

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
OPERATING BUDGET PLANNING REPORT
FISCAL YEAR 2017**

	PROJECTED TOTAL 2016	ORIGINAL BUDGET 2016	PROPOSED BUDGET 2017
REVENUES			
Cost of Water	\$ 63,734,699	\$ 60,059,290	\$ 71,755,715
Interest Earned	\$ 593,700	\$ 500,000	\$ 500,000
TOTAL REVENUES	\$ 64,328,399	\$ 60,559,290	\$ 72,255,715
EXPENSES			
DEBT SERVICE EXPENSE & RESERVES	\$ 33,724,660	\$ 37,035,389	\$ 37,454,101
O&M EXPENSES:			
OPERATIONS & MAINTENANCE	\$ 15,756,823	\$ 22,491,800	\$ 22,524,900
TOTAL O&M	\$ 15,756,823	\$ 22,491,800	\$ 22,524,900
ADMINISTRATIVE EXPENSES:			
FINANCIAL SERVICES	\$ 48,800	\$ 50,000	\$ 50,000
ENGINEERING SERVICES	\$ -	\$ 45,000	\$ 45,000
LEGAL SERVICES	\$ 282,384	\$ 300,100	\$ 311,000
LEGISLATIVE CONSULTANT	\$ 130,500	\$ 131,500	\$ 131,500
COMMUNICATION SERVICES	\$ 450,250	\$ 464,850	\$ 463,518
MANAGEMENT SERVICES	\$ 1,866,789	\$ 2,520,304	\$ 2,661,963
MISCELLANEOUS SERVICES	\$ 11,960	\$ 515,000	\$ 267,500
CAPITAL OUTLAY	\$ 23,000	\$ 45,000	\$ 60,000
TOTAL ADMINISTRATIVE	\$ 2,813,684	\$ 4,071,754	\$ 3,990,481
TOTAL EXPENSES	\$ 52,295,167	\$ 63,598,943	\$ 63,969,482
NET REVENUES OVER (UNDER) EXPENSES	\$ 12,033,232	\$ (3,039,653)	\$ 8,286,233
BEGINNING FUND BALANCE	\$ 126,460,979	\$ 128,362,651	\$ 138,494,211
BUDGETED ENDING FUND BALANCE	\$ 138,494,211	\$ 125,322,999	\$ 146,780,444

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY REVENUE SUMMARY					
TCEQ CODE NUMBER	ACCOUNT NUMBER	REVENUE ACCOUNT	PROJECTED TOTAL 2016	ORIGINAL BUDGET 2016	ESTIMATED 2017
4000	-0010	Cost of Water Revenue	\$ 63,734,699	\$ 60,059,290	\$ 71,755,715
	-0040	Misc. Revenue	\$ -	\$ -	\$ -
5391	-0100	Interest Earned	\$ 593,700	\$ 500,000	\$ 500,000
4101	-0100	Water Sales - Interim	\$ -	\$ -	\$ -
		TOTAL	\$ 64,328,399	\$ 60,559,290	\$ 72,255,715

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY PUMPAGE FEE REVENUE ESTIMATES				
	ESTIMATED PUMPAGE VOLUMES	PUMPAGE FEE per 1000 gals.	DUE DATE	ESTIMATED REVENUE
Groundwater	16,213,300,000	2.40 and 2.90	Monthly	\$ 45,667,462
Surface Water	7,986,200,000	2.85 and 3.35	Monthly	\$ 26,088,253
TOTAL	24,199,500,000			\$ 71,755,715

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
DETAIL OF BUDGET REQUEST**

FISCAL YEAR 2017

**DEBT SERVICE EXPENSE & RESERVES
ACCOUNT: 7362**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2016	Original Budget 2016	Budget 2017
7362	0100	P&I Expense	Series 2013 Bonds - P&I	\$ 7,972,219	\$ 8,050,219	\$ 8,046,469
			Series 2003 Capital Contributions - P&I	2,373,821	2,373,821	2,373,821
			Series 2013 Reserve Fund (fully funded in 2009)	-	-	-
			Series 2014 Bonds - P&I	5,287,000	5,552,750	5,556,550
			Series 2005 Capital Contributions - P&I	1,000,879	1,000,879	1,000,879
			Series 2014 Reserve Fund (fully funded in 2010)	-	-	-
			Series 2008 Bonds - P&I	11,583,894	17,073,094	6,090,631
			Series 2008 Capital Contributions	2,643,665	2,643,665	2,643,665
			Series 2008 Reserve Fund (fully funded with Bond proceeds)	-	-	-
			TWDB 2015 SWIRFT Bonds - P&I (funded with Capitalized Interest)	-	-	2,052,491
			TWDB 2015 SWIRFT Bonds - Reserve Fund (fully funded with Bond proceeds)	-	-	-
			Series 2016 Bonds - P&I	-	-	9,689,595
			Series 2016 Reserve Fund (fully funded with Bond proceeds)	-	-	-
			TWDB 2016A SWIRFT Bonds - P&I (funded with Capitalized Interest in 2017)	-	-	-
			TWDB 2016A SWIRFT Bonds - Reserve Fund (fully funded with Bond proceeds)	-	-	-
			Operation & Maintenance Reserve Fund (1/6 of annual O&M and Admin. Expenses - \$4,419,230 in 2017 - fully funded)	-	340,961	-
			Coverage Fund Requirement (25% of Maximum Annual Debt Service = \$11,656,000) (fully funded)	2,863,182	-	-
		TOTAL		\$ 33,724,660	\$ 37,035,389	\$ 37,454,101

