



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

June 17, 2019 8:30 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. CITIZENS and GUEST FORUM / PRESENTATIONS

To address the Council, please sign the Attendance Roster located on the table at the entrance of the Council Chamber. In accordance with the Open Meetings Act, Council may not discuss or take action on any item which has not been posted on the agenda.

- A. Citizens to be heard.

III. DISCUSSION/CONSIDERATION ITEMS

- A. Discussion and possible action regarding Council Member Hartpence's "Rethinking the Water/Wastewater Master Plan" summary. Council Member Hartpence Pgs. 2-14

IV. WORKSHOP

- A. Discussion regarding the FY 2019-20 Enterprise Fund Budget and Strategic Action Plan.

V. CONVENE INTO EXECUTIVE SESSION

Pursuant to Section 551.101 of the Open Meetings Act, Texas Gov't Code, a quorum of the governing body hereby convenes into closed session:

- A. 551.071 (Consultation with Attorney); to receive legal advice regarding claims made on behalf of a real property owner against the City's operation of the K-3 Trinity Glen Rose Water Well.
- B. 551.071 (Consultation with Attorney) – to receive legal advice from Special Counsel and the City Attorney regarding the City's ground water rights.

VI. ADJOURNMENT

Requests for City topic needing additional information/research; or, potential consideration for a future agenda.

Signature of Agenda Approval: _____

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 8:30 AM June 14, 2019 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 Government 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 17, 2019

AGENDA TOPIC: Discussion and possible action regarding Councilmember Hartpence's "Rethinking The Water/Wastewater Master Plan" summary.

DATE: June 17, 2019

DEPARTMENT: City Council

PRESENTED BY: Councilmember Hartpence, Place 3

INTRODUCTION/BACKGROUND:

Councilmember Hartpence requested this agenda item. Attachments are as follows:

- Councilmember Hartpence's "Rethinking The Water/Wastewater Master Plan" summary.
- City Manager's Response Memorandum

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

TBD

LONGTERM FINANCIAL & BUDGETARY IMPACT:

TBD

LEGAL ANALYSIS:

TBD

RECOMMENDATION/PROPOSED MOTION:

No formal action is required but the City Manager would appreciate receiving insight and general direction from the Council regarding the implementation of the adopted Water and Wastewater Master Plan.

This agenda item was posted for discussion and possible action so the City Council has the ability to advance a motion should you desire.

RETHINKING THE WATER/WASTEWATER MASTER PLAN

Summary

I remain concerned that the Master Plan overstates future water and wastewater capacity requirements. The potential consequence is unnecessary capital expenditure. This is not a sudden attempt on my part to undermine the Master Plan which I believe to be thorough and very well done. I do question some of the underlying assumptions and I have often expressed these thoughts over the last two years. But I have never put it all together in a single document. I ask only that the Council give some thought to the analysis and the recommendations that come from it.

The foundation of the Master Plan is based on three worst-case capacity assumptions:

1. The number of water and wastewater connections at full build out are assumed to be the maximum possible number. That is not likely to happen and is not consistent with our Comprehensive Plan
2. The study assumes daily peaking factors of 2.5 for water and 3.5 for wastewater. Each is higher than our operating history would suggest.
3. No allowance is made for current standards for toilets, showers, etc. that will assure lower average daily consumption than the Master Plan assumes.

The Cost

None of these worst-case assumptions are likely to be realized. Taken together, they cause future capacity requirements to be significantly overstated. Meeting these overstated capacity requirements leads to unaffordable and unnecessary capital expenditures:

	Water and Wastewater Master Plan Capital Expenditures Millions of \$			
	Short Term	Mid Term	Long Term	Totals
Water	\$9.456	\$14.194	\$10.194	\$33.844
Wastewater	\$25.303	\$5.469	\$0.739	\$31.511
Totals	\$34.759	\$19.663	\$10.933	\$65.355

Putting this on a per household basis, assume half of the money comes from other sources such as developer impact fees. This gives \$17.4 million in short term capital to be spread across 3,000 homes or \$5800 per family. Looking at short/mid term/long term investment, the household investment at buildout assuming 4,500 homes is \$7,200. While this will certainly be spread over a number of years, it is still a large number and worth careful study.

Making realistic assumptions about future capacity leads to the likelihood that no additional water supply is needed and a new wastewater plant is not required. Of course there will still be very significant capital expenditures but they will be somewhat reduced from the Master Plan projection.

Projected Connections Are Overstated

Here are the Freese-Nichols 2019 Master Plan projected connections:

Year	Water Connections	Wastewater Connections
2018	2,880	1,740
2023	3,728	2,455
2028	4,578	3,169
Buildout	4,914	3,502

Before discussing these projections, it is worth noting that an August 2015 Freese-Nichols report projected buildout water connections to be 10,500 and wastewater connections to be 8,324. Less than four years later, their water connection estimate has decreased 53% and their wastewater connection projection is down by 58%. So it is reasonable

RETHINKING THE WATER/WASTEWATER MASTER PLAN

for us to take a close look at their latest projections while recognizing that projections come mainly from the assumptions we have given them.

Back to the 2019 Master Plan: Compared to 2018, water connections are projected to increase by 2,034 or 71% and wastewater connections are projected to increase by 1,762 or 101%.

The largest single factor in this increase is the assumption that The Reserve will have 645 water and wastewater connections at buildout. That is unlikely to happen. We are protected by the Development Agreement on this property until 2033 (refer to Attachment 1 which discusses this in detail). If we are unified as a Council and have the will to enforce the Development Agreement, we have a legal right to assert the property is limited to 86 homes. That gives us a sound bargaining position. We can then offer modest density concessions to the developer in return for a new DA that is consistent with our Comprehensive Plan and the character of the north side of our city. That is a win for us and a win for the developer. Stone Creek Ranch is a good model for development in that area, particularly the use of individual septic systems. For Master Plan purposes, I suggest we assume Stone Creek density (245 water connections and no wastewater connections). I believe the number of homes will ultimately be significantly less than 245, but it is a reasonable upper limit for capacity planning.

We should also take a fresh look at Oak Bend Estates. Platting was more than ten years ago and nothing has happened since then. The Master Plan should reflect bringing this property into conformance with Rural Residential zoning which would reduce this to something like 30 lots rather than 138. There is also no reason to provide wastewater service to OBE because nothing else in the area has it and the developer already has approval for residential OSSF (septic systems). We should work with the OBE developer to rethink the property in a way that helps both of us. One thought is to offer to work with Comal and Kendall to move the property into Boerne ISD... that is something we might be able to do that the developer couldn't and it would significantly boost property value. For Master Plan purposes, I suggest we assume 50 water connections and no wastewater connections (reduction of 80 water and 130 wastewater connections).

Making the assumption we do not extend wastewater to the north allows us to eliminate the WW service to adjacent properties: SU2 (25); SU14 (19); SU15 (16); SU17 (36); SU18 (10); SU4/5/8/11/16 (36). That is a further reduction of 142 wastewater connections.

The reduction in connections now makes the buildout projections for connections look like this:

PROJECTED WET UTILITY CONNECTIONS AT BUILDOUT		
	Water	Wastewater
Draft Master Plan (at buildout)	4914	3502
2018 (current)	2880	1740
Net MP increase	2034	1762
% Increase	71%	101%
Proposed MP Reductions	480	917
Net MP increase after reductions	1554	845
% increase after reductions	54%	49%
Proposed connections at buildout	4434	2585

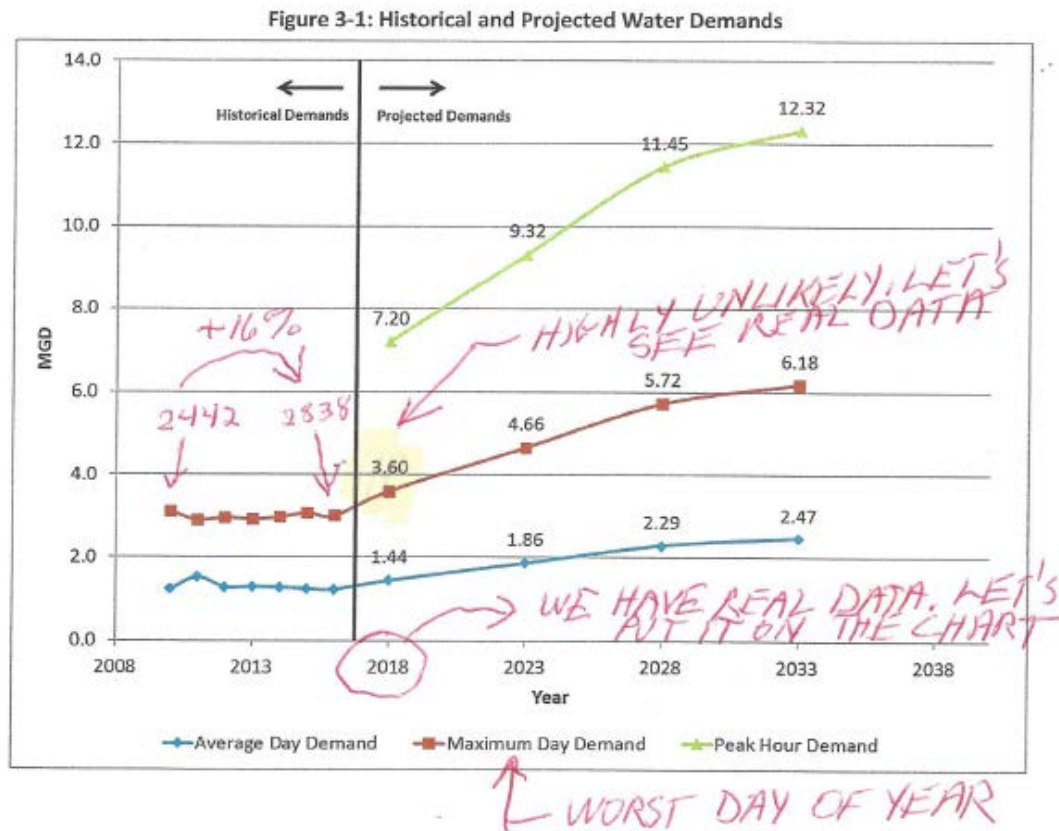
The reduction in connections provides a direct reduction in the capacity required at buildout. For water, the maximum day demand (MGD) becomes $6.14 \times (4434/4914) = 5.54$ MGD. For wastewater, the peak wet weather flow (MGD) becomes $1.96 \times (2585/3502) = 1.45$ MGD. Expressed in table form:

RETHINKING THE WATER/WASTEWATER MASTER PLAN

REQUIRED WATER AND WASTEWATER CAPACITY AT BUILDOUT (MGD)		
	Water	Wastewater
Draft Master Plan (existing)	6.14	1.96
Draft Master Plan (after reductions)	5.54	1.45
% reduction	9.8%	26.0%

Other Factors Contributing to Overestimating Future Water Needs

Here is historical and projected water demand chart with some notes I added:



The projected capacity does not account for reduced consumption by residents

The chart shows there was a 16% increase in connections from 2010 to 2016. Yet the Average Daily Demand (ADD) was 1.23 MGD in 2010 and an identical 1.23 MGD in 2016. Why is that? It is because the ADD for each connection was 504 gallons per day (GPD) in 2010 and 433 GPD in 2016. Households used less water. The exceptions were 2011 which was the year of record drought with only 14" of rainfall and 2017 which was 521 GPD likely because of the water line installations and testing, not because homeowners used more water. Going forward, the model uses a factor of 500 GPD per connection. I believe this is significantly overstated because all of the new connections will be made using low flow plumbing fixtures which will likely drive the GPD per connection down to 400 or less. Also, Aqua Hawk will drive down the amount of water due to leaks. Finally, there are 183 connections in the mixed use village most of which will have no demand for landscape watering. I conclude that using 450 GPD for each connection is a very conservative estimate. Note that this is a 10% reduction from the 500 GPD projection.

If my assumptions are correct, we should see 2018 data revert to the norm of around 450 GPD per connection.

