



## Legislation Text

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Consider a resolution approving the proposed BCRUA Operating Budget for Fiscal Year 2017-2018.

The proposed FY 2018 Operating Budget (October 1 - September 31, 2018) for the Brushy Creek Regional Utility Authority (BCRUA) contains a slight overall increase of 1.2% to \$2,190,585. This proposed budget provides funding for BCRUA operating expenses for FY2018, ending September 30, 2018. 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. 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 2018 is \$2,190,585, of which Round Rock's portion is \$322,923. Included in the budget is a fee in lieu of minimum take amount of \$166,624 that Round Rock must pay because we do not plan to take water during this fiscal year. This amount is used to reimburse the partners 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 only significant changes this year include a reduction in needed capital outlay expenses, grounds maintenance, and janitorial services, offset primarily by increases in personnel expenses. The FY 2017 budget anticipated increasing the regional treatment plant to full-time, 24/7 operations most of the year. To accomplish this, the BCRUA added four full-time Operator 2 positions. Since hiring was staggered during the year, they were budgeted last year for eight months, rather than twelve months.

The BCRUA was only able to locate and successfully hire three of the four qualified and licensed operators that were needed, due to an acute shortage and availability of licensed and experienced water plant operators. As a result, the BCRUA decided to eliminate the vacant plant Operator 2 position and replace it with an Operator-In-Training position. The BCRUA is also proposing to eliminate their current outside contracts for grounds and janitorial service, and use the combined savings to fund a second Operator-In-Training position. These two positions will be responsible for ground and building maintenance and will be in training to qualify and obtain their basic Class "C" Surface Water Treatment licenses from the Texas Commission on Environmental Quality. This change will increase our overall treatment plant staffing from 8 to 9 FTE's (not including the GM). As the generation of "baby-boomer" water treatment operators retires at a rapid rate, the water treatment industry is experiencing difficulty attracting qualified and experienced staff, as vacancies appear. The concept of Operators-In-Training allows the BCRUA to recruit candidates with no water treatment experience, who are otherwise capable and able to do the job with adequate training and supervision.

The total BCRUA FY 2018 Budget, including bond debt service payments is \$14,041,903. This represents a reduction of \$642,358 from last year's budget, primarily due to savings resulting from all

three partner cities refinancing their Phase 1A debt. This was facilitated by upgraded credit ratings during the year, and ongoing low interest credit market environment.

BCRUA staff and the Operations Committee have reviewed this proposed budget, and recommend approval. All three Cities are required to approve the budget with their respective City Councils.