



## SJRA WOODLANDS DIVISION

### FY2018 PROPOSED BUDGET

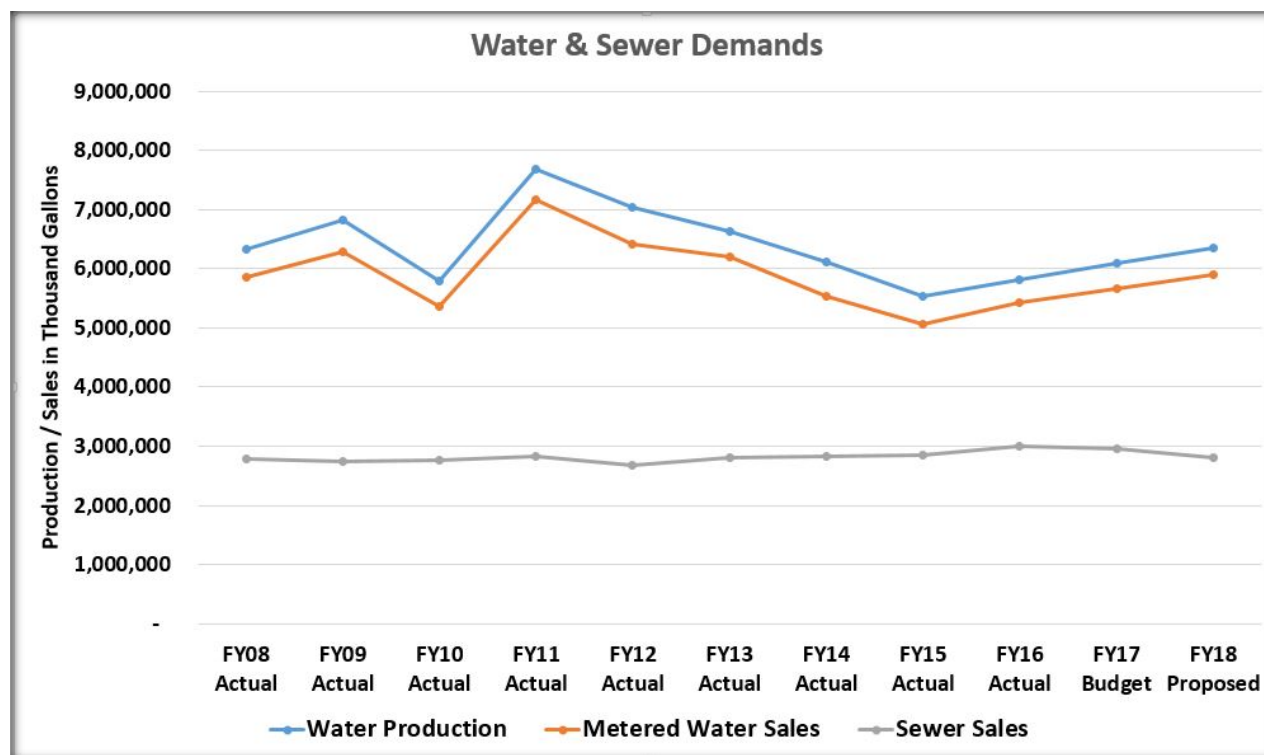
#### REVISED EXECUTIVE SUMMARY

The proposed FY2018 Woodlands Division Budget and Capital Improvement Projects (CIP) balance the need to maintain current service levels and address the need for system renewal of an aging infrastructure, while projecting an increase in water sales and a decrease in wastewater sales from previous budget years. The proposed budget is projecting metered water sales to be increased by 230,525,000 gallons and wastewater sales derived from winter averaging to be reduced by 141,147,000 gallons compared to the adopted FY2017 budget. The proposed FY2018 Budget includes no rate increase for wholesale water or wastewater rates. The GRP rate is anticipated to be increased as shown on page 2 below.

As a part of the Grease Program and Pretreatment Program implementation, expenses related to these programs are not included in the rate calculation since they have a separate revenue source. The incurred expenses are not included in the tables below and will be billed annually to the Customer Districts who in turn will bill the commercial users.

Wholesale Rates (\$/1,000 gal.)	Current Adopted Rate	Proposed % Increase	Proposed Rate
Water	\$2.10	0%	\$2.10
Wastewater	\$4.30	0%	\$4.30

Water and Sewer demands for the period of FY2008 to FY2018 are shown below.



