



**CITY OF FAIR OAKS RANCH
AGENDA – CITY COUNCIL SPECIAL MEETING**

June 21, 2018; 9:30 AM
City Hall Council Chambers
7286 Dietz Elkhorn, Fair Oaks Ranch

I. OPEN MEETING

- A. Roll Call – Declaration of a Quorum
- B. Pledge of Allegiance

II. BUDGET WORKSHOP FOR ENTERPRISE FUND

III. ADJOURNMENT

Signature of Agenda Approval: Tobin E. Maples

I, Christina Picioccio, City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the city's website www.fairoaksranchtx.org, both places being convenient and readily accessible to the general public at all times. Said Notice was posted by 9:30 AM, June 18, 2018 and remained so posted continuously for at least 72 hours before said meeting was convened.

The Fair Oaks Ranch City Hall is wheelchair accessible at the side entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary's office at (210) 698-0900. Braille is not available. The City Council reserves the right to convene into Executive Session at any time regarding an issue on the agenda for which it is legally permissible; pursuant to *Texas Gov't Code* Chapter 551. Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).



CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
June 21, 2018

AGENDA TOPIC: Enterprise Fund Revenue
 DATE: June 21, 2018
 DEPARTMENT: Public Works Department
 PRESENTED BY: Ron Emmons, P.E., Director of Public Works and Engineering

INTRODUCTION/BACKGROUND:

The Fair Oaks Ranch Utilities, which is owned and operated by the City of Fair Oaks Ranch evaluates the water and wastewater system rates on an annual basis. As the City will be looking to undergo a rate study upon completion of the Water/Wastewater Master Plan, staff is not recommending any modification to the existing rates and tiered volume charges. However, since the fee structure is formulated in the ordinance, there will be modifications as indicated in the table below (and the attached rate and fee chart).

	Current Rates (since October 1, 2017)	Proposed Rates (effective October 1, 2018)	Notes
Water Fees			
Surface Water	\$13.72	\$14.06	Estimated 5% increase
TCEQ	\$0.18	\$0.20	Water fee increase
TGRGCD	\$0.00	\$0.00	
Debt Service	\$5.39	\$8.38	Start principal payment
Capital Reserve	\$6.72	\$6.72	
Wastewater Rates			
Service Availability	\$37.39	\$38.51	3% increase on \$37.39
Wastewater Fees			
TCEQ	\$0.06	\$0.06	
Debt Service	\$1.71	\$2.66	Start principal payment
Capital Reserve	\$4.12	\$4.12	

The Enterprise operating and maintenance expenses are by and large consistent from year-to-year, with an anticipated level of inflation for the many differing entities that are needed to keep the utility operation going forward. There are many items that need repair, replacement, and restoration which are too numerous to detail. The following are highlights of some higher level expenditures that are anticipated to be one-time costs. As best as possible, each item will show the Strategic Action Plan reference (note that some items do not fit a programmed SAP initiative) and followed by a brief description:

- CP-3.1, Elevated Storage Tank with Plant 3 Upgrades – The engineering department will prepare Requests for Qualification and solicit for interested engineering consultants to enter into Professional Services with the City to design an elevated storage tank in the

northern pressure zone of the distribution system. There will be some system modifications that will impact and require some upgrades to Plant No. 3.

- CP-3.6, Improve Capacity, Management, Operation and Maintenance (CMOM) program – This is an EPA mandated program that all utilities should have in place. The utility is making several purchases of equipment (jetters, cameras, etc.) that is necessary to perform this program effectively.
- CP-3.9, Improve SCADA system – The data that is collected by this sophisticated programming and monitoring equipment needs to be automatically converted to reports and documents that are TCEQ required.
- CP-4.1, Wastewater Treatment Expansion – There are several items anticipated from the current Water/Wastewater Master Plan that will need upgraded and improved.
- CP-5.3, Develop Utility Rate Management Plan & Conduct Utility Rate Analysis – The engineering department will prepare Requests for Qualification and solicit for interested engineering consultants to enter into Professional Services with the City to evaluate, review and propose updates to the utilities current rate plan. It is anticipated that the completion of the Water/Wastewater Master Plan will provide significant data and documentation from which the new rate structure can be formulated.
- Fix exposed water line – The utility currently has an exposed water line crossing a creek that needs properly buried. An engineer will be selected to perform this difficult design and relocate the line appropriately while meeting all TCEQ permitting and environmental requirements.
- Sludge Dewatering Box – The utility needs to expand the sludge dewatering operation by purchasing this equipment. Note that this is a temporary measure that will not resolve the plants continued demands of growing service. Other means of wastewater treatment are necessary to handle expansion needs.
- Generators – The utility is replacing existing portable generators.
- Impact Fee Rate Study – The Utility is due for an update to the Impact Fee and has been recommended by the Capital Improvement Advisory Committee to begin the study with the new fiscal year budget.
- Digester Planning – The utility is undertaking the development of placing a digester into operation at the wastewater treatment plant. There are many components (pipes, pumps, blowers, valves etc.) that are necessary to install. The purpose of the digester will be to improve the functionality of the operation treatment cycle in providing a treatment system that will improve the sludge operation and overall efficiency of the plant.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

