	4,765,160	6,350,558	6,350,558	4,069,703
Net Adjusted Increase/(Decrease) in Net Current Assets	(663,598)				
Ending Operating Funds	\$ 6,350,558	\$ 4,771,613	\$ 4,790,724	\$ 4,069,703	\$ 2,697,502
Reserve Requirement : (Sixty days operating expenses)	\$ 1,046,559	\$ 1,132,725	\$ 1,160,718	\$ 1,119,408	\$ 1,105,441

Water Decision Packages

	<u>Description</u>	<u>Est. Cost</u>
1	Vehicle replacement (Unit 22-14)	\$ 21,500
2	Water Operator Employee	\$ 41,260
	Total:	\$ 62,760

Future Projects

FY17: Debt \$4.5 MM (Cash \$2.5 MM)

- Well Collection Line: \$3.5 MM
- Design West Side Water: \$0.75 MM
- South College: \$0.25 MM
- Meadow Lane: \$0.44 MM
- Linda Lane: \$0.56 MM
- Distribution Lines: \$0.85 MM
- Paint Elevated Storage (Luza): \$0.65 MM

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

- West Side Water Transmission: \$4.0 MM
- Distribution Lines : \$0.65 MM
- Paint Elevated Storage (North Texas): \$0.85 MM

Future Projects

FY19: Cash \$0.5 MM

- Distribution Lines: \$0.50 MM

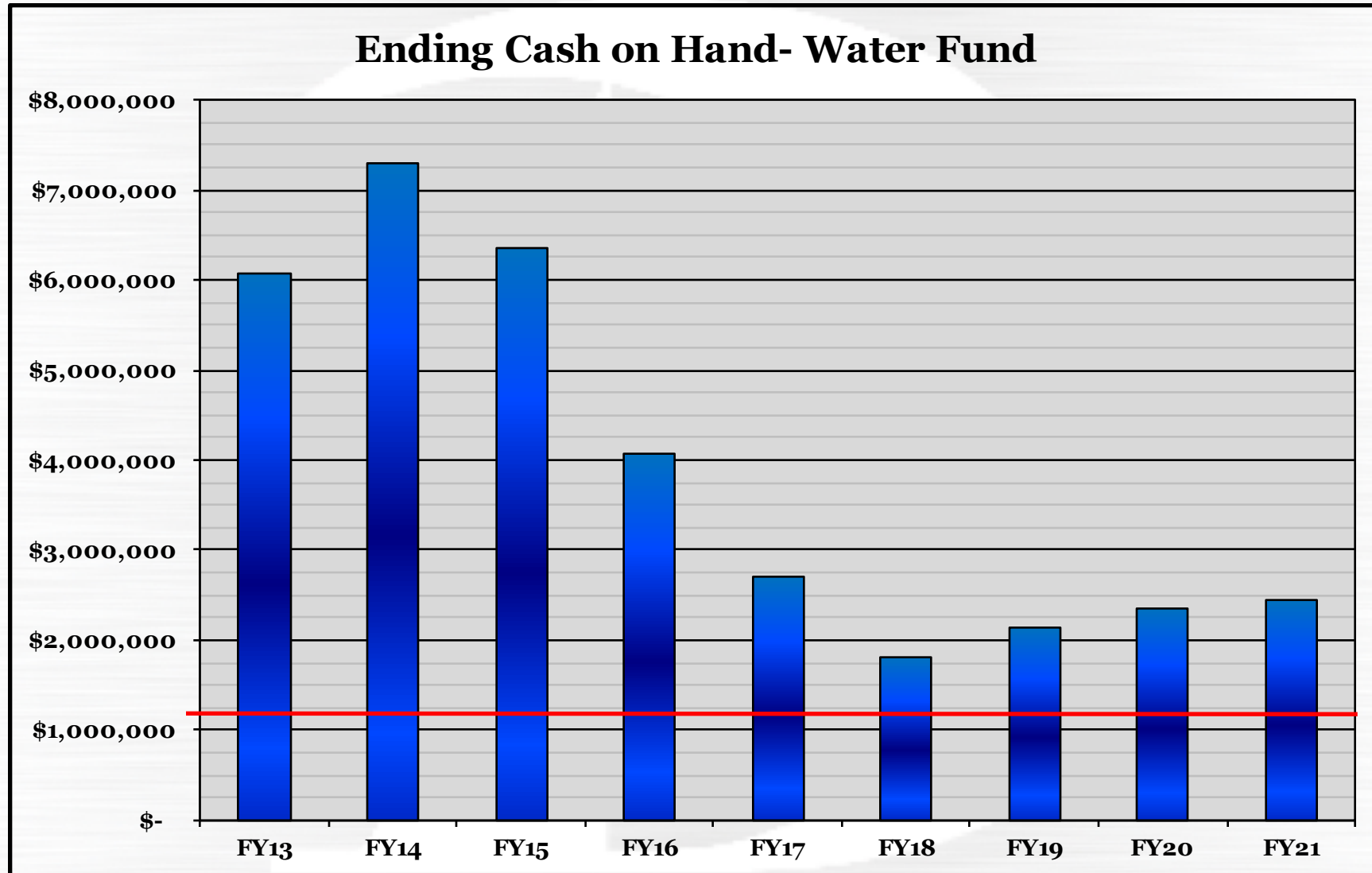
FY20: Debt \$ 4.0 MM (Cash \$0.50 MM)

