

# 2024 Budget and CIP Workshop

November 13, 2023

# AGENDA

- Call to Order
- Messages from the President and Board Members;
- Budget Workshop, including review and discussion of the proposed budget for the fiscal year ending December 31, 2024 and review and discussion of proposed 2024-2028 Capital Improvement Plan;

# Proposed 2024 Operating Budget

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY  
OPERATING BUDGET PLANNING REPORT  
FISCAL YEAR 2024  
NOVEMBER 13, 2023 WORKSHOP DRAFT**

	<b>PROJECTED TOTAL 2023</b>	<b>AMENDED 10/1/23 BUDGET 2023</b>	<b>PROPOSED BUDGET 2024</b>
<b>REVENUES</b>			
Surface Water and Groundwater Revenues	\$ 118,933,077	\$ 100,987,500	\$ 91,800,000
Interest Earned	\$ 2,802,479	\$ 100,000	\$ 3,000,000
<b>TOTAL REVENUES</b>	<b>\$ 121,735,556</b>	<b>\$ 101,087,500</b>	<b>\$ 94,800,000</b>
<b>EXPENSES</b>			
DEBT SERVICE EXPENSE & RESERVES	\$ 97,723,008	\$ 94,124,064	\$ 106,332,348
<b>O&amp;M EXPENSES:</b>			
OPERATIONS & MAINTENANCE	\$ 19,591,149	\$ 23,366,000	\$ 27,646,000
<b>TOTAL O&amp;M</b>	<b>\$ 19,591,149</b>	<b>\$ 23,366,000</b>	<b>\$ 27,646,000</b>

# Proposed 2024 Operations and Maintenance Budget



Louetta Road Regional Water  
Plant



# Major Authority Infrastructure

- Schindewolf (formerly Spears Road) Regional Pump Station
- Louetta Road Regional Water Plant + 3 Regional Groundwater Wells
- Abney Road Meter Station
- *Distribution and Transmission Lines (98 miles)*
- *Water Receiving Facilities (60)*
- *Al Rendl Pump Station*
- *25D Meter Station*



Schindewolf Regional Pump Station

## **2024 Proposed O&M Budget Considerations**

- More water purchased at higher rate from COH.
- Added Rendl Pump Station.
- Added Meter Station.
- Addition of new distribution lines (3 miles).
- New Water Receiving Facilities (4).
- Enhanced monitoring of water quality.
- Utility, labor and materials cost increases.



## 2024 Proposed Operations and Maintenance Budget

CATEGORY	2023 Budget (2022 Adopted)	Estimated 2023 Expenditures	Proposed 2024 Budget	Change from 2023 to 2024	Percent change from 2023-2024
City of Houston Water Purchase	\$16,800,000	\$15,803,217	\$22,088,000	\$5,288,000	31.5%
Schindewolf Pump Station (Spears Road)	\$725,000	\$676,833	\$332,000	(\$393,000)	(54.21)%
Rendl Pump Station, (249)	\$0	\$0	\$401,000	\$401,000	NA
Louetta Road RWP & Wells Utilities	\$90,000	\$62,787	\$65,000	(\$25,000)	(27.8)%
Abney Meter Station	\$11,000	\$13,511	\$14,000	\$3,000	27.3%
25D Meter Station	\$0	\$0	\$14,000	\$14,000	NA
Permit Fees (HGSD)	\$680,000	\$899,015	\$818,000	\$138,000	20.3%
Chemicals	\$145,000	\$221,210	\$237,000	\$92,000	63.4%
Operations and Maintenance	\$3,853,000	\$1,855,061	\$2,648,000	(\$1,205,000)	(31.27)%
RePump Fees Paid to HCWCID116 & Ponderosa Forest UD	\$62,000	\$59,514	\$29,000	(\$33,000)	(53.23)%
Contingency	\$1,000,000	\$0	\$1,000,000	\$0	0.0%
Totals	\$23,366,000	\$19,591,149	\$27,646,000	\$4,280,000	18.3%



# Proposed 2024 Budget

■ COH Water Purchase

■ Schindewolf R.P.S.

