

Utility Fund



Utility Fund

	<i>FY 2004-05</i>	<i>FY 2005-06</i>	<i>FY 2006-07</i>	<i>2007-08</i>
Revenue	<u><i>Actual</i></u>	<u><i>Actual</i></u>	<u><i>YE-Projected</i></u>	<u><i>Proposed</i></u>
Water Sales	1,449,126	1,696,315	1,667,377	1,834,114
Water Service Charges	520,435	771,692	752,117	827,328
Wastewater Service Fees	1,732,044	1,965,327	2,040,825	2,244,907
Miscellaneous Revenue	<u>447,835</u>	<u>172,453</u>	<u>200,315</u>	<u>220,347</u>
Total - Operating Revenue	4,149,440	4,605,787	4,660,634	5,126,696
Expenditures				
Water - Operations	785,052	1,426,773	1,690,838	1,834,184
Water - Supply	715,897	1,080,344	1,522,756	1,072,163
Wastewater	<u>1,747,919</u>	<u>1,630,180</u>	<u>2,162,255</u>	<u>2,148,266</u>
Total - Expenditures	3,248,868	4,137,297	5,375,849	5,054,613
Current Surplus/(Deficit)				72,083

Utility Fund

Revenue Source

Water

Water Sales

	2004-05 Actual	2005-06 Actual	2006-07 Adopted	2006-07 YE-Projected	2007-08 Base Line	2007-08 Total
Consumption Charges	1,436,654	1,667,114	1,703,158	1,627,919	1,790,711	1,790,711
Bulk Water Sales	-	-	-	5,608	6,168	6,168
Refund/Reimbursement	-	55	-	2,118	2,330	2,330
Miscellaneous	-	2,605	3,741	6,732	7,405	7,405
Svc Area 2 Acreage Fee	12,472	26,541	17,759	25,000	27,500	27,500
Surface Water Reservation Fee	-	-	216,000	-	-	-
<i>Subtotal</i>	1,449,126	1,696,315	1,940,658	1,667,377	1,834,114	1,834,114

Water Service Charges

Service Taps	259,833	273,050	271,700	195,188	214,706	214,706
Meter Reimbursement				14,162	15,578	15,578
Service Charges	105,059	123,596	123,337	108,789	119,668	119,668
Reconnect Fees	10,526	28,097	19,720	20,175	22,192	22,192
Surcharges	76,641	246,891	153,942	325,407	357,947	357,947
Penalties	67,016	84,939	81,036	85,944	94,538	94,538
Miscellaneous	1,359	15,120	-	2,453	2,698	2,698
<i>Subtotal</i>	520,435	771,692	649,735	752,117	827,328	827,328

Total - Operating Revenue	1,969,561	2,468,007	2,590,393	2,419,493	2,661,442	2,661,442
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Wastewater Service Fees

Charges For Services

Sunset Ridge WW	129	25	-	-	-	-
Lift Station Hays County ISD	6,645	4,860	-	8,257	9,083	9,083
<i>Subtotal</i>	6,775	4,885	-	8,257	9,083	9,083

Wastewater Service Charges	1,255,160	1,468,908	1,259,546	1,677,150	1,844,866	1,844,866
Miscellaneous	-	-	-	-	-	-
<i>Subtotal</i>	1,255,160	1,468,908	1,259,546	1,677,150	1,844,866	1,844,866

CHARGES FOR SERVICES

Service Taps	392,000	403,875	410,444	253,275	278,603	278,603
Service Charges	960	83	-	-	-	-
Surcharges	76,650	87,577	72,197	95,046	104,551	104,551
Miscellaneous	500	-	-	7,096	7,806	7,806
<i>Subtotal</i>	470,110	491,534	482,641	355,417	390,959	390,959

Wastewater	1,732,044	1,965,327	1,742,187	2,040,825	2,244,907	2,244,907
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Miscellaneous Revenue

