

# 2022 NHCRWA Special Meeting - Election

November 21, 2022



# AGENDA

- Establishment of a Quorum of the Canvassing Authority for the following purposes:
  - a) Review Returns of the November 8, 2022 Directors Election;
  - b) Adopt Order Canvassing Returns and Declaring Results of Directors Election;
  - c) Issuance of Certificates of Election.



# 2023 Budget and CIP Workshop

November 21, 2022



# AGENDA

- Call to Order
- Budget Workshop, including review and discussion of the proposed budget for the fiscal year ending December 31, 2023 and review and discussion of proposed 2023-2027 Capital Improvement Plan



# **Proposed 2023 Operating Budget**



**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY  
OPERATING BUDGET PLANNING REPORT  
FISCAL YEAR 2023  
NOVEMBER 21, 2022 WORKSHOP DRAFT**

	<b>PROJECTED TOTAL 2022</b>	<b>ORIGINAL BUDGET 2022</b>	<b>PROPOSED BUDGET 2023</b>
<b>REVENUES</b>			
Surface Water and Groundwater Revenues	\$ 140,566,017	\$ 116,300,000	\$ 116,300,000
Interest Earned	\$ 6,317,774	\$ 100,000	\$ 3,000,000
<b>TOTAL REVENUES</b>	<b>\$ 146,883,791</b>	<b>\$ 116,400,000</b>	<b>\$ 119,300,000</b>
<b>EXPENSES</b>			
DEBT SERVICE EXPENSE & RESERVES	\$ 96,507,547	\$ 94,124,064	\$ 97,723,008
<b>O&amp;M EXPENSES:</b>			
OPERATIONS & MAINTENANCE	\$ 15,287,905	\$ 23,366,000	\$ 22,402,130
<b>TOTAL O&amp;M</b>	<b>\$ 15,287,905</b>	<b>\$ 23,366,000</b>	<b>\$ 22,402,130</b>



# Proposed 2023 Operations and Maintenance Budget





## Authority Infrastructure

- Jimmie Schindewolf Regional Pump Station
- Louetta Road Regional Plant + 3 Regional Groundwater Wells
- Two Delivery/Measuring Meter Stations
- Distribution and Transmission Lines (~73 miles)
- Flow Control and Metering Stations (~56)
- Al Rendl Pump Station



Schindewolf Regional Pump Station



# Factors Impacting Proposed O&M Budget

- More water purchased from the City of Houston with additional customers.
- Increase in O&M rate from the NEWPP.
- Additional O&M costs from the new Rend Regional Pump Station.
- Utility, labor and materials cost increases driven by inflation.



Schindewolf Regional Pump Station





# 2023 Proposed Operations and Maintenance Budget

CATEGORY	2022 Budget	Actual YTD 2022 Jan 1 - Aug 31	Estimated Sept 1 - Dec 31, 2022	Estimated 2022 Expenditures	Proposed 2023 Budget	Change from 2022 to 2023	Percent change from 2022-2023
City of Houston O&M (Water Purchase)	\$16,800,000	\$8,658,336	\$3,431,379	\$12,089,716	\$17,444,080	\$644,080	3.8%
Jimmie Schindewolf Regional Pump Station (Spears Road) (DSL, Electric, etc.)	\$725,000	\$434,928	\$186,766	\$621,694	\$331,500	\$219,000	30.2%
Al Rendl Regional Pump Station, (249), (DSL, Electric, etc.)	\$0	\$0	\$0	\$0	\$612,500		
Louetta Road Regional Water Plant & Wells (DSL, Electric, etc.)	\$90,000	\$61,936	\$28,198	\$90,134	\$92,000	\$2,000	2.2%
Abney Meter Station (DSL, Electric, etc.)	\$11,000	\$7,448	\$3,859	\$11,307	\$11,000	\$0	0.0%
Rendl Meter Station	\$0	\$0	\$0	\$0	\$8,250	\$8,250	100.0%
Permit Fees (HGSD)	\$680,000	\$0	\$597,000	\$597,000	\$730,000	\$50,000	7.4%
Chemicals	\$145,000	\$116,985	\$58,492	\$175,477	\$194,000	\$49,000	33.8%
Miscellaneous Maintenance/Repairs	\$2,053,000	\$164,271	\$48,702	\$212,973	\$147,000	-\$1,906,000	-92.8%
Operations and Maintenance	\$1,800,000	\$852,627	\$605,895	\$1,458,521	\$1,800,000	\$0	0.0%
RePump Fees Paid to HCWCID116 & Ponderosa Forest UD	\$62,000	\$24,466	\$6,616	\$31,082	\$31,800	-\$30,200	-48.7%
Contingency	\$1,000,000	\$0	\$0	\$0	\$1,000,000	\$0	0.0%
Totals	\$23,366,000	\$10,320,998	\$4,966,907	\$15,287,905	\$22,402,130	-\$963,870	-4.1%