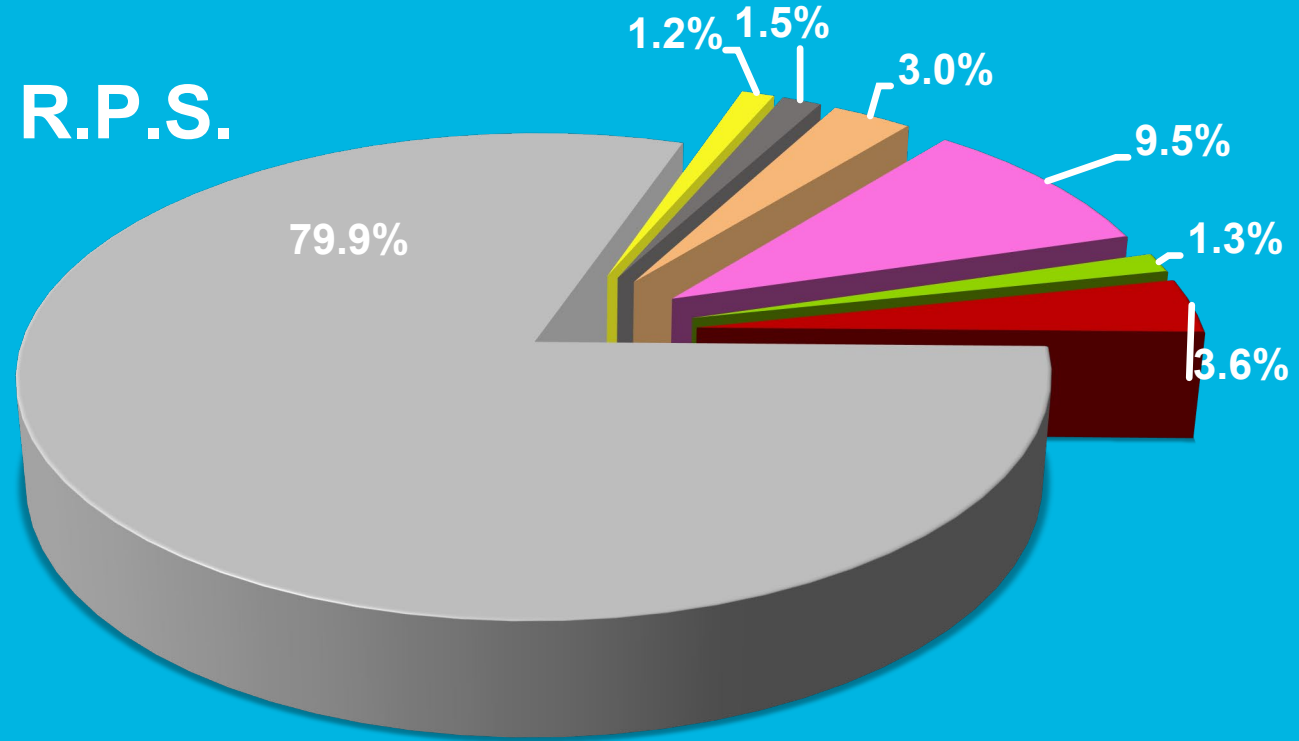
■ Rendl R.P.S.