In 2011, the City adopted a plan to upgrade and implement a business model for the Utility to maintain a rate structure that considers economic fluctuations and conservation impacts. Prior to this time, the Utility was largely dependent on consumers to use more water to bring in revenue. However, in our arid climate and the ever-increasing effect of a drought, the continued reliance on high water use for revenue put our water supply source at risk. With that in mind, the City Council established a plan to increase rates where the base service availability would cover approximately 75% of the budgeted revenue stream, with the remainder made up from water use over 6,000 gallons.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The proposed rates and fees for the 2018-2019 fiscal year will be used in the upcoming budget starting October 1st. The City has proposed a rate study to take place during the upcoming fiscal year in order to review the last rate update and to explore alternate models and programs for improving the utility business operation.

LEGAL ANALYSIS:

Not applicable

RECOMMENDATION/PROPOSED MOTION:

No action needed.

Effective October 1, 2018

The water rate is established on a base service availability charge and various associated fees.

Water Service Availability Charge

<u>Meter Size</u>	<u>Service Availability Charge</u>
¾"	\$26.48
1"	\$28.01
1½"	\$41.02
2"	\$48.33
3"	\$62.94
4"	\$94.42

Tiered Volume Charges:

Residential

<u>Gallons</u>	<u>Cost per 1,000 gallons</u>
0 to 6,000	Base Service Charge
6,001 to 12,500	\$3.81
12,501 to 25,000	\$4.76
25,001 to 50,000	\$7.14
50,001 to 75,000	\$10.72
75,001 to 100,000	\$16.07
Over 100,000	\$24.11

Commercial

<u>Gallons</u>	<u>Cost per 1,000 gallons</u>
0 to 6,000	Base Service Charge
6,001 to 50,000	\$3.25
50,001 to 100,000	\$4.87
100,001 to 150,000	\$7.31
Over 150,000	\$10.97

Water Service Itemized Fees:

- Surface Water Fee: \$14.06
- Texas Commission on Environmental Quality Fee: \$0.20
- Trinity Glen Rose Groundwater Conservation District Fee: varies per customer usage
- Debt Service Fee: \$8.38
- Capital Reserve Fund: \$6.72

Wastewater Service Availability: \$ 38.51

The sewer rate is established on a base service availability charge and various associated fees.

Itemized Fees:

- Texas Commission on Environmental Quality Fee: \$0.06
- Debt Service Fee: \$2.66
- Capital Reserve Fund: \$4.12

Definitions

Water Fees:

- Surface water: the cost of water distributed by the Guadalupe-Blanco River calculated in dollars per one-thousand gallons' times 6,000 gallons minimum.
- Texas commission of Environmental Quality (TCEQ): The annual TCEQ water fee divided by number of service connections the month payment is made to TCEQ.
- Trinity Glen Rose Groundwater Conservation District: The ratio of total monthly water produced divided by total monthly water billed times the TGRGCD prevailing rate per thousand gallons.
- Debt Service: The water portion of the total bond payment (including principal and interest) in the upcoming fiscal year divided by number of service connections as determined on June 1st.
- Capital Reserve: The budget goal divided by number of service connections as determined on June 1st.

Wastewater Rates:

- Service Availability: Average of three previous fiscal year actual wastewater expenditures less debt interest divided by number of service connections as determined on June 1st.

Wastewater Fees:

- Texas Commission on Environmental Quality (TCEQ): The annual TCEQ wastewater fee divided by number of service connections the month payment is made to TCEQ.
- Debt Service: The wastewater portion of the total bond payment (including principal and interest) in upcoming fiscal year divided by number of service connections as determined on June 1st.
- Capital Reserve: The budget goal divided by number of service connections as determined on June 1st.