- Distribution Lines: \$2.0 MM
- Old Hearne Rd Ph 1: \$0.75 MM
- Water Scada: \$0.75 MM
- South Coulter Reconstruct: \$0.5 MM
- HSPS Generator: \$0.50 MM

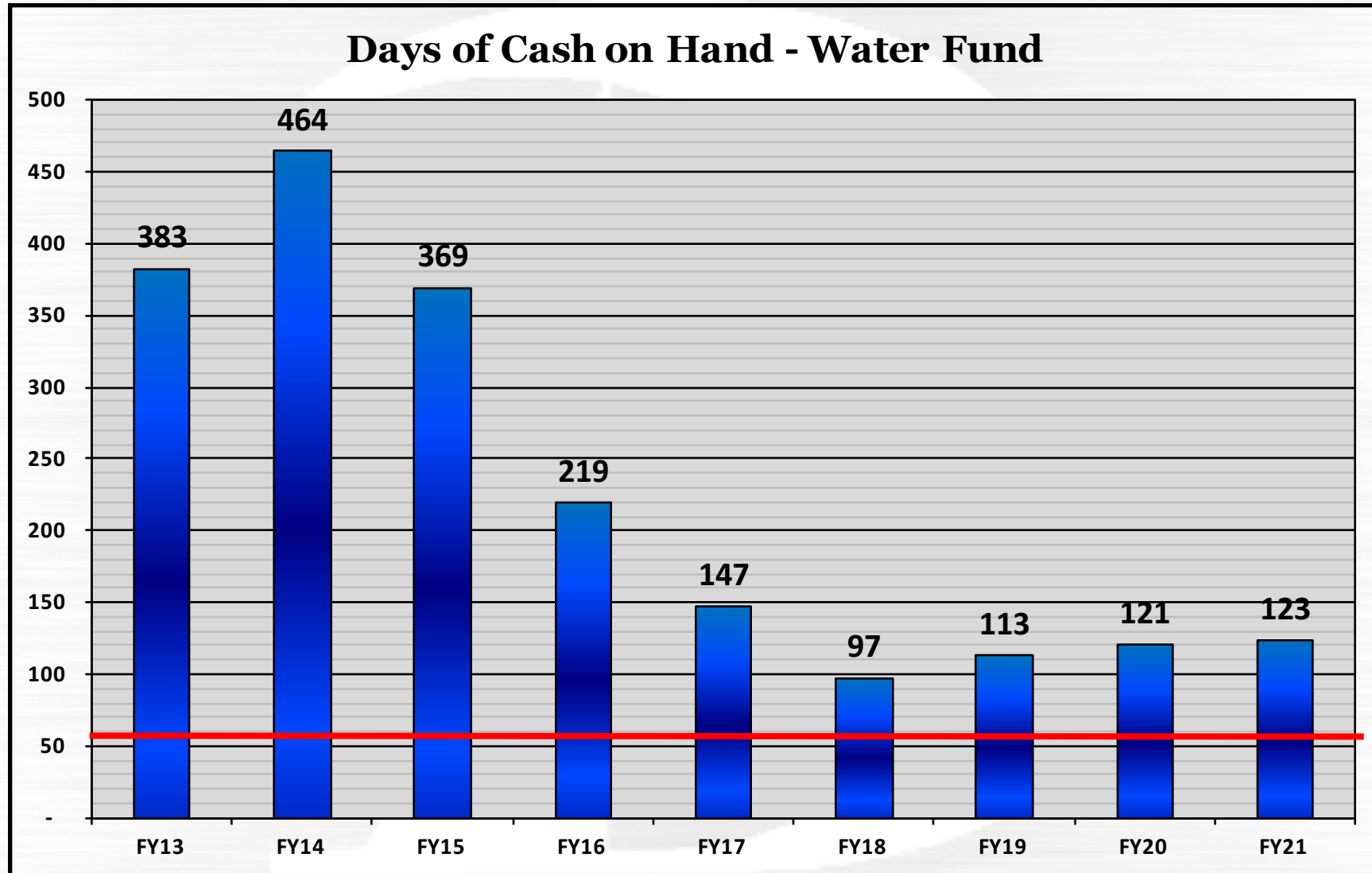
FY21: Cash \$0.5 MM

- Distribution Lines: \$0.50 MM

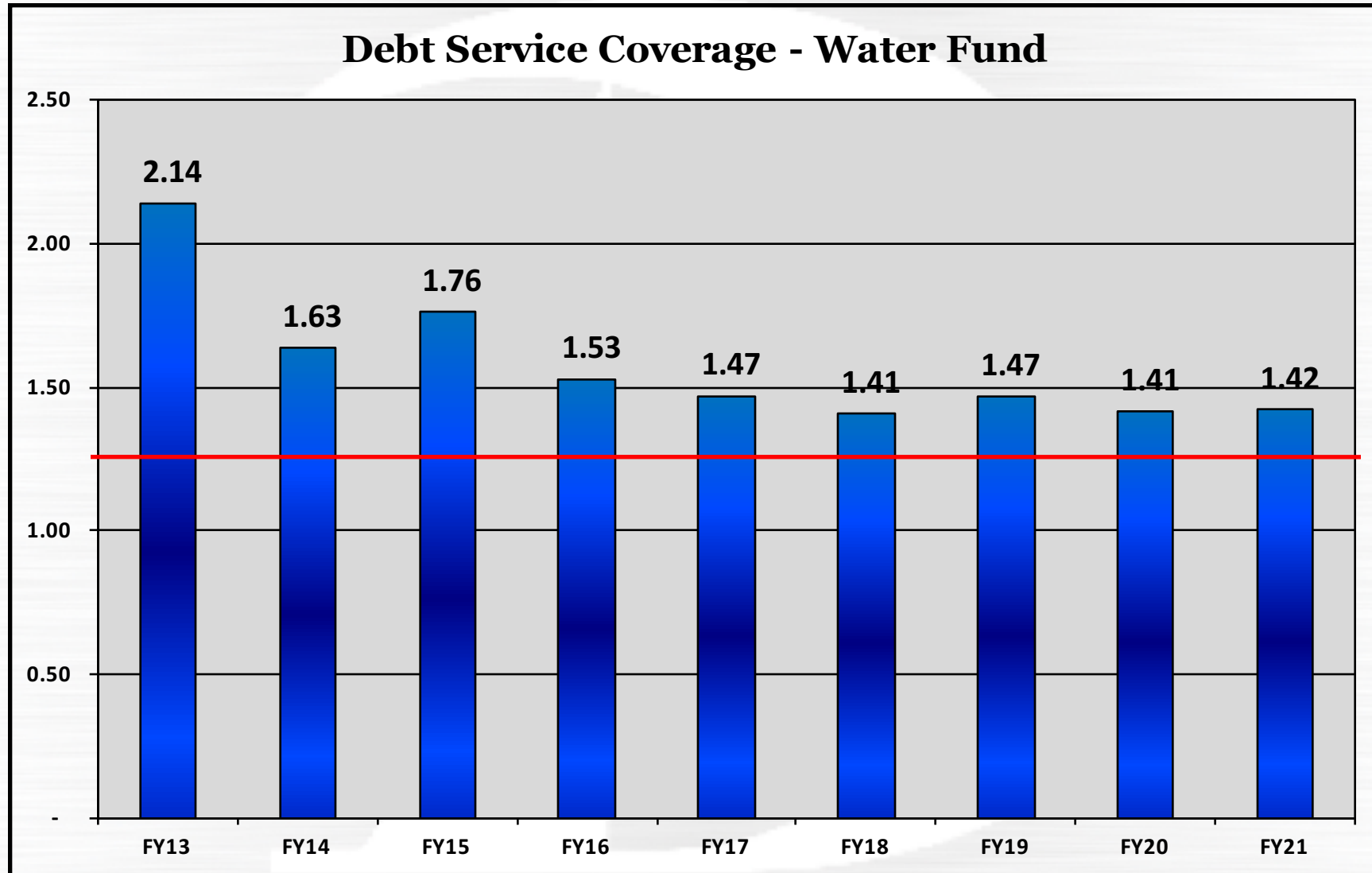
Ending Cash



Days of Cash



Debt Service Coverage





Wastewater

FY17 – Wastewater Revenue

	FY2015 Actual	FY2016 Adopted	FY2016 Amended	FY2016 Projected	FY2017 Proposed	\$Chng/FY16 Amended	%Chng FY16
<u>Revenues</u>							
Operating Revenues							
Sewer System Revenue	\$ 12,131,854	\$ 12,114,723	\$ 12,114,723	\$ 11,957,988	\$ 12,050,000	\$ (64,723)	-0.5%
Sewer Penalties	129,152	135,000	135,000	130,000	130,000	(5,000)	-3.7%
Miscellaneous	6,088	5,000	5,000	6,462	5,000	-	0.0%
Pretreatment Fees	545,438	405,000	405,000	550,000	500,000	95,000	23.5%
Hauler & Sewer Inspection Fees	70,616	41,600	41,600	57,340	55,400	13,800	33.2%
<i>Total Operating Revenues</i>	12,883,148	12,701,323	12,701,323	12,701,790	12,740,400	39,077	0.3%
Non-Operating Revenues							
Sewer Tap Fees	75,220	60,000	60,000	70,000	65,000	5,000	8.3%
Miscellaneous-Non Operating	188,710	23,500	23,500	25,705	22,000	(1,500)	-6.4%