Water Rate Breakout					
Category	Approved FY2017 (\$2.10 per 1,000 gallons)		Proposed FY2018 (\$2.10 per 1,000 gallons)		Proposed FY2018 Expense
	% of rate	\$ of rate	% of rate	\$ of rate	
Salaries, Wages & Benefits	26.03%	\$0.55	26.69%	\$0.56	\$3,305,781
Professional Fees	0.73%	\$0.02	0.59%	\$0.01	\$72,650
Purchased & Contract Fees (w/o GRP)	3.33%	\$0.07	3.00%	\$0.06	\$371,540
Supplies, Materials & Utilities	20.16%	\$0.42	18.32%	\$0.39	\$2,269,537
Maintenance, Repairs, Rentals, & Parts	7.19%	\$0.15	5.07%	\$0.11	\$628,081
G&A Allocation	3.10%	\$0.07	3.04%	\$0.06	\$375,952
O&M Capital	1.31%	\$0.03	0.88%	\$0.02	\$108,881
R&R - CIP	28.58%	\$0.59	32.54%	\$0.68	\$4,030,016
GRP Non-pass through	9.57%	\$0.20	9.87%	\$0.21	\$1,223,019
Total Expenses	100.00%	\$2.10	100.00%	\$2.10	\$12,385,457
Wastewater Rate Breakout					
Category	Approved FY2017 (\$4.30 per 1,000 gallons)		Proposed FY2018 (\$4.30 per 1,000 gallons)		Proposed FY2018 Expense
	% of rate	\$ of rate	% of rate	\$ of rate	
Salaries, Wages & Benefits	25.81%	\$1.11	30.53%	\$1.31	\$3,687,404
Professional Fees	1.97%	\$0.08	0.76%	\$0.03	\$91,150
Purchased & Contract Fees	7.51%	\$0.32	6.83%	\$0.29	\$825,065
Supplies, Materials & Utilities	17.16%	\$0.74	16.68%	\$0.72	\$2,014,963
Maintenance, Repairs, Rentals, & Parts	11.29%	\$0.49	12.09%	\$0.52	\$1,459,751
G&A Allocation	3.17%	\$0.14	3.69%	\$0.16	\$446,280
O&M Capital	1.27%	\$0.05	0.82%	\$0.04	\$98,881
Interest Expenses (Bond related items)	0.00%	\$0.00	9.43%	\$0.41	\$1,139,369
R&R – CIP	31.82%	\$1.37	19.17%	\$0.82	\$2,316,000
Total Expenses	100.00%	\$4.30	100.00%	\$4.30	\$12,078,863

**Project Plans:** The projects included in the table below are R&R funded projects from the 10-Year Project Plan for FY2018 that will be funded in FY2018. The total funding needed for these projects is \$6,915,000. An amount equal to \$6,346,017 will be transferred into the R&R fund from the O&M Budget in FY2018 and \$568,983 that is currently in the R&R fund will be used to complete the required funds.

Project	Phase	FY2018 Budget	Funding Source
Elevated Storage Tank No. 4 Rehabilitation	Construction	\$642,000	R&R
Water Distribution - Looping of Mains	Construction	\$946,000	R&R
Water System Security Improvements	Construction	\$ 473,000	R&R
WWTF No. 3 Lift Station Rehabilitation	Construction	\$1,735,000	R&R
Lift Station No. 4 Replacement (Crystal Lake Ln)	Construction	\$1,459,000	R&R
Lift Station No. 23 Rehabilitation (Baker Hughes)	Construction	\$372,000	R&R
Gravity Main Rehabilitation - Segments 35,50 & 50A	Construction	\$600,000	R&R
Lift Station No. 5 Force Main Replacement	Design	\$688,000	R&R
<b>Total</b>		<b>\$6,915,000</b>	

**FY2017 to FY2018 Budget Variances:** Listed below are key variances between the FY2017 Budget and FY2018 Budget for The Woodlands Division. These variances were identified by either having an increase or decrease in either percentage or dollar amount above a customary amount.

Category	FY17 Budget	FY18 Proposed	Variance	Comments
<b>Revenue</b>				
Water Sales	\$11,897,355	\$12,381,458	\$484,103	• 4% increase in water sales
Sewer Sales	\$12,685,000	\$12,078,068	(\$606,932)	• 5% decrease in sewer sales
GRP Pumping Fees	\$14,843,366	\$16,272,773	\$1,429,407	• Increase in GRP rates / fees
<b>Expenditures</b>				
<b>Salaries, Wages &amp; Benefits</b>				
Group Insurance	\$860,549	\$1,284,266	\$423,717	• Budget includes 30% increase over actuals in group insurance
<b>Professional Fees</b>				
Engineering	\$247,000	\$75,400	(\$171,600)	• FY2017 Budget included costs to secure easements over water and sewer lines. No funds are planned for easements in FY2018.
<b>Purchased &amp; Contracted Services</b>				
Groundwater District Fees	\$149,212	\$234,522	\$85,310	<ul style="list-style-type: none"> <li>• Increase in groundwater usage in FY18 and increase in LSGCD fees from \$0.07 / 1,000 gallons to \$0.10 / 1,000 gallons.</li> <li>• Increase of 213,624,427 gallons of groundwater pumpage expected in FY2018.</li> </ul>
GRP Pumping Fee	\$5,329,000	\$6,191,392	\$862,392	• Increase in fee from \$2.50 to \$2.64
GRP Surface Water Delivery Rate	\$10,653,073	\$11,304,399	\$651,326	• Increase in rate from \$2.69 to \$2.83
Document Retention & Destruction	\$120,000	\$2,700	(\$117,300)	• FY17 included funds to complete the scanning and coding of all Woodlands Division paper records that will be completed in FY17.
<b>Supplies, Materials &amp; Utilities</b>				
Automobile & Truck Expense	\$70,000	\$80,500	\$10,500	Historical costs used to determine FY18 Budget.
Postage	\$7,500	\$13,000	\$5,500	Increased to account for expected increase in grease program related mailings.