THE CITY OF FAIR OAKS RANCH
 FY 2018-19 DRAFT

ENTERPRISE FUND BUDGET HIGHLIGHTS

CAPITALIZABLE PROJECTS OR NON-RECURRING COSTS							
Council's Strategic Goals and Strategies		FY 18-19 BUDGET			Depreciation of New Capital		
		CASH OUTLAY	Estimated Life		FY 2018-19	FY 2019-20	FY 2020-21
CP-3.1	Build Elevated Storage Tank with Plant 3 upgrades	\$ 247,000	15	\$ 16,467	\$ 16,467	\$ 16,467	
CP-3.6	EPA required program	140,000	10	14,000	14,000	14,000	
CP-3.9	Improve use of SCADA data	80,000	10	8,000	8,000	8,000	
CP-4.1	implement master wastewater plan	125,000	10	12,500	12,500	12,500	
HT-1.25	Trailers to transport equipment	6,075	5	1,215	1,215	1,215	
HT-1.26	Purchase new trucks for employees	80,000	5	16,000	16,000	16,000	
	Fix exposed water line	400,000	15	26,667	26,667	26,667	
	Sludge dewatering box	150,000	10	15,000	15,000	15,000	
	Generators	40,000	7	5,714	5,714	5,714	
	Collection System Repairs and Improvements	170,000	10	17,000	17,000	17,000	
	Digester Planning	100,000	10	10,000	10,000	10,000	
		\$ 1,538,075		\$ 142,563	\$ 142,563	\$ 142,563	

Non-Capitalizable Costs			
CP-5.3	Utility Rate Analysis	200,000	22-527-400
CP-3.7	Implement water conservation improvements	250	05-501-220
WC-6.4	Implement online bill pay viewer and rate page	9,000	05-501-215
HT-1.27	Purchase computer and screen	2,000	05-501-123
HT-2.5	Update and repair W/WW treatment buildings	5,000	05-501-219
	Impact Rate Study	25,000	25-528-400
	Impact Rate Study	25,000	22-525-400

FY 2018 - 19 BUDGET COMPARED TO FY 16-17 ACTUALS AND FY 17-18 PROJECTED		
	BUDGET COMPARED TO FY 16-17 ACTUALS	BUDGET COMPARED TO FY 17-18 PROJECTED
Personnel	\$ 402,304	\$ 377,781
GBRA Fee	65,472	48,239
Sludge Hauling	186,147	35,890
Professional Fees	54,301	54,309
Water Rate Study	200,000	200,000
Impact Fee Study	50,000	(8,692)
Maintenance of Plant Lines	41,448	33,927
Depreciation	151,354	115,361
	\$ 1,151,026	\$ 856,815

**THE CITY OF FAIR OAKS RANCH
ENTERPRISE FUND
FY 2018-19 Proposed Budget**

				FY 2018-19		
ENTERPRISE FUND		FY 2016-17 ACTUAL	FY 2017-18 BUDGET	Projected FY 2017-18 9/30/2018	PROPOSED BUDGET	
WATER DEPARTMENT						
05-401-110	Water Revenue Residential	\$ 2,855,848	\$ 2,701,673	\$ 2,988,011	\$	2,766,817
05-401-111	Rebate Program	\$ -	\$ -	\$ -	\$	-
05-401-112	Water Debt Service	\$ 356,971	\$ 186,693	\$ 188,919	\$	297,785
05-401-113	Water Capital	\$ 115,589	\$ 232,646	\$ 235,455	\$	231,084
05-401-120	Water Revenue Commercial	\$ 116,889	\$ 134,306	\$ 141,189	\$	135,475
05-401-125	Water Contract Commercial	\$ 135,805	\$ 135,805	\$ 148,641	\$	158,268
05-401-130	Water Revenue Non Potable	\$ 25,384	\$ 16,690	\$ 4,627	\$	10,960
05-401-140	Water Service Connect Fees	\$ 39,525	\$ 39,600	\$ 27,043	\$	34,810
05-401-150	Water Penalties	\$ 27,959	\$ 28,160	\$ 29,822	\$	28,440
05-401-160	Water Impact Fees	\$ 141,601	\$ 59,570	\$ 134,287	\$	83,640
05-401-161	Water Impact Fee-Stone Creek	\$ -	\$ 23,040	\$ -	\$	9,340
05-401-162	Water Impact Fee-S Bar Ranch	\$ 28,670	\$ 23,370	\$ -	\$	12,710
05-401-163	Water Impact Fee-Oak Bend	\$ -	\$ -	\$ -	\$	-
05-401-164	Water Impact Fee-Enclave	\$ -	\$ 1,600	\$ -	\$	1,600
05-401-170	Water Interest Income	\$ 17,983	\$ 3,500	\$ 12,505	\$	16,000
05-401-180	Water-Bad Debts	\$ 592	\$ (3,000)	\$ (2,034)	\$	(3,000)
05-401-190	Water Grant Revenue	\$ -	\$ -	\$ -	\$	-
05-401-191	SECO EECBG	\$ -	\$ -	\$ -	\$	-
05-401-194	Misc./Special Requests	\$ (30)	\$ 3,290	\$ 1,129	\$	3,710
05-401-195	Developers Contributions	\$ -	\$ -	\$ -	\$	-
05-401-196	Third Party Reimbursement	\$ 1,513	\$ -	\$ -	\$	-
05-401-197	Permits/Variations	\$ 425	\$ 530	\$ 343	\$	370
05-401-298	Credit Card Service Fee	\$ 9,272	\$ 4,000	\$ 9,846	\$	10,000
05-401-910	Sale of Assets	\$ 25,883	\$ -	\$ -	\$	-
05-401-900	Fund Balance Transfer In	\$ -	\$ 157,885	\$ -	\$	-
Total Water Revenues		\$ 3,899,879	\$ 3,749,358	\$ 3,919,783	\$	3,798,010