Transfers from Other Funds	34,500	143,048	143,048	143,048	140,429	(2,619)	-1.8%
Interest Income	85,134	50,000	50,000	55,000	50,000	-	0.0%
<i>Total Non-Operating Revenues</i>	383,564	276,548	276,548	293,753	277,429	881	0.3%
Total Revenues	13,266,712	12,977,871	12,977,871	12,995,543	13,017,829	39,958	0.3%

FY17 – Wastewater Expenses

	FY2015 Actual	FY2016 Adopted	FY2016 Amended	FY2016 Projected	FY2017 Proposed	\$Chng/FY16 Amended	%Chng FY16
<u>Expenditures</u>							
Operating Expenses							
Wastewater Administration	741,228	350,630	469,005	449,023	330,585	(138,420)	-29.5%
Wastewater Collection	1,570,523	1,874,600	1,877,141	1,884,537	2,212,585	335,444	17.9%
Wastewater Pre-Treatment	50,021	92,342	92,342	62,848	93,473	1,131	1.2%
Wastewater Treatment	2,517,877	2,926,657	2,991,002	2,650,829	2,738,063	(252,939)	-8.5%
Environmental Services	538,282	581,399	581,399	574,411	593,465	12,066	2.1%
General & Admin Reimbursement	693,703	517,840	517,840	517,840	549,668	31,828	6.1%
Transfer to Other Funds	30,219	35,077	35,077	35,077	40,007	4,930	14.1%
Transfer to BTU	418,056	412,366	412,366	412,366	400,706	(11,660)	-2.8%