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
DETAIL OF BUDGET REQUEST**

2017

**OPERATION & MAINTENANCE
ACCOUNT: 7360**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2016	Original Budget 2016	Budget 2017
7360	0100	Water System O&M	Operation and Maintenance Costs (includes Operator, SCADA, electric, permit fees, and City of Houston surface water, etc.)	\$ 15,756,823	\$ 22,491,800	\$ 22,524,900
		Major System Repairs	Major system repairs not covered under normal Water System O&M (funded with Improvement Fund)	\$ -	\$ -	\$ -
		TOTAL		\$ 15,756,823	\$ 22,491,800	\$ 22,524,900

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
 DETAIL OF BUDGET REQUEST
 FISCAL YEAR 2017**

**FINANCIAL SERVICES
 ACCOUNT: 6359**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2016	Original Budget 2016	Budget 2017
6359	0010	The GMS Group	Financial Advisor	\$ 20,000	\$ 20,000	\$ 20,000
	0020	RBC Public Fund Services	Investment Advisor - included in interest earnings	\$ -		
	0030	McGrath & Co.	Annual Audit & CPA services	\$ 28,800	\$ 30,000	\$ 30,000
		TOTAL		\$ 48,800	\$ 50,000	\$ 50,000

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
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FISCAL YEAR 2017

**ENGINEERING SERVICES
ACCOUNT: 6322**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2016	Original Budget 2016	Budget 2017
6322	0010	Capital Projects Engineering	Engineering, Acquisitions and ROW (included in CIP Budget)	\$ -	\$ -	\$ -
	0020	Engineering Services	Other non capital project related services including Study to quantify water conservation savings in Authority	\$ -	\$ 45,000	\$ 45,000
		TOTAL		\$ -	\$ 45,000	\$ 45,000

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
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FISCAL YEAR 2017

**LEGAL SERVICES
ACCOUNT: 6320**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2016	Original Budget 2016	Budget 2017
6320	10	General Counsel Services	Agendas, Meeting Minutes, Contracts, etc.	\$ 161,439	\$ 140,000	\$ 160,000
	20	Misc. Expenses	Postage, Copies, Deliveries, etc.	\$ 3,595	\$ 3,600	\$ 5,500
	30	Litigation Expenses				
	-01	General	Funds to pursue delinquent accounts & other	\$ -	\$ -	\$ -
	-02	Delinquent Accounts	legal issues as they arise	\$ -	\$ -	\$ -
	-03	Construction		\$ -	\$ -	\$ -
	40	Director Elections		\$ 8,932	\$ 35,000	\$ 2,000
	50	Open Records Responses		\$ 2,696	\$ 10,000	\$ 5,000
	60	Contract Matters	City of Houston and Reuse Contracts, etc.	\$ 79,137	\$ 80,000	\$ 80,000
	70	Legislation	Assisting with Legislative language and review	\$ 3,452	\$ 3,500	\$ 25,000
	80	Creation Issues	legislation related to NHCRWA	\$ -	\$ -	\$ -
	90	Regulations		\$ -	\$ -	\$ -
	100	Personnel Matters		\$ -	\$ 3,000	\$ 3,500
	110	Defense Costs		\$ -	\$ -	\$ -
	120	Easement/ROW Acquisition		\$ -	\$ -	\$ -
	130	Special Projects	Services related to special projects such as TWDB SWIFT Applications, redistricting, rate case issues, briefs, etc.	\$ 23,134	\$ 25,000	\$ 30,000
		TOTAL		\$ 282,384	\$ 300,100	\$ 311,000

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
 DETAIL OF BUDGET REQUEST
 FISCAL YEAR 2017**