				FY 2018-19		
ENTERPRISE FUND		FY 2016-17 ACTUAL	FY 2017-18 BUDGET	Projected FY 2017-18 9/30/2018	PROPOSED BUDGET	
WASTEWATER DEPARTMENT						
05-402-110	Sewer Revenue Residential	\$ 743,924	\$ 777,013	\$ 787,265	\$	822,004
05-402-112	Sewer Debt Service	\$ 155,403	\$ 35,561	\$ 36,120	\$	56,721
05-402-113	Sewer Capital	\$ 42,370	\$ 85,927	\$ 87,054	\$	88,250
05-402-120	Sewer Revenue Commercial	\$ 3,927	\$ 4,045	\$ 4,045	\$	4,166
05-402-140	Sewer Service Connect Fee	\$ 31,000	\$ 26,800	\$ 17,143	\$	23,670
05-402-150	Sewer Penalties	\$ 6,108	\$ 4,940	\$ 7,561	\$	5,270
05-402-160	Sewer Impact Fee	\$ 57,871	\$ 36,970	\$ 42,008	\$	45,710
05-402-162	Sewer Impact Fee-S Bar Ranch	\$ 7,750	\$ 14,090	\$ -	\$	6,710
05-402-168	Sewer Impact Fee-<2004	\$ -	\$ -	\$ -	\$	-
05-402-170	Sewer Interest Income	\$ 14,917	\$ 1,100	\$ 10,438	\$	12,000
05-402-180	Sewer Bad Debt	\$ 98	\$ (400)	\$ 248	\$	(400)
05-402-190	Sewer Grant Revenue	\$ -	\$ -	\$ -	\$	-
05-402-191	SECO EECBG	\$ -	\$ -	\$ -	\$	-
05-402-194	Misc./Special Requests	\$ -	\$ 610	\$ -	\$	560
05-402-900	Fund Balance Transfer In	\$ -	\$ 217,587	\$ -	\$	-
Total Wastewater Revenues		\$ 1,063,369	\$ 1,204,243	\$ 991,883	\$	1,064,661

Total Enterprise Fund Revenues		\$ 4,963,247	\$ 4,953,601	\$ 4,911,666	\$	4,862,671
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**THE CITY OF FAIR OAKS RANCH
ENTERPRISE FUND
FY 2018-19 Proposed Budget**