RETHINKING THE WATER/WASTEWATER MASTER PLAN

The peaking factor of 2.5 is too high

The peaking factor is overstated for these reasons:

- It takes the worst day in 10 years and makes that the design goal for every day.
- There was no analysis of why the peaking factor was so large on a handful of days. Perhaps it was purging fire hydrants. In 2017 it might have been testing the new water lines on Meadow Creek Trail. Maybe it was a water line break. Whatever the cause, it is likely something that can be planned for and controlled. It is improbable that residential can ever be 2.5 times the average daily use. In fact, the original Freese & Nichols report of 8/17/2015 recommended a peaking factor of 2.25.
- The use of 100% of the Maximum Day Demand as the capacity requirement for our system makes no use of the enormous amount of water in our storage tanks which can be used to satisfy peak demand. In fact, not using our storage is intentional as stated in the 2015 F&N report: "Maximum day... determines the ability of the system to *maintain full storage facilities* during maximum day demands" (emphasis added). That doesn't make sense from a practical viewpoint. The main reason to have large storage volumes is to manage demand fluctuations. We currently have 3.25 million gallons of storage. Assuming our water tower adds 500,000 gallons, which gives us 3.75 million gallons of water to take care of high demand days. As the Master Plan points out: "Because additional supply is needed in Zones A and B, new infrastructure would be required to convey the current Zone C supply to Zones A and B...". If we take advantage of our storage capacity, we could conservatively use a peaking factor of 1.75 and be just fine. To be even more conservative, let's assume a peaking factor of 2.0. That is a 20% reduction from the 2.5 peaking factor used in the model.

The water capacity is more likely to be 4 MGD rather than the 6.14 MGD in the Master Plan

The draft Master Plan currently says we should have 6.14 MGD capacity at buildout. I propose reducing that to account for fewer connections, reduced consumption and a lower peaking factor. Applying these three factors:

$6.14 * .902 * .9 * .8 = 3.99$ MGD. Let's just call that 4 MGD. That is a conservative estimate based on a rational consideration of demand rather than worst case assumptions.

We have no need for additional water supply

The draft Master Plan states that we need additional water supply beyond our current well capacity and our commitment from GBRA (Canyon Lake water). This is both expensive and unnecessary. Average daily demand in the draft Master Plan is stated as 2.47 MGD which is 2767 acre feet annually. Applying the corrections for number of connections and reduced consumption gives an annual demand of $2767 * .902 * .9 = 2246$ acre feet at buildout. The Grant Snyder water study of 1/5/2016 states: "The projected total available Public Water Supply that is available to FOR should be assumed to be approximately 3,450 AFY. This value includes the sum of surface water and groundwater availability to FOR." That tells us we will be using only 65% of our capacity at full buildout using water sources already in hand. There is no need for additional water supply.

Factors Contributing to the Overestimate of Projected Wastewater Capacity

I start from the premise that we should seriously consider any options that allow us to avoid a short term need for \$25 million in wastewater capital. The only way to do that is to upgrade our existing wastewater treatment plant and avoid the much larger capital expenditure required to build a new plant. I believe that can be done.

We should not build wastewater infrastructure in the northern areas of the city west of Ralph Fair Rd

We should not extend wastewater treatment into these areas. Doing so is the main driver of the perceived need to build a new wastewater plant. If you look at the map, there is a vast northern area of no wastewater connections other than Setterfeld. It is the norm to have large lots and septic systems. Stone Creek is a great development without city wastewater service. Whatever happens at The Reserve should be the same. As noted above, 142 other tracts in this

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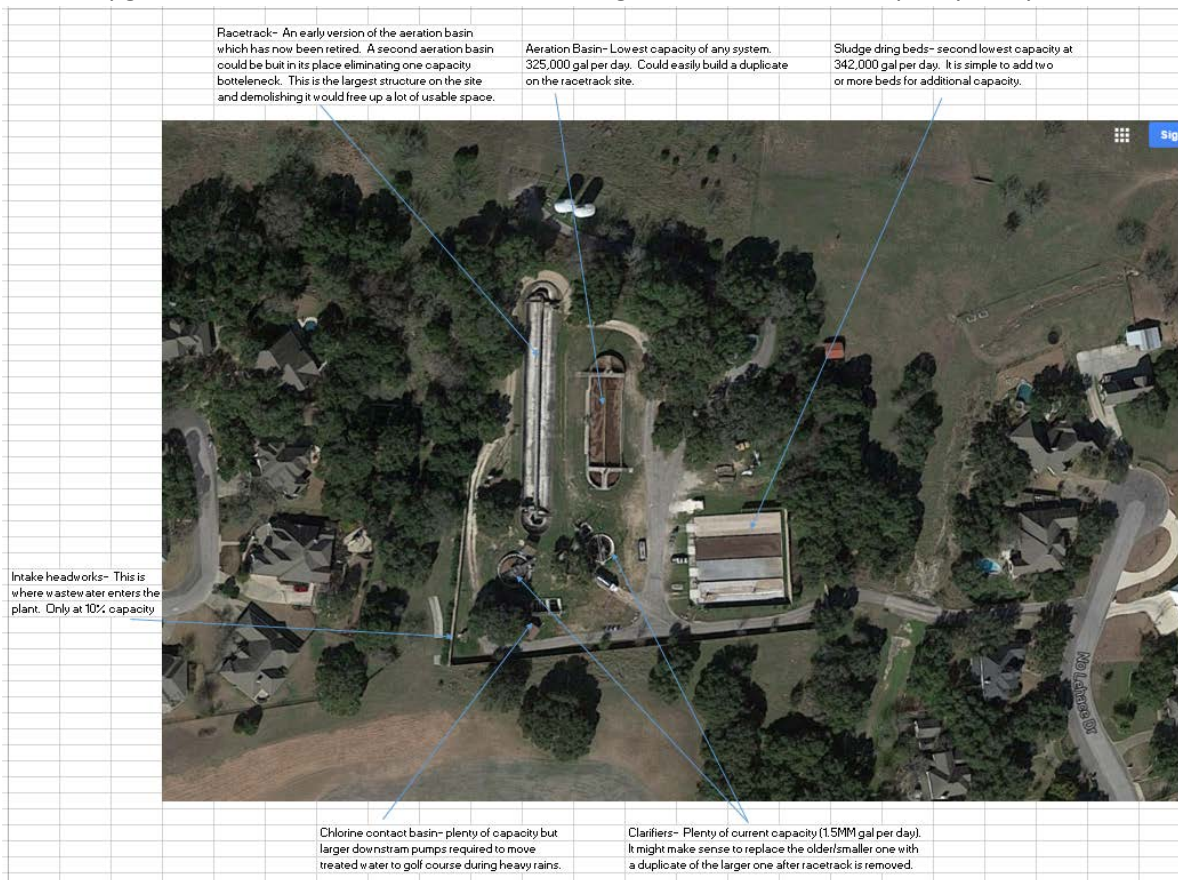
area should not have service. Finally, building infrastructure in these areas invites higher density development... if you build it they will come.

The peaking factor of 3.5 due to “wet weather” is overstated

There is no basis for this assumption. The F&N report says “A wet weather peaking factor of 3.5 was selected in absence of historical peak flow data based on discussions with City staff...”. But there is an abundance of historical data. We all saw the daily logs going back many years kept during our tour of the wastewater plant. We should ask why F&N believed there was no data. For example, there is an Adrian Garcia spreadsheet from June 2016 that provides a lot of historical data. It shows 16” of rain in May 2015 which dwarfs any other rain from 2012-2016 and likely to the present day. The effluent that month was 11.7 million gallons which also dwarfs any other month in that period (next largest was 9.2 MG in May 2016 which had 8.35” of rain). The point is we should examine the daily records for this extraordinary month to derive the real peaking factor of our system. This is a real life experiment that we could never duplicate with simulation. I don’t know the correct peaking factor, so let’s let the data tell us what it should be.

There is no need to build a new wastewater treatment plant

The existing plant has plenty of area to satisfy our capacity requirements after adjusting for reduced connections. It can also be upgraded to minimize odor and reduce sludge volume. Here is a capacity analysis I did in 2016:



The Kimley-Horn study of July 2014 shows us how to make the current site work.

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Regarding making the plant odor free:

- **Potential costs associated with making the existing WWTP odor-free.**

The City requested that Kimley-Horn evaluate the extent of improvements that would be required at the existing plant to minimize/eliminate odors generated from the wastewater. *Kimley-Horn provided an Opinion of Probable Construction Cost (OPCC) for installing equipment and facilities based on two different options:*

- *Complete containment of “significant” odor-generating components (offsite influent lift station, headworks, splitter box, in-yard lift station, and sludge drying beds): \$1,770,000.*
- *Complete containment of “significant” and “moderate” odor-generating components (those identified as “significant” as well as the aeration basin): \$2,840,000.*

The approach requested by City staff was not to investigate and measure specific odors at the site and develop odor reduction options; instead, the requested approach was to assume that all odor-generating components would need to be contained to capture and treat odors.

Regarding sludge drying and disposal:

- There are a few different options available for increasing the sludge dewatering capacity. Adding sludge digestion in advance of the drying beds would provide a thicker sludge that requires less area to dry (discussed further in this section). The drying beds could be replaced with a sludge dewatering process that requires an equal or smaller footprint, such as a belt filter press, centrifuge, or screw press. Another option that the City could consider is installing a smaller belt filter press that could handle “typical” sludge rates and maintain the drying beds as a backup.

It seems likely we can upgrade the existing plant work for a fraction of the cost of a new WWTP. If we have problems with neighbors, we can buy them out through negotiation or exercise of eminent domain.

Recommendations

The Water/Wastewater Master Plan has a tremendous amount of useful data. But its conclusions are based on what I believe to be worst case numbers of connections, average daily demand and peaking factors. I suggest the following:

- Add a section to the Master Plan that describes what we expect to happen making reasonable assumptions while leaving the rest of the Master Plan unchanged as a worst-case scenario. Future Council’s will find this useful.
- Hire an engineering firm to perform a concept study on what is necessary to upgrade the existing wastewater plant to a modern standard and to define what the maximum capacity of the plant would be. The study should also consider how to sustain operations during the upgrade.
- Adopt a policy that wastewater service will not be extended north of the city on the west side of Ralph Fair Road.
- Commit to a negotiation strategy for The Reserve that makes use of the strong position we have based on the Development Agreement. See Attachment 1 for details.
- Adopt the mindset that our CCNs give us the right of first refusal to provide water and wastewater service and that they are not an unbreakable commitment to do so.

Steve Hartpence
June 13, 2019

RETHINKING THE WATER/WASTEWATER MASTER PLAN

Attachment 1

NEGOTIATING THE FUTURE OF THE RESERVE

Background

The Reserve (no longer the name but we all refer to it that way) is the 345 acre property bordered on the south and west by Ammann Rd. The property is mainly in Kendall County but 2.45 acres on the Southeast corner are in Comal County.

The issues surrounding The Reserve and what it will ultimately become is at the heart of our city's future and has been so since at least 2013. I will not review the history here because it is a long and complex story. Suffice it to say our city, our city staff and our city council would look far different today if more than 2,500 residents had not rose up and demanded an end to the unchecked development that was becoming the norm for Fair Oaks Ranch. The opposition to this was crystalized by the plan to squeeze 645 homes into 345 acres in an area designated for homes of six acres or more in the 2008 Comprehensive Plan.

Development Agreement

We have a DA that remains in force until 2033. Here are some of the key points:

- It allows a maximum of 645 homes.
- It requires the developer to create a Public Improvement District (PID)
- It requires water to be supplied from groundwater wells: "The source shall be groundwater obtained from the drilling of a public water supply well(s)." This requirement makes the property subject to Cow Creek GCD regulations.
- It envisions a standalone system not connected to the city water system.
- It requires test wells be drilled to demonstrate adequate capacity.
- It requires the city to extend its water CCN to cover the property.
- It requires the developer to build an onsite wastewater treatment plant not connected to the city's wastewater plant.
- It requires the developer to apply for annexation but the city is not required to annex the property.
- It protects the city from being sued for financial damages: ".....it is understood and agreed that no Party will seek or recover actual, consequential or any other type of monetary damages or awards."

Consequences of the Development Agreement

In 2014 the City Council voted not to annex The Reserve as a result of the residents' outrage over the planned density. The reason for not annexing was that it allowed the property to remain under Cow Creek GCD oversight, specifically Rule 10.3 which states "For a community water system or a retail public water utility, which utilizes groundwater as a source of supply, the beneficial use without waste requirement of Rule 10.2 shall be based on one single family residential unit connection per four (4) acres of service area..." Applying this rule to the 345 acres allows a maximum of 86 homes and is consistent with our latest Comprehensive Plan and Land Use Map.

The Council chose not to annex this property in 2018 to ensure the property remained under Cow Creek jurisdiction. Had the property been annexed, it would have moved to the Trinity-Glen Rose GCD which has no rule regarding density.

Also worth noting is paragraph 301.1700 of the Kendall County development rules which provides a similar restriction that would limit the development to 114 homes.

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Are the Cow Creek rules enforceable?

