

**BELTON CITY COUNCIL WORKSHOP
JULY 16, 2013**

The Belton City Council met in work session in the Kinchion Room of the Harris Community Center, with the following members present: Mayor Jim Covington, Councilmembers David K. Leigh, Craig Pearson, John Agan, Jerri Gauntt, and Dan Kirkley. Mayor Pro Tem Marion Grayson was absent. Staff present were Sam Listi, Connie Torres, Cristy Daniell, Mike Huber, Paul Romer, Karen Evans, and Susan Allamon. Also present was Mack Parker, KPA Engineers. The Mayor called the workshop to order at 5:30 p.m.

Conduct Water & Sewer Fund budget workshop.

Assistant City Manager Cristy Daniell presented the proposed Water & Sewer Fund budget for FY 2014, with the following key elements:

- No rate increases proposed at this time, but stressed the need to conduct a rate study this year.
- Year-to-date water sales at end of June are down \$101,000 from last year, but anticipated to surpass budget target for this year.
- Year-to-date sewer billings at June are down \$27,000 from last year, but should surpass budget level.
- Personnel expenditures include upgrade of the maintenance worker position added in FY 2013 to a professional position (Environmental Specialist) to perform Fats, Oil & Grease (FOG) compliance, backflow, valve maintenance, and water loss calculations; 25% of cost for new Human Resources Clerk position; increases in health insurance premiums (10% anticipated), retirement contribution rate will remain at 6.81%, and \$30,000 funding for the merit pay plan pool.
- Supplies expenses include a \$13,000 (20%) increase in the fuel budget, and \$16,487 in small equipment requests.
- Services include \$10,000 increase for engineering, \$39,500 engineering costs to update development standards, and a \$15,000 decrease for electricity based on the new Public Works Center using less electricity than anticipated.
- Expenditures for water purchases include the following:
 - Raw water rates for 2013 will increase to \$0.62 per 1,000 gallons;
 - Fixed charges for Belton's share of water plant debt service will decrease \$4,000/month; and
 - Payments for City water reserves.
- Expenditures for sewer treatment include the following:
 - Belton's share of flow 21.164% down from 21.574%; and
 - Total treatment plant budget down \$137,000, with the City budget amount to remain the same to allow for items taken out of the BRA contract and moved to the Cities of Belton/Temple (insurance, TCEQ permit).
- Strategic Plan elements include a water/sewer rate study (\$25,000), 1/2 of the Strategic Plan update, \$20,000 for the drought contingency plan, and \$5,232 for customer service training.
- Debt service payments of \$762,198.

During her presentation, Ms. Daniell reviewed a comparison of water/sewer rates for other Texas cities. She gave an overview of the Water & Sewer Fund's long term debt service schedule and proposed list of capital outlay which includes a 3/4 ton extended cab truck, an asset management software system, new and scheduled replacement meters (\$45,000), and small water/sewer projects (\$100,000 each). Ms. Daniell indicated over the years, transferred Water & Sewer Capital Project Funds have funded projects such as cash flowing UMHB sewer improvements reimbursed by UMHB; tracking Temple-Belton Wastewater Treatment Plant (TBWWTP) expansion costs; other multi-year projects; and small water and sewer projects. All old bond funds have been used, and funds from Commerce Drive are being used for the SH 317 relocation project; Lampasas River wastewater treatment plant study, Piazza development agreement (paid), and the Dunn's Canyon lift station generator (done).

Public Works Director Mike Huber reviewed information and items for future consideration regarding Belton's water supply. He gave an overview of FY 2013 accomplishments for the Water & Sewer Departments, and presented his department's priorities and goals focused on maintenance, safety, and technology. Mr. Huber talked about the new Environmental Specialist Position, the required update of the City's Drought Contingency and Water Conservation Plan, and his succession plan for departing employees, and reiterated the need to conduct a water/sewer rate study.

No action was needed, and there being no further business, the workshop concluded at 7:13 p.m.



Jim Covington, Mayor

ATTEST:



Connie Torres, City Clerk