				FY 2018-19	
ENTERPRISE FUND	FY 2016-17 ACTUAL	FY 2017-18 BUDGET	Projected FY 2017-18 9/30/2018	PROPOSED BUDGET	
WATER SERVICE COSTS					
05-501-101	Salaries	\$ 190,021	\$ 261,166	\$ 215,395	\$ 271,757
05-501-100	Overtime	\$ 5,794	\$ 6,527	\$ -	\$ 5,618
05-501-102	Taxes - FICA	\$ 12,124	\$ 17,217	\$ 14,047	\$ 17,197
05-501-103	Taxes - MEDICARE	\$ 2,737	\$ 3,882	\$ 3,285	\$ 4,022
05-501-104	Workers' Comp	\$ 2,148	\$ 13,065	\$ 8,714	\$ 15,838
05-501-105	Texas Workforce Commission	\$ 134	\$ 1,888	\$ 1,251	\$ 1,490
05-501-106	Retirement	\$ 26,981	\$ 32,203	\$ 28,115	\$ 33,119
05-501-107	Insurance	\$ 33,351	\$ 61,793	\$ 43,368	\$ 53,113
05-501-108	Uniforms	\$ 4,700	\$ 5,000	\$ 5,400	\$ 5,953
05-501-111	Power	\$ 134,115	\$ 127,530	\$ 111,229	\$ 126,050
05-501-112	Maintenance of Plants/Lines	\$ 109,767	\$ 131,680	\$ 127,171	\$ 135,140
05-501-113	Cost of Meters	\$ -	\$ 25,000	\$ -	\$ -
05-501-114	Analysis Fees	\$ 7,509	\$ 10,310	\$ 4,411	\$ 5,750
05-501-115	Chemicals	\$ 8,780	\$ 6,150	\$ 4,490	\$ 5,090
05-501-116	City Management Fee	\$ 157,943	\$ 153,644	\$ 112,999	\$ 153,576
05-501-117	Equipment Maintenance	\$ 1,981	\$ 10,618	\$ 5,757	\$ 4,110
05-501-118	Equipment Gas & Oil	\$ 7,870	\$ 10,010	\$ 9,047	\$ 11,010
05-501-121	GBRA Water Fees	\$ 1,032,227	\$ 1,044,170	\$ 1,049,460	\$ 1,097,699
05-501-122	Equipment Lease	\$ -	\$ 850	\$ 6	\$ 690
05-501-123	Tools & Minor Equipment	\$ 8,216	\$ 10,767	\$ 10,536	\$ 16,128
05-501-124	Training	\$ 5,768	\$ 7,552	\$ 7,631	\$ 10,045
05-501-125	Utilities & Radio	\$ 18,356	\$ 14,891	\$ 17,041	\$ 19,389
05-501-126	Signal & Telemetry	\$ 261	\$ 7,720	\$ 173	\$ 162
05-501-127	Water Building Maintenance	\$ 6,013	\$ 9,160	\$ 9,285	\$ 10,000
05-501-128	Supplies & Consumables	\$ 1,120	\$ 1,450	\$ 1,228	\$ 1,340
05-501-129	Vehicle Maintenance/Repair	\$ 4,117	\$ 5,010	\$ 4,126	\$ 10,450
05-501-180	Water Inventory Adjustment	\$ (1,512)	\$ -	\$ -	\$ -
TOTAL WATER SERVICE COSTS		\$ 1,780,521	\$ 1,979,252	\$ 1,794,163	\$ 2,014,737

				FY 2018-19	
ENTERPRISE FUND-Water Division	FY 2016-17 ACTUAL	FY 2017-18 BUDGET	Projected FY 2017-18 9/30/2018	PROPOSED BUDGET	
WATER ADMINISTRATION COSTS					
05-501-201	Salaries	\$ 143,682	\$ 165,126	\$ 153,045	\$ 245,181
05-501-200	Overtime	\$ -	\$ 540	\$ 111	\$ 551
05-501-202	Taxes - FICA	\$ 8,445	\$ 10,620	\$ 9,839	\$ 15,235
05-501-203	Taxes - MEDICARE	\$ 1,983	\$ 2,402	\$ 2,294	\$ 3,563
05-501-204	Workers' Comp	\$ 2,602	\$ 746	\$ 706	\$ 1,632
05-501-205	Texas Workforce Commission	\$ 112	\$ 703	\$ 796	\$ 911
05-501-206	Retirement	\$ 19,831	\$ 19,930	\$ 19,379	\$ 29,340
05-501-207	Insurance	\$ 21,477	\$ 28,376	\$ 23,344	\$ 40,117
05-501-208	Utilities & Telephone	\$ 5,322	\$ 4,590	\$ 4,980	\$ 5,527
05-501-209	Dues & Publications	\$ 1,045	\$ 860	\$ 798	\$ 1,102
05-501-210	Water Professional Services	\$ 71,417	\$ 93,310	\$ 27,995	\$ 89,581
05-501-211	Permit & Licenses	\$ 6,827	\$ 7,360	\$ 7,843	\$ 8,461
05-501-212	General Liability Insurance	\$ 10,441	\$ 10,353	\$ 11,733	\$ 12,320
05-501-213	Office Supplies	\$ 3,718	\$ 4,166	\$ 2,798	\$ 5,314