Cow Creek GCD does enforce this rule. But because it has never been challenged in court, it is uncertain what the outcome might be. However, there is a strong willingness on the part of Cow Creek to enforce it. On October 11, 2017, Mary McConnell and I met with Micah Voulgaris, the General Manager of Cow Creek GCD. Here are some excerpts from my meeting notes:

- The developer must have CCGCD permits to drill wells on the property. Mr. Voulgaris will only issue permits for the amount of water described in CCGCD Rule 10.3. That translates into 86 homes (344.65 acres ÷ 4 acre minimum).
- If the developer fails to obtain the permits, CCGCD would impose a fine of \$10,000 per day. This is not an idle threat. Tapatio Springs Golf Resort was fined at that rate for ignoring the CCGCD regulation and eventually complied with Rule 10.3. So in that case at least, the rule proved to be enforceable.
- Mr. Voulgaris stated his belief that Kendall County Rule 301.1700 is enforceable.

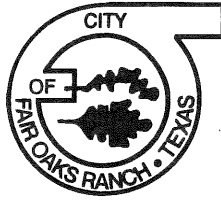
What should the city's position be regarding density?

The Cow Creek rules give us a position of strength in any negotiation. Very simply we should require development of The Reserve to comply with the Rural Residential guidelines in our Comprehensive Plan:

Rural Residential

Permitted Uses	• Single-family residential uses • Accessory residential units
Lot and Block Standards	• Rectilinear or curvilinear blocks • 5 AC (min.) conventional lot pattern • 3.75 AC (blended average min.) conservation subdivision lot pattern
Building Form and Development Standards	• 3 stories (max.)
Building Design Standards	• N/A
Transportation (Street Types)	• Local Multimodal Street • Neighborhood Street • Rural Residential Street

From this strong negotiating position, we can and should be open to reasonable compromises with the developer consistent with our goals of maintaining the rustic character and quality of life that caused us to move here in the first place.



7286 Dietz Elkhorn · Fair Oaks Ranch, Texas 78015 · (210) 698-0900 · (866) 258-2505

MEMORANDUM

TO: Councilmember Hartpence

FROM: Tobin E. Maples, AICP, City Manager

DATE: June 14, 2019

SUBJECT

Rethinking the Water/Wastewater Master Plan

DISCUSSION

Thank you for the time you took to thoroughly review the proposed Water, Wastewater, and Reuse System Master Plan. I truly appreciate the feedback and your diligent service to the City. This memorandum is offered as a response to the “Rethinking the Water/Wastewater Master Plan” summary you discussed with me on March 5, 2019. A copy of your summary is attached.

Projected Connections

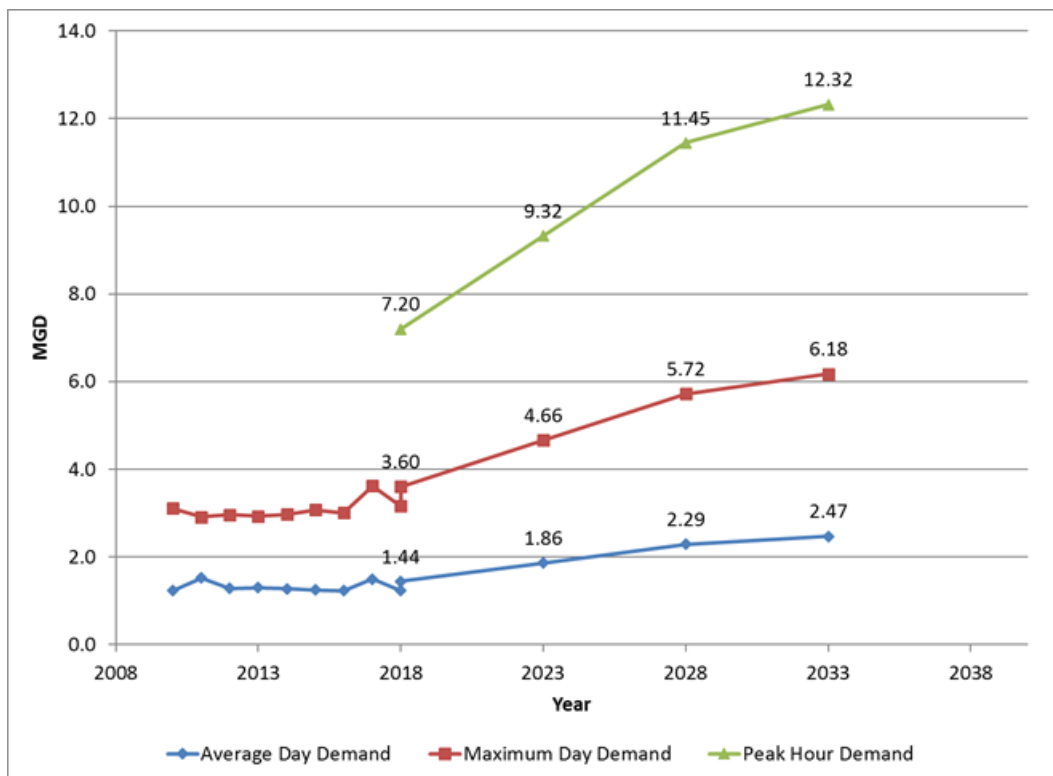
The consultant utilized information that is consistent with the comprehensive plan. If a new development agreement can be reached with The Reserve, the consultant can provide an update or addendum to the master plan report that revises the calculations and provides an updated capital improvements plan. The update will not require the full effort of a master plan and the findings can be summarized in a memorandum.

The plan assumes that all future growth in the City will be served by the wastewater system. This is a critical assumption relative to our CCN obligations and the importance of limiting septic systems as build-out advances. The City holds the wastewater CCN for the vast majority of undeveloped land programed in the Comprehensive Plan and septic systems may pose an environmental hazard if they are not properly maintained. Further, Chapter 43 of the Local Government Code (LGC 43) mandates the provision of water and wastewater services to areas annexed in 2017. The City addressed the provision of water and wastewater service within adopted annexation service plans.

Water Demand Projections

The consultant selected conservative design criteria for our water demand projections that are in line with historical water demands. In 2017 there were five days with water demands above

3 MGD. Recognizing the graphs in the report failed to include the 2017 data, we have included an updated graph below. The revised graph illustrates that the 2017 data was higher than our 2018 projections (this information is also included in Tables 3-1 and 3-3 in the report). As a result, the consultants do not feel comfortable reducing their design criteria. City staff concurs with the consultants. Water design criteria should continue to be evaluated with future master plan updates as more data is available. We also evaluated the 2018 data which had an average day demand of 1.23 MGD and a maximum day demand of 3.16 MGD.



Additional water supply will be required at some point in the future, and water supply should be planned to serve a maximum day demand in case there are multiple days of high demands in the summer. The timing or volume of the future water supply may change based on future growth patterns or water conservation, but it is recommended to plan for water supply well in advance.

Wastewater Flow Projections

As stated above, we assumed that all future growth in the City will be served by the wastewater system. This is our obligation as the CCN holder and our mandate relative to areas annexed in 2017. Further, septic systems may pose an environmental hazard if they are not properly maintained. The historical wet weather data is based on plant effluent data which is not appropriate for sizing collection system infrastructure. Influent data to the plant is the appropriate measure of peak wet weather flow because the effluent data is impacted by equalization storage at the wastewater treatment plant. The storage and treatment process dampen the peak wet weather flow, so the wastewater effluent is a lower number than the influent peaking factor seen in the collection system. Additionally, some of the treated water is used as non-potable water in the treatment plant process which further reduces the measured

amount of effluent from the plant. TCEQ recommends using a 4.0 peaking factor when other data is not available (30 TAC §217.32 (a)(2)). Since the City had data from a Sanitary Sewer System Evaluation study conducted in 2013, we felt comfortable using less than a 4.0 peaking factor.

Conclusion

Master plans are intended to be living documents that should be updated at least every 5 years. If development or water and wastewater use patterns are changing rapidly, a small update or addendum to the existing report is recommended before the 5-year update. As the dominate water and sewer CCN holder, we must plan for the delivery of services within our service area that are based on land use assumptions adopted in the Comprehensive Plan, annexation service plans, and all existing water agreements.

Oak Bend Estates provides a good example of our planning obligations. The owner has an existing water agreement with the city for future water supply for 138 lots. Further, the owner has been paying on that agreement since 2008. Accordingly, the city is not in a position to arbitrarily lower the lot yield from 138 to 30 as you assumed. This planning scenario holds true for any area vested with a water agreement, development agreement, etc., inclusive of the service plans we were required to adopt as part of the 2017 annexation initiative. Accordingly, I am diametrically opposed to your position and recommend that the City Council implement the Master Water, Wastewater, and Reuse Plan as adopted.

Summary of my response is as follows:

- Your assumptions are arbitrary and capricious and are in direct conflict with mandated CCN holder obligations, updated land use assumptions, and existing water reservation agreements approved by City Council. A position of this nature may result in a petition to be released from the CCN and/or a request to consent to the creation of a special taxing district (WCID, MUD, etc.).
- Your position to circumvent the provision of water and wastewater services to areas annexed in 2017 is in direct conflict with Chapter 43 of the Local Government Code and locally adopted annexation service plans. A position of this nature may result in a petition to be de-annexed due to failure to provide water and wastewater services.
- Build-out of the City with a septic system approach may pose an environmental hazard. The provision of public wastewater service is the best practice.
- If our adopted water and wastewater plan does not account for the delivery of service within our CCN's, we lose the vast majority of our negotiating leverage relative to influencing desired land use patterns. This is especially true for areas with approved development agreements in our ETJ and CCN.
- If we don't plan for and allow future connections to our water and wastewater system, the owner/developer can advance immediate action to have the land released from the CCN and de-annexed from city. In this scenario, the city would not have a seat at the table as development occurs. This defeats the primary purpose of the 2017 annexation initiative.

- TCEQ regulations state that wastewater treatment plant units may not be located closer than 150 feet to the nearest property line. Our existing facility is not in compliance as noted with TCEQ. Accordingly, expansion and modification of the existing plant will need to account for the mitigation of our buffer zone limitations. Further, proximity to the Edwards Aquifer Recharge Zone may limit expansion at the existing site relative to permitting requirements for surface discharge to Waters of the State via a Texas Pollutant Discharge Elimination System (TPDES).
- The Master Water, Wastewater, and Reuse Plan does not state the City is responsible for ALL of the capital cost referenced in your summary. Stating that ALL capital cost will be borne by the City is misleading and simply not true. Specifically, framing the criticality of water and wastewater projects identified in the Master Plan, inclusive of funding responsibility, is the recommended next step as discussed in recent Strategic Action Plan and Budget workshops.
- The City currently assesses and collects both water and wastewater impact fees. The rough proportionality justifications for said water and wastewater impact fees are associated with a few of the projects identified in the Master Plan. The City is responsible for allocating collected impact fees to the applicable projects.
- The Prime Consulting Firm tasked with developing the Master Water, Wastewater and Reuse Plan will not sign and seal a report based on your assumptions.

FY 2019-20 BUDGET CALENDAR			
Budget Planning	✓	Oct-Nov	Staff Planning Session - Part 1 Review Goals, Targets and Prior Year SAP
	✓	Oct-Nov	Staff Planning Session - Part 2
Strategic Action Plan (SAP) Development	✓	Early January	Staff SAP workshop
	✓	Mid January	Council SAP workshop
	✓	Early March	Preliminary SAP framework approved by Council
Budget Development	✓	Mid April	Preliminary General Fund Operating Budget meetings with Finance
	✓	April	SAP Action Plans and Budget requests submitted to Finance
	✓	Early May	General Fund Operating Budget review sessions with City Manager
	✓	Mid May	SAP Action Plan Review sessions with City Manager
	✓	Mid May	Preliminary Utility Fund Operating Budget meetings with Finance
	✓	May 22	Staff SAP workshop
	✓	May 29	SAP and Budget work session with Council and Staff
	✓	June 6	SAP and Budget work session with Council and Staff
	✓	June 17	Utility Fund SAP and Budget work session with Council and Staff
		Mid July (TBD)	SAP and Budget work sessions with Council and Staff
Budget Presentation, Consideration, and Adoption		July 25	Deadline for chief appraiser to certify rolls to taxing units and certification of anticipated collection rate by tax collector.
		July 26	Calculation of effective and rollback rates.
		June 26	Finance Director delivers proposed budget City Manager
		June 29	City Manager delivers proposed budget to Council
		August 1	Final Budget workshop with Council to present proposed budget; submit effective and rollback tax rates; and to propose tax rate to support the budget.
		August 15	At regular City Council meeting, City Council confirms proposed tax rate. If exceeds the rollback rate or the effective tax rate (whichever is lower), Council takes record vote and schedules two public hearings (September 5 and 19) and adoption date (September 19).
		August 19	City Manager files budget with City Secretary (LGC102.005).
		August 22	Finance Director publishes <i>Notice of Proposed Property Tax Rate</i> in August 22nd edition of Boerne Star and posts on the City's website (LGC 140.010e). City Secretary publishes <i>Notice of Budget Availability</i> and <i>Notice of Public Hearing</i> in the August 22nd edition of Boerne Star and posts on city's website (LGC 102.0065 and Tax Code)
		September 5	City Council holds 1st Public Hearing and 1st reading of Budget and Tax Rate ordinances; announces 2nd Public Hearing date (September 12) and Adoption date of Budget and Tax Rate (September 19). (LGC 102.007)
		September 12	City Council holds 2nd Public Hearing (may not be earlier than 3 days after first public hearing) and 2nd reading of Budget and Tax Rate ordinances; announces September 19 as adoption date to adopt budget and tax rate (LGC 102.007 - must be 3-14 days from this date)
		September 19	City Council adopts tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll was received (Tax Code 26.05).

