

Legislation Text

File #: AI 13-1943, Version: 2

Consider recommendation from the Finance/Administrative Committee to adopt the annual budget for fiscal year 2019 and assessing aquifer management fee and program aquifer management fee rates for 2019.

RECOMMENDED MOTION:

Move the board adopt Resolution and Order No. 11-18-916 of the Edwards Aquifer Authority Board of Directors adopting the annual budget, as amended, for fiscal year 2019, and assessing the aquifer management fee and program aquifer management fee rates for 2019, as follows:

Non-agricultural management fee (General Fund) -- \$46 per acre-foot
Agricultural aquifer management fee (General Fund) -- \$2 per acre-foot
Non-agricultural program aquifer management fee (EAHCP Fund) -- \$38 per acre-foot

SUMMARY:

The purpose of this agenda item is for the board to consider a Finance/Administrative Committee recommendation to adopt the proposed budget, and associated aquifer management fee (AMF) and program AMF rates for 2019. EAA staff presented the General Manager's 2019 Proposed Budget to the board on September 11. Following the recommendation of the Finance/Administrative Committee, the board at the October 9 meeting, authorized staff to conduct public meetings on the proposed budget, AMF rate, and program AMF rate. EAA staff held three public meetings on the 2019 proposed budget as summarized below:

- Wednesday, October 10, 2018 at 6:00 PM, Edwards Aquifer Authority Board Room
- Thursday, October 11, 2018 at 2:00 PM, New Braunfels Civic Center, New Braunfels, TX
- Friday, October 15, 2018 at 10:00 AM, SSGT Willie De Leon Civic Center, Uvalde, TX

A total of eight individuals attended these three public hearings. Staff answered general questions on the proposed budget at the meeting held on October 11. No written comments were submitted for the proposed budget.

In addition, the EAHCP Budget Work Group, established by the EAHCP Implementing Committee, met on October 4, 2018 to review and discuss the EAA 2019 budget process and to monitor the management of EAHCP revenue, expenses and reserve balance. The EAHCP Budget Work Group issued a report which was presented to the EAHCP Implementing Committee on October 18, 2018 and is attached. The report does not provide any suggested changes to the 2019 proposed budget.

As proposed, the 2019 budget is broken down into three primary areas. The proposed 2019 General Fund Budget totals \$17,990,997. Since the presentation of the General Manager's proposed budget,

staff proposed the funding property and casualty insurance for the Refugia building in the General Fund Budget, resulting in a net increase of \$4,410 for a total General Fund proposed budget of \$17,995,408 and will require approval of the appropriate amendments. The AMF rate required to fund the operations of the General Fund is \$46 per acre-foot, per annum, for non-agricultural users. The proposed agricultural AMF rate of \$2.00 per acre-foot is set by statute in the EAA Act and is limited to General Fund revenue.

As proposed, the 2019 EAHCP Fund Operating Budget of \$19,187,076 was based on preliminary workplans received from each of the parties to the EAHCP. Since the presentation of the General Manager's proposed budget, staff has received the 2019 EAHCP funding applications considered earlier on this agenda. As is typical, these funding applications are slightly different from the amounts estimated in the preliminary work plans. If approved earlier in this agenda, these funding applications will result in an increase of \$3,610. Additionally, as previously stated, the proposed property and casualty insurance expense of \$4,410 is now proposed under the General Fund Budget resulting in an overall net decrease of \$800 for a total EAHCP proposed budget of \$19,186,276 and will require approval of the appropriate amendments. These amendments are summarized in an attachment to this agenda item.

Also attached is Resolution and Order No. 11-18-916 which has been reviewed by legal counsel.

At the October 23 meeting, the Finance/Administrative Committee voted to recommend the board adopt a resolution and order of the Edwards Aquifer Authority Board of Directors adopting the annual budget, as amended, for fiscal year 2019, and assessing the aquifer management fee and program aquifer management fee rates for 2019, as follows:

Non-agricultural management fee (General Fund) -- \$46 per acre-foot
Agricultural aquifer management fee (General Fund) -- \$2 per acre-foot
Non-agricultural program aquifer management fee (EAHCP Fund) -- \$38 per acre-foot

STRATEGIC PLAN REFERENCE:

This agenda item does not relate to a specific goal within the Strategic Plan, but supports the general EAA mission.

FISCAL IMPACT:

The total proposed 2019 General Fund budget is \$17,995,408. The AMF required to fund the operations of the General Fund is \$46 per acre-foot, per annum, for non-agricultural users. The agricultural rate of \$2.00 is set by statute in the EAA Act and is limited to General Fund revenue.

The total proposed 2019 Edwards Aquifer Habitat Conservation Fund Operating Budget is \$19,186,276. The program aquifer management fee required to fund the operations of the EAHCP is \$38 per acre-foot, per annum, for non-agricultural users.