**THE CITY OF FAIR OAKS RANCH
ENTERPRISE FUND
FY 2018-19 Proposed Budget**

				FY 2018-19	
ENTERPRISE FUND	FY 2016-17 ACTUAL	FY 2017-18 BUDGET	Projected FY 2017-18 9/30/2018	PROPOSED BUDGET	
05-501-214	Travel & Meetings	\$ 4,668	\$ 7,800	\$ 3,677	\$ 7,750
05-501-215	Software & Computer	\$ 51,094	\$ 69,768	\$ 60,575	\$ 56,627
05-501-217	Recording/Reporting	\$ 25	\$ 100	\$ 122	\$ 100
05-501-218	Postage	\$ 2,861	\$ 1,120	\$ 345	\$ 850
05-501-219	Building/Equip Maintenance	\$ 1,041	\$ 1,220	\$ 1,188	\$ 1,100
05-501-220	Conservation Ed & Newsletter	\$ 169	\$ 280	\$ 840	\$ 250
05-501-221	Billing Statement Charges	\$ 3,178	\$ 5,020	\$ 3,364	\$ 3,360
05-501-222	Billing Postage	\$ 8,948	\$ 8,060	\$ 7,817	\$ 8,100
05-501-290	Water Miscellaneous	\$ 35,273	\$ 1,850	\$ 396	\$ 600
05-501-298	Credit Card Service Fee	\$ 5,856	\$ 2,952	\$ 7,259	\$ 7,260
TOTAL WATER ADMINISTRATIVE COSTS		\$ 410,016	\$ 447,253	\$ 351,244	\$ 544,832

**THE CITY OF FAIR OAKS RANCH
ENTERPRISE FUND
FY 2018-19 Proposed Budget**

				FY 2018-19	
ENTERPRISE FUND	FY 2016-17 ACTUAL	FY 2017-18 BUDGET	Projected FY 2017-18 9/30/2018	PROPOSED BUDGET	
DEBT SERVICE COSTS					
05-501-300 Bond Principal	\$ -	\$ -	\$ -	\$ -	\$ -
05-501-310 Bond Water Issuance Fees	\$ 1,723	\$ -	\$ -	\$ -	\$ -
05-501-320 Bond Interest Cost	\$ 2,515	\$ -	\$ -	\$ -	\$ -
05-501-330 Tax Exempt Lease Interest	\$ 90,142	\$ 186,693	\$ 89,247	\$ 89,247	\$ 82,729
TOTAL WATER DEBT SERVICE COSTS	\$ 94,380	\$ 186,693	\$ 89,247	\$ 89,247	\$ 82,729

DEPRECIATION & CAPITAL IMPROVEMENTS - WATER					
05-501-120 Water Service Depreciation	\$ 380,109	\$ 375,361	\$ 390,000	\$ 390,000	\$ 465,361
05-501-989 Vehicle/Equip Replacement Fund		\$ 64,922			
05-501-986 Water CIP		\$ -			
22-526-400 Capital Improvement Plan		\$ 15,000			
22-525-400 Master Water/Wastewater Plan		\$ 58,693		\$ 25,000	
22-510-300 Intrepid/Silver Spur water Line		\$ 53,799			
22-513-300 12" Meadow Creek Trail Connection		\$ 108,697			
22-514-300 Water Distribution Interconnect		\$ 43,918			
22-503-200 North Elevated Storage Tank	\$ -	\$ -			
22-527-400 Water Rate Study	\$ -	\$ 100,000	\$ -	\$ -	\$ 200,000
TOTAL DEPRECIATION & CAPITAL IMPROVEMENTS	\$ 380,109	\$ 820,390	\$ 390,000	\$ 390,000	\$ 690,361