Utility Fund Projection Summary
May 31, 2019
66.67% of Fiscal Year

	Enterprise Fund Total Budget	Water Projection	Wastewater Projection	Water CIP Projection	Wastewater CIP Projection	Equipment Repl Projection	Total Enterprise Fund Projected
Utility Revenues	4,868,669	3,622,107	1,102,647	-	-	-	4,724,754
Utility Operating Expenses							
Personnel	1,329,218	683,575	578,974	-	-	-	1,262,549
Supplies, Maintenance & Operations	2,397,449	1,708,403	664,376	-	-	-	2,372,779
Services	48,243	87,081	1,162	-	-	-	88,243
Total Utility Operating Expenses	3,774,909	2,479,059	1,244,511	-	-	-	3,723,570
Operating Income/(Loss)	1,093,760	1,143,048	(141,864)	-	-	-	1,001,184
Capital Outlay	1,788,075	450,713	304,485	294,777	337,677	-	1,387,652
Lease Interest Expense	98,487	82,729	15,758	-	-	-	98,487
Transfers & Non-Cash	(657,994)	(14,304)	(282,626)	-	-	(78,846)	(375,776)
Net Income / (Loss)	(134,809)	623,910	(179,482)	(294,777)	(337,677)	78,846	(109,180)

	9/30/2018	Projected close-out	Reclasses	9/30/2019
Net investment in Capital Assets	8,464,020	631,795		9,095,815
Unrestricted Reserves				
Impact Fees	500,000			500,000
Equipment Replacement Fund	527,893	78,846		606,739
6 month Operating Expense	1,887,455	0		1,887,455
Water Capital	1,668,710	(294,777)	(1,373,933)	-
Wastewater Capital	80,314	(337,677)	257,363	-
Unassigned	784,604	(187,367)	1,116,570	1,713,807
Total Unrestricted	5,448,975	(740,975)	-	4,708,000
Total Reserves	13,912,995	(109,180)	-	13,803,815

Water Utility Fund Summary
May 31, 2019
66.67% of Fiscal Year

	Budget	Projection	Year-to-Date Actual	Percent of Budget	Budget Balance	
Water Revenues	3,804,008	3,622,107	2,116,046	55.6%	1,687,962	Projecting water residential revenue to be 200k under budget
Water Operating Expenses						
Personnel	717,398	683,575	426,619	59.5%	290,778	Personnel savings due to turnover.
Supplies, Maintenance & Operations	1,734,543	1,708,403	992,543	57.2%	742,000	
Services	47,081	87,081	74,153	157.5%	(27,072)	Legal fees will exceed budget
Total Water Operating Expenses	2,499,022	2,479,059	1,493,315		1,005,707	
Operating Income	1,304,986	1,143,048	622,731		682,255	
Capital Outlay	1,015,038	745,490	22,915	2.3%	992,122	See (Note A) below for project detail
Lease Interest Expense	82,729	82,729	42,251	51.1%	40,479	
Transfers & Non-Cash	(280,334)	(14,304)	274,564	-97.9%	(554,898)	
Net Income/(Loss)	487,553	329,132	283,002	58.0%	204,551	
Note A:						
			YTD Actual			
	Budgeted	Projected	Actual	Surplus / (Deficit)		
Water CIP						
Elevated Storage Tank	247,000	75,000	425	246,575		Project will continue to FY 19-20
Utility Rate Analysis	200,000	200,000	-	200,000		Project scheduled for FY 19-20.
Master Water/Wastewater Plan	-	19,777	19,777	(19,777)		
Impact Fee Analysis	25,000	-	-	25,000		Project scheduled for FY 19-20.
	472,000	294,777	20,203	451,797		
Water Operations						
Fix Exposed Water Line	400,000	400,000	-	400,000		Project will kick off in the summer, and continue in FY 19-20
New truck	40,000	33,000	-	40,000		
SCADA program	80,000	-	-	80,000		Project deferred per SAP planning schedule
Replacement generators	20,000	15,000	-	20,000		
Heavy duty trailers	3,038	2,713	2,713	325		
	543,038	450,713	2,713	540,325		
Total Capital Outlay	1,015,038	745,490	22,915	992,122		

Water Utility Fund Revenue

May 31, 2019

66.67% of Fiscal Year

	Budget	Projection	Year-to-Date Actual	Percent of Budget	Budget Balance	Comments
Water Revenues						
Water Revenue Residential	2,766,817	2,540,447	1,340,447	48.45%	1,426,370	
Water Debt Service	297,785	297,785	190,717	64.05%	107,068	
Water Capital	237,082	237,082	160,033	67.50%	77,049	
Water Revenue Commercial	135,475	135,475	109,716	80.99%	25,760	
Water Contract Commercial	158,268	158,268	105,549	66.69%	52,719	
Water Revenue Non Potable	10,960	10,960	7,195	65.65%	3,765	
Water Service Connect Fees	34,810	34,810	24,390	70.07%	10,420	
Water Penalties	28,440	34,235	22,822	80.25%	5,618	
Water Impact Fees	83,640	111,052	111,052	132.77%	(27,412)	All Impact Fees revenue posts in this line and not broken out by subdivision.
Water Impact Fee-Stone Creek	9,340	-	-	0.00%	9,340	
Water Impact Fee-S Bar Ranch	12,710	-	-	0.00%	12,710	
Water Impact Fee-Oak Bend	-	-	-	0.00%	-	
Water Impact Fee-Enclave	1,600	-	-	0.00%	1,600	
Water Interest Income	16,000	45,904	32,398	202.49%	(16,398)	Budget did not account for Fed Rate increases.
Water-Bad Debts	(3,000)	(945)	(145)	4.83%	(2,855)	
Misc./Special Requests	3,710	3,710	1,488	40.11%	2,222	
Third Party Reimbursement	-	2,824	2,824	0.00%	(2,824)	New fees charging third party for damages to City property.
Permits/Variances	370	500	400	108.11%	(30)	
Credit Card Service Fee	10,000	10,000	7,159	71.59%	2,841	
Total Water Revenues	3,804,008	3,622,107	2,116,046		1,687,962	

Water Utility Fund Operating Expense

May 31, 2019

66.67% of Fiscal Year

	Budget	Projection	Year-to-Date Actual	Percent of Budget	Budget Balance	Comments
Operating Expenses						
Service Salaries	272,713	270,694	152,874	56.06%	119,839	Delay in hiring new FTE.
Service Overtime	1,929	4,187	4,187	217.01%	(2,258)	Budget was a conservative estimate of anticipated overtime.
Service Taxes - FICA	18,093	17,968	9,741	53.84%	8,352	
Service Taxes - MEDICARE	4,231	4,202	2,278	53.84%	1,953	
Service Workers' Comp	16,663	9,959	9,959	59.77%	6,704	Annual premium paid.
Service Taxes - SUTA/FUTA	1,490	56	41	2.76%	1,448	Paid through Q1-19.
Service Retirement	34,843	34,602	18,812	53.99%	16,032	
Service Insurance	53,301	53,292	35,141	65.93%	18,160	
Administration Salaries	233,679	213,135	144,604	61.88%	89,075	
Administration Overtime	152	152	37	24.28%	115	
Administration Taxes - FICA	14,498	13,224	9,121	62.91%	5,377	
Administration Taxes - MEDICARE	3,391	3,093	2,133	62.92%	1,257	
Administration Workers' Comp	1,052	1,052	1,052	100.00%	-	Annual premium paid.
Administration Taxes - SUTA/FUTA	911	59	59	6.49%	852	Paid through Q1-19.
Administration Retirement	27,919	25,466	17,314	62.02%	10,605	
Administration Insurance	32,532	32,433	19,265	59.22%	13,267	
Uniforms	5,953	5,953	4,406	74.02%	1,547	
Power	126,050	135,050	41,822	33.18%	84,228	
Maintenance of Plants/Lines	135,140	100,000	47,771	35.35%	87,369	
Cost of Meters	-	-	-	0.00%	-	
Analysis Fees	5,750	5,750	3,713	64.57%	2,037	
Chemicals	5,090	5,090	1,077	21.16%	4,013	
City Management Fee	153,576	153,576	76,799	50.01%	76,777	
Equipment Maintenance	4,110	4,110	1,373	33.41%	2,737	
Equipment Gas & Oil	11,010	11,010	7,034	63.89%	3,976	
GBRA Water Fees	1,097,699	1,097,699	671,652	61.19%	426,047	
Equipment Lease	690	690	-	0.00%	690	
Tools & Minor Equipment	18,663	18,663	11,707	62.73%	6,956	
Training	10,250	10,250	7,149	69.75%	3,101	
Utilities & Radio	19,389	19,389	13,789	71.12%	5,600	3rd quarterly payment for dispatch paid.
Signal & Telemetry	162	162	108	66.67%	54	
Water Building Maintenance	10,000	10,000	5,358	53.58%	4,642	
Supplies & Consumables	1,340	1,340	839	62.58%	501	
Vehicle Maintenance/Repair	10,450	10,450	3,812	36.48%	6,638	
Capital	543,038	450,713	2,713	0.50%	540,325	See Note A on Water Summary sheet.
Water Inventory Adjustment	-	-	-	0.00%	-	
Utilities & Telephone	5,527	5,527	3,289	59.51%	2,238	
Dues & Publications	1,102	1,102	1,033	93.71%	69	Annual memberships paid.
Water Professional Services	47,081	87,081	74,153	157.50%	(27,072)	Water well rights legal fees not budgeted.
Permit & Licenses	8,461	8,461	7,573	89.51%	888	TCEQ annual fee paid.
General Liability Insurance	12,320	12,320	11,917	96.73%	403	Annual premium paid.
Office Supplies	5,814	5,814	2,835	48.76%	2,979	
Travel & Meetings	7,750	7,750	3,823	49.33%	3,927	
Software & Computer	56,627	56,627	50,198	88.65%	6,430	Annual Incode paid.
Recording/Reporting	100	100	56	56.00%	44	
Postage	850	850	215	25.35%	635	
Building/Equip Maintenance	1,100	1,100	632	57.46%	468	
Conservation Ed & Newsletter	250	250	-	0.00%	250	
Billing Statement Charges	3,360	3,360	2,243	66.75%	1,117	
Billing Postage	8,100	8,100	5,300	65.43%	2,800	
Water Miscellaneous	600	600	134	22.41%	466	
Credit Card Service Fee	7,260	7,260	4,883	67.26%	2,377	
Total Operating Expenses	3,042,060	2,929,772	1,496,027		1,546,032	

Water Utility Fund
Capital Outlays, Debt and Non-Operating Detail
May 31, 2019
66.67% of Fiscal Year

	Budget	Projection	Year-to-Date Actual	Percent of Budget	Budget Balance	Comments
Capital Outlays						
Master Water/Wastewater Plan	-	19,777	19,777	0.00%	(19,777)	
North Elevated Storage Tank	247,000	75,000	425	0.17%	246,575	Project scheduled for FY 19-20.
Utility Rate Analysis	200,000	200,000	-	0.00%	200,000	Project scheduled for FY 19-20.
Impact Rate Study	25,000	-	-	0.00%	25,000	Project scheduled for FY 19-20.
Total Capital Outlays	<u>472,000</u>	<u>294,777</u>	<u>20,203</u>		<u>451,797</u>	Budgeted capital not purchased yet.
Lease Interest Expense						
Tax Exempt Lease Interest	<u>82,729</u>	<u>82,729</u>	<u>42,251</u>	51.07%	<u>40,479</u>	Paid quarterly.
Total Lease Interest Expense	<u>82,729</u>	<u>82,729</u>	<u>42,251</u>		<u>40,479</u>	
Non-Cash Adjustments						
Transfer to Vehicle/Equip Replacement Fund	39,423	39,423	39,423	100.00%	-	
Water Service Depreciation	470,281	471,986	235,141	50.00%	235,141	
Transfer of Assets to Balance Sheet	(790,038)	(525,713)	-	0.00%	(790,038)	Budgeted capital not purchased yet.
Total Non-Cash Adjustments	<u>(280,334)</u>	<u>(14,304)</u>	<u>274,564</u>		<u>(554,898)</u>	
Total Non-Operating Expenses	274,395	363,203	337,017		(62,621)	