Category	FY17 Budget	FY18 Proposed	Variance	Comments
<b>Supplies, Materials &amp; Utilities</b>				
Chlorine	\$145,300	\$114,332	(\$30,968)	<ul style="list-style-type: none"> <li>Purchased chlorine was reduced to account for decreased groundwater usage when compared to FY16. In 2017, chlorine was re-bid and the price increased 12%. Also, a new chlorine facility will be added at WWTF No. 2 which has not been previously budgeted.</li> </ul>
Sulfur Dioxide	\$40,000	\$51,675	\$11,675	<ul style="list-style-type: none"> <li>In 2017, sulfur dioxide was re-bid and the price increased 12%. Also, a new sulfur dioxide facility will be added at WWTF No. 2 which has not been previously budgeted.</li> </ul>
Other Chemicals	\$44,500	\$57,913	\$13,413	<ul style="list-style-type: none"> <li>Additional bleach usage at WWTF No. 2, addition of odor control in the wastewater system. Also, reclassified funds for odor control from to this account.</li> </ul>
Alkalinity	\$120,000	\$138,600	\$18,600	<ul style="list-style-type: none"> <li>WWTF No. 2 was not budgeted for supplemental alkalinity in FY16/17 but will use it in latter FY17 into FY18. Cost increased to account for more usage at WWTF No. 2.</li> </ul>
Supplies – Lab	\$10,000	\$15,300	\$5,300	<ul style="list-style-type: none"> <li>Chemicals - Lab was combined with this account; included replacement costs for water system pH and turbidity meters.</li> </ul>
Utilities - Electric	\$2,800,000	\$2,550,536	(\$249,464)	<ul style="list-style-type: none"> <li>Averaged FY15 and FY16 actual expenses to determine FY18 budget.</li> </ul>
Computer Hardware	\$22,000	\$87,593	\$65,593	<ul style="list-style-type: none"> <li>Based on replacement of IT &amp; SCADA computer related items. Additional annual costs for computer hardware maintained in account.</li> </ul>

Category	FY17 Budget	FY18 Proposed	Variance	Comments
<b>Supplies, Materials &amp; Utilities</b>				
Software & Support	\$166,900	\$123,232	(\$43,668)	<ul style="list-style-type: none"> <li>Overall account reduced by 27%; estimate for additional software licensing in FY18 less than FY17.</li> </ul>
Landline Telephone Services	\$84,000	\$65,400	(\$18,600)	<ul style="list-style-type: none"> <li>Switched landline providers to reduce overall landline phone costs.</li> </ul>
<b>Maintenance, Repairs, Rentals, &amp; Parts</b>				
Equipment Rentals	\$8,000	\$18,800	\$10,800	<ul style="list-style-type: none"> <li>FY17 did not have Xerox machine lease included.</li> </ul>
Office Rent	\$10,200	\$3,850	(\$6,350)	<ul style="list-style-type: none"> <li>FY18 accounts for up to 6 months of record storage at current location. Additional 6 months of record storage accounted for in "Document Retention/Destruction" account.</li> </ul>
Sidewalks & Driveways	\$80,000	\$35,000	(\$45,000)	<ul style="list-style-type: none"> <li>Replacement of misc. sidewalks and driveways in the water&amp; wastewater system. Cost based on historical replacement/repair of sidewalks and driveways.</li> </ul>
Mowing (Previous account was named Facilities & Grounds)	\$193,000	\$211,688	\$18,688	<ul style="list-style-type: none"> <li>Increase in FY18 due to fence repair and replacement at: <ul style="list-style-type: none"> <li>Water Plant No. 1</li> <li>EST No. 7</li> <li>Water Plant No. 3</li> </ul> </li> </ul>
Building & Ground Maintenance	\$142,500	\$92,720	(\$49,780)	<ul style="list-style-type: none"> <li>LS Hatches - repair &amp; replace hatches at liftstation due to corrosion.</li> <li>WWTF No. 1 - Awning for grit box and control panel</li> <li>WWTF No. 1 and No. 3 - New shed for granular chlorine</li> <li>WWTF No. 2 - Electrical and lighting improvements</li> <li>Misc. roof repairs at all facilities</li> <li>Misc. building repairs based on historical costs and building ages</li> </ul>