TOTAL WATER SERVICE COSTS	\$ 2,665,026	\$ 3,433,588	\$ 2,624,654	\$ 2,624,654	\$ 3,332,659
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				FY 2018-19	
ENTERPRISE FUND-Wastewater Division	FY 2016-17 ACTUAL	FY 2017-18 BUDGET	Projected FY 2017-18 9/30/2018	PROPOSED BUDGET	
WASTEWATER SERVICE COSTS					
05-502-101 Salaries	\$ 190,318	\$ 209,939	\$ 174,691	\$ 174,691	\$ 183,590
05-502-100 Overtime	\$ 5,794	\$ 5,125	\$ 5,110	\$ 5,110	\$ 4,725
05-502-102 Taxes - FICA	\$ 11,334	\$ 13,954	\$ 11,587	\$ 11,587	\$ 11,675
05-502-103 Taxes - Medicare	\$ 2,670	\$ 3,118	\$ 2,710	\$ 2,710	\$ 2,731
05-502-104 Workers' Comp	\$ 2,148	\$ 10,329	\$ 6,709	\$ 6,709	\$ 10,753
05-502-105 Taxes - SUTA/FUTA	\$ 134	\$ 1,600	\$ 1,055	\$ 1,055	\$ 896
05-502-106 Retirement	\$ 26,345	\$ 25,872	\$ 22,727	\$ 22,727	\$ 22,485
05-502-107 Insurance	\$ 32,305	\$ 42,346	\$ 33,051	\$ 33,051	\$ 30,114
05-502-108 Uniforms	\$ 4,062	\$ 5,000	\$ 4,333	\$ 4,333	\$ 5,953
05-502-111 Power	\$ 34,872	\$ 34,390	\$ 29,203	\$ 29,203	\$ 35,140
05-502-112 Maintenance Of Plant/ Lines	\$ 34,205	\$ 66,810	\$ 24,322	\$ 24,322	\$ 50,280
05-502-113 Sludge Hauling	\$ 149,853	\$ 116,180	\$ 300,110	\$ 300,110	\$ 336,000
05-502-114 Analysis Fees	\$ 24,224	\$ 16,350	\$ 22,241	\$ 22,241	\$ 21,330
05-502-115 Chemicals	\$ 5,699	\$ 6,690	\$ 3,402	\$ 3,402	\$ 6,280
05-502-116 City Management Fee	\$ 37,391	\$ 37,916	\$ 33,882	\$ 33,882	\$ 41,308
05-502-117 Equipment Maintenance	\$ 1,466	\$ 4,460	\$ 1,457	\$ 1,457	\$ 2,860
05-502-118 Equipment Gas & Oil	\$ 8,073	\$ 6,580	\$ 9,004	\$ 9,004	\$ 6,820
05-502-122 Equipment Lease	\$ 5,945	\$ 2,590	\$ 3,507	\$ 3,507	\$ 3,090
05-502-123 Tools & Minor Equipment	\$ 6,454	\$ 8,247	\$ 6,263	\$ 6,263	\$ 11,198
05-502-124 Training	\$ 2,951	\$ 6,360	\$ 7,663	\$ 7,663	\$ 9,010
05-502-125 Utilities & Radios	\$ 18,356	\$ 14,891	\$ 17,400	\$ 17,400	\$ 18,127

**THE CITY OF FAIR OAKS RANCH
ENTERPRISE FUND
FY 2018-19 Proposed Budget**

				FY 2018-19	
ENTERPRISE FUND	FY 2016-17 ACTUAL	FY 2017-18 BUDGET	Projected FY 2017-18 9/30/2018	PROPOSED BUDGET	
05-502-126	Signal & Telemetry	\$ 508	\$ 4,520	\$ 461	\$ 461
05-502-127	Building Maintenance	\$ 2,192	\$ 10,360	\$ 1,876	\$ 10,330
05-502-128	Supplies & Consumables	\$ 1,175	\$ 1,070	\$ 1,250	\$ 1,120
05-502-129	Vehicle Maintenance & Repairs	\$ 4,327	\$ 2,700	\$ 1,610	\$ 2,500
05-502-180	Inventory Adjustment	\$ 422	\$ -	\$ -	\$ -
TOTAL WASTEWATER SERVICE COSTS		\$ 613,225	\$ 657,397	\$ 725,623	\$ 828,776