Wastewater Utility Fund Summary

May 31, 2019

66.67% of Fiscal Year

	Budget	Projection	Year-to-Date Actual	Percent of Budget	Budget Balance	
Wastewater Revenues	1,064,661	1,102,647	742,938	69.8%	321,723	Keeping wastewater revenues steady in line with budget.
Wastewater Operating Expenses						
Personnel	611,820	578,974	346,581	56.6%	265,239	Personnel savings due to turnover.
Supplies, Maintenance & Operations	662,906	664,376	449,242	67.8%	213,663	
Services	1,162	1,162	882	75.9%	280	
Total Wastewater Operating Expenses	1,275,887	1,244,511	796,705		479,183	
Operating Income	(211,226)	(141,864)	(53,767)		(157,460)	
Capital Outlay	773,038	642,162	400,296	51.8%	372,742	Budgeted capital not purchased yet; see Note A.
Lease Interest Expense	15,758	15,758	8,048	51.1%	7,710	
Transfers & Non-Cash	(298,814)	(282,626)	145,091	-48.6%	(443,905)	
Net Income/(Loss)	(701,208)	(517,159)	(607,201)	86.6%	(94,007)	
						YTD Actual
Note A:	Budgeted	Projection	YTD Actual		Surplus / (Deficit)	
Wastewater CIP Fund						
Master Wastewater Plan	125,000	19,805	19,805		105,195	Project scheduled for FY 19-20.
Impact Fee Study	25,000	25,000	-		25,000	Project scheduled for FY 19-20.
Digester Planning	100,000	100,000	-		100,000	Project scheduled to kick off in the summer and continue next FY
Collection system repairs	170,000	192,872	192,872		(22,872)	Project complete.
	420,000	337,677	212,678		207,322	
Wastewater Operations						
Vaccum Jetter	90,000	91,250	91,250		(1,250)	Equipment purchased.
Camera System	50,000	64,849	64,849		(14,849)	
New trucks	40,000	33,000	-		40,000	Trucks to be purchased in June.
Heavy duty trailer	3,038	2,713	2,713		325	
Sludge dewatering box	150,000	-	-		150,000	Project cancelled.
Replacement generators	20,000	15,000	-		20,000	To be purchased before end of FY.
Lift station pump	-	28,807	28,807		(28,807)	This was budgeted in Maintenance of Plant Lines.
Hidro stal pump	-	32,092	-		-	Emergency pump for lift station to be received in July.
In-yard LS retrofit	-	31,710	-		-	Emergency pump for lift station to be received in July.
Lift Station #3 Pump	-	5,064	-		-	This was budgeted in Maintenance of Plant Lines.
	353,038	304,485	187,618		165,419	
Total budgeted purchases	773,038	642,162	400,296		372,742	

Wastewater Utility Fund Revenue

May 31, 2019
66.67% of Fiscal Year

	Budget	Projection	Year-to-Date Actual	Percent of Budget	Budget Balance	Comments
Wastewater Revenues						
Sewer Revenue Residential	822,004	822,004	550,801	67.01%	271,203	
Sewer Debt Service	56,721	56,721	36,619	64.56%	20,102	
Sewer Capital	88,250	88,250	59,345	67.25%	28,905	
Sewer Revenue Commercial	4,166	4,166	2,767	66.42%	1,399	
Sewer Service Connect Fee	23,670	23,670	18,500	78.16%	5,170	
Sewer Penalties	5,270	8,500	5,666	107.51%	(396)	
Sewer Impact Fee	45,710	52,420	36,340	79.50%	9,370	
Sewer Impact Fee-S Bar Ranch	6,710	-	-	0.00%	6,710	
Sewer Interest Income	12,000	47,116	32,982	274.85%	(20,982)	Budget did not account for Fed Rate increases.
Sewer Bad Debt	(400)	(200)	(82)	20.55%	(318)	
Sewer Grant Revenue	-	-	-	0.00%	-	
SECO EECBG	560	-	-	0.00%	560	
Misc/Special Requests	-	-	-	0.00%	-	
Fund Balance Transfer In	-	-	-	0.00%	-	
Total Wastewater Revenues	<u>1,064,661</u>	<u>1,102,647</u>	<u>742,938</u>		<u>321,723</u>	

Wastewater Utility Fund Operating Expense

May 31, 2019
66.67% of Fiscal Year

	Budget	Projection	Year-to-Date Actual	Percent of Budget	Budget Balance	Comments
Operating Expenses						
Service Salaries	198,086	196,067	121,556	61.36%	76,531	
Service Overtime	1,414	2,192	2,192	154.96%	(777)	Budget was a conservative estimate of anticipated overtime.
Service Taxes - FICA	12,369	12,244	8,089	65.40%	4,280	
Service Workers' Comp	11,391	7,191	7,191	63.13%	4,200	Annual premium paid.
Service Taxes - SUTA/FUTA	956	38	33	3.48%	923	Paid through Q1-19.
Service Retirement	23,820	23,579	14,817	62.21%	9,003	
Service Insurance	29,864	29,854	17,946	60.09%	11,918	
Administration Salaries	245,170	224,626	129,525	52.83%	115,645	
Administration Overtime	152	152	37	24.28%	115	
Administration Taxes - FICA	15,210	13,936	8,126	53.42%	7,084	
Administration Workers' Comp	1,216	704	704	57.87%	512	Annual premium paid.
Administration Taxes - SUTA/FUTA	956	55	55	5.72%	902	Paid through Q1-19.
Total Miscellaneous	35,474	35,375	17,012	47.96%	18,462	
Uniforms	5,953	5,953	3,190	53.59%	2,763	
Power	35,140	35,140	21,199	60.33%	13,941	
Maintenance Of Plant/ Lines	50,280	50,280	22,309	44.37%	27,971	
Sludge Hauling	330,000	330,000	234,865	71.17%	95,135	
Analysis Fees	21,330	21,330	15,820	74.17%	5,510	
Chemicals	6,280	6,280	5,489	87.40%	791	
City Management Fee	41,308	41,308	27,678	67.00%	13,630	
Equipment Maintenance	2,860	2,860	1,197	41.87%	1,663	
Equipment Gas & Oil	6,820	6,820	5,357	78.54%	1,464	
Equipment Lease	3,090	4,560	4,560	147.57%	(1,470)	Pump rental higher than budgeted.
Tools & Minor Equipment	16,123	16,123	4,958	30.75%	11,165	
Training	9,250	9,250	6,414	69.34%	2,836	
Utilities & Radios	18,127	18,127	13,137	72.47%	4,991	3rd quarterly payment for dispatch paid.
Signal & Telemetry	461	461	308	66.67%	154	
Building Maintenance	10,330	10,330	4,128	39.96%	6,202	
Supplies & Consumables	1,120	1,120	768	68.55%	352	
Vehicle Maintenance & Repairs	2,500	2,500	932	37.27%	1,568	
Capital	353,038	304,485	187,618	53.14%	165,419	See Note A on Wastewater Summary page.
Utilities/Telephone	5,006	5,006	3,670	73.31%	1,336	
Dues & Publications	1,162	1,162	882	75.89%	280	WEF and WEAT annual memberships.
Professional Fees	26,004	26,004	20,504	78.85%	5,500	WW Permit renewal posted.
Permits & Licenses	1,718	1,718	1,313	76.43%	405	TCEQ annual fee paid.
Liability Insurance	12,320	12,320	11,917	96.73%	402	Annual premium paid.
Office Supplies	4,194	4,194	2,103	50.13%	2,091	
Travel & Meetings	4,800	4,800	3,361	70.02%	1,439	
Software & Computers	34,193	34,193	25,582	74.82%	8,611	Annual Incode paid.
Recording/Reporting	100	100	25	25.00%	75	

Wastewater Utility Fund Operating Expense Cont.
May 31, 2019
66.67% of Fiscal Year

	Budget	Projection	Year-to-Date Actual	Percent of Budget	Budget Balance	Comments
Sewer Postage	438	438	215	49.18%	223	
Adm Bldg/Equip. Maintenance	1,100	1,100	632	57.46%	468	
Billing Statement Charges	3,360	3,360	2,243	66.75%	1,117	
Billing Postage	8,100	8,100	5,300	65.43%	2,800	
Miscellaneous	600	600	69	11.58%	531	
Total Operating Expenses	1,628,925	1,548,996	984,323		644,602	

Wastewater Utility Fund
Capital, Debt, and Non-Cash Expenditures
May 31, 2019
66.67% of Fiscal Year

	Budget	Projection	Year-to-Date Actual	Percent of Budget	Budget Balance	Comments
Capital Outlays						
Digester Planning	100,000	100,000	-	0.00%	100,000	
Impact fee study	25,000	25,000	-	0.00%	25,000	Project scheduled for FY 19-20.
Master Wastewater Plan	125,000	19,805	19,805	15.84%	105,195	Project scheduled for FY 19-20.
Collection System repairs	170,000	192,872	192,872	113.45%	(22,872)	PY budget not spent did not roll over to this fiscal year.
Total Capital Outlays	420,000	337,677	212,678		207,322	
Lease Interest Expense						
Tax Exempt Lease Interest	15,758	15,758	8,048	51.07%	7,710	Paid quarterly.
Total Lease Interest Expense	15,758	15,758	8,048		7,710	
Non-Cash Adjustments						
Transfer To Vehicle Repl. Fund	39,423	39,423	39,423	100.00%	-	
Sewer Service Depreciation	284,801	275,308	105,668	37.10%	179,133	
Asset Transfers to Balance Sheet	(623,038)	(597,357)	-	0.00%	(623,038)	Budgeted capital not purchased yet.
Total Non-Cash Adjustments	(298,814)	(282,626)	145,091		179,133	
Total Capital, Debt, and Non-Cash	136,944	70,809	365,816		394,166	

Consolidated Utility Fund Budget
FY 19-20 DRAFT
Summary

	Water	Wastewater	Equipment	Utility Fund Total
Utility Revenues	3,982,147	1,075,001	30,000	5,087,147
Utility Operating Expenses				
Personnel	717,397	611,819	-	1,329,216
Supplies, Maintenance & Operations	1,752,908	710,608	-	2,463,516
Services	66,138	1,320	-	67,458
Debt Service Costs	75,522	(14,385)	-	61,137
Total Utility Operating Expenses	2,611,966	1,309,361	-	3,921,327
Operating Income/(Loss)	1,370,181	(234,360)	30,000	1,165,820
Capital Outlay	1,009,000	655,000	-	1,664,000
Non Cash Adjustments	(317,392)	(170,479)	(60,000)	(547,871)
Net Income/(Loss)	678,573	(718,881)	90,000	49,692

	9/30/2018	Projected close-out	PY Adjustments	9/30/2019	Budget Close Out	9/30/2020
Net investment in Capital Assets	8,464,020	631,795	-	9,095,815	812,470	9,908,285
				-		-
<u>Unrestricted Reserves</u>				-		-
Impact Fees	500,000	-	-	500,000	-	500,000
Equipment Replacement Fund	527,893	78,846	-	606,739	90,000	696,739
6 month Operating Expense	1,887,455	-	-	1,887,455	73,209	1,960,664
Water Capital	1,668,710	(294,777)	(1,373,933)	-	-	-
Wastewater Capital	80,314	(337,677)	257,363	-	-	-
Unassigned	784,604	(187,367)	1,116,570	1,713,807	(925,987)	787,820
Total Unrestricted	5,448,975	(740,975)	-	4,708,000	(762,778)	3,945,222
Total Reserves	13,912,995	(109,180)	-	13,803,815	49,692	13,853,507

Water Utility Fund Summary

	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Water Revenues	3,966,868	3,804,008	3,622,107	3,952,147
Water Operating Expenses				
Personnel	551,327	717,398	683,575	717,397
Supplies, Maintenance & Operations	1,647,703	1,734,543	1,708,403	1,752,908
Services	58,241	47,081	87,081	66,138
Lease Interest Expense	89,776	82,729	82,729	75,522
Total Water Operating Expenses	2,347,047	2,581,751	2,561,789	2,611,966
Operating Income	1,619,821	1,222,256	1,060,319	1,340,181
Capital Outlay	426,534	1,015,038	745,490	1,009,000
Non Cash Adjustments	123,282	(280,334)	39,098	(332,392)
Net Income/(Loss)	1,070,004	487,553	275,731	663,573