Fund Interest Earned- Water	35,572	85,155	26,702	100,798	110,878	110,878
Fund Interest Earned- Sewer	11,644	22	-	-	-	-
Inspection Services	31,221	87,276	99,517	99,517	109,469	109,469
Transfer In from CIP Water	53,625	-	-	-	-	-
Transfer In from CIP Sewer	315,773	-	-	-	-	-
<i>Subtotal</i>	447,835	172,453	126,219	200,315	220,347	220,347

Total Funds Available	4,149,440	4,605,787	4,458,799	4,660,633	5,126,697	5,126,697
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Public Works - Utilities

The City of Kyle Public Works Department is a general term utilized to refer to two (2) different budgetary departments: Street Construction and Maintenance and the Utility Fund. Within the Utility Fund there are three divisions: Water Operations; Water Supply; and Wastewater Operations. All of these departments work under the general direction of the Director of Public Works. The two Water Departments' primary focus is to provide quality and safe drinking water, which includes maintenance and development of water mains, water testing, and service connections. The Wastewater Department carries responsibility for maintenance and operation of the City's wastewater collection system; it also protects the public from pollution and environmental contamination. The wastewater treatment plant is owned by the City, but is operated by private contractors.

Water Operating Department

The Water Services Utility is responsible for the operation and maintenance of infrastructure that provides potable water for over 6,000 customers. Four water wells totaling 2.208 MGD of capacity, 7 storage tanks with a total storage capacity of 2.241 MG, 3 water pumping stations, 20 miles of water distribution piping which includes valves, 600 fire hydrants, and 6,850 meters. Department activities are regulated by the Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency (EPA). Department activities include: periodic operational checks and preventive maintenance at pumping facilities, inspection and acceptance of new facilities constructed by developers, repair and preventive maintenance of piping and valves, testing and maintenance of system metering, marking of all underground piping prior to excavation by contractors, and routine sampling of water for proper process controls. The operation and maintenance of treatment facilities for the City's surface water supply is performed by GBRA under a 40-year contract that began in October 7, 1998.

Performance Indicators	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Projected	FY 07-08 Projected
Water Work Orders	2,600	4,884	4,378	4,700
New Water Lines	30,000 LFt	20,000 LFt	35,000 LFt	16,000 LFt
Ground Water Storage		4	5	7
Elevated Water Storage		4	4	4

City of Kyle
Personnel Resources

Adopted 2007-08 Budget

Full Time			Authorized Positions		
Classification Title	Status	Hr./Sal.	2006-07	2007-08	Diff.
Director of Public Works	F	Hr.	1.00	1.00	0.00
Planner/Admin.	F	Hr.	1.00	1.00	0.00
Foreman	F	Hr.	1.00	1.00	0.00
Maintenance Tech.	F	Hr.	3.00	4.00	1.00
Water	F	Hr.	0.00	1.00	1.00
Admin. Assistant	F	Hr.	0.00	1.00	1.00
			5.00	7.00	2.00

Comments on proposed staffing changes for 2007-08

The steadily increasing size of the water storage and distribution system argues for adding additional technical staff to maintain the system. The Administrative Assistant position is needed to provide administrative support for the Director of Public Works. This position also prepares the numerous reports required by TCEQ related to water and wastewater operations.

Appropriations by Major Category of Expenditure

	Employee Services	Goods & Supplies	Services & Other Fees	Capital Outlay*	Transfer	Total
2004-05 Actual	165,669	178,984	335,927	-	104,473	785,052
2005-06 Actual	137,950	268,844	462,459	447,462	110,058	1,426,773
2006-07						
Adopted'	260,968	235,057	442,483	367,301	-	1,285,809
Re-estimate	174,465	136,283	398,051	367,301	614,738	1,690,838
2007-08						
Base Line	209,510	143,700	359,266	525,501	475,000	1,712,977
Program Change	108,914	1,200	-	-	-	110,114
Market Adjust.	11,093	-	-	-	-	11,093
Total 2007-08	329,517	144,900	359,266	525,501	475,000	1,834,184
% Change	89%	6%	-10%	43%	-22%	8.5%

* Includes Debt Service

Comments on significant changes proposed for 2007-08

Overall, the increase is 8.5% above the re-estimate for this year. By far the majority of the increase is related to the addition of 2 new Maintenance Technician positions. The amount for Employee Services almost doubled from the previous year.