Category	FY17 Budget	FY18 Proposed	Variance	Comments
<b>Maintenance, Repairs, Rentals, &amp; Parts</b>				
Tanks	\$212,800	\$114,200	(\$98,600)	<ul style="list-style-type: none"> <li>FY17 budget included repairs to WWTF No. 1 Aeration Basin Nos. 3 &amp; 4 that have been completed.</li> <li>Remaining funds are for tank cleanouts, tank coating and diffuser replacements.</li> </ul>
Electrical	\$171,100	\$185,800	\$14,700	<ul style="list-style-type: none"> <li>WWTF No. 1 - maintenance of large Amp Breakers and additional testing of (9) remaining large breakers</li> <li>LS 1 &amp; 6 - Relocate control panels to top of station</li> </ul>
Generators	\$78,000	\$162,000	\$84,000	<ul style="list-style-type: none"> <li>FY18 includes funds to replace a 100kw generator.</li> </ul>
Lines, Valves & Pipes	\$311,000	\$340,000	\$29,000	<ul style="list-style-type: none"> <li>Televising of 42" gravity sewer main by Lake Woodlands</li> <li>Coating of manholes due to corrosion</li> <li>Misc. emergency repairs to water / sewer lines</li> <li>Pressure Regulating Valve rebuilds (3)</li> <li>Misc. stock parts for water / sewer line repairs</li> </ul>
Other Maintenance	\$250,000	\$0	(\$250,000)	<ul style="list-style-type: none"> <li>Previous budgets included \$250,000 in emergency funds that were budgeted to cover any non-budgeted emergency repairs. In FY2018, these funds are not budgeted.</li> </ul>
Instrumentation Equipment & Parts	\$187,000	\$216,000	\$29,000	<ul style="list-style-type: none"> <li>FY18 budget accounts for additional process instrumentation for Liftstations and WWTF Nos. 2 and 3.</li> </ul>
Barscreens	\$25,500	\$109,500	\$84,000	<ul style="list-style-type: none"> <li>Replacement of a conveyor system at WWTF No. 2 with an auger system.</li> </ul>
Chlorinator	\$88,500	\$49,500	(\$39,000)	<ul style="list-style-type: none"> <li>In-house repairs to chlorination equipment began in FY17.</li> </ul>

Category	FY17 Budget	FY18 Proposed	Variance	Comments
<b>Maintenance, Repairs, Rentals, &amp; Parts</b>				
Low Head Filters	\$1,000	\$19,500	\$18,500	<ul style="list-style-type: none"> <li>Install (3) automatic grease lubrication systems</li> </ul>
<b>Non-Operating Expenses</b>				
Non-operating expense	\$0	\$1,139,369	\$1,139,369	<ul style="list-style-type: none"> <li>In the Fall of 2017 proceeds from the TWDB bond will be used. The first interest payment is due in April 2018 (\$479,319); issuance costs related to the 2017 bond will be paid out of O&amp;M (\$660,050).</li> </ul>
<b>Net-cash uses</b>				
Net-cash use	\$0	\$568,983	\$568,983	<ul style="list-style-type: none"> <li>Cash carry forward from the R&amp;R fund to reduce FY18 funding needed</li> </ul>