Water Utility Fund Revenue Detail

	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Water Revenues				
Water Revenue Residential	2,972,996	2,766,817	2,540,447	2,883,483
Rebate Program	-	-	-	-
Water Debt Service	189,735	297,785	297,785	304,738
Water Capital	236,492	237,082	237,082	244,420
Water Revenue Commercial	168,772	135,475	135,475	152,657
Water Contract Commercial	152,653	158,268	158,268	158,268
Water Revenue Non Potable	29,660	10,960	10,960	10,960
Water Service Connect Fees	25,150	34,810	34,810	34,810
Water Penalties	34,997	28,440	34,235	28,440
Water Impact Fees	105,830	83,640	111,052	83,640
Water Impact Fees - Stone Creek	-	9,340	-	9,340
Water Impact Fee-S Bar Ranch	-	12,710	-	12,710
Water Impact Fee-Oak Bend	-	-	-	-
Water Impact Fee-Enclave	-	1,600	-	1,600
Water Interest Income	39,982	16,000	45,904	16,000
Water-Bad Debts	(1,494)	(3,000)	(945)	(3,000)
Water Grant Revenue	-	-	-	-
SECO EECBG	-	-	-	-
Misc./Special Requests	629	3,710	3,710	3,710
Developers Contributions	-	-	-	-
Third Party Reimbursement	-	-	2,824	-
Permits/Variances	375	370	500	370
Credit Card Service Fee	11,092	10,000	10,000	10,000
Sale of Assets	-	-	-	-
Fund Balance Transfer In	-	-	-	-
Total Water Revenues	3,966,868	3,804,008	3,622,107	3,952,147

Water Utility Fund

Capital Outlays, Debt and Non-Operating Detail

	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Capital Outlays				
Water Operational Capital Outlays	96,703	543,038	450,713	37,300
Strategic Action Plan Capital Outlays				
Elevated Storage Tower	-	247,000	75,000	650,000
Master Water Plan	33,209	-	19,777	-
Project Development	-	-	-	50,000
Plant 2 Hydro Tank	-	-	-	246,700
Water Rate Study	-	200,000	200,000	-
Impact Rate Study	-	25,000	-	25,000
Capital Improvement Plan	33,209	-	-	-
Intrepid/Silver Spur Water line	53,799			
Meadow Creek water line	160,728			
Water Distribution Interconnect	48,886			
Total Strategic Action Plan Capital Outlays	329,831	472,000	294,777	971,700
Total Capital Outlays	426,534	1,015,038	745,490	1,009,000
Lease Interest Expense				
Bond Principal	-	-	-	-
Bond Water Issuance Fees	-	-	-	-
Bond Interest Cost	-	-	-	-
Tax Exempt Lease Interest	89,776	82,729	82,729	75,522
Total Lease Interest Expense	89,776	82,729	82,729	75,522
Non-Cash Adjustments				
Transfer to Vehicle/Equip Replacement Fund	63,081	39,423	39,423	45,000
Transfer from Water Operations	-	-	-	(45,000)
Water Service Depreciation	420,317	470,281	472,513	534,308
Transfer of Assets to Balance Sheet	(360,116)	(790,038)	(472,838)	(866,700)
Transfer to Water CIP	89,303	-	-	-
Transfer from Water Operations	(89,303)	-	-	-
Total Non-Cash Adjustments	123,282	(280,334)	39,098	(332,392)
Total Non-Operating Expenses	639,592	817,433	867,317	752,130

Water Utility Fund Operating Expense Detail

	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Operating Expenses				
Service Salaries	233,405	272,713	270,694	272,713
Service Overtime	9,391	1,929	4,187	1,929
Service Taxes - FICA	14,035	18,093	17,968	18,093
Service Taxes - MEDICARE	3,282	4,231	4,202	4,231
Service Workers' Comp	5,083	16,663	9,959	16,663
Service Texas Workforce Commission	794	1,490	56	1,490
Service Retirement	24,165	34,843	34,602	34,843
Service Insurance	45,282	53,301	53,292	53,301
Water Service OPEB	722	-	-	-
Administration Salaries	162,067	233,679	213,135	233,679
Administration Overtime	147	152	152	152
Administration Taxes - FICA	9,632	14,498	13,224	14,498
Administration Taxes - MEDICARE	2,253	3,391	3,093	3,391
Administration Workers' Comp	380	1,052	1,052	1,052
Administration Texas Workforce Commission	507	911	59	911
Administration Retirement	16,379	27,919	25,466	27,919
Administration Insurance	23,315	32,532	32,433	32,532
Water Admin OPEB	489	-	-	-
Uniforms	4,764	5,953	5,953	5,750
Power	135,083	126,050	135,050	135,000
Maintenance of Plants/Lines	100,941	135,140	100,000	115,000
Cost of Meters	6,300	-	-	-
Analysis Fees	4,540	5,750	5,750	7,400
Chemicals	5,250	5,090	5,090	5,090
City Management Fee	166,204	153,576	153,576	153,576
Equipment Maintenance	9,805	4,110	4,110	12,110
Equipment Gas & Oil	9,822	11,010	11,010	11,010
GBRA Water Fees	1,044,497	1,097,699	1,097,699	1,097,699
Equipment Lease	6	690	690	690
Tools & Minor Equipment	9,889	18,663	18,663	10,000
Training	7,798	10,250	10,250	9,460
Utilities & Radio	15,425	19,389	19,389	19,328
Signal & Telemetry	162	162	162	162
Water Building Maintenance	9,799	10,000	10,000	12,250
Supplies & Consumables	1,631	1,340	1,340	1,340
Vehicle Maintenance/Repair	4,092	10,450	10,450	6,500
Water Inventory Adjustment	2,402	-	-	-
Utilities & Telephone	4,924	5,527	5,527	6,309
Dues & Publications	775	1,102	1,102	1,056
Water Professional Services	58,241	47,081	87,081	66,138
Permit & Licenses	7,992	8,461	8,461	8,741
General Liability Insurance	11,733	12,320	12,320	25,709
Office Supplies	3,292	5,814	5,814	4,616
Travel & Meetings	3,140	7,750	7,750	9,500
Software & Computer	54,230	56,627	56,627	69,042
Recording/Reporting	71	100	100	100
Mileage	206	-	-	-
Copier Lease	1,322	-	-	-
Postage	353	850	850	850
Building/Equip Maintenance	1,088	1,100	1,100	150
Conservation Ed & Newsletter	840	250	250	250
Billing Statement Charges	3,548	3,360	3,360	3,360
Billing Postage	7,867	8,100	8,100	8,100
Water Miscellaneous	273	600	600	5,500
Credit Card Service Fee	7,638	7,260	7,260	7,260
Total Operating Expenses	2,257,271	2,499,022	2,479,059	2,536,444

Wastewater Utility Fund Summary

	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Wastewater Revenues	1,020,293	1,064,661	1,102,647	1,075,001
Wastewater Operating Expenses				
Personnel	471,238	611,820	578,974	611,819
Supplies, Maintenance & Operations	597,410	662,906	664,376	710,608
Services	1,032	1,162	1,162	1,320
Lease Interest Expense	16,471	15,758	15,758	(14,385)
Total Wastewater Operating Expenses	1,086,151	1,291,645	1,260,269	1,309,361
Operating Income	(65,858)	(226,984)	(157,622)	(234,361)
Capital Outlay	77,310	773,038	642,162	655,000
Non-Cash Adjustments	279,003	(298,814)	(301,125)	(215,479)
Net Income/(Loss)	(422,170)	(701,208)	(498,660)	(673,882)

Wastewater Utility Fund Revenue Detail

	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Wastewater Revenues				
Sewer Revenue Residential	791,058	822,004	822,004	830,798
Sewer Debt Service	36,298	56,721	56,721	57,327
Sewer Capital	87,472	88,250	88,250	89,190
Sewer Revenue Commercial	4,045	4,166	4,166	4,166
Sewer Service Connect Fee	17,000	23,670	23,670	23,670
Sewer Penalties	7,644	5,270	8,500	5,270
Sewer Impact Fee	38,760	45,710	52,420	45,710
Sewer Impact Fee-S Bar Ranch	-	6,710	-	6,710
Sewer Impact Fee-<2004	-	-	-	-
Sewer Interest Income	38,254	12,000	47,116	12,000
Sewer Bad Debt	(238)	(400)	(200)	(400)
Sewer Grant Revenue	-	-	-	-
SECO EECBG	-	560	-	560
Misc/Special Requests	-	-	-	-
Fund Balance Transfer In	-	-	-	-
Total Wastewater Revenues	1,020,293	1,064,661	1,102,647	1,075,001

Wastewater Utility Fund Operating Expenses

	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Operating Expenses				
Service Salaries	195,955	198,086	196,067	198,086
Service Overtime	5,020	1,414	2,192	1,414
Service Taxes - FICA	11,943	12,369	12,244	12,369
Service Taxes - Medicare	2,793	2,893	2,863	2,893
Service Workers' Comp	3,913	11,391	7,191	11,391
Service Taxes - SUTA/FUTA	745	956	38	956
Service Retirement	20,088	23,820	23,579	23,820
Service Insurance	34,483	29,864	29,854	29,864
Service OPEB	599	-	-	-
Administration Salaries	147,385	245,170	224,626	245,170
Administration Overtime	45	152	152	152
Administration Taxes - FICA	8,785	15,210	13,936	15,210
Administration Taxes - Medicare	2,054	3,557	3,259	3,557
Administration Workers' Comp	324	1,216	704	1,216
Administration Taxes - SUTA/FUTA	426	956	55	956
Administration Retirement	14,924	29,291	26,838	29,291
Administration OPEB	445	-	-	-
Administration Insurance	21,309	35,474	35,375	35,474
Uniforms	4,333	5,953	5,953	4,150
Power	35,938	35,140	35,140	36,350
Maintenance Of Plant/ Lines	39,161	50,280	50,280	40,000
Sludge Hauling	282,734	330,000	330,000	350,000
Analysis Fees	26,910	21,330	21,330	26,000
Chemicals	5,740	6,280	6,280	7,240
City Management Fee	39,755	41,308	41,308	41,308
Equipment Maintenance	5,273	2,860	2,860	6,860
Equipment Gas & Oil	9,738	6,820	6,820	9,180
Equipment Lease	8,306	3,090	4,560	4,500
Tools & Minor Equipment	6,508	16,123	16,123	5,500
Training	6,576	9,250	9,250	8,380
Utilities & Radios	14,331	18,127	18,127	18,056
Signal & Telemetry	461	461	461	461
Building Maintenance	6,577	10,330	10,330	9,080
Supplies & Consumables	1,409	1,120	1,120	1,120
Vehicle Maintenance & Repairs	2,913	2,500	2,500	5,000
Inventory Adjustment	(759)	-	-	-
Utilities/Telephone	5,308	5,006	5,006	6,098
Dues & Publications	1,032	1,162	1,162	1,320
Professional Fees	26,625	26,004	26,004	30,804
Permits & Licenses	3,286	1,718	1,718	1,718
Liability Insurance	11,733	12,320	12,320	25,709
Office Supplies	3,001	4,194	4,194	4,181
Travel & Meetings	2,589	4,800	4,800	7,800
Software & Computers	34,690	34,193	34,193	43,465
Recording/Reporting	25	100	100	100
Sewer Postage	307	438	438	438
Adm Bldg/Equip. Maintenance	1,088	1,100	1,100	150
Billing Statement Charges	3,796	3,360	3,360	3,360
Billing Postage	7,567	8,100	8,100	8,100
Copier Lease	1,322	-	-	-
Miscellaneous	169	600	600	5,500
Total Operating Expenses	1,069,680	1,275,887	1,244,511	1,323,747

Wastewater Utility Fund

Capital, Debt, and Non-Cash Expenditures

	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Capital Outlays				
Wastewater Operational Capital Outlays	10,910	353,038	304,485	10,000
Strategic Action Plan Capital Outlays				
Solids Handling and Digester Planning	-	100,000	100,000	450,000
Impact Fee Study	-	25,000	25,000	25,000
Project Development	-	-	-	50,000
Future Wastewater Treatment Plant	-	-	-	120,000
Master Wastewater Plan	66,400	125,000	19,805	-
Collection Systems repairs	-	170,000	192,872	-
Utility Rate Analysis	-	-	-	-
	<u>66,400</u>	<u>420,000</u>	<u>337,677</u>	<u>645,000</u>
Total Capital Outlays	<u>77,310</u>	<u>773,038</u>	<u>642,162</u>	<u>655,000</u>
Lease Interest Expense				
Water Bond Principal	-	-	-	-
Bond Issuance Costs	-	-	-	-
OB Bond Interest Cost	-	-	-	-
Tax Exempt Lease Interest	16,471	15,758	15,758	(14,385)
Total Lease Interest Expense	<u>16,471</u>	<u>15,758</u>	<u>15,758</u>	<u>(14,385)</u>
Non-Cash Adjustments				
Transfer To Vehicle Repl. Fund	63,081	39,423	39,423	45,000
Transfer from Wastewater Operations	-	-	-	(45,000)
Sewer Service Depreciation	226,831	284,801	273,746	264,521
Asset Transfer to Balance Sheet	(10,910)	(623,038)	(614,294)	(480,000)
Transfer to Wastewater CIP	21,723	-	-	-
Transfer from Wastewater Operations	(21,723)	-	-	-
Total Non-Cash Adjustments	<u>279,003</u>	<u>(298,814)</u>	<u>(301,125)</u>	<u>(215,479)</u>
Total Capital, Debt, and Non-Cash	372,783	489,981	356,795	425,136