**LEGISLATIVE CONSULTANT
 ACCOUNT: 6400**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2016	Original Budget 2016	Budget 2017
6400	0010-01	Steve Bresnen & Associates	Represent NHCRWA at Legislative sessions, monitor proposed legislation and committee meetings/activities.	\$ 130,000	\$ 130,000	\$ 130,000
	-02	Travel & Misc. Expenses	Reimbursement for travel & other expenses associated with client representation.	\$ 500	\$ 1,500	\$ 1,500
		TOTAL		\$ 130,500	\$ 131,500	\$ 131,500

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
DETAIL OF BUDGET REQUEST**

FISCAL YEAR 2017

**COMMUNICATION SERVICES
ACCOUNT: 6510**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2016	Original Budget 2016	Budget 2017
6510	0010	Communication Services				
	-01	Communications (Payne Communications)	Turnkey fee - includes supervision of Community Relations projects and programs; Water Conservation programs, ISD workshops, and other community forums; all writing and design services; meetings; newsletters, mailings, writing assignments, creation of PowerPoints, video scripts and production, and special projects as directed by the General Manager.	\$ 72,000	\$ 72,000	\$ 75,000
	-02	Internet/Website	Monthly hosting Authority website; periodic design revisions, archiving, special tech updates, expansions, new pages/sections; programming for interactive features; domain name renewals, social media management. OPRS.nhcrwa.com - pumpage reporting system server (\$499/month = \$5,988/yr) Database, and server management of OPRS, and related services (\$2400/month = \$28,800/yr) Web Site Updates, ongoing maintenance, and modifications (\$415/month = \$4,980/yr) Video Editing and Production Services for community outreach, education, and social engagement - Production of short info video segments over the course of the year (\$1000/month = \$12,000/yr)	\$ 42,000	\$ 42,300	\$ 51,768
	-03	Professional Services (Audio/Visual, Contract)	Feature presentations (video narrator and editing), stock video and photography, duplicating on CD, audio/visual equipment upgrades, MUD Director workshops Education (e.g., technical writer, consulting/participation by local educator(s) to facilitate WATER IS LIFE and TEXAS WATER classroom programs and development of new curriculum units to support the material)	\$ 38,000	\$ 40,000	\$ 25,000
	-04	Printing	Resident Newsletter/brochures (2 issues 12 pg Waterlines-225,000 copies) COST OF WATER trifold, Water Conservation Brochures, flyers, inserts (Revise content, Redesign) Meeting Handouts; PowerPoint handouts; Administrative Printing (business cards, letterhead, envelopes, notepads, etc.)	\$ 167,500	\$ 168,800	\$ 163,500
	-05	Publications Postage	Postage for mailouts (Waterlines) (scheduled postage increase January 2017)	\$ 70,000	\$ 81,000	\$ 81,000
	-06	Water Conservation/Education	Water Conservation-related meetings, support materials, display/exhibit(s), public forums/workshops Mobile Teaching Labs (2) for Schools and Community Events Maintain and update exhibits; trailer maintenance/repair & transport. Sponsor water conservation education materials and programs (Frontier Series, #1 and #2, Dime Novels, "Digging Up History" book) New Yard and Garden program (student and adult) Specialty products (water conservation themed promotional items) Sponsorships for Water Conservation organizations: Alliance for Water Efficiency, Texas Water Foundation, Save Water Texas Coalition (Radio/TV/Web/Social Media), H2O for Texas	\$ 60,750	\$ 60,750	\$ 67,250
		TOTAL		\$ 450,250	\$ 464,850	\$ 463,518

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY DETAIL OF BUDGET REQUEST FISCAL YEAR 2017						
MANAGEMENT SERVICES ACCOUNT: 6300						
TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2016	Original Budget 2016	Budget 2017
6310	0010	Director Fees	5 @ \$7200/ea - social security	\$ 30,150	\$ 33,246	\$ 33,246
			SUB-TOTAL	\$ 30,150	\$ 33,246	\$ 33,246
	0020	Salaries, Wages & Benefits				
6311	-010	Salaries	All full time positions minus taxes	\$ 870,573	\$ 1,119,317	\$ 1,186,878
6311	-020	Overtime		\$ 2,500	\$ 2,500	\$ 2,500
6311	-030	Part Time	as necessary, summer intern position	\$ -	\$ 2,500	\$ 2,500
		Temp Services	temporary staff services for leaves	\$ -	\$ 2,500	\$ 2,500
6311	-040	Longevity	2 @ \$960, 2 @ 780, 1 @ 720, 1 @ 180, 1 @ 120	\$ 2,700	\$ 4,080	\$ 4,500
		Cost of Living Adjustment	0.0%		\$ -	\$ -
6314	-060	Taxes	Full time positions	\$ 225,000	\$ 373,106	\$ 395,626
6314	-070	Social Security/457/Medicare	7.65% of all positions & directors	\$ 73,632	\$ 116,924	\$ 123,816
6312	-080	Retirement	7% or 25% of all Positions (plus annual fees)	\$ 128,789	\$ 160,191	\$ 167,997
6313	-090	Group Insurance	All full time positions (maximum listed)	\$ 108,377	\$ 160,000	\$ 165,000
6315	-100	Worker's Compensation	All full time positions	\$ 5,000	\$ 5,000	\$ 5,000
6317	-110	Unemployment Compensation		\$ 1,868	\$ 3,000	\$ 3,000
			SUB-TOTAL	\$ 1,418,440	\$ 1,949,118	\$ 2,059,317