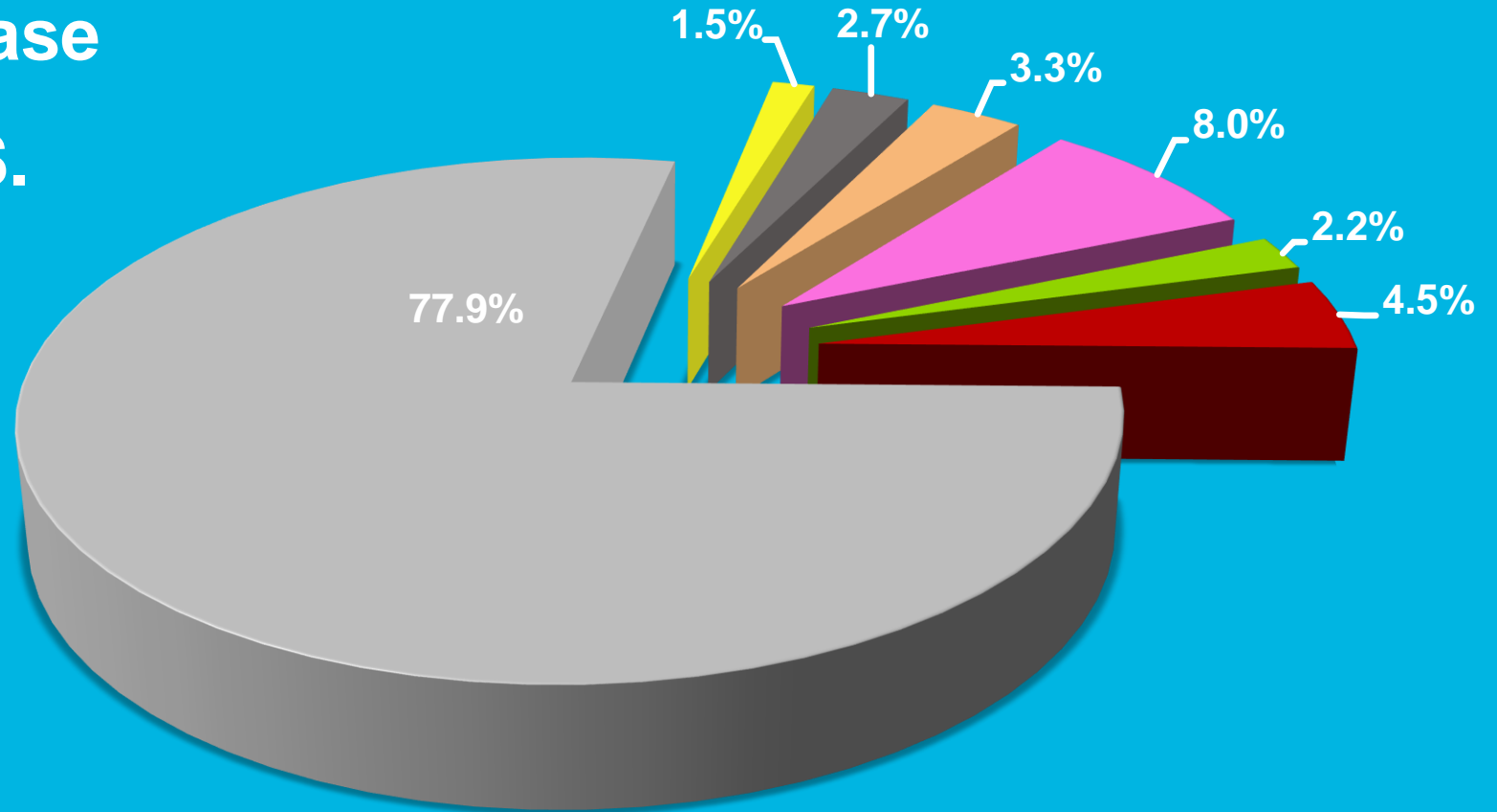
# 2023 Budget Forecast

- Projected O&M expenses for 2023 are \$22.4 M.
- Proposed 2023 Budget decreased 4.1% from 2022.
- Significant areas of change:
  - Schindewolf Regional Pump Station (54.3% decrease)
  - Rendl Regional Pump Station (100% increase)
  - Rendl Meter Station (100% increase)
  - Permit Fees (7.4% increase)
  - Chemicals (33.8% increase)
  - Miscellaneous Maintenance/Repairs (92.8% decrease)
  - Repump Fees paid to Districts (48.7% decrease)



# Proposed 2023 Budget

- COH Water Purchase
- Schindewolf R.P.S.
- Rendl R.P.S.
- Permit fees
- Operations
- Other
- Contingency





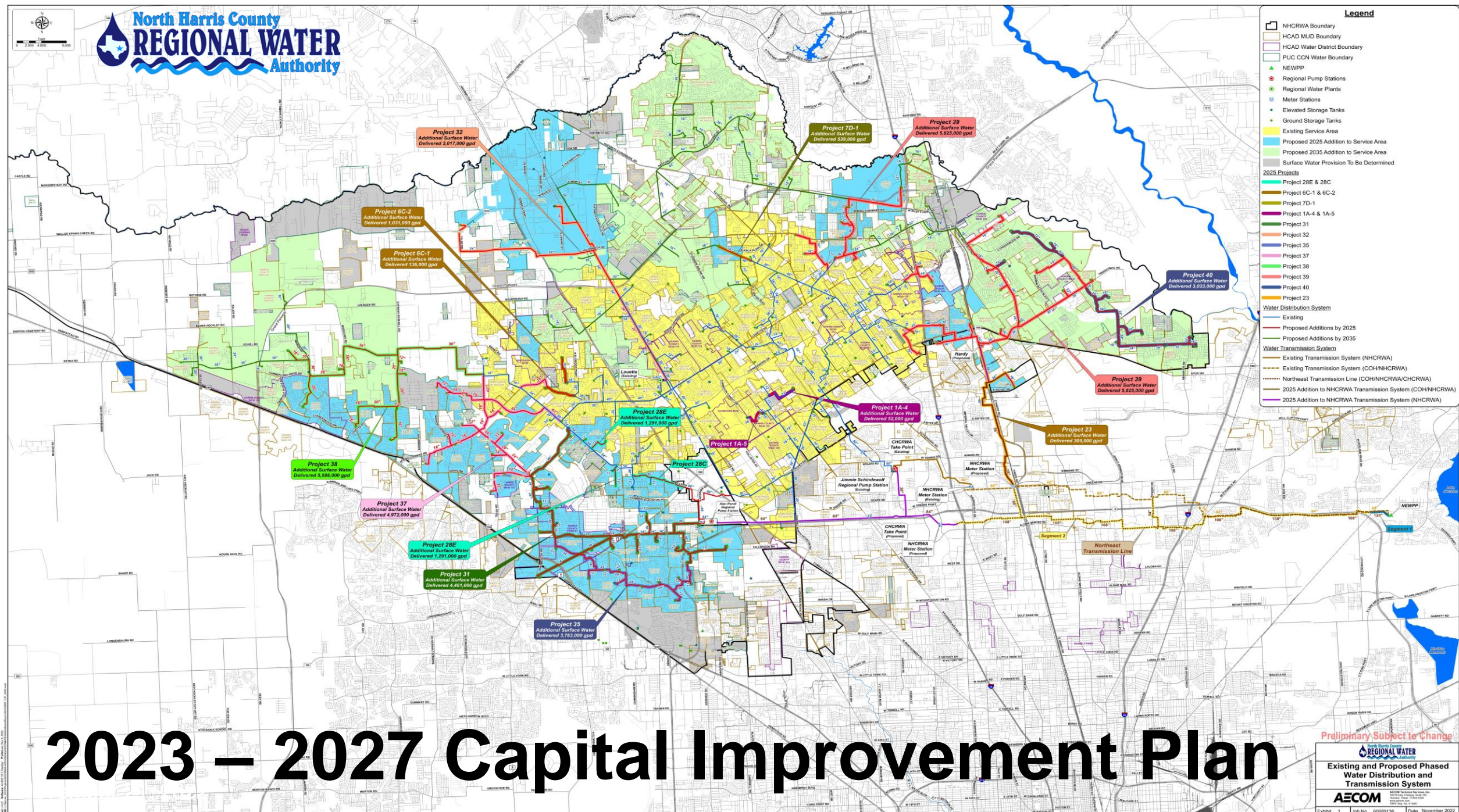
# Questions ?