Capital Outlay and Debt Service:

Groundwater Pumping Station Well #1	\$ 300,000
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<p><i>New:</i> Upgrade of groundwater supply pumping system at Well No. 1 on Rebel Drive; will replace existing well/pumping system which will be outdated and obsolete; scheduled <i>Capital Improvement Project</i> utilizing advance funding/impact fees provided by developers; service increase for entire water system; will negatively impact service without upgrade.</p>

The Water Division's portion of the utility debt is \$225,501 (50%) of the total. The debt issues funded by water and sewer are listed in the Section of "Debt Service" the I&S Fund. The total budgeted amount of \$525,501 is made up of the capital project listed above and the water Division's portion of the debt payment.

Transfer:

A transfer of \$475,000 is made to the General Fund to reimburse it for expenses made on behalf of the Utility Fund.

Water Supply Department

The Water Supply Department is responsible for ensuring the City has adequate water to meet both its current and future needs. This would include evaluating and projecting current and future water needs as well as determining how to meet these needs. Kyle currently receives its water from leases, mainly from Edwards Aquifer, Barton Springs, and GBRA. The City is working on a joint venture with some of the surrounding communities to provide a new source of water with the Carrizo Wilcox Agreement. This water should be available in the next five to ten years.

Appropriations by Major Category of Expenditure

	<i>Employee Services</i>	<i>Goods & Supplies</i>	<i>Services & Other Fees</i>	<i>Capital Outlay*</i>	<i>Transfer</i>	<i>Total</i>
2004-05 Actual	-	-	715,897	-	-	715,897
2005-06 Actual	-	-	1,047,842	32,502	-	1,080,344
2006-07						
Adopted'	-	-	1,458,801	-	-	1,458,801
Re-estimate	-	-	1,522,756	-	-	1,522,756
2007-08						
Base Line	-	-	1,072,163	-	-	1,072,163
Program Change	-	-	-	-	-	-
Market Adjust.	-	-	-	-	-	-
Total 2007-08	-	-	1,072,163	-	-	1,072,163
% Change	-	-	-30%	-	-	-30%

Comments on significant changes proposed for 2007-08

The Water Supply Division is scheduled to reduce expenses by 30% or almost \$500,000 in the coming year. A reduction of \$300,000 is due to the fact that in 2006-07, additional water rights were leased that cost \$308,000. The allocation from BRA is scheduled to double by January of 2008 which will obviate the need for additional leases this year.

Of the amount charged by GBRA, almost \$180,000 of it can be charged to impact fee revenues. These are costs related to plant expansion and debt on transmission lines which are eligible costs under the Impact Fee Ordinance.

Wastewater Operating Department

The Wastewater Department is responsible for the operation and maintenance of infrastructure that provides wastewater for over 7,000 customers. Wastewater infrastructure includes 9 pumping stations, 600 manholes, and 30 miles of wastewater collection mains. Department activities are regulated by the Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency (EPA). Department activities include: periodic operational checks and preventive maintenance at pumping facilities, jet cleaning and camera inspection of collection mains and manholes, and acceptance of new facilities constructed by developers, repair and preventive maintenance of collection mains, troubleshooting and repair of system blockages, marking of all underground piping prior to excavation by contractors. The operation and maintenance of treatment facilities is performed by the AquaTex under a 23 year contract that began in Sept. 2000.