**San Jacinto River Authority - Woodlands Operating Fund**  
**Actual to Budget Comparison**  
**FY2016 - FY2018**

Description	Rolling 12			PROPOSED	
	Actuals 8/31/2016	Actuals Sept-March FY2017	Mo. Actuals April 2016- March 2017	Budget FY2017	Budget FY2018
<b>OPERATING REVENUES</b>					
Water Sales-Woodlands MUD's	\$ 10,863,349	\$ 5,765,969	\$ 10,874,284	\$ 11,897,355	\$ 12,381,458
Wastewater Treatment Fees	12,105,737	7,345,192	12,517,736	12,685,000	12,078,068
Direct Reuse Water	30,877	17,500	30,877	30,000	30,000
Permits, Licenses & Fees - Commercial	-	-	-	205,100	205,100
GRP Pumping Fees	13,258,782	7,201,588	13,416,850	14,843,366	16,272,773
Alkalinity Reimbursement	55,199	-	-	-	-
Sampling	-	-	-	18,000	18,000
Other Operating Revenue	4,731	13,074	14,151	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 36,318,675</b>	<b>\$ 20,343,323</b>	<b>\$ 36,853,898</b>	<b>\$ 39,678,821</b>	<b>\$ 40,985,399</b>
<b>OTHER REVENUES</b>					
Interest Income	\$ 22,769	\$ 17,594	\$ 27,463	\$ 4,500	\$ 8,000
Proceeds From Sale Of Assets	25,115	8,200	32,665	-	-
Other Gains & Losses	18,131	7,913	17,020	-	-
<b>TOTAL OTHER REVENUES</b>	<b>\$ 66,015</b>	<b>\$ 33,707</b>	<b>\$ 77,148</b>	<b>\$ 4,500</b>	<b>\$ 8,000</b>
<b>OPERATING EXPENSES</b>					
<b>SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>					
Salaries & Wages	\$ 2,416,681	\$ 1,390,976	\$ 2,468,614	\$ 2,652,932	\$ 2,598,218
Salary & Wage Allocation	2,062,420	1,120,561	2,005,270	1,982,430	2,110,606
Salaries & Wages-Interns	-	-	-	20,564	-
Staffing Services	11,748	-	1,602	-	-
Compensated Absences	8,443	-	8,443	-	-
Group Insurance	782,985	536,502	871,654	860,549	1,284,266
Group Insurance - Retirees	-	1,844	1,844	-	5,806
Group Insurance - Retiree OPEB	62,600	-	62,600	40,000	68,000
Group Retirement Expense	548,554	326,320	566,577	530,468	642,712
Workers Compensation Insurance	148,328	69,589	121,098	99,428	135,070
Social Security Taxes	335,214	185,672	334,728	343,827	352,213
<b>TOTAL SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>	<b>\$ 6,376,973</b>	<b>\$ 3,631,464</b>	<b>\$ 6,442,430</b>	<b>\$ 6,530,198</b>	<b>\$ 7,196,891</b>
<b>PROFESSIONAL FEES</b>					
Legal Fees	\$ 84,723	\$ 24,233	\$ 77,165	\$ 77,634	\$ 78,500
Annual Financial Audit	21,278	22,274	25,370	27,400	27,400
Engineering	81,945	50,251	114,170	247,000	75,400
Safety Inspections & Testing	746	3,859	4,568	13,700	4,000
Graphic Design	892	-	892	2,500	2,500
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 189,584</b>	<b>\$ 100,617</b>	<b>\$ 222,165</b>	<b>\$ 368,234</b>	<b>\$ 187,800</b>
<b>PURCHASED &amp; CONTRACTED SERVICES</b>					
Waste Disposal Services	\$ 59,904	\$ 35,651	\$ 65,808	\$ 131,000	\$ 106,969
Sampling-Reimbursible	-	-	-	18,000	18,000
Sludge Removal	399,297	199,287	424,773	450,000	412,940
Meter Calibration Services	2,006	1,112	2,408	8,400	6,650
Commercial Laboratory Fees	178,655	80,205	181,820	226,900	213,163
Other Services	3,954	-	1,816	-	-
State Fees	91,140	91,084	91,709	90,500	94,500
Groundwater District Fees	84,284	(7,831)	(70,413)	-	-
Groundwater District Fees-GRP	86,136	96,346	182,482	149,212	234,522
Employee Testing- New	4,724	2,435	3,510	5,700	7,460
GRP Pumpage Fees	6,144,283	2,207,908	4,703,012	5,329,000	6,191,392
GRP Surface Water Fees	8,394,738	5,902,118	10,365,177	10,653,073	11,304,399
Janitorial Services	24,144	12,030	19,369	40,000	28,500
Stream Gauging & Water Quality-USGS	41,031	20,621	14,695	112,000	79,200
Public Relations Expense	2,375	3,898	5,145	10,000	3,000
Water Conservation & Public Education	5,545	5,706	6,251	15,000	7,000
Document Retention/Destruction	-	-	-	120,000	2,700
<b>TOTAL PURCHASED &amp; CONTRACTED SERVICES</b>	<b>\$ 15,522,216</b>	<b>\$ 8,650,570</b>	<b>\$ 15,997,562</b>	<b>\$ 17,358,785</b>	<b>\$ 18,710,395</b>