**THE CITY OF FAIR OAKS RANCH
ENTERPRISE FUND
FY 2018-19 Proposed Budget**

				FY 2018-19		
ENTERPRISE FUND		FY 2016-17 ACTUAL	FY 2017-18 BUDGET	Projected FY 2017-18 9/30/2018	PROPOSED BUDGET	
WASTEWATER ADMINISTRATIVE COSTS						
05-502-201	Salaries	\$ 143,682	\$ 148,251	\$ 133,001	\$	245,181
05-502-200	Overtime	\$ -	\$ 540	\$ 540	\$	551
05-502-202	Taxes - FICA	\$ 8,252	\$ 9,225	\$ 8,609	\$	15,235
05-502-203	Taxes - Medicare	\$ 1,938	\$ 2,157	\$ 2,013	\$	3,563
05-502-204	Workers' Comp	\$ 2,602	\$ 670	\$ 555	\$	1,632
05-502-205	Taxes - SUTA/FUTA	\$ 112	\$ 591	\$ 660	\$	911
05-502-206	Retirement	\$ 19,381	\$ 17,900	\$ 17,020	\$	29,340
05-502-207	Insurance	\$ 21,442	\$ 22,939	\$ 20,676	\$	40,117
05-502-208	Utilities/Telephone	\$ 5,440	\$ 3,940	\$ 5,504	\$	5,006
05-502-209	Dues & Publications	\$ 1,014	\$ 760	\$ 1,325	\$	1,162
05-502-210	Professional Fees	\$ 27,366	\$ 107,530	\$ 70,781	\$	63,504
05-502-211	Permits & Licenses	\$ 1,616	\$ 2,090	\$ 2,731	\$	1,718
05-502-212	Liability Insurance	\$ 10,441	\$ 5,099	\$ 11,733	\$	12,320
05-502-213	Office Supplies	\$ 3,697	\$ 2,156	\$ 2,447	\$	3,694
05-502-214	Travel & Meetings	\$ 3,944	\$ 3,710	\$ 2,833	\$	4,800
05-502-215	Software & Computers	\$ 24,380	\$ 37,803	\$ 49,679	\$	34,193
05-502-217	Recording/Reporting	\$ 25	\$ 100	\$ 43	\$	100
05-502-218	Sewer Postage	\$ 420	\$ 660	\$ 199	\$	438
05-502-219	Adm Bldg/Equip. Maintenance	\$ 1,041	\$ 710	\$ 1,188	\$	1,100
05-502-221	Billing Statement Charges	\$ 2,384	\$ 3,540	\$ 3,364	\$	3,360
05-502-222	Billing Postage	\$ 8,485	\$ 3,970	\$ 7,517	\$	8,100
05-502-290	Miscellaneous	\$ 655	\$ 1,680	\$ 217	\$	600
TOTAL WATER ADMINISTRATIVE COSTS		\$ 288,316	\$ 376,022	\$ 342,634	\$	476,625
DEBT SERVICE COSTS						
05-502-300	Water Bond Principal	\$ -	\$ -	\$ -	\$	-
05-502-310	Bond Issuance Costs	\$ 861	\$ -	\$ -	\$	-
05-502-320	OB Bond Interest Cost	\$ 3,285	\$ -	\$ -	\$	-
05-502-330	Tax Exempt Lease Interest	\$ 17,170	\$ 35,561	\$ 13,565	\$	15,758
TOTAL DEBT SERVICE COSTS		\$ 21,317	\$ 35,561	\$ 13,565	\$	15,758
DEPRECIATION & CAPITAL IMPROVEMENTS - WW						
05-502-120	Sewer Service Depreciation	\$ 258,898	\$ 187,419	\$ 285,000	\$	325,000
05-502-989	Transfer To Vehicle Repl. Fund		\$ 64,922			
05-502-987	WW CIP		\$ -			
25-529-400	Capital Improvement Plan		\$ 15,000	\$ 15,000		
25-528-400	Master Water/Wastewater Plan		\$ 58,692	\$ 58,692	\$	25,000
25-520-100	WWTP Planning	\$ -	\$ -			
25-521-100	Collection System repairs	\$ -	\$ 125,000			
	Digester Planning	\$ -	\$ -			
TOTAL DEPRECIATION & CAPITAL IMPROVEMENTS		\$ 258,898	\$ 451,033	\$ 358,692	\$	350,000
TOTAL WW SERVICE COSTS		\$ 1,181,755	\$ 1,520,013	\$ 1,440,514	\$	1,671,159
TOTAL ENTERPRISE FUND EXPENDITURES		\$ 3,846,781	\$ 4,953,601	\$ 4,065,168	\$	5,003,818
Enterprise Fund Net Income/(Loss)		\$ 1,116,467	\$ (0)	\$ 846,498	\$	(141,147)

**THE CITY OF FAIR OAKS RANCH
ENTERPRISE FUND
FY 2018-19 Proposed Budget**

	FY 2018-19			
ENTERPRISE FUND	FY 2016-17 ACTUAL	FY 2017-18 BUDGET	Projected FY 2017-18 9/30/2018	PROPOSED BUDGET
Water Department Revenues	\$ 3,899,879	\$ 3,749,358	\$ 3,919,783	\$ 3,798,010
Water Department Expenses	\$ 2,665,026	\$ 3,433,588	\$ 2,624,654	\$ 3,332,659
Net Income/(Loss)	<u>\$ 1,234,853</u>	<u>\$ 315,770</u>	<u>\$ 1,295,129</u>	<u>\$ 465,351</u>
WW Department Revenues	\$ 1,063,369	\$ 1,204,243	\$ 991,883	\$ 1,064,661
WW Department Expenses	\$ 1,181,755	\$ 1,520,013	\$ 1,440,514	\$ 1,671,159
Net Income/(Loss)	<u>\$ (118,386)</u>	<u>\$ (315,770)</u>	<u>\$ (448,631)</u>	<u>\$ (606,498)</u>
Net Income/(Loss)	\$ 1,116,467	\$ (0)	\$ 846,498	\$ (141,147)