Performance Indicators	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Projected	FY 07-08 Projected
Wastewater Work Orders	50	25	32	45
New Wastewater Lines	30,000 LTt	20,000 LFt		16,000 LFt

Personnel Resources

Full Time			Authorized Positions		
Classification Title	Status	Hr./Sal.	2006-07	2007-08	Diff.
Director of Public Works Maint. Tech. (Sewer)	F	Hr.	2.00	4.00	2.00
			2.00	4.00	2.00

Comments on proposed staffing changes for 2007-08

The steadily increasing size of the wastewater collection system requires additional staff to maintain. It should also be noted that the maintenance staff of both the water and sewer divisions also work in assisting the street department in repairing utility cuts and other infrastructure repairs that are a result of water or sewer problems.

Appropriations by Major Category of Expenditure

	Employee Services	Goods & Supplies	Services & Other Fees	Capital Outlay*	Transfer	Total
2004-05 Actual	117,942	16,197	903,527	184,702	525,552	1,747,919
2005-06 Actual	158,247	26,178	816,951	203,173	425,631	1,630,180
2006-07						
Adopted'	147,507	19,434	983,462	28,000	563,785	713,042
Re-estimate	130,180	25,434	1,077,356	28,000	901,285	2,162,255
2007-08						
Base Line	92,036	11,200	1,031,200	460,521	475,000	2,069,957
Program Change	69,528	1,200	-	-	-	70,728
Market Adjust.	7,581	-	-	-	-	7,581
Total 2007-08	169,145	12,400	1,031,200	460,521	475,000	2,148,266
% Change	30%	-51%	-4%	1545%	-47%	-.68%

* Includes Debt Service

Comments on significant changes proposed for 2007-08

Overall, the decrease of 4% below the re-estimate for this year is due to reductions in transfers offsetting the increases in employee services. The increase of 30% in employee services is due to the proposed addition of two new maintenance technicians.

Capital Outlay and Improvements*Manhole Rehabilitation*

\$44,989

Replacement; Upgrade of existing wastewater collection system through the rehabilitation of various sewer manholes and/or manhole covers, primarily within Original Town portion of City; completion of comprehensive improvements program in conformity with recommendations of the *Sanitary Sewer Collection System Evaluation Report by GSWW (December, 2003)*; proposed as *Capital Improvement Program* project.

Lateral and Service Line Rehab

\$30,031

Replacement; Upgrade of existing wastewater collection system through the rehabilitation of various lateral lines and service lines, primarily within Original Town portion of City; completion of comprehensive improvements program in conformity with recommendations of the *Sanitary Sewer Collection System Evaluation Report by GSWW (December, 2003)*; proposed as *CIP* project.

Abandon Lift Stations

\$110,000

New: Abandonment of two existing wastewater lift stations: (1) within the *Hidden Oaks* subdivision and (2) within the Hays CISD main campus; expansion of collection system and installation of new lines have or will make lift stations unnecessary; scheduled *Capital Improvement Project* utilizing impact fees provided by developers; service increase for entire system; without upgrade service will be negatively impacted and maintenance costs will increase.

Lift Station Retirement - Phase 2 (The Trails Subdivision)

\$ 50,000

New:; Abandonment of existing wastewater lift station within *The Trails* subdivision; expansion of collection system and installation of new lines will make lift station unnecessary; scheduled *Capital Improvement Program (CIP)* project utilizing impact fees; service increase for entire system; without upgrade service will be negatively impacted and maintenance costs will increase.

Total Capital Outlay

\$235,020

The Wastewater Division's portion of the utility debt is \$225,501 (50%) of the total. The debt issues funded by water and sewer are listed in the Section of "Debt Service" the I&S Fund. The total budgeted amount of \$460,521 is made up of the capital project listed above and the water Divisions portion of the debt payment.

Transfer:

A transfer of \$475,000 is made to the General Fund to reimburse it for expenses made on behalf of the Utility Fund. Total for both Divisions is \$950,000.