<i>Total Operating Expenses</i>	6,559,909	6,790,911	6,976,172	6,586,931	6,958,552	(17,620)	-0.3%
Non-Operating Expenses							
Annual Capital	3,115,382	5,946,307	9,359,006	6,324,351	4,676,252	(4,682,754)	-50.0%
Right of Way Payments	639,191	643,466	643,466	643,466	639,450	(4,016)	-0.6%
Paying Agent Fee	1,256	5,000	5,000	5,000	5,000	-	0.0%
Debt Service	3,201,488	3,526,794	3,526,794	3,554,387	3,533,687	6,893	0.2%
<i>Total Non-Operating Expenses</i>	6,957,317	10,121,567	13,534,266	10,527,204	8,854,389	(4,679,877)	-34.6%
Total Expenditures	13,517,226	16,912,478	20,510,438	17,114,135	15,812,941	(4,697,497)	-22.9%

FY17 – Wastewater Summary

	FY2015 Actual	FY2016 Adopted	FY2016 Amended	FY2016 Projected	FY2017 Proposed
Net Increase/(Decrease)	(250,514)	(3,934,607)	(7,532,567)	(4,118,592)	(2,795,112)
Beginning Operating Funds	11,223,292	6,503,713	10,568,983	10,568,983	6,450,391
Net Adjusted Increase/(Decrease) in Net Current Assets	(403,795)				
Ending Operating Funds	\$ 10,568,983	\$ 2,569,106	\$ 3,036,417	\$ 6,450,391	\$ 3,655,279
Reserve Requirement : (Sixty days operating expenses)	\$ 1,093,318	\$ 1,131,819	\$ 1,162,695	\$ 1,097,822	\$ 1,159,759