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY DETAIL OF BUDGET REQUEST FISCAL YEAR 2017						
MANAGEMENT SERVICES ACCOUNT: 6300						
TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2016	Original Budget 2016	Budget 2017
6358	0030	Office Space				
	-010	Leases				
	-01	Office Lease	Annual lease for office space and storage room	\$ 130,376	\$ 175,000	\$ 175,000
	-02	Misc. Building Rentals	Storage facility, Town Hall meetings	\$ -	\$ -	\$ -
6351	-020	Utilities		\$ 1,314	\$ 1,500	\$ 1,500
	-01	Telephone/Long Distance & Ans. Service	@ \$350/month	\$ 4,110	\$ 3,840	\$ 4,200
	-02	Cellular Telephone	@ \$425/month	\$ 3,847	\$ 4,800	\$ 5,100
	-03	T-1 Line/Internet & Phone Services	@ \$1000/month	\$ 11,918	\$ 12,000	\$ 12,000
	-04	Maintenance/Repairs	Unforeseen Repairs and Expenses	\$ 2,315	\$ 2,500	\$ 2,500
6340	-030	Office Supplies/Services	@ \$1200/month	\$ 11,889	\$ 12,000	\$ 14,400
6350	-040	Postage	@ \$300/month	\$ 2,282	\$ 2,400	\$ 3,600
6340	-050	Delivery Fees	@ \$300/month	\$ 2,741	\$ 3,600	\$ 3,600
6340	-060	Books/Periodicals		\$ 250	\$ 500	\$ 1,000
6340	-070	Software	Updates & New	\$ 24,200	\$ 25,000	\$ 25,000
			SUB-TOTAL	\$ 195,241	\$ 243,140	\$ 247,900
	0040	Services				
6353	-010	Insurance	See Schedule	\$ 78,667	\$ 136,000	\$ 136,000
6354	-030	Travel/Training	See Schedule	\$ 67,484	\$ 75,000	\$ 95,000
6370	-040	Memberships/Subscriptions	See Schedule	\$ 12,998	\$ 13,300	\$ 19,000
6357	-050	Equipment Leases	See Schedule	\$ 15,450	\$ 16,000	\$ 17,000
6340	-060	Computer Maint/Repairs	Scheduled service & assistance,			
	-10	Financial (MIP)	maint. & support agreements,	\$ 5,000	\$ 6,000	\$ 6,000
	-20	Technical	replacement parts	\$ 14,250	\$ 15,000	\$ 15,000
	-30	Administrative	Office equipment services	\$ 21,109	\$ 25,000	\$ 25,000
6340	-070	Records Management	Equipment & files inventory - includes safe deposit box & offsite data backup	\$ 7,185	\$ 7,500	\$ 7,500
6134	-080	Security	Office security system & monitoring	\$ 815	\$ 1,000	\$ 1,000
			SUB-TOTAL	\$ 222,958	\$ 294,800	\$ 321,500
			TOTAL	\$ 1,866,789	\$ 2,520,304	\$ 2,661,963

SCHEDULE 2017				
TCEQ CODE NUMBER	NUMBER	DESCRIPTION	EXPLANATION	BUDGET
6353	0040-010	Insurance		
	-01	Directors Liability	Annual Renewal effective 7/1/2017	\$ 15,000
	-02	Gen. Manager Bond & Public Employee	Annual Renewal effective 7/1/2017	\$ 800
	-03	Director Bond	Annual Renewal effective 7/1/2017	\$ 700
	-04	Property Insurance (Includ. Computer Equip & Elec Data Coverage)	Annual Renewal effective 7/1/2017	\$ 115,000
	-05	General Liability	Annual Renewal effective 7/1/2017	\$ 2,500
	-06	Auto	Annual Renewal effective 7/1/2017	\$ 2,000
			TOTAL	\$ 136,000