**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY  
OPERATING BUDGET PLANNING REPORT  
FISCAL YEAR 2023 (Continued)  
NOVEMBER 21, 2022 WORKSHOP DRAFT**

	<b>PROJECTED TOTAL 2022</b>	<b>ORIGINAL BUDGET 2022</b>	<b>PROPOSED BUDGET 2023</b>
<b>ADMINISTRATIVE EXPENSES:</b>			
FINANCIAL SERVICES	\$ 79,500	\$ 80,000	\$ 87,000
ENGINEERING SERVICES	\$ 20,000	\$ 50,000	\$ 50,000
LEGAL SERVICES	\$ 275,213	\$ 212,500	\$ 272,500
LEGISLATIVE CONSULTANT	\$ 130,000	\$ 131,500	\$ 131,500
COMMUNICATION SERVICES	\$ 247,868	\$ 370,493	\$ 130,268
MANAGEMENT SERVICES	\$ 2,730,606	\$ 3,106,792	\$ 3,250,600
MISCELLANEOUS SERVICES	\$ 789,095	\$ 1,020,000	\$ 272,000
CAPITAL OUTLAY	\$ 77,317	\$ 100,000	\$ 100,000
<b>TOTAL ADMINISTRATIVE</b>	<b>\$ 4,349,599</b>	<b>\$ 5,071,285</b>	<b>\$ 4,293,868</b>
<b>TOTAL EXPENSES</b>	<b>\$ 116,145,051</b>	<b>\$ 122,561,349</b>	<b>\$ 124,419,006</b>
<b>NET REVENUES OVER (UNDER) EXPENSES</b>	<b>\$ 30,738,741</b>	<b>\$ (6,161,349)</b>	<b>\$ (5,119,006)</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 340,560,636</b>	<b>\$ 321,444,576</b>	<b>\$ 371,299,377</b>
<b>BUDGETED ENDING FUND BALANCE</b>	<b>\$ 371,299,377</b>	<b>\$ 315,283,228</b>	<b>\$ 366,180,371</b>





# 2023 – 2027 Capital Improvement Plan



# Capital Improvement Plan (CIP):

The 2023-2027 CIP continues the systematic planning and development process and is based on the conversion schedule and prioritized based on cost effectiveness. It also identifies options for funding infrastructure projects.

- Complete the infrastructure required to enable the Authority to meet the HGSD's 2025 conversion requirement.
- Authority's share of costs for the NEWPP expansion.
- Authority's share of costs for the Luce Bayou Interbasin Diversion Project.
- Projects to meet the HGSD's 2035 conversion requirement.
- Identify and purchase sites for future Authority facilities.



# Summary of Proposed 2023 – 2027 Capital Improvement Plan

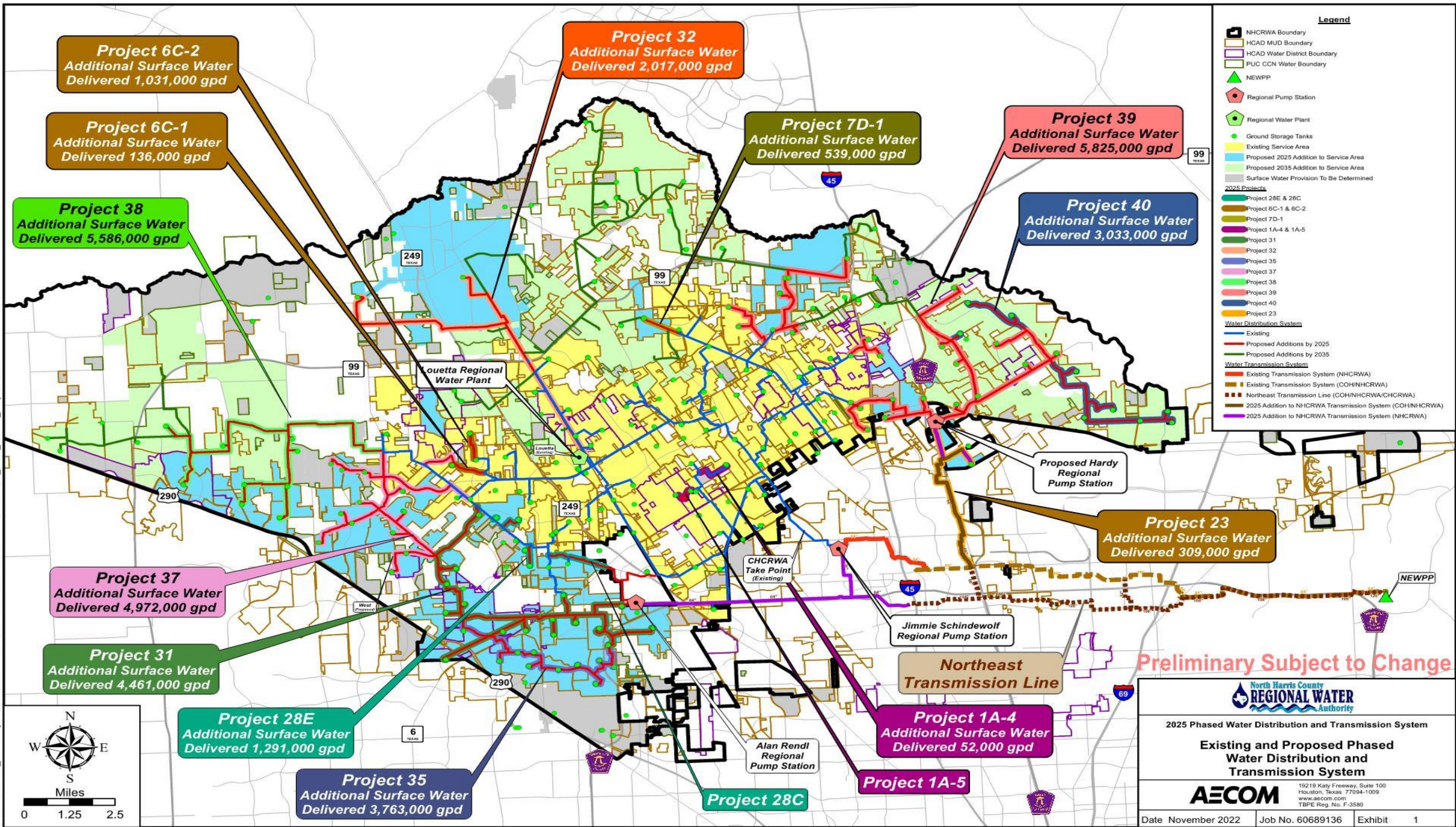
Category	Fiscal Year Planned Authorizations					Total
	(Thousands \$)					
	2023	2024	2025	2026	2027	
Acquisition	26,911	16,092	17,907	15,550	14,792	91,252
Design	24,547	21,156	34,679	12,273	15,847	108,502
Construction	206,299	55,123	125,870	237,218	198,311	822,821
Equipment						
Other	87,695	85,689	29,355	11,526	11,717	225,982
Total Authorizations	345,452	178,060	207,811	276,567	240,667	1,248,557
Source of Funds						
Revenue Bonds	2,995	3,389	4,055	4,226	4,417	19,082
SWIFT Funds	318,408	150,782	58,622	49,475	39,015	616,302
Participation Funds	3,192	11,535				14,727
Other	20,858	12,354	145,134	222,866	197,235	598,447
Total Funds	345,452	178,060	207,811	276,567	240,667	1,248,557