**San Jacinto River Authority - Woodlands Operating Fund**  
**Actual to Budget Comparison**  
**FY2016 - FY2018**

Description	Rolling 12					PROPOSED
	Actuals	Actuals	Mo. Actuals	Budget	Budget	
	8/31/2016	Sept-March FY2017	April 2016- March 2017	FY2017	FY2018	
<b>SUPPLIES, MATERIALS &amp; UTILITIES</b>						
Office Supplies & Printing	\$ 16,468	\$ 12,093	\$ 21,547	\$ 21,000	\$ 21,000	
Travel	14,179	2,259	14,495	15,000	19,000	
Automobile & Truck Expense	72,370	45,995	85,609	70,000	80,500	
Postage	6,048	3,455	5,419	7,500	13,000	
Property Insurance	219,740	118,786	208,443	234,201	241,227	
Auto Insurance	34,159	22,871	34,649	37,348	38,468	
Liability Insurance	41,823	21,427	35,199	50,493	52,008	
Training-External	62,697	33,614	59,869	67,500	56,700	
Training-Internal	-	-	-	-	6,000	
Training-Employee HR	5,728	3,015	5,813	6,080	6,460	
Lime	-	-	-	1,050	-	
Chlorine	105,436	47,769	98,040	145,300	114,332	
Polymer	50,625	35,873	57,811	90,000	69,750	
Sulfur Dioxide	40,832	22,892	39,788	40,000	51,675	
Chemicals - Lab	-	432	432	5,500	-	
Other Chemicals	50,762	12,347	25,855	44,500	57,913	
Alkalinity	60,191	62,545	67,595	120,000	138,600	
Fuel	68,276	34,003	63,888	132,000	81,577	
Uniform Services	37,643	20,807	39,821	38,000	42,820	
Maintenance Supplies	51,822	25,637	50,605	48,500	50,700	
Supplies - Lab	-	988	988	10,000	15,300	
Operations Supplies	77,193	31,404	65,853	84,500	90,200	
Other Operating Expenses	26,052	9,899	23,371	21,500	20,000	
Memberships & Professional Dues	-	539	539	-	3,000	
Utilities-Electric	2,325,153	1,127,474	2,218,992	2,800,000	2,550,536	
Utilities-Natural Gas	10,409	7,004	11,350	14,500	14,500	
Safety Equipment & Meetings	30,482	14,388	20,862	36,745	28,220	
Health & Wellness Program	473	74	218	5,700	1,140	
Recruiting Expenses	2,352	1,448	2,192	18,900	15,200	
Computer Hardware	25,105	4,703	21,710	22,000	87,593	
Software & Support	70,810	52,275	80,960	166,900	123,232	
Software Maintenance	59,965	-	45,430	58,000	65,000	
Network Communications	15,745	17,280	20,416	28,800	22,860	
Wireless Devices & Services	41,871	16,911	34,501	52,200	47,490	
Phone System-Install, Maintenance, & Changes	-	-	-	2,200	2,100	
Landline Telephone Services	108,407	58,786	111,681	84,000	65,400	
<b>TOTAL SUPPLIES, MATERIALS &amp; UTILITIES</b>	<b>\$ 3,732,816</b>	<b>\$ 1,868,993</b>	<b>\$ 3,573,941</b>	<b>\$ 4,579,917</b>	<b>\$ 4,293,501</b>	
<b>RENTALS</b>						
Equipment Rentals	\$ 16,696	\$ 5,893	\$ 11,949	\$ 8,000	\$ 18,800	
Office Rent	7,830	2,488	6,220	10,200	3,850	
Radio Tower Rental	7,638	4,589	7,772	8,000	8,400	
<b>TOTAL RENTALS</b>	<b>\$ 32,164</b>	<b>\$ 12,970</b>	<b>\$ 25,941</b>	<b>\$ 26,200</b>	<b>\$ 31,050</b>	
<b>MAINTENANCE, REPAIRS &amp; PARTS</b>						
Office, Furniture, & Fixtures	\$ 4,769	\$ 1,882	\$ 5,316	\$ 6,000	\$ 6,000	
Air Conditioner	63,099	2,682	42,851	65,000	57,500	
Sidewalks & Driveways	-	102	102	80,000	35,000	
Mowing	130,265	70,486	169,319	193,000	211,688	
Building Equipment	2,483	-	828	-	-	
Buildings & Grounds Maintenance	80,073	26,279	102,212	142,500	92,720	
Plants & Facilities	166,567	8,185	168,012	140,000	140,000	
Security System Monitoring	2,446	2,300	3,512	8,000	3,624	
Wells	20,472	586	657	22,000	29,500	
Tanks	56,516	32,091	35,079	212,800	114,200	
Electrical	92,770	31,857	90,749	171,100	185,800	
Generators	71,422	10,344	30,971	78,000	162,000	
Pumps & Motors	79,887	34,459	57,294	229,053	233,000	
Compressor	-	600	600	500	1,500	
Aerators	6,179	1,349	6,100	19,000	10,000	
Machinery, Tools, & Implements	623	819	1,442	2,000	-	

**San Jacinto River Authority - Woodlands Operating Fund**  
**Actual to Budget Comparison**  
**FY2016 - FY2018**

Description	Rolling 12			PROPOSED	
	Actuals 8/31/2016	Actuals Sept-March FY2017	Mo. Actuals April 2016- March 2017	Budget FY2017	Budget FY2018
Belt Press	9,704	10,511	10,667	22,350	22,350
Clarifier	1,982	8,106	10,088	4,200	7,400
UV Equipment	95,528	-	668	10,000	10,000
Lines, Valves, & Pipes	221,759	153,174	273,665	311,000	340,000
Drainage Structures	23,219	-	23,219	-	-
Other Maintenance	21,608	11,517	32,875	250,000	-
Laboratory Equipment	3,478	374	222	14,000	1,600
Instrumentation Equipment & Parts	153,325	90,140	130,625	187,000	216,000
Bar Screens	5,904	10,931	13,565	25,500	109,500
Chlorinator	37,143	24,396	30,586	88,500	49,500
Low Head Filters	-	9,985	9,985	1,000	19,500
Inventory Gains and Losses	(3,988)	929	(2,728)	-	-
Bad Debt Expense	15,938	-	15,938	-	-
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 1,363,171	\$ 544,084	\$ 1,264,419	\$ 2,282,503	\$ 2,058,382
GENERAL & ADMINISTRATIVE EXPENSES					
General & Administrative Expense Allocated	\$ 739,877	\$ 438,181	\$ 757,381	\$ 771,685	\$ 822,231
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 739,877	\$ 438,181	\$ 757,381	\$ 771,685	\$ 822,231
NON-OPERATING EXPENSES					
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ 479,319
Bond Issuance Costs	-	-	-	-	660,050
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ 1,139,369
TOTAL EXPENSES	\$ 27,956,801	\$ 15,246,879	\$ 28,283,839	\$ 31,917,522	\$ 34,439,619
NET REVENUES OVER EXPENSES	\$ 8,427,889	\$ 5,130,151	\$ 8,647,207	\$ 7,765,799	\$ 6,553,780
CAPITAL IMPROVEMENTS					
Easements				\$ 50,000	\$ -
Maintenance Equipment				25,000	-
Lift Station				25,000	-
Transportation Equipment				55,000	75,000
Software				76,800	10,316
Computer Equipment				86,000	112,447
Radio Communications Equipment				-	10,000
TOTAL CAPITAL IMPROVEMENTS				\$ 317,800	\$ 207,763
OTHER USES					
Emergency Reserve Fund	\$ 135,000	\$ -	\$ -	\$ -	\$ -
Interdivision Transfers	8,523,379	4,448,000	7,448,000	7,448,000	6,346,017
TOTAL OTHER USES	\$ 8,658,379	\$ 4,448,000	\$ 7,448,000	\$ 7,448,000	\$ 6,346,017
NET CASH BASIS SOURCES (USES)	\$ (230,490)	\$ 682,151	\$ 1,199,207	\$ (1)	\$ -