■ Permit fees

■ Operations

■ Other

■ Contingency



## Key Performance Objectives

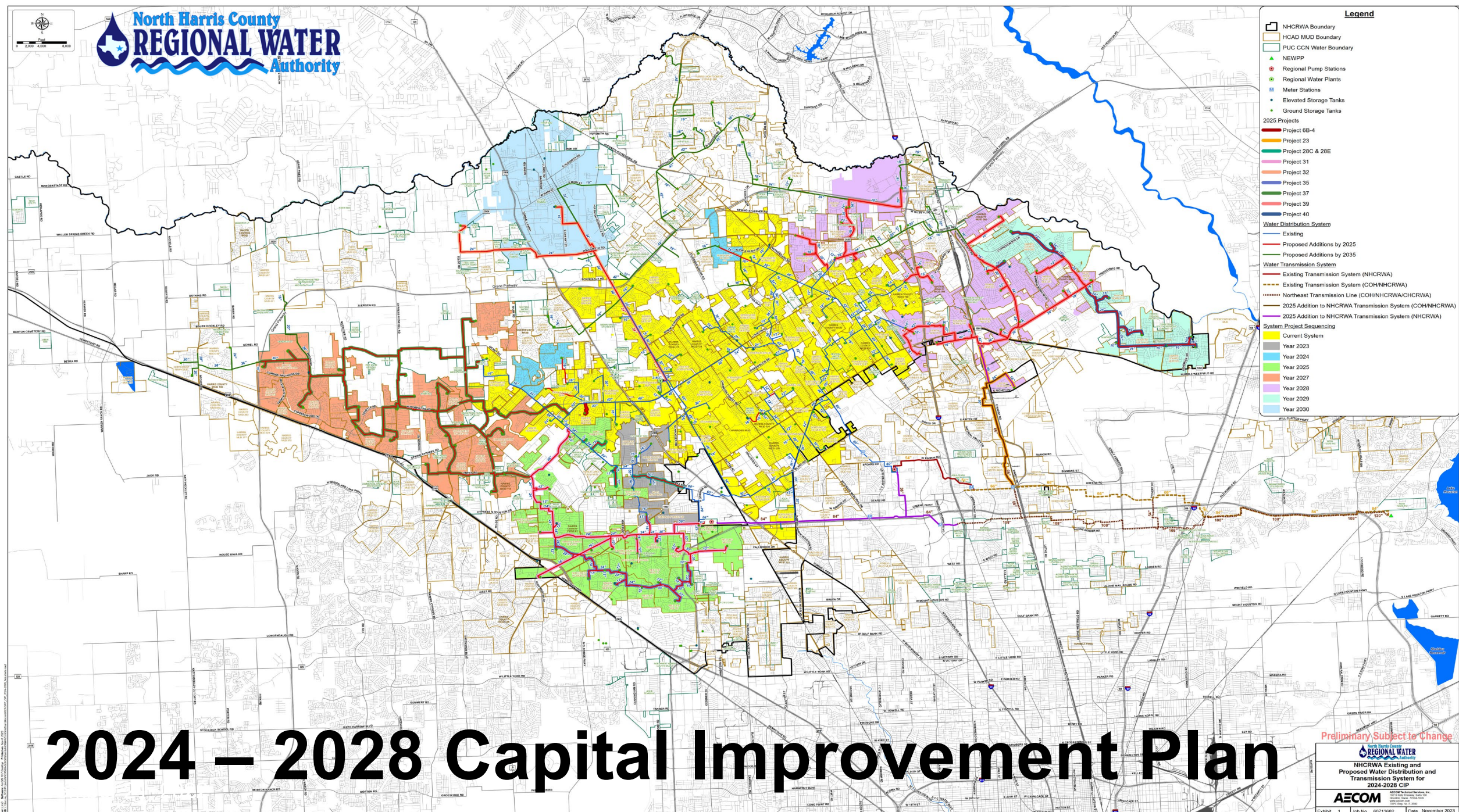
- Maximize delivery of surface water to existing customers.
- Expand customer base by adding new distribution lines and water receiving facilities.
- Early detection and resolution of customer water quality issues.
- Coordination with City of Houston for desired system operations.

**Questions ?**

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY  
OPERATING BUDGET PLANNING REPORT  
FISCAL YEAR 2024 ( Continued)  
NOVEMBER 13, 2023 WORKSHOP DRAFT**

	<b>PROJECTED TOTAL 2023</b>	<b>AMENDED 10/1/23 BUDGET 2023</b>	<b>PROPOSED BUDGET 2024</b>
<b>ADMINISTRATIVE EXPENSES:</b>			
FINANCIAL SERVICES	\$ 85,000	\$ 80,000	\$ 113,000
ENGINEERING SERVICES	\$ 50,000	\$ 50,000	\$ 50,000
LEGAL SERVICES	\$ 750,433	\$ 212,500	\$ 995,000
LEGISLATIVE CONSULTANT	\$ 130,000	\$ 131,500	\$ 131,500
COMMUNICATION/WEBSITE MGT SERVICES	\$ 47,674	\$ 370,493	\$ 15,255
MANAGEMENT SERVICES	\$ 2,745,929	\$ 3,106,792	\$ 3,370,181
MISCELLANEOUS SERVICES	\$ 272,000	\$ 1,020,000	\$ 588,000
CAPITAL OUTLAY	\$ 94,293	\$ 100,000	\$ 125,000
<b>TOTAL ADMINISTRATIVE</b>	<b>\$ 4,175,328</b>	<b>\$ 5,071,285</b>	<b>\$ 5,387,936</b>
<b>TOTAL EXPENSES</b>	<b>\$ 121,489,485</b>	<b>\$ 122,561,349</b>	<b>\$ 139,366,284</b>
<b>NET REVENUES OVER (UNDER) EXPENSES</b>	<b>\$ 246,071</b>	<b>\$ (21,473,849)</b>	<b>\$ (44,566,284)</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 338,455,807</b>	<b>\$ 321,444,576</b>	<b>\$ 338,701,878</b>
<b>BUDGETED ENDING FUND BALANCE</b>	<b>\$ 338,701,878</b>	<b>\$ 315,283,228</b>	<b>\$ 294,135,594</b>