# Funding the CIP

- Implementing the 5-year CIP will require approximately \$1.248 billion of funding.
- Source of Funds:
  - Approximately \$19 million from the Authority's Revenue Bonds, Capital Contributions and Interest Earnings.
  - The Texas Water Development Board has committed approximately \$616 million of State Water Infrastructure Fund Texas (SWIFT) for the CIP.
  - Approximately \$14 million of funding will be provided by other entities via cost sharing agreements.
  - The remaining \$598 million will be funded through other sources to be determined.







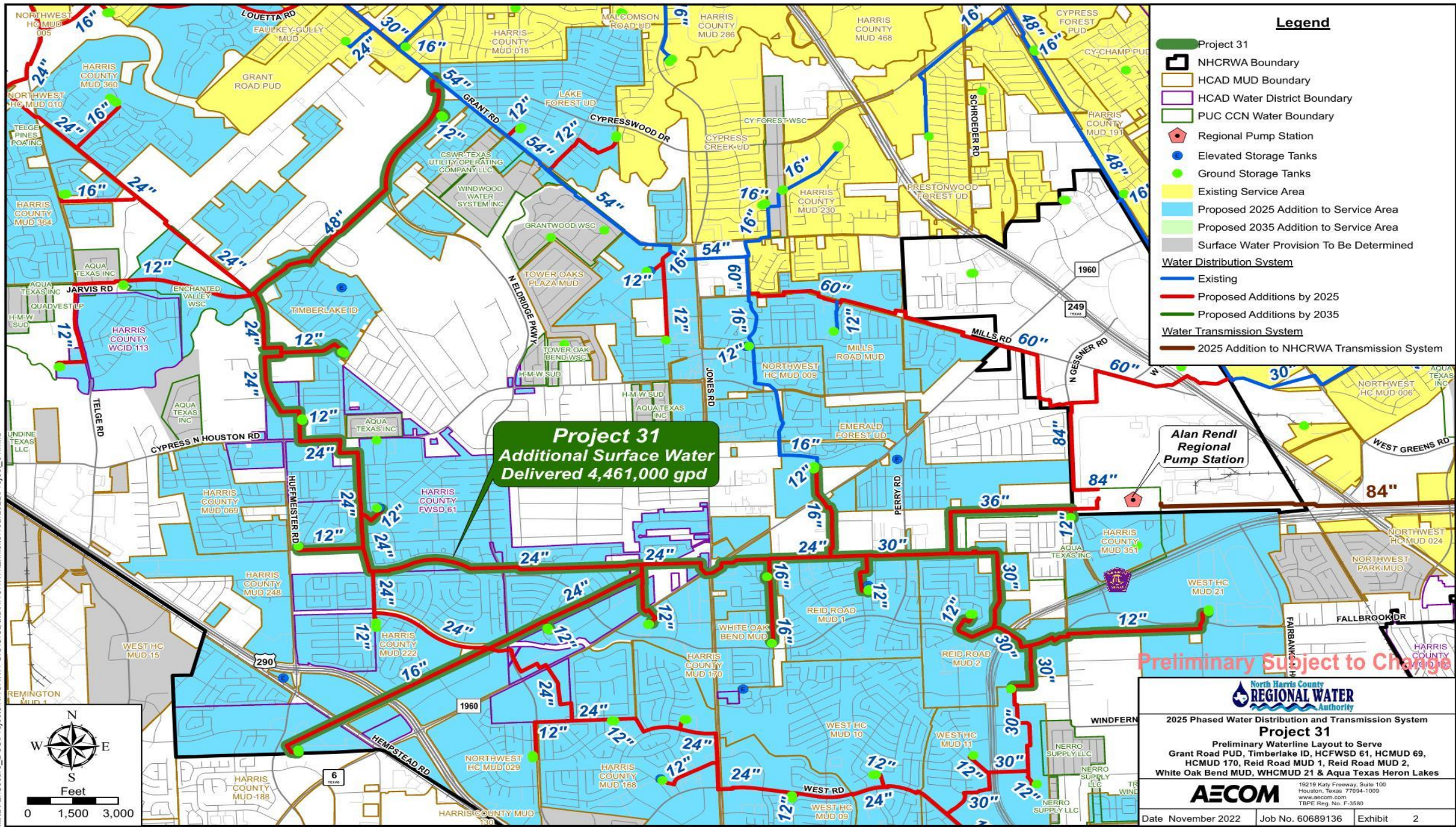
# Questions?