Decision Packages

	<u>Description</u>	<u>Est.Cost</u>
1	Vehicle replacement (Unit 24-53)	\$ 32,500
2	Dump-Veyor system BC WWTP	\$ 221,827
3	Burton Creek Bar Screen	\$ 236,925
4	Swing Check Assemblies	\$ 22,000
	Total:	\$ 513,252

Future Projects

FY17: Cash \$4.0 MM

- Collection Lines: \$1.5 MM
- Eastside Sewer: \$0.65 MM
- North Bryan Sewer (Woodville Area): \$0.5 MM
- South College: \$0.50 MM
- Wells Fargo: \$0.50 MM
- Meadow Lane: \$0.35 MM

FY18: Cash \$2.0 MM

- Collection Lines: \$2.0 MM

FY19: Cash \$1.5 MM

- Collection Lines: \$1.5 MM

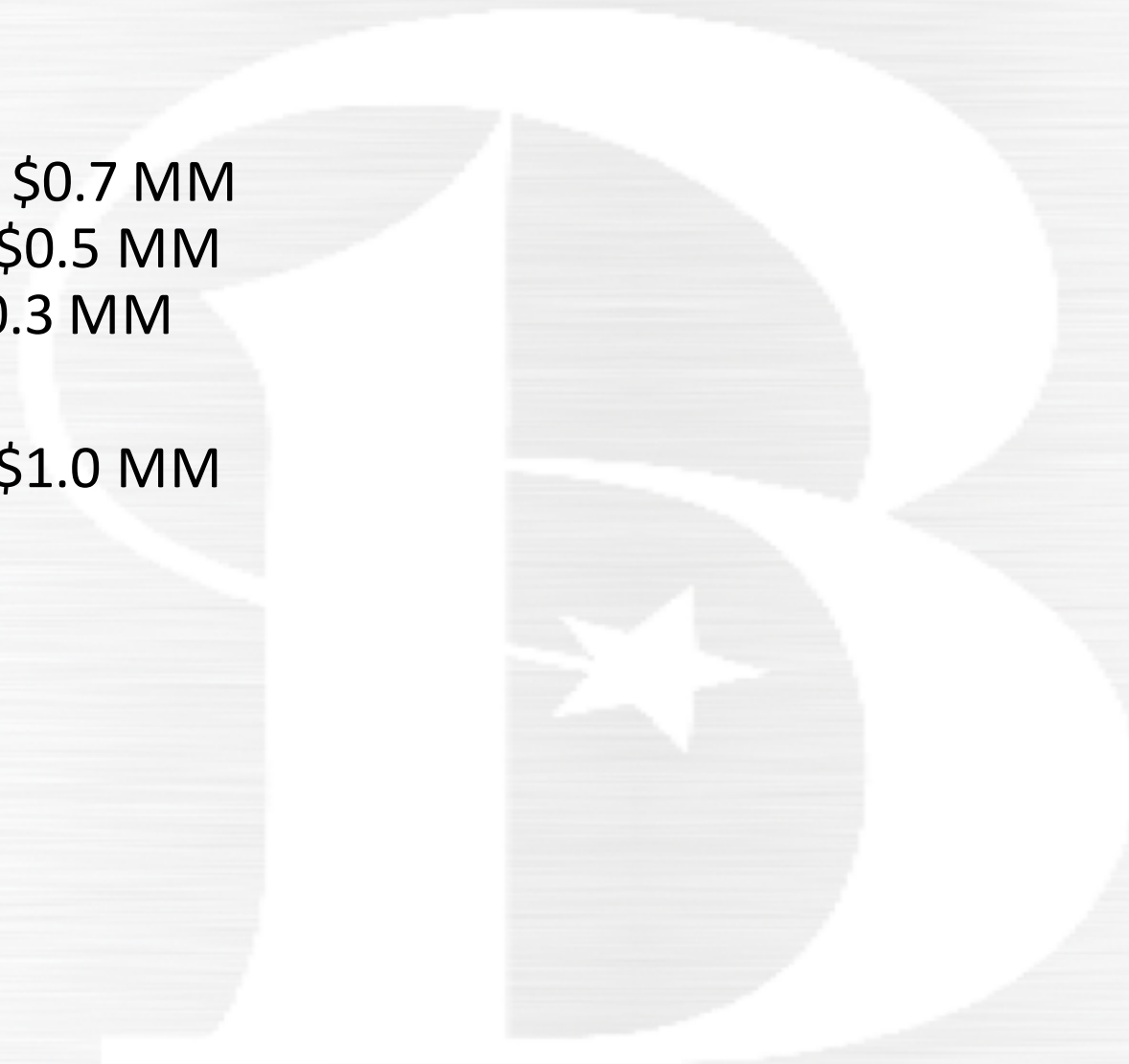
Future Projects

FY20: Cash \$1.5 MM

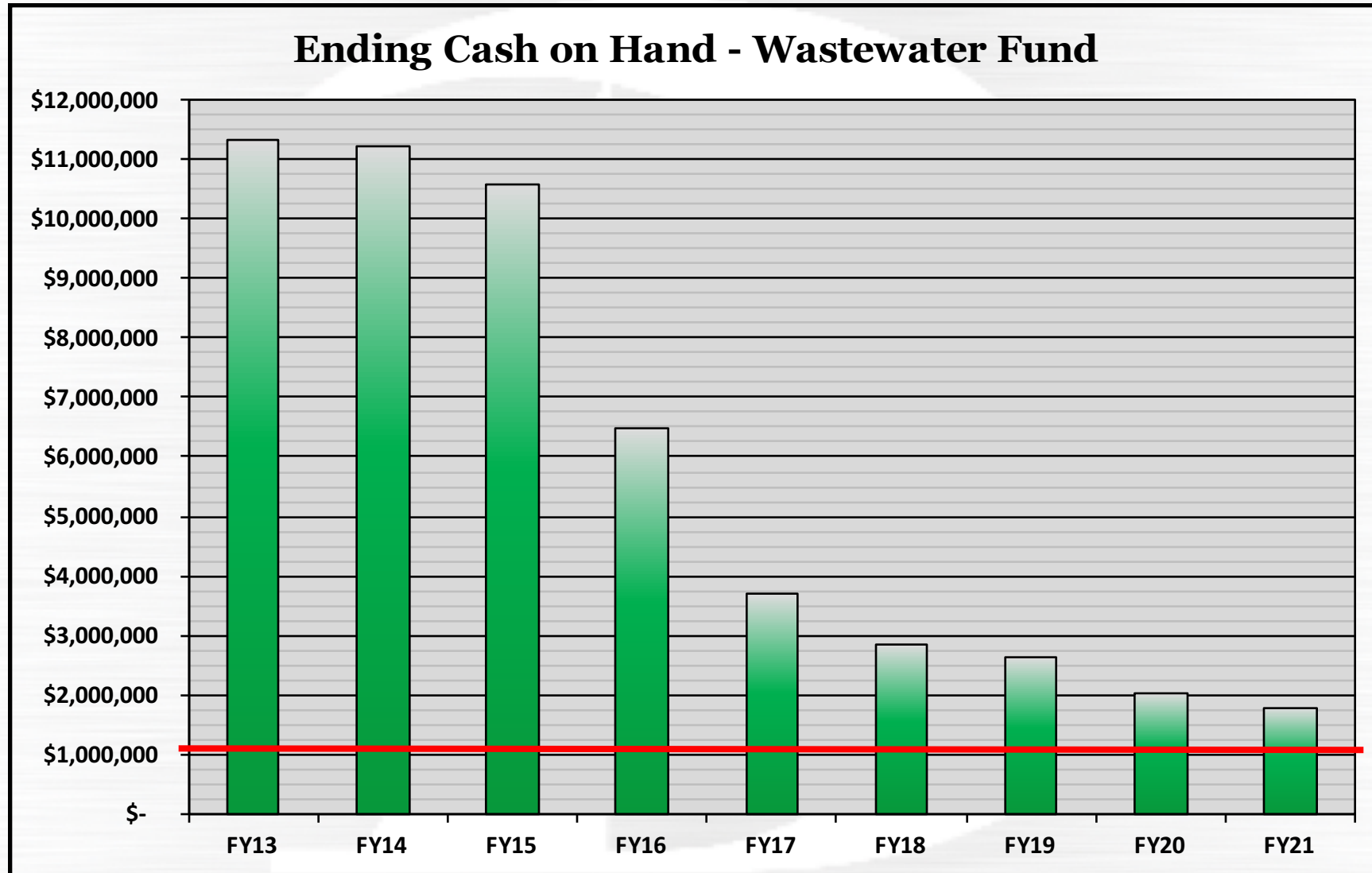
- Old Hearne Ph 1: \$0.7 MM
- Collection Lines: \$0.5 MM
- South Coulter: \$0.3 MM