**Legend**

- NHCRWA Boundary
  - HCAD MUD Boundary
  - PUC CCN Water Boundary
  - NEWPP
  - Regional Pump Stations
  - Regional Water Plants
  - Meter Stations
  - Elevated Storage Tanks
  - Ground Storage Tanks
- 2025 Projects**
- Project 6B-4
  - Project 23
  - Project 28C & 28E
  - Project 31
  - Project 32
  - Project 35
  - Project 37
  - Project 39
  - Project 40
- Water Distribution System**
- Existing
  - Proposed Additions by 2025
  - Proposed Additions by 2035
- Water Transmission System**
- Existing Transmission System (NHCRWA)
  - Existing Transmission System (COH/NHCRWA)
  - Northeast Transmission Line (COH/NHCRWA/CHCRWA)
  - 2025 Addition to NHCRWA Transmission System (COH/NHCRWA)
  - System Project Sequencing
- System Project Sequencing**
- Current System
  - Year 2023
  - Year 2024
  - Year 2025
  - Year 2027
  - Year 2028
  - Year 2029
  - Year 2030

# 2024 – 2028 Capital Improvement Plan



## Capital Improvement Plan (CIP):

- Provides a plan schedule and costs
- Plans for Authority's infrastructure system
- Identifies options for financing infrastructure projects
- Allows compliance with Harris-Galveston Subsidence District (HGSD) mandates
- Provides a reliable source of surface water



# Summary of Proposed 2024 – 2028 Capital Improvement Plan

Category	Fiscal Year Planned Authorizations					Total
	(Thousands \$)					
	2024	2025	2026	2027	2028	
Acquisition	24,332	16,803	11,787	9,414	2,783	65,119
Design	41,187	2,934	9,545	11,302	2,934	67,902
Construction	217,473	252,241	340,869		50,359	860,941
Equipment						
Other	7,452	6,200	6,300	6,200	6,200	32,352
Total Authorizations	290,444	278,178	368,501	26,916	62,276	1,026,314
Revenue Bonds				1,829	3,374	5,203
SWIFT Funds	64,450	257,335	348,571	17,782	27,626	715,764
Participation Funds	2,571	345	10,696			13,612
Remaining Funds	218,423	15,499	4,234	2,305	760	241,220
Subtotal	285,444	273,178	363,501	21,916	31,760	975,799
SWIFT Fund Candidate					25,515	25,515
Other	5,000	5,000	5,000	5,000	5,000	25,000
Subtotal	5,000	5,000	5,000	5,000	30,515	50,515
Total Funds	290,444	278,178	368,501	26,916	62,276	1,026,314

## Source of Funds

- Authority's Revenue Bonds, Capital Contributions and Interest Earned.
- Committed Texas Water Development Board State Water Infrastructure Fund for Texas (SWIFT)
- Participation funds provided by other entities via cost sharing agreements.
- Remaining authorized funds.
- SWIFT Candidate
- Other funds to be determined.



# Expand the Distribution System, Increase Wholesale Customer Base and Surface Water Conversion

<b>Fiscal Year (FY)</b>	<b>Additional Water Line (LF)</b>	<b>Additional WRF Connections</b>	<b>Additional Rate of Surface Water Delivery (GPD)</b>	<b>Increased Surface Water Delivered (Billion Gallons)</b>
FY 2024	51,400	5	1,757,000	0.60
FY 2025	152,500	28	9,672,000	1.80
FY 2026	77,800	8	3,694,950	2.05
FY 2027	144,400	15	6,862,050	2.90
FY 2028	186,100	24	6,133,000	2.10
<b>Total</b>	<b>612,200</b>	<b>80</b>	<b>28,119,000</b>	<b>9.45</b>

# Questions ?



**Next regular meeting on  
Monday, December 4, 2023, at 6:00 p.m.**

**Adjourn.**