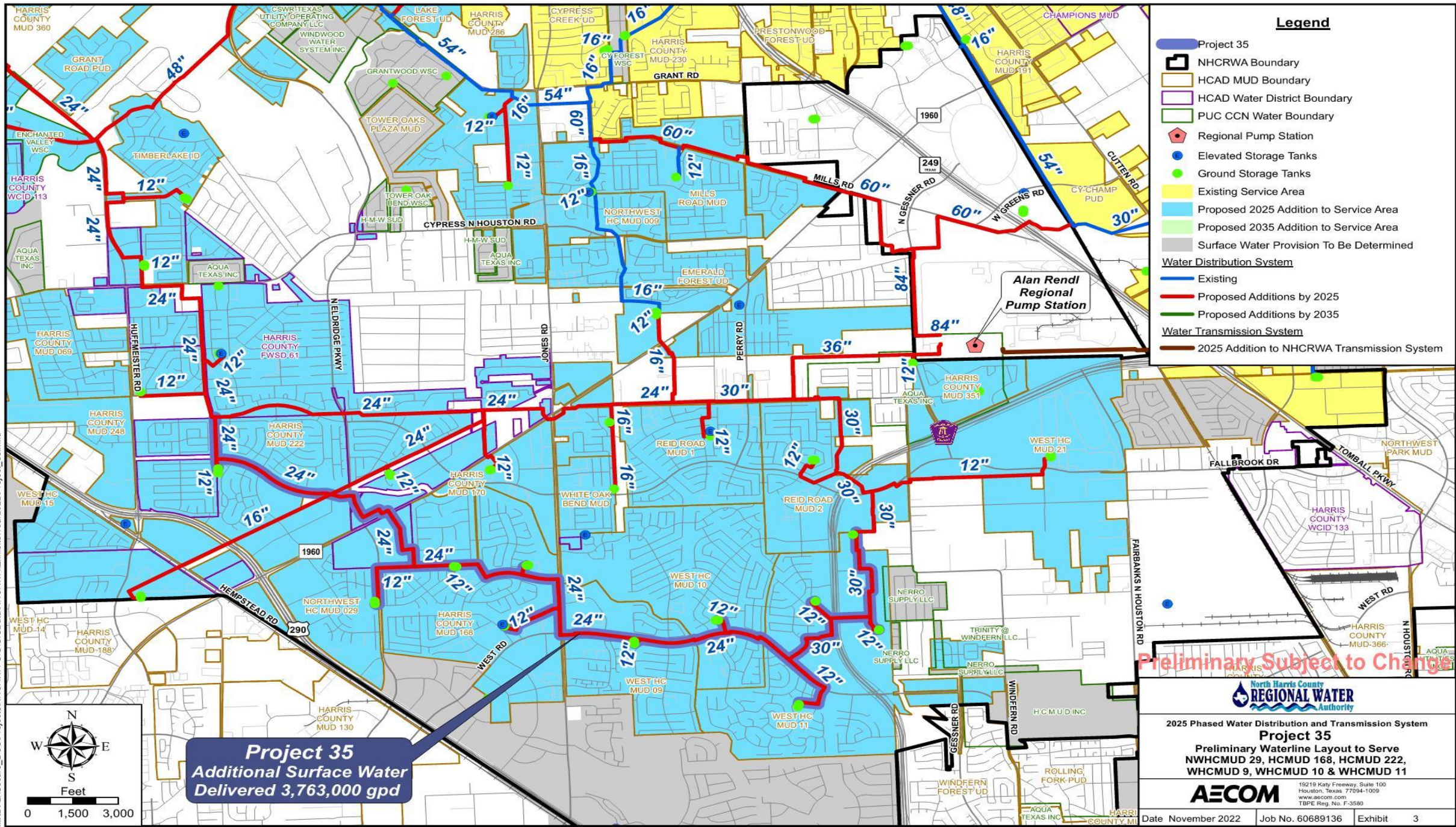
**Confirm the next Regular meeting on  
Monday, December 5, 2022 at 6 p.m.**

