



## Legislation Text

**File #:** 2018-5783, **Version:** 1

Consider a resolution approving the proposed BCRUA Operating Budget for Fiscal Year 2018-2019.

The proposed FY 2019 Budget for the Brushy Creek Regional Utility Authority (BCRUA) includes Operations, Capital Outlay, Reserves, Debt Service, and a Fee-In-Lieu amount. The Operation 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. There is a fee-in-lieu of minimum take amount of \$187,307 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 total proposed FY 2019 BCRUA Annual Operating Budget contains a 2.7% increase from \$14,041,903 to \$14,422,126. Budget changes are summarized as follows:

<u>Budget Category Portion</u>	<u>FY 2018</u>	<u>FY2019</u>	<u>Change</u>	<u>Round Rock's</u>
Operations	\$ 2,165,585	\$ 2,251,471	\$ 85,886	\$178,744
Capital Outlay	\$25,000	\$150,000	\$125,000	\$56,745
Reserve Adjustment	\$6,513	\$52,722	\$46,209	\$16,758
Debt Service	\$11,844,804	\$11,967,933	\$123,129	\$4,156,957
Fee-In-Lieu	\$166,624	\$187,307	\$20,683	\$187,307
<b>TOTAL</b>	<b>\$14,041,902</b>	<b>\$14,422,126</b>	<b>\$380,224</b>	<b>\$4,596,511</b>

The increase in Operations is primarily driven by a combination of labor, chemicals and lab supplies. Capital Outlay and the Reserve Operating Account Adjustment are highly variable from year to year. The Capital Outlay increase is driven by major repair/rebuilding planned on the plant's main hi-service pump valves. Debt Service increases are driven by the addition of approximately \$17 million in SWIFT Loan Debt issued in November 2017 for the Phase 1C system capacity expansion, which is scheduled to bid later this year.

The BCRUA Operations Committee have reviewed this proposed budget and recommend approval.

The BCRUA Board approved this budget at their July 25th board meeting. All three Cities are required to approve the budget with their respective City Councils.

**Cost:** 4,596,511