**San Jacinto River Authority - Woodlands Repair and Replacement**  
**Actual to Budget Comparison**  
**FY2016 - FY2018**

Description	Actuals			Rolling 12 Mo. Actuals		PROPOSED	
	Actuals 8/31/2016	Sept-March FY2017	April 2016- March 2017	Budget FY2017	Budget FY2018	Budget FY2017	Budget FY2018
<b>OTHER REVENUES</b>							
Interest Income	\$ 21,844	\$ 22,012	\$ 33,797	\$ 500	\$ 20,000		
<b>TOTAL OTHER REVENUES</b>	<b>\$ 21,844</b>	<b>\$ 22,012</b>	<b>\$ 33,797</b>	<b>\$ 500</b>	<b>\$ 20,000</b>		
<b>OPERATING EXPENSES</b>							
<b>PROFESSIONAL FEES</b>							
Engineering	\$ 214,789	\$ 119,858	\$ 325,978	\$ -	\$ -		
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 214,789</b>	<b>\$ 119,858</b>	<b>\$ 325,978</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>MAINTENANCE, REPAIRS &amp; PARTS</b>							
Plants & Facilities	\$ 188,380	\$ 5,000	\$ 193,380	\$ -	\$ -		
Wells	94,447	1,232	(3,232)	-	-		
Tanks	910,937	250,693	819,025	2,004,000	2,749,000		
Lines, Valves, & Pipes	1,549,831	240,279	573,427	350,000	1,288,000		
<b>TOTAL MAINTENANCE, REPAIRS &amp; PARTS</b>	<b>\$ 2,743,595</b>	<b>\$ 497,204</b>	<b>\$ 1,582,600</b>	<b>\$ 2,354,000</b>	<b>\$ 4,037,000</b>		
<b>TOTAL EXPENSES</b>	<b>\$ 2,958,384</b>	<b>\$ 617,062</b>	<b>\$ 1,908,578</b>	<b>\$ 2,354,000</b>	<b>\$ 4,037,000</b>		
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ (2,936,540)</b>	<b>\$ (595,050)</b>	<b>\$ (1,874,781)</b>	<b>\$ (2,353,500)</b>	<b>\$ (4,017,000)</b>		
<b>CAPITAL IMPROVEMENTS</b>							
Capital Improvements				\$ 5,094,000	\$ -		
Water Treatment Plant & Facilities				-	1,419,000		
Sewage Treatment Plant & Facilities				-	1,459,000		
<b>TOTAL CAPITAL IMPROVEMENTS</b>				<b>\$ 5,094,000</b>	<b>\$ 2,878,000</b>		
<b>OTHER USES</b>							
Capital Repair/Replacement Reserve Fund				\$ -	\$ 6,968,545		
<b>TOTAL OTHER USES</b>				<b>\$ -</b>	<b>\$ 6,968,545</b>		
<b>OTHER SOURCES</b>							
Cash Sources				\$ 515,317	\$ 11,684,147		
Interdivision Transfers	8,523,379	4,448,000	7,448,000	7,448,000	6,346,017		
<b>TOTAL OTHER SOURCES</b>	<b>\$ 8,523,379</b>	<b>\$ 4,448,000</b>	<b>\$ 7,448,000</b>	<b>\$ 7,963,317</b>	<b>\$ 18,030,164</b>		
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ 5,586,839</b>	<b>\$ 3,852,950</b>	<b>\$ 5,573,219</b>	<b>\$ 515,817</b>	<b>\$ 4,166,619</b>		