**Adjourn.**

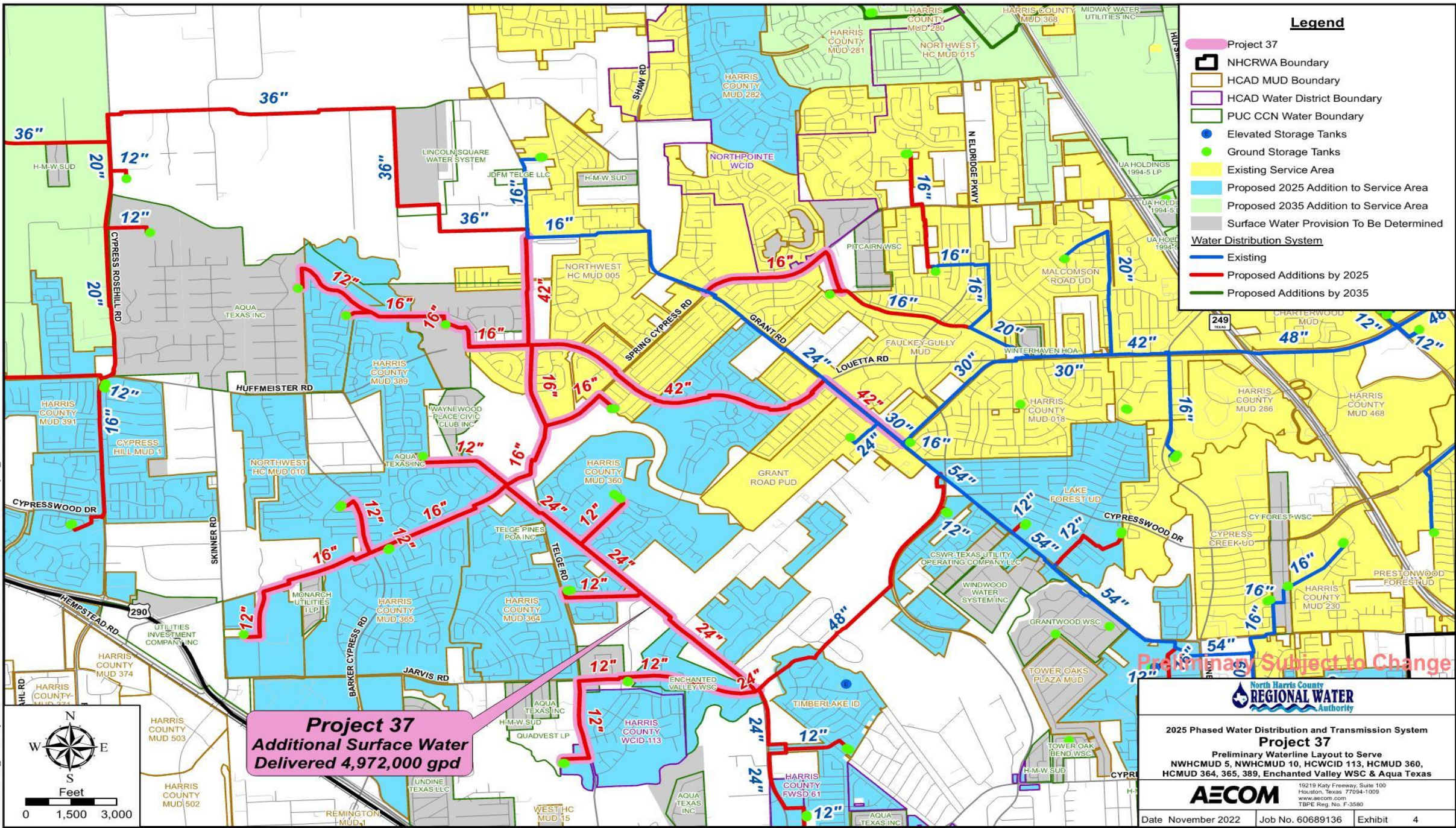




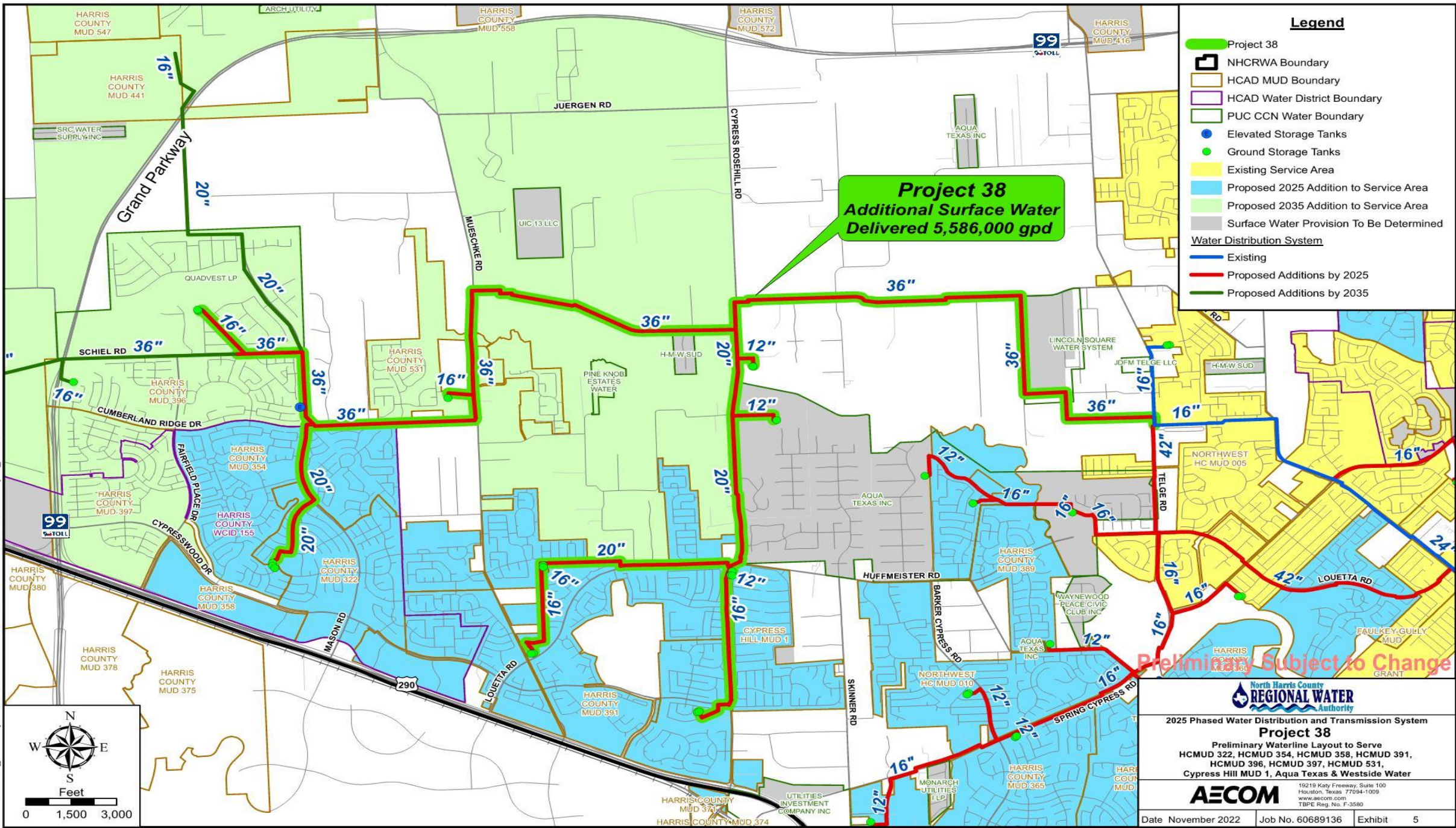




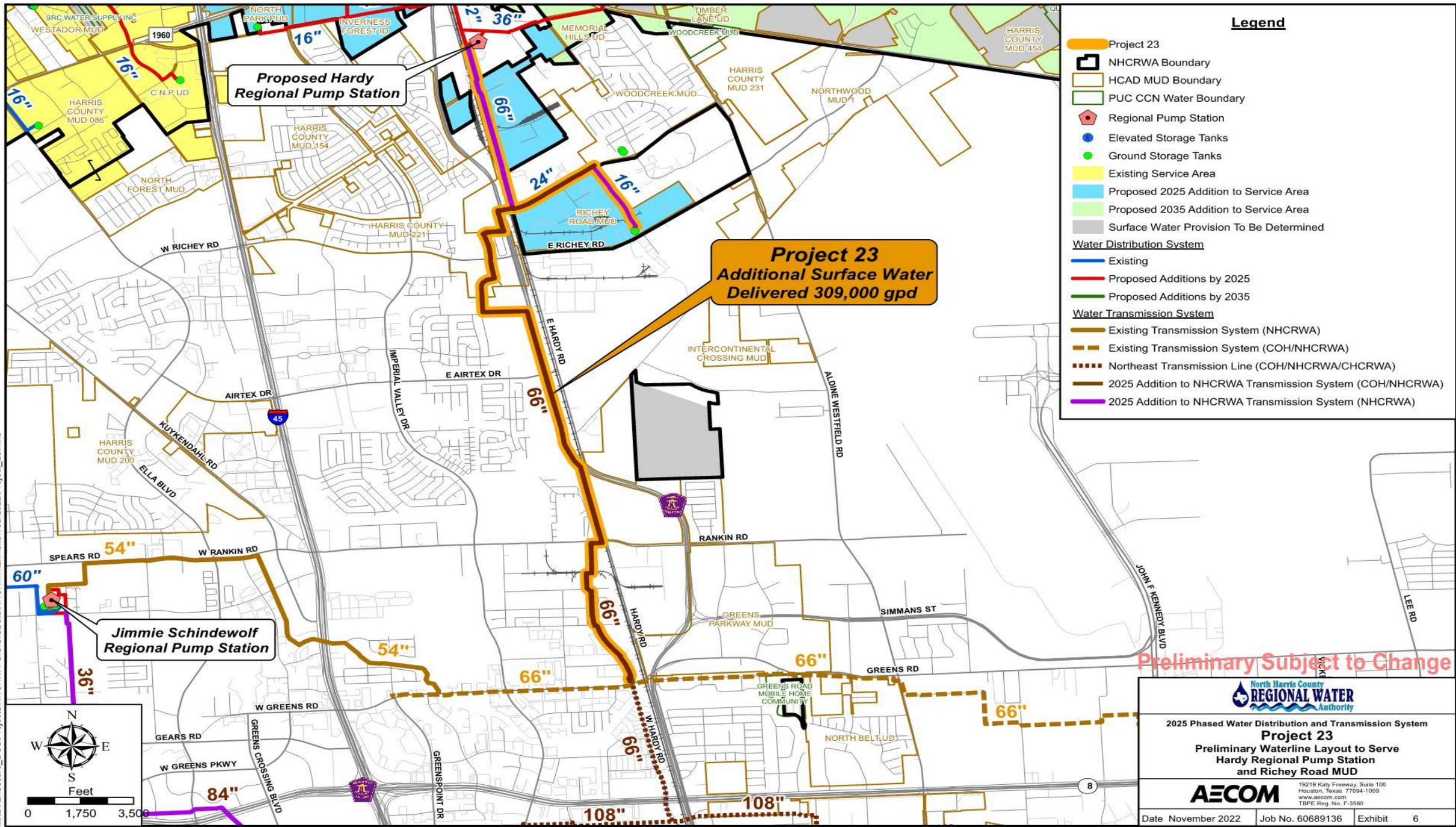




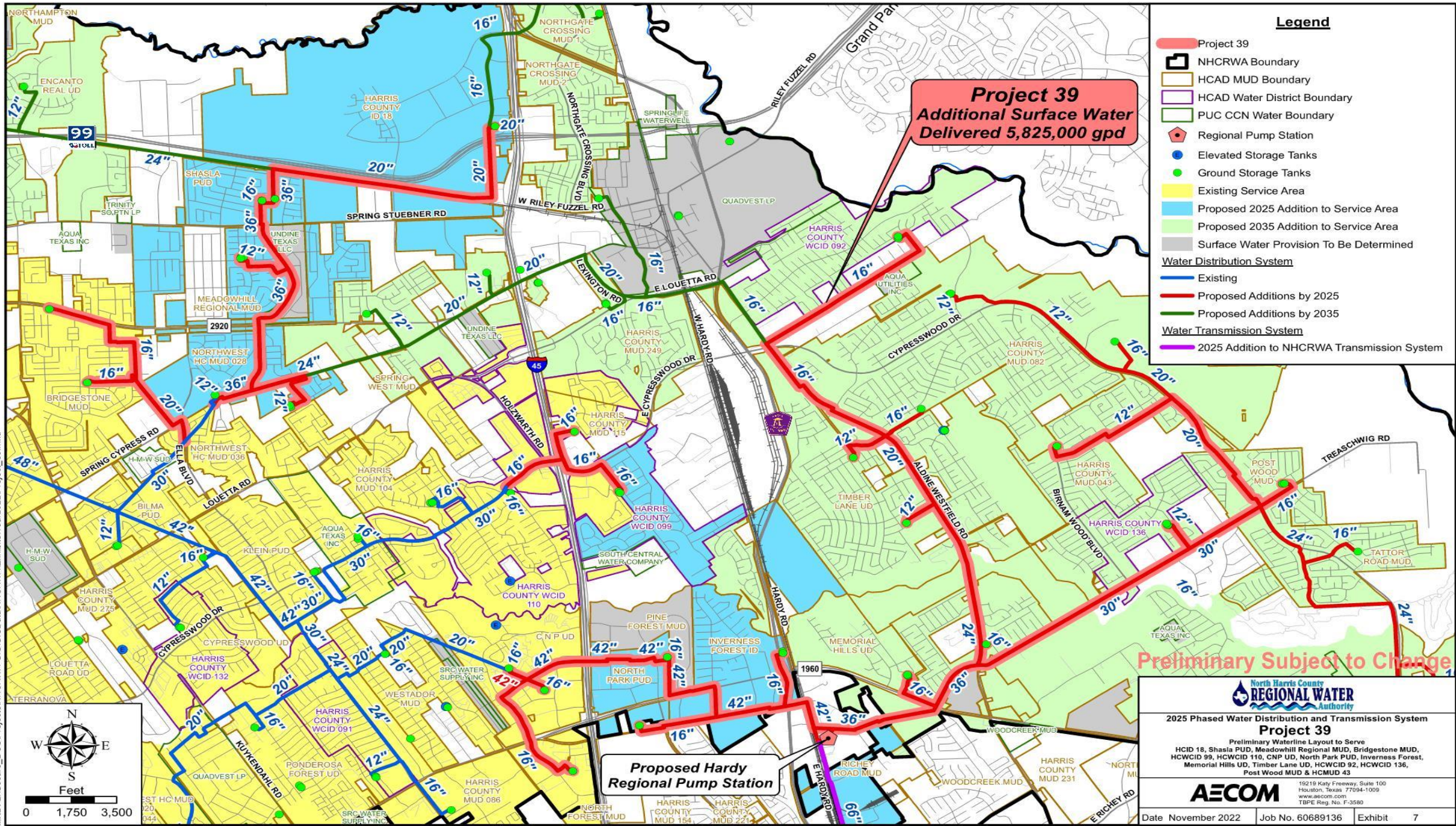




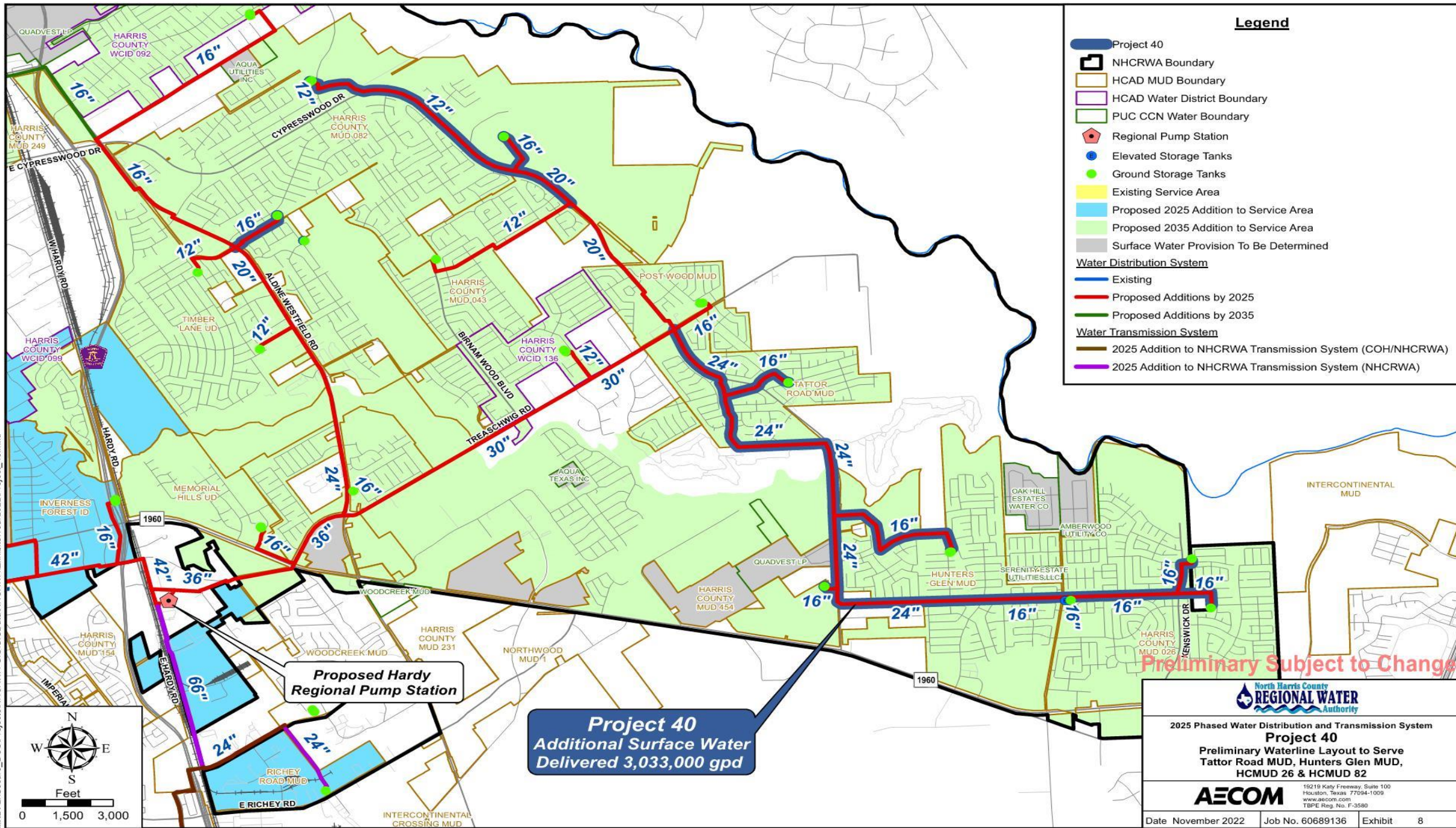














**Project 32**  
**Additional Surface Water**  
**Delivered 2,017,000 gpd**

**Legend**

- Project 32
  - NHCRWA Boundary
  - HCAD MUD Boundary
  - HCAD Water District Boundary
  - PUC CCN Water Boundary
  - Regional Water Plant
  - Elevated Storage Tanks
  - Ground Storage Tanks
  - Existing Service Area
  - Proposed 2025 Addition to Service Area
  - Proposed 2035 Addition to Service Area
  - Proposed 2045 Addition to Service Area
  - Surface Water Provision To Be Determined
- Water Distribution System**
- Existing
  - Proposed Additions by 2025
  - Proposed Additions by 2035

Preliminary Subject to Change

**North Harris County**  
**REGIONAL WATER**  
Authority

2025 Phased Water Distribution and Transmission System  
**Project 32 and**  
**Louetta Regional Water Plant Expansion**  
Preliminary Waterline Layout to Serve  
City of Tomball

**AECOM**

19219 Katy Freeway, Suite 100  
Houston, Texas 77054-1009  
www.aecom.com  
TBP# Reg. No. F-3580

