

FY 2019 Budget Presentation  
Board of Directors Meeting  
August 15, 2018



# Consolidated Budget Summary Comparison

	FY 2018	FY 2019	Change	% Change
<b>Total Revenue</b>	<b>\$57,047,430</b>	<b>\$59,896,848</b>	<b>\$2,849,418</b>	<b>5.0%</b>
<b>Total Expenses</b>	<b>&lt;\$46,996,706&gt;</b>	<b>&lt;\$50,011,709&gt;</b>	<b>&lt;\$3,015,003&gt;</b>	<b>6.4%</b>
<b>Net Other Sources and Uses</b>	<b>&lt;\$9,487,691&gt;</b>	<b>&lt;\$8,429,446&gt;</b>	<b>\$1,058,245</b>	
<b>Net Cash Flow</b>	<b>\$563,033</b>	<b>\$1,455,693</b>	<b>\$892,660</b>	



# Other Sources & Uses Detail

## Net Other Sources and Uses

Principal Retirement on Debt	\$5,904,557
Transfer to Designated Project Fund	\$1,506,479
Transfer to Reserve Fund	\$1,018,410
<b>TOTAL</b>	<b>\$8,429,446</b>



# Consolidated Revenue

	FY 2018	FY 2019	Change	% Change
Power Sales	3,988,040	3,988,390	350	0.0%
Water Sales & Lake Operations	27,146,170	28,344,283	1,198,113	4.4%
Recreation & Land Use	937,240	967,157	29,917	3.2%
Wastewater Services	5,212,775	7,317,164	2,104,389	40.4%
Laboratory Services	975,000	995,222	20,222	2.1%
Rentals	235,414	198,588	<36,826>	<15.6%>
Administrative & General	3,653,322	3,807,231	153,909	4.2%
Miscellaneous & Grant Income	1,885,333	940,163	<945,170>	<50.1%>
Interest Income	190,590	180,050	<10,540>	<5.5%>
Capacity Charge (Debt)	9,587,639	9,638,460	50,821	0.5%
Pipeline Revenue	2,321,347	2,417,133	95,786	4.1%
Pass-Through Cost Reimbursement	914,560	1,103,007	188,447	20.6%
<b>TOTAL REVENUE</b>	<b>\$57,047,430</b>	<b>\$59,896,848</b>	<b>\$2,849,418</b>	<b>5.0%</b>



# Revenue Highlights

- **Water Sales & Lake Operations – \$1.2 million increase (4%)**
  - Canyon water rate of \$147 per AFY - \$2 increase (1.3%) over current year
  - Overall increase in water sales due to growth in divisions
  - Rate increases in the Rural Water Distribution System to align with AWWA (American Water Works Association standards)
  - No rice crop revenue
- **Wastewater Services – \$2.1 million increase (40%)**
  - Anticipated increase in services due to growth – Dunlap, Buda, 4S Ranch, Johnson Ranch, Bulverde Singing Hills, Cordillera
  - 10% rate increase for Canyon Park and Dunlap monthly fee
- **Miscellaneous and Grant – \$945,000 decrease (50%)**
  - Only grants which have been “awarded” or continuing are included in current year



# Consolidated Expenses

	FY 2018	FY 2019	Difference	% Change
Personnel Costs	16,648,089	18,309,238	1,661,149	10.0%
Operating Supplies & Services	15,866,804	17,883,921	2,017,117	12.7%
Maintenance & Repairs	3,979,226	4,117,454	138,228	3.5%
Administrative & General	3,377,188	3,807,230	430,042	12.7%
Interest Expense	5,183,599	4,784,874	<398,725>	<7.7%>
Capital Outlay	1,941,800	1,108,992	<832,808>	<42.9%>
Transfers to Project & Reserve Funds	3,870,429	2,524,889	<1,345,540>	<34.8%>
Debt Service	5,617,262	5,904,557	287,295	5.1%
<b>Total Expenses</b>	<b>\$56,484,397</b>	<b>\$58,441,155</b>	<b>\$1,956,758</b>	<b>3.5%</b>

# Expense Highlights

- **Personnel Costs – \$1.6 million increase (9.9%)**
  - Ten additional FTEs
  - Increase in budget for wages and benefits of 5%; increasing cost of healthcare
- **Operating Costs – \$2 million increase (12.7%)**
  - Increase in utility, chemical, and disposal costs
  - Addition of fleet lease expense
  - Costs associated with environmental requirements
  - Increased water deliveries
  - Professional Services (engineering, electrical consultant, recreation master plan, water rights consulting, rate study)