SCHEDULE 2017				
TCEQ CODE NUMBER	NUMBER	DESCRIPTION	EXPLANATION	BUDGET
6354	0040-030	Travel/Training		
	-01	Reimbursements, Travel & Other	Airfare, Hotels, Meals, etc.	\$ 30,000
	-02	TWCA Conference - Fall	Reg for 9 @ Annual Conference	\$ 3,400
	-03	TWCA Conference - Spring	Reg for 9 @ Annual Conference	\$ 3,400
	-04	TWCA Conference - Summer	Reg for 9 @ Annual Conference	\$ 3,400
	-05	AWBD Conference - Winter	Reg for 9 @ Annual Conference	\$ 2,700
	-06	AWBD Conference - Summer	Reg for 9 @ Annual Conference	\$ 3,400
	-07	Investment Training	Reg for 2 @ \$500	\$ 1,000
	-08	Mileage Reimbursements	Including Mileage, Parking, Toll Road for Directors & Staff	\$ 10,000
	-09	Misc. Seminars/Training	Continuing education, computer training & misc seminars	\$ 5,000
	-10	Training Equipment	Equipment as needed	\$ 700
	-11	Car Allowance		\$ 32,000
			TOTAL	\$ 95,000

SCHEDULE 2017				
TCEQ CODE NUMBER	NUMBER	DESCRIPTION	EXPLANATION	BUDGET
6370	0040-040	Memberships/Subscriptions		
	-01	Membership		
		Texas Water Conservation Assoc.	Annual Renewal (with Legis. News Service)	\$ 2,500
		American Water Works Association	Annual Renewal	\$ 1,000
		Assoc. of Water Board Directors	Annual Renewal	\$ 1,000
		North Houston Association	Annual Renewal	\$ 1,400
		Tomball Chamber	Annual Renewal	\$ 200
		Houston Northwest Chamber	Annual Renewal	\$ 250
		Cy-Fair Chamber	Annual Renewal	\$ 250
		Greens Bayou Corridor Coalition	Annual Renewal	\$ 1,000
		Government Treasurers Organization	Annual Renewal	\$ 100
		Government Financial Officers Assoc	Annual Renewal	\$ 100
		Other - HESS, NSPE, TSPS, etc.	Annual Renewal	\$ 3,200
	-01	Sponsorships		\$ 5,000
			SUB-TOTAL	\$ 16,000

SCHEDULE 2017						
TCEQ CODE NUMBER	NUMBER	DESCRIPTION	EXPLANATION	BUDGET		
6340	-02	Subscriptions	Annual Renewals	\$ 1,500		
			SUB-TOTAL	\$ 1,500		
	-03	Professional Licenses	License renewals	\$ 1,500		
			SUB-TOTAL	\$ 1,500		
	TOTAL			\$ 19,000		
	0040-050	Equipment Leases	Copier/printer/fax	Annual, 3 yr Lease*	\$ 15,800	
			Postage meter	Annual, 3 yr Lease*	\$ 1,200	
			TOTAL			\$ 17,000

* Includes machine maintenance, Lease payment, and copy overage

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
DETAIL OF BUDGET REQUEST**

FISCAL YEAR 2017

MISCELLANEOUS SERVICES

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2016	Original Budget 2016	Budget 2017
6321-	20	Mapping expenses	HGAC Aerial Imagery	\$ 6,960	\$ 5,000	\$ 7,500
6325-	10	Election expenses	2017 Board of Directors Election	\$ -	\$ 250,000	\$ -
		Redistricting expenses	Realign Voting District boundaries	\$ -	\$ -	\$ -
7395-		Misc. Expenses		\$ 5,000	\$ 10,000	\$ 10,000
		Budget Reserve		\$ -	\$ 250,000	\$ 250,000
		TOTAL		\$ 11,960	\$ 515,000	\$ 267,500

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
DETAIL OF BUDGET REQUEST**

FISCAL YEAR 2017

**CAPITAL OUTLAY
ACCOUNT: 7306**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2016	Original Budget 2016	Budget 2017
7306	0010	Capital Outlay	Computer Equipment	\$ 8,000	\$ 10,000	\$ 15,000
	0020	Capital Outlay	Computer Software	\$ 6,500	\$ 25,000	\$ 20,000
	0030	Capital Outlay	Office Furniture & Equipment	\$ 8,500	\$ 10,000	\$ 25,000
		TOTAL		\$ 23,000	\$ 45,000	\$ 60,000