FY21: Cash \$1.0 MM

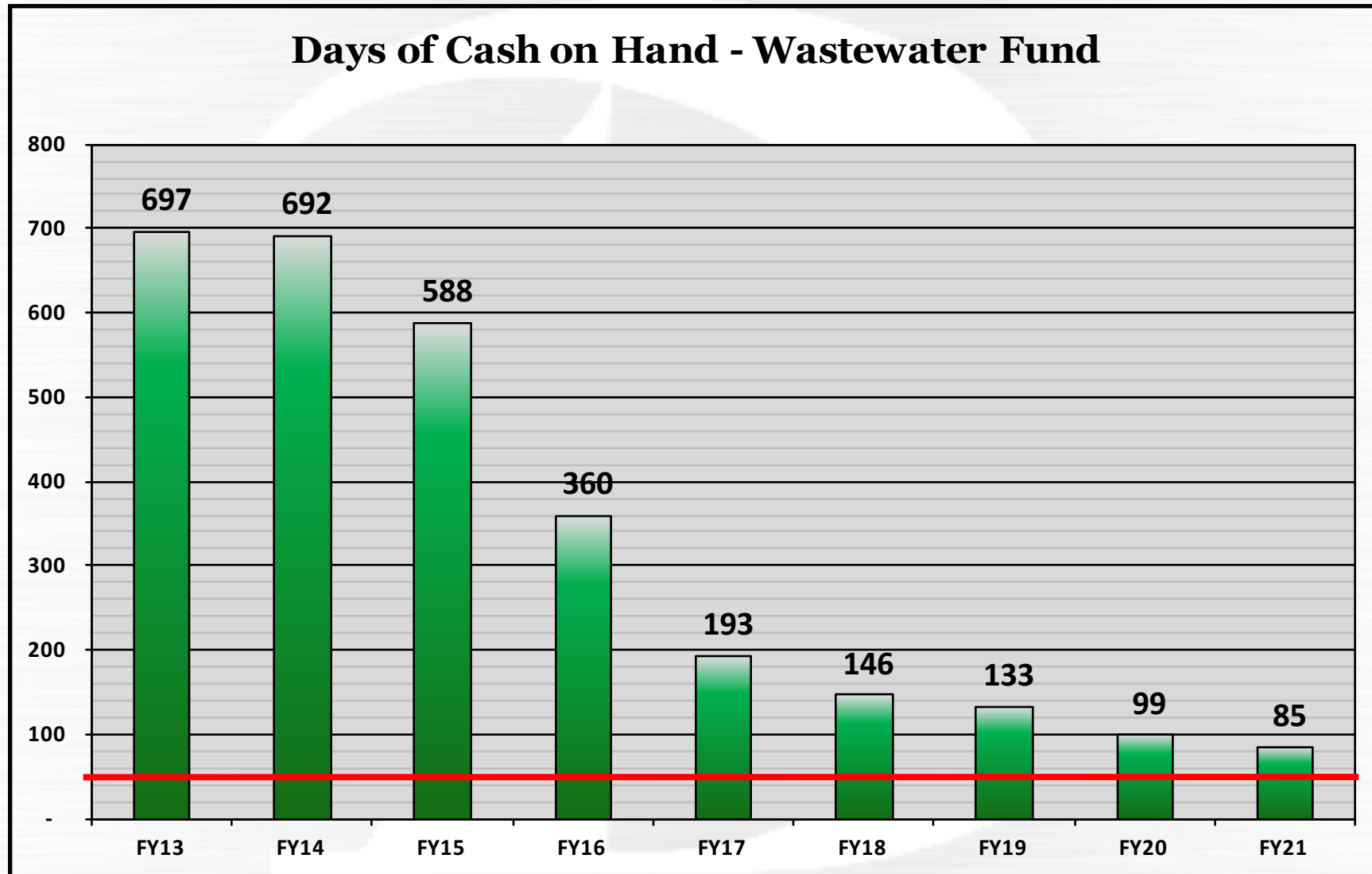
- Collection Lines: \$1.0 MM



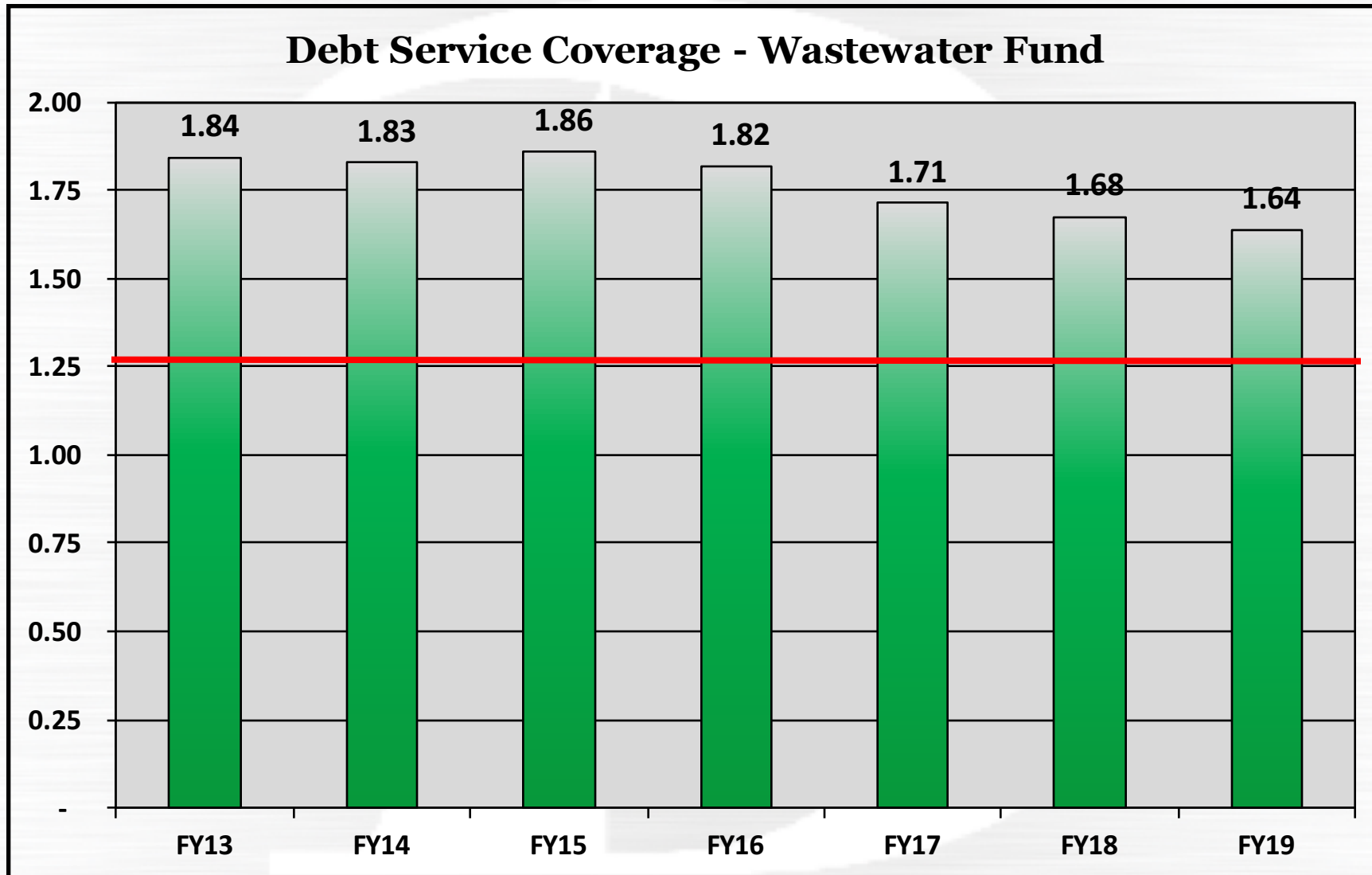
Ending Cash



Days of Cash



Debt Service Coverage



Future Items

- Publish Water Quality Report on-line only (done this year)
- Private repairs to reduce I&I (ongoing)
- Extension Ordinance (Pro Rata)
- Reuse Water Customers
- Discuss modifying rate structure (August meeting)
- Advanced notification of water outage
- Eastside Wastewater Treatment Plant Expansion
 - \$50-\$75 million
- Water Production ASR Project
 - \$40-\$50 million
 - First Phase \$18 million

Recommendations

Water and Wastewater

- Discuss rate structures at August 2016 meeting
- Evaluate operations to reduce costs
- Evaluate and implement customer portal and service interruption notification

Questions/Direction