# Expense Highlights

- **Capital Outlay – \$832,000 decrease (42.9%)**
  - Many capital projects funded in 2018 were multi-year and funds will carry forward into Capital Improvement Program. Examples include:
    - Gate rehabilitation/repair/replacement
    - Asset management program
    - Drive-by meter reading system for Rural Water
  - Additions include:
    - Additional funding for meter reading system
    - Vehicle and equipment replacements
- **Transfer to Designated Project Funds – \$1.5 million**
  - Additional funds for asset management, Dunlap collection system improvements, siphon/radial gate improvements, Rural water system improvements
- **Debt Service – New Braunfels office expansion**





# Staffing Additions/Changes

- Purpose of Staffing Additions
  - Fully support growing operations
  - Development of new programs
  - Investment in GBRA assets including infrastructure and personnel
  - Ensure continuity of operations and transfer of institutional knowledge as part of succession planning



# Staffing Additions/Changes

Position Title	Division	# of FTEs
Safety Officer	010 - General	1
SCADA Technician	010 - General	1
Senior Deputy Division Manager	021 - GV Hydroelectric	1
Maintenance Crew	021 - GV Hydroelectric	1
Operator II	030 - Shadow Creek, 033 - Dunlap, 050 - Western Canyon	4
Engineer	041 - Water Sales	1
Office Assistant	041 - Water Sales	0.5
Land Management/Maintenance	041 - Water Sales	1
Chief Operator	050 - Western Canyon	1
	<b>Total New Positions</b>	<b>11.5</b>
	Vacant Positions Removed	<1.5>
	<b>Net Additions</b>	<b>10.0</b>

# 2019 Capital Improvement Program

- Implemented in Fiscal Year 2018
- Purpose: To better account for projects that have a multi-year impact and prevent need for re-approval through budget process
- Development of asset management program will detail the Capital Improvement Program in the coming years



# 2019 Designated/Capital Improvement Program – New Allocations

Project Description	Division	Amount	Funding Source
Fleet Program	New Program	\$380,000	Set aside from existing funds
Asset Management Program	General	\$250,000	FY 19 Budget
Spillgate Rehabilitation & Replacement	GV Hydroelectric	\$5,000,000	Set aside from existing funds
Dunlap WWTP & Collection Improvements	Rural Utilities	\$565,000	FY 19 Budget
Diversion System Improvements	Water Sales	\$250,000	FY 19 Budget
Ground/Surface Water Interactions Investigations	Water Sales	\$50,000	FY 19 Budget
Canyon Dam walkway	Water Sales	\$25,000	Set aside from existing funds



# 2019 Designated/Capital Improvement Program – New Allocations

Project Description	Division	Amount	Funding Source
Backwash Filter Blower	Water Sales	\$25,714	FY 18 Budget Continuation
Corp of Engineers – Dam costs/projects	Water Sales	\$850,000	FY 19 Budget
FM 3351 Pump Station Upgrades	Western Canyon	\$55,000	FY 19 Budget
Boerne ISD Expansion	Western Canyon	\$781,000	3 <sup>rd</sup> Party Reimbursement
CCRWS Distribution System Improvements	Rural Water	\$225,000	FY 19 Budget
Distribution & Meter Replacement	Rural Water	\$225,000	FY 19 Budget
Emergency Generator	Luling	\$161,479	FY 19 Budget
	<b>TOTAL</b>	<b>\$8,843,193</b>	

# Capital Improvement Program Upcoming Needs

## Project Description

Spillgate rehabilitation/replacement

Dietz Wastewater System

Lower Basin storage project

New Braunfels office expansion

State Highway 46 Pipeline Relocation (TxDOT reimbursement)

Port Lavaca Water Treatment Plant

Diversion and Canal System Improvements

Carrizo Groundwater Supply Project





# Financial Reserves

- Board Adopted Reserve:  
Unrestricted reserve of 42% of revenues or approximately five months.
- The FY 2019 Budget sustains the Board's Reserve level.



Western Canyon WTP



# FY 2019 Budget Schedule

- July 18                     Presentation to Board of Directors
- July-August                 Work sessions with Board Members
- August 15                  Adoption of budget
- September 1               Start of Fiscal and Budget Year
- October 1                  Rate changes become effective