Strategic Action Plan	
FINANCIAL INTEGRITY	
1.1	Develop & Maintain a Budget process that links with the Strategic Action Plan
1.1.1	Implement recurring SAP review process- Define mission and vision of the City
1.1.2	Implement sustainable recurring budget/SAP process and procedures
1.1.3	Improve Budget Deliverables to GFOA Standards
1.1.4	Redesign Enterprise Budget Process and Model
1.1.5	Develop Standardized capital project financial management process

Sarah	
Tobin	GF
Tobin	GF
Sarah	GF
Sarah	W
Sarah	GF

1.2	Develop a 5-Year Forecast
1.2.1	Develop 5-year Revenue Projections
1.2.2	Develop 5 Year Operational Projections
1.2.3	Develop 5 Year CIP projections
1.2.4	Deliver 5 year forecasts

Sarah	
Consultant	GF
Sarah	GF
Sarah	GF
Sarah	GF

1.3	Develop a Risk Inventory and mitigation strategies
1.3.1	Complete Internal controls framework for Financial Statement Controls
1.3.2	Develop a Risk Inventory for operational risks
1.3.3	Implement SOP's or internal controls for operational risks
1.3.4	Implement Procurement Function
1.3.5	Establish recurring assessment of internal controls adherence

Sarah	
Consultant	GF
Consultant	GF
Consultant	GF
Procur. Mgr.	GF
Sarah	GF

1.4	Develop Sustainable Financing Strategies aligned with service delivery expectations
1.4.1	Implement a sustainable and equitable drainage funding source for stormwater
1.4.2	Develop a sustainable and equitable water/wastewater Rate
1.4.3	Update Impact Fee Study - Marry with GEC
1.4.4	Develop General Fund and Utility Fund Leverage Guidelines and Engage Bond Counsel
1.4.5	Update debt policy and compliance checklists
1.4.6	Address tax base sustainment and diversification
1.4.7	Negotiate and update new franchise fee agreements

Sarah	
Consultant	GF
Consultant	W
Consultant	W
Acct/Consult	GF
Acct/Consult	GF
Acct/Consult	GF
Carole	GF

1.5	Ensure continuity and excellence of Financial Reporting Reliability
1.5.1	Complete Reserve Studies
1.5.2	Determine reporting requirements for grants, new utilities, etc.
1.5.3	Assess Monthly and Quarterly financial reporting deliverables
1.5.4	Reconcile impact fees
1.5.5	Evaluate and improve Equipment Replacement Fund procedures
1.5.6	Evaluate, update and implement Financial Management Policy
1.5.7	Implement Storm Water Utility Cost Center and Business Functions

Sarah	
Sarah	GF
Consultant	GF
Sarah	GF
Consultant	GF
Sarah	GF
Sarah	GF
Sarah	GF

Project Development		Project Implementation		Project Operational	
Project Planning (no expected budget costs)		Project is ongoing and incurring budget costs		The budgeted project is complete, these are ongoing maintenance costs	
2020	2021	2022	2023	2024	2025+

12,000	12,000	12,000	12,000	12,000	60,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

10,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

20,000	-	-	-	-	-
-	30,000	-	-	10,000	10,000
-	-	30,000	20,000	-	-
-	-	-	-	-	-
15,000	15,000	15,000	15,000	15,000	-

120,000	-	-	-	-	-
-	120,000	-	-	-	-
50,000	120,000	-	-	-	-
25,000	50,000	-	-	-	-
15,000	-	-	-	-	-
-	25,000	25,000	-	-	-
-	-	-	-	-	-

-	-	-	-	-	-
10,000	-	-	-	-	-
-	-	-	-	-	-
50,000	-	-	-	-	-
78,000	26,000	20,000	20,000	20,000	100,000
15,000	-	-	-	-	-
100,000	-	-	-	-	-

New # FTE	New # FTE	New # FTE	New # FTE	New # FTE	New # FTE
2020	2021	2022	2023	2024	2025+

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1	-	-	-	-

Strategic Action Plan

RESPONSIBLE GROWTH MANAGEMENT

2.1	Manage the physical development of the city in accordance with the Comprehensive Plan
2.1.1	Update International Family of Building and Life Safety Codes (every 3 years)
2.1.2	Administer Comprehensive Plan and Unified Development Code
2.1.3	Develop and implement turnkey predevelopment process/development handbook
2.1.4	Establish Grease Trap Ordinance
2.1.5	Update Health Inspection Ordinance
2.1.6	Expand Fire Inspection and ultimately Fire Marshall roles
2.1.7	FM 3351 Owners Rep/Project Management

2.2	Implement and update Infrastructure Master Plans
2.2.1	Develop project criticality chain and funding plan (Water CIP)
2.2.2	Develop project criticality chain and funding plan (Wastewater CIP)
2.2.3	Develop project criticality chain and funding plan (Drainage CIP)
2.2.4	Evaluate and update Master Plans (Waster, Wastewater)
2.2.5	Evaluate and update Comprehensive Plan and UDC
2.2.6	Evaluate and update Master Plans (Drainage)

2.3	Enhance Local Mobility & Multimodal Connectivity
2.3.1	Update Street Signage Citywide
2.3.2	Standardize and Implement Strategy for City Beautification of all ROW's
2.3.3	Implement Gas Station for City Fleet Vehicles Operation (Add Fleet Mechanic)
2.3.4	Improve Access to Reserve and Park

2.4	Alignment of Proactive Place Making Strategies with the MDD
2.4.1	Develop City Sponsored Application for Gateway Infrastructure
2.4.2	Develop MDD owners representation consulting agreement
2.4.3	Infrastructure Project Development

2.5	Develop, Implement & Update Environmental Sustainability Programs
2.5.1	Implement Municipal Separate Storm Sewer System (MS4) permit requirements
2.5.2	Water Conservation Improvements
2.5.3	Establish a Rebate Program (TGRGCD, In-House, etc)
2.5.4	Create a Geological Features Map
2.5.5	Implement Additional UDC Requirements for New Developments (Tree Preservation, Open Space, Concerva

Project Development		Project Implementation		Project Operational	
Project Planning (no expected budget costs)		Project is ongoing and incurring budget costs		The budgeted project is complete, these are ongoing maintenance costs	
2020	2021	2022	2023	2024	2025+

New # FTE	New # FTE	New # FTE	New # FTE	New # FTE	New # FTE
2020	2021	2022	2023	2024	2025+

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1	-	-
-	-	-	-	-	-

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-	-	-	-	-	-

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-	-	-	-	-	-
-	1	-	-	-	-
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Strategic Action Plan

RELIABLE AND SUSTAINABLE INFRASTRUCTURE		
3.1	Enhance & Ensure Continuity of Reliable Water Resources in Accordance with CCN Obligations	Ron
3.1.1	Implement and Educate regarding the Backflow Prevention Compliance program	Melissa W
3.1.2	Upgrade to 9,000 gallon Hydropneumatic Tank at Plant No. 2	Julio W
3.1.3	Upgrade various Mechanical/Structural/Electrical at Elmo Davis Pump Station & GST's	Julio W
3.1.4	Replace Existing Waterlines - Creek Crossings West, Central, and Keeneland Drive	Adrian W
3.1.5	Replace Willow Wind Drive/Red Bud Hill Water Line	Adrian W
3.1.6	Build Elevated Storage Tank with Plant 3 Upgrades, System PRVs, and 12-inch waterline	Adrian W
3.1.7	Update and Repair Water Treatment Plant Buildings	Julio W
3.1.8	Upgrade Various Electrical/Mechanical/Structural at Several Wells	Julio W
3.1.9	Install Variable Frequency Drives at Plant No. 2	Julio W
3.1.10	Replace Rolling Acres Trail Water Line	Adrian W
3.1.11	Expand Plant No. 5 Zone B (400 gpm) and Install new 0.5 MG GST with Solar Bee system	Adrian W
3.1.12	Expand Elmo Davis Water Plant Zone C (650 gpm)	Adrian W
3.1.13	Upgrade Electrical/Instrumentation at Plant No. 3 Pump Station	Julio W
3.1.14	Reroute Fair Oaks Parkway Water Line	Adrian W
3.1.15	Evaluate & Secure Future water supply in accordance with adopted master plans	Ron W
3.1.16	Build Plant No. 6 and New GBRA Delivery Point	Adrian W
3.1.17	Develop a Long-term water improvement Plan for fire protection utilizing Master Plan	Ron W
3.1.18	Create Regional Partnerships for future Utility and Infrastructure Needs	Ron W
3.1.19	Establish a Water Tank Maintenance and Repair Program	Julio W
3.1.20	Install several Water Lines per Master Plan	Adrian W
3.1.21	Implement Water System EPA Risk Assessment and Emergency Response Plan	Julio W
3.2	Enhance & Ensure Continuity of Reliable Wastewater Treatment in Accordance with CCN Obligations	Ron
3.2.1	Upgrade and Expand the WWTP Effluent Transfer Pump Station	Adrian WW
3.2.2	Existing Wastewater Treatment Plant Improvements - Solids Handling Improvements	Adrian WW
3.2.3	Install 8-inch Gravity Sanitary Sewer Line and Decommission Falls Lift Station	Adrian WW
3.2.4	Finalize & Advance New Wastewater Treatment Plant	Ron WW
3.2.5	Improve the Capacity, Maintenance, Operation and Maintenance (CMOM) EPA Required Program	Adrian WW
3.2.6	Implement Mechanical System Improvements at School Lift Station	Julio WW
3.2.7	Implement Instrumentation System Improvements at Deer Meadows Lift Stations No 1 & 2	Julio WW
3.2.8	Install SCADA at the Live Oak and Blackjack Chlorine Booster Stations	Julio WW
3.2.9	Install New Gravity Trunk Line from Old WWTP to New WWTP	Ron WW
3.2.10	Upgrade Reuse Water System: 2.0 MGD Pump Station, 8"/12" Reuse Lines, and 20" Boring & Casing	Adrian WW
3.2.11	Decommission Existing Wastewater Treatment Plant	Ron WW
3.2.12	Install multiple Gravity Sanitary Sewer Lines per Master Plan	Adrian WW
3.2.13	Update and Repair Wastewater Treatment Plant Buildings	Julio WW
3.2.14	Create Regional Partnerships for future Utility and Infrastructure Needs	Ron WW
3.2.15	Implement Wastewater EPA Risk Assessment and Emergency Response Plan	Julio WW
3.3	Enhance & Ensure Continuity of Reliable Drainage Improvement Initiatives	Ron
3.3.1	Establish a programmed and systematic approach for Drainage Improvements from Master Plan (CIP)	Ron D
3.4	Enhance & Ensure Continuity of Reliable Roadway Improvement Initiatives	Ron/Adrian
3.4.1	Develop Roadway Master Maintenance and Rehabilitation Plan	Adrian GF
3.4.2	Assess annual road maintenance program	Adrian GF
3.4.3	Conduct long-term road condition analysis (traffic studies, PCI, etc.)	Adrian GF
3.4.4	Evaluate, Implement and maintain a road rehabilitation plan	Adrian GF
3.4.5	Texdot HSIP (Hwy Safety Improvement Program) - Ammann Road	Adrian GF
3.4.6	Texdot HSIP (Hwy Safety Improvement Program) - Roundabout at Fair Oaks Pky and Dietz Elkhorn	Adrian GF
3.5	Enhance & Ensure Continuity of Reliable City Facilities	Ron/Julio
3.5.1	Develop a City Facility Maintenance and Funding Program	GF
3.5.2	Develop a city-wide space plan	GF

