



TO: Trustees, Oklahoma City Water Utilities Trust

FROM: Chris Browning, General Manager

Receive the resolution adopting the McGee Creek Authority Fiscal Year 2022 budget, capital improvement projects, and proposed pay plan; and directing the General Manager to implement and administer the budget, capital improvement projects, and proposed pay plan, including but not limited to development of plans, specifications, bid solicitations, bid evaluations, contract negotiations, and award recommendations in accordance with the McGee Creek Authority Purchasing Policy and Procedures; and delegating to the Chairman the authority to award and execute contracts as needed, which comply with applicable law and do not exceed the funds available in the McGee Creek Authority Fiscal Year 2022 budget, pursuant hereto for ratification by the Trustees.

Background:

The proposed FY 2022 budget of \$10,652,000 is attached and represents a twenty percent increase from the FY 2021 budget.

Section I: Sources - Total \$10,652,000

The budget includes water sales of \$513,000 to Rural Water District No. 4. This is an increase of eighteen percent more than the FY 2021 due to higher water use by the district.

Sources also include interest earnings on bond and operating reserves of \$615,000, Bureau of Reclamation (BOR) reimbursements of \$38,000 to McGee Creek Authority (MCA) for spillway maintenance, an Oklahoma City Water Utilities Trust (OCWUT) aliquot share payment of \$6,324,000, and an OCWUT loan of \$3,162,000.

Section II: Uses – Total \$10,652,000

Operations - Total \$1,307,000

Personnel Services will increase five percent from FY 2021 due to projected annual merit increases.

Contracts and Services increased by sixteen percent due to projected legal expenses.

Debt Service - Total \$6,652,000

This section provides \$6,652,000 for the annual payment to bond accounts.

Capital Improvements - Total \$2,693,000

The proposed capital budget includes a contingency for potential pipeline repairs at \$40,000, equipment purchases of \$86,000, lake road repairs of \$760,000, recommended BOR inspection repairs of \$422,000, equipment storage building expenditures of \$385,000, and design and construction of replacement MCA headquarters building, residence, and parking facilities of \$1,000,000. The equipment replacement of \$86,000 includes equipment replacement deferred in FY 2021.

Resolution

Staff is recommending the Trust adopt the resolution to provide authorization to conduct the ongoing business of MCA between Trust meetings.

A loan agreement with OCWUT is included in this agenda to cover the remaining estimated \$3,162,000 necessary to fund the MCA budget.

Recommendation: Resolution be received.