



Legislation Text

File #: 2015-2725, **Version:** 1

Consider a resolution approving the proposed BCRUA Operating Budget for Fiscal Year 2015-2016.

In 2008, the Cities of Cedar Park, Leander, and Round Rock agreed to jointly pursue a Regional Water System that will ultimately provide an additional 105.8 million gallons per day of potable water to meet future water demands of the Cities based on projected population growth.

This proposed budget provides funding for BCRUA operating expenses for the fiscal year 2015-2016, ending September 30, 2016. Projected expenses are separated into four categories: non-operating expenses, fixed operating expenses for Cities not receiving water, fixed operating expenses for Cities receiving water, and variable operating expenses. These budgeted expenses are allocated to each City based in accordance with Exhibit B of the System Operating Agreement. This budget does not include capital costs and is not funded from bond proceeds; therefore, each City will contribute funding from their respective utility systems.

The total Proposed Operating Budget for the fiscal year 2015-2016 is \$1,612,004, of which Round Rock's portion is \$281,577. Included in the budget is a "fee in lieu of minimum take" in the amount of \$121,682 that Round Rock must pay because we do not plan to take water during fiscal year 2015-2016. This amount is used to reimburse the partner Cities for the additional operating costs that they will incur for taking additional water from the BCRUA plant instead of from their respective water treatment plants.

The budget remains similar to fiscal year 2014-2015, but does reflect an approximate 3% reduction. At this time, staff anticipates that the full BCRUA water system will be back and fully functional before the new fiscal year begins on October 1, and believes the system will remain able to deliver all required supplies to member Cities throughout the 2015-2016 budget year. It will take another year or two of full year operation before the operating schedule establishes a pattern that will provide for more predictable and accurate budget projections.

The BCRUA Operations Committee has reviewed and approved this budget in July 2016. All three Cities are required to approve the budget with their respective City Councils.

Cost: \$163,982.00

Source of Funds: Utility Fund

Staff recommends approval.