Project Development		Project Implementation		Project Operational		New # FTE	New # FTE	New # FTE	New # FTE	New # FTE	New # FTE
Project Planning (no expected budget costs)		Project is ongoing and incurring budget costs		The budgeted project is complete, these are ongoing maintenance costs							
2020	2021	2022	2023	2024	2025+						
2,300	-	-	-	-	-	-	-	-	-	-	-
246,700	-	-	-	-	-	-	-	-	-	-	-
-	313,270	256,930	-	-	-	-	-	-	-	-	-
-	68,260	51,870	-	-	-	-	-	-	-	-	-
-	154,440	154,440	-	-	-	-	-	-	-	-	-
650,000	4,060,390	-	-	-	-	-	-	-	-	-	-
5,000	5,500	6,100	6,700	7,400	8,100	-	-	-	-	-	-
-	87,880	92,270	96,880	101,720	218,960	-	-	-	-	-	-
-	82,405	82,405	-	-	-	-	-	-	-	-	-
-	-	145,860	145,860	-	-	-	-	-	-	-	-
-	-	-	1,083,900	1,083,900	384,000	-	-	-	-	-	-
-	-	-	-	485,900	485,900	-	-	-	-	-	-
-	-	-	-	255,290	-	-	-	-	-	-	-
-	-	-	-	214,370	-	-	-	-	-	-	-
-	-	-	-	-	100,000	-	-	-	-	-	-
-	-	-	-	-	5,905,300	-	-	-	-	-	-
-	-	-	-	-	2,500,000	-	-	-	-	-	-
-	-	200,000	200,000	100,000	100,000	-	-	-	-	-	-
-	-	150,000	165,000	181,500	199,650	-	-	-	-	-	-
-	-	-	-	1,614,600	8,288,500	-	-	-	-	-	-
-	50,000	-	-	-	64,000	-	-	-	-	-	-
-	162,500	-	-	-	-	-	-	-	-	-	-
450,000	-	-	-	-	-	-	-	-	-	-	-
-	275,450	275,450	-	-	-	-	-	-	-	-	-
120,000	200,000	2,000,000	2,000,000	6,000,000	12,927,100	-	-	-	-	-	-
-	50,000	55,000	61,000	300,000	81,000	-	-	-	-	-	-
-	-	196,630	-	-	-	-	-	-	-	-	-
-	-	111,320	111,320	-	-	-	-	-	-	-	-
-	-	-	146,250	146,250	-	-	-	-	-	-	-
-	-	-	915,150	915,150	-	-	-	-	-	-	-
-	-	-	-	1,575,730	1,575,730	-	-	-	-	-	-
-	-	-	-	-	1,495,000	-	-	-	-	-	-
-	-	-	-	-	5,469,300	-	-	-	-	-	-
30,000	-	-	-	-	-	-	-	-	-	-	-
-	-	100,000	100,000	50,000	50,000	-	-	-	-	-	-
-	50,000	-	-	-	64,000	-	-	-	-	-	-
-	-	578,100	2,460,100	2,674,300	3,946,500	-	-	2	1	-	-
-	-	-	-	-	-	-	-	-	-	-	-
410,000	430,000	451,000	474,000	498,000	523,000	-	-	-	-	-	-
80,000	-	-	-	-	130,000	-	-	-	-	-	-
-	-	-	-	-	10,000,000	-	-	-	-	-	-
-	190,000	-	-	-	-	-	-	-	-	-	-
-	320,000	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	75,000	75,000	-	-	-	-	-	-	-	-

Strategic Action Plan

PUBLIC HEALTH, SAFETY, AND WELFARE

4.1	Enhance & Ensure Continuity of Police Services	Scott
4.1.1	Implement Police Salary and Benefit Plan	GF
4.1.2	Reclassify 4 Patrolman to Corporal Positions	GF
4.1.3	Reclassify Lt. to Assistant Chief	GF
4.1.4	Hire non-sworn Property Room/Compliance Manager	GF
4.1.5	Establish asset forfeiture account	GF
4.2	Develop a Long-Term Strategy for Continuity of Fire Services	Scott/Tobin
4.2.1	Evaluate outsourcing options vs in house Fire Services	GF
4.3	Develop a Long-Term Strategy for Continuity of Emergency Medical Services	Scott/Tobin
4.3.1	Evaluate outsourcing options vs in-house Emergency Medical Services	GF
4.4	Enhance & Maintain Public Safety Community Outreach Initiatives	Scott
4.4.1	No new projects anticipated	GF

Project Development		Project Implementation		Project Operational	
Project Planning (no expected budget costs)		Project is ongoing and incurring budget costs		The budgeted project is complete, these are ongoing maintenance costs	
2020	2021	2022	2023	2024	2025+

New # FTE	New # FTE	New # FTE	New # FTE	New # FTE	New # FTE
2020	2021	2022	2023	2024	2025+
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1	-	-	-	-
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-	-	-	-	-	-
-	-	-	-	-	-

Strategic Action Plan

OPERATIONAL EXCELLENCE

5.1	Evaluate and Implement key HR Programs that Promote Organizational Design and Development
5.1.1	Evaluate & Update Compensation and Benefit Plans inclusive of Exempt/Non-Exempt status
5.1.2	Evaluate & Update Employee Handbook
5.1.3	Evaluate, Update & Develop Talent Management Processes/Programs
5.1.4	Evaluate & Update Technology to Improve Efficiency within HR (align with IT master plan)
5.1.5	Research & Design Learning & Development Training Programs

5.2	Develop & Implement a Proactive Communication Strategy
5.2.1	Perform SWOT Anaylsis of internal and external communications
5.2.2	Develop a communications strategy and marketing program
5.2.3	Ensure communications are in accordance to defined communication principles
5.2.4	Create collaborative and productive partnerships with schools, FORHA, business organizations and government
5.2.5	Evaluate Live Stream/Video Recording potential for Council Meetings
5.2.6	Implement a communications strategy and marketing program

5.3	Evaluate & Update Service Delivery Expectations & Best Practices
5.3.1	Evaluate & Improve operational performance targets and KPI's
5.3.2	Develop and implement a records management plan
5.3.3	Develop and implement Digitization Program for city records
5.3.4	Develop and implement a comprehensive cost of services program based on services delivery expectations
5.3.5	Implement paper-lite processes and procedures - municipal court
5.3.6	Streamline Judge and Prosecutor case flow processes - Municipal Court
5.3.7	Develop Risk mitigations and corrections strategies - Municipal Court
5.3.8	Enhance online services for case management and customers - Municipal Court
5.3.9	Evaluate the efficacy of implementing paperless/paperlite electronic document management
5.3.10	Evaluate and implement Agenda/Minutes software programs- City Council
5.3.11	Evaluate and implement Public Information Request software programs

5.4	Develop, Implement and Sustain an IT master plan
5.4.1	Define and Develop & Implement Core components of the IT master Plan
5.4.2	Conduct IT risk analysis
5.4.3	Implement Cyber Security Processes and Procedures
5.4.4	Update Work Order System with GIS Compatible software
5.4.5	Improve use of SCADA data
5.4.6	Define and Develop SCADA program based on build-out functional needs

Joanna	
Consultant	GF
Joanna	GF
Joanna	GF
Joanna/Brian	GF
Joanna	GF

Joanna/Carole	
Joanna	GF
Joanna	GF
Joanna	GF
Joanna	GF
Joanna/Christina	GF
Joanna	GF

Carole/Christina	
Carole	GF
Christina	GF
Christina	GF
Carole	GF
Debbie	GF
Debbie	GF
Debbie	GF
Debbie	GF
Christina/Brian	GF
Christina/Brian	GF
Christina	GF

Brian/Sarah	
Brian/Sarah	GF
Consultant	GF
Brian	GF
Julio	GF
Julio	W
Brian/Julio	W

Operational GF	
Operational Water	
Operational Wastewater	
Operational Stormwater Utility	
Operational Drainage Costs	

Governmental SAP/CIP Fund

Water SAP/Capital Fund

Wastewater SAP/Capital Fund

Stormwater Utility SAP/Capital Fund

MDD

Project Development		Project Implementation		Project Operational	
Project Planning (no expected budget costs)		Project is ongoing and incurring budget costs		The budgeted project is complete, these are ongoing maintenance costs	
2020	2021	2022	2023	2024	2025+

50,000	-	-	-	-	3,000
5,000	-	-	-	-	-
-	-	-	-	-	-
45,535	2,000	2,000	2,000	2,000	-
5,000	-	-	-	-	-

-	-	-	-	-	-
5,000	29,000	28,000	28,000	28,000	23,000
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-	-	-	-	-	-
-	-	-	-	-	-
-	10,000	6,000	5,000	5,000	25,000

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5,000	-	-	-	-	-
25,000	25,000	-	-	-	-
-	15,000	-	-	-	16,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
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-	10,000	-	-	-	-
-	10,000	-	-	-	-

-	-	-	-	-	-
30,000	-	-	-	-	-
-	-	-	-	-	-
-	25,000	50,000	-	-	-
-	-	-	-	-	-
-	100,000	110,000	121,000	133,100	146,410

715,246	528,000	584,500	611,000	650,000	809,000
37,300	5,500	6,100	6,700	7,400	8,100
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,500	4,500	4,500	5,000

631,535	795,000	252,600	106,200	11,900	10,187,100
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966,700	5,156,645	1,243,775	1,812,640	4,170,380	18,392,720
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650,000	737,950	2,763,400	3,333,720	8,987,130	21,712,130
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-	-	578,100	2,460,100	2,674,300	3,946,500
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125,000	-	-	-	-	-
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New # FTE	New # FTE	New # FTE	New # FTE	New # FTE	New # FTE
2020	2021	2022	2023	2024	2025+

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UTILITY FUND - SAP FUNDING MATRIX

WORKING COPY - DRAFT

FY 19-20

FY 2019-20 PROGRAMMED PROJECTS			Projected Already Funded			19-20 SAP	Programmed funding for FY 19-20									
SAP #	SAP Item		FY 18-19 Funded	FY 18-19 Projected	Available Projected	FY 19-20 Budget		Unrestricted Fund Balance	Water SAP Fund Balance	Wastewater SAP Fund Balance	Water 19-20 Ops	Wastewater 19-20 Ops	Impact Fees	TOTAL FUNDED	19-20 Funding Needed	Ending Allocated
1.4.2	Develop a sustainable and equitable water/wastewater Rate	W	200,000	-	200,000	-								-	-	200,000
1.4.3	Update Impact Fee Study - Marry with GEC	W	50,000	-	50,000	50,000			25,000					25,000	25,000	75,000
2.2.1	Develop project criticality chain and funding plan (Water CIP)	W			-	50,000			50,000					50,000	-	-
2.2.2	Develop project criticality chain and funding plan (Wastewater CIP)	WW			-	50,000			-	50,000				50,000	-	-
2.2.4	Evaluate and update Master Plans (Waster, Wastewater)	WW	125,000	10,133	114,867	-								-	-	114,867
3.1.1	Implement and Educate regarding the Backflow Prevention Compliance program	W			-	2,300					2,300			2,300	-	-
3.1.2	Upgrade to 9,000 gallon Hydropneumatic Tank at Plant No. 2	W			-	246,700			246,700					246,700	-	-
3.1.4	Replace Existing Waterlines - Creek Crossings West, Central, and Keeneland Drive	W	400,000	400,000	-	-								-	-	-
3.1.6	Build Elevated Storage Tank with Plant 3 Upgrades, System PRVs, and 12-inch waterline	W	247,000	-	247,000	650,000			650,000		-			650,000	-	247,000
3.1.7	Update and Repair Water Treatment Plant Buildings	W			-	5,000					5,000			5,000	-	-
3.2.2	Existing Wastewater Treatment Plant Improvements - Solids Handling Improvements	WW	100,000	100,000	-	450,000				450,000				450,000	-	-
3.2.4	Finalize & Advance New Wastewater Treatment Plant	WW			-	120,000				120,000	-			120,000	-	-
3.2.13	Update and Repair Wastewater Treatment Plant Buildings	WW			-	30,000						10,000		10,000	20,000	20,000
5.4.5	Improve use of SCADA data	W	80,000	-	80,000	-								-	-	-
Total Allocated			1,202,000	510,133	691,867	1,654,000		-	971,700	645,000	7,300	10,000	-	1,634,000	20,000	631,867

	9/30/2018	Projected close-out	PY Adjustments	9/30/2019	Projected close-out	9/30/2020		
Net investment in Capital Assets	8,464,020	631,795		9,095,815	812,470	9,908,285		
Unrestricted Reserves								
Impact Fees	500,000			500,000	-	500,000		
Equipment Replacement Fund	527,893	78,846		606,739	90,000	696,739		
6 month Operating Expense	1,887,455	-		1,887,455	73,209	1,960,664		
Water Capital	1,668,710	(294,777)	(1,373,933)	-	-	-		
Wastewater Capital	80,314	(337,677)	257,363	-	-	-		
Unassigned	784,604	(187,367)	1,116,570	1,713,807	(925,987)	787,820	Ending Balance	787,820
Total Unrestricted	5,448,975	(740,975)	-	4,708,000	(762,778)	3,945,222	Allocated	631,867
Total Reserves	13,912,995	(109,180)	-	13,803,815	49,692	13,853,507	Unallocated	155,953