**Woodlands Division**  
**Proposed Fiscal Year 2018**  
**Budget**

May 2017

# Proposed FY2018 Rates

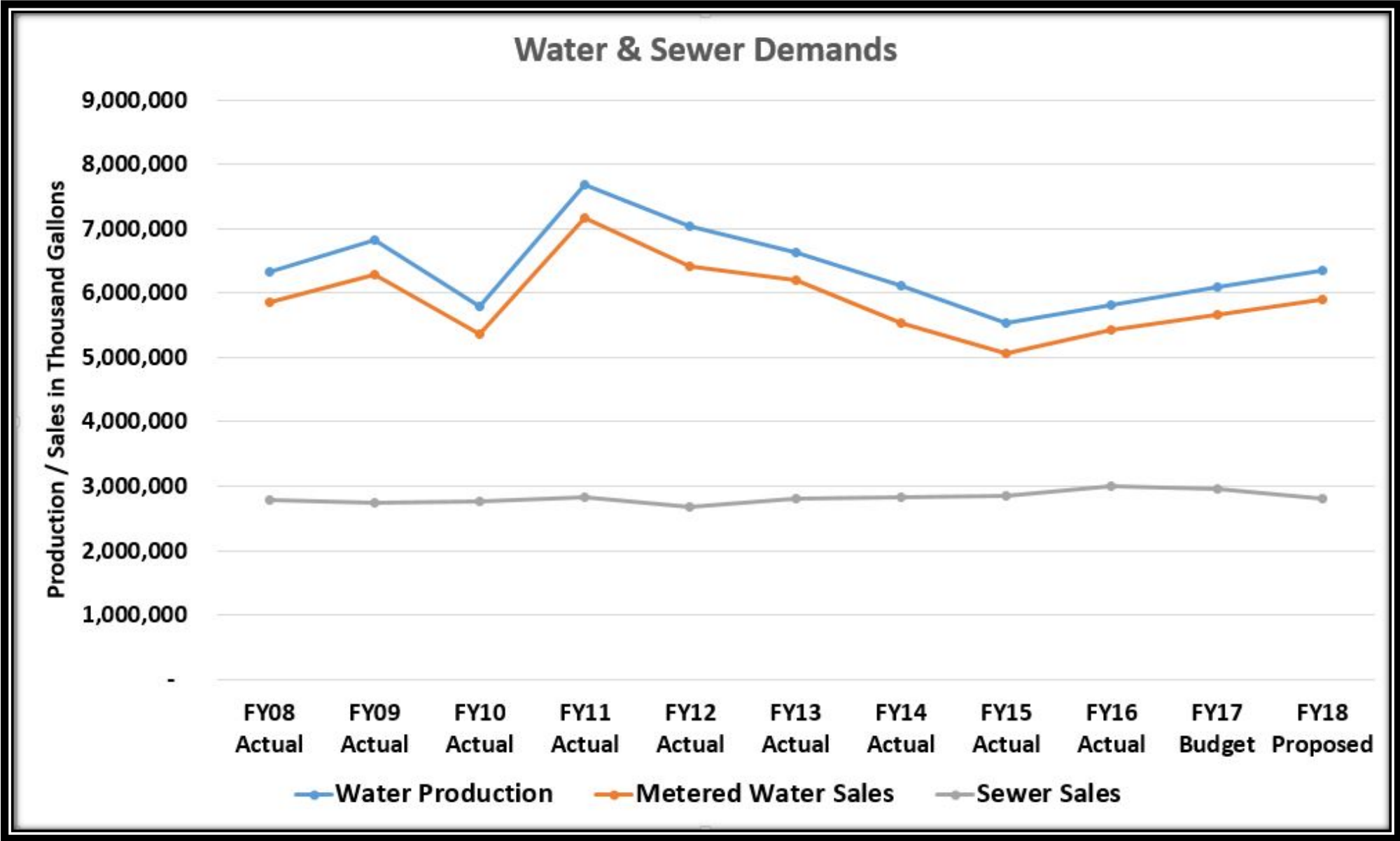
Category	Approved FY2017 Rate (per 1,000 gallons)	Proposed FY2018 Rate (per 1,000 gallons)
Wholesale Water Rate	\$2.10	\$2.10
Wholesale Wastewater Rate	\$4.30	\$4.30

# Woodlands Operating Budget

## Wholesale Revenue

- 4% increase in water sales compared to FY2017
- 5% reduction in wastewater sales compared to FY2017
- GRP blended rate is passed through
  - \$1.223M of GRP Fee / Rate for unmetered water is included in wholesale rate
- Expenses associated with Grease Program and Pretreatment Program not included in rates

# Water Demand and Sewer Sales



# Key Budget Elements

- **Salaries, Wages & Benefits**
  - Total FTE increased by 0.05 FTE from 67.55 to 67.60
  - Health insurance budgeted with 30% increase
- **Professional Fees**
  - Three WWTF Permit renewals
- **Purchased and Contracted Services**
  - Increase in GRP Pumpage Fee from \$2.50 to \$2.64; GRP Surface Water Rate from \$2.69 to \$2.83; resulting in increase in blended water fee from \$2.62 to \$2.76
- **Supplies, Materials and Utilities**
  - Chlorine - reduced expense to match reduced groundwater pumpage
- **Maintenance, Repairs, Parts, and Rentals**
  - Televising of 42" gravity sewer main in Hughes Landing
  - Replacement of 100 KW generator
  - Replacement of conveyor system at WWTF No. 2 bar screens
- **Net Cash Uses**
  - \$871,992 cash carry forward from the R&R fund to reduce FY2018 R&R funding needed

# Woodlands Operating Budget

## Revenues

Category	FY2016 Actuals	Rolling 12 Months (Apr 16 – Mar 17)	Approved FY2017 Budget	Proposed FY2018 Budget
Metered Water Sales	\$10,863,349	\$10,874,284	\$11,897,355	\$12,381,458
Wastewater Sales	\$12,105,737	\$12,517,736	\$12,685,000	\$12,078,068
GRP Fees	\$13,258,782	\$13,416,850	\$14,843,366	\$16,272,773
Operating	\$156,822	\$122,176	\$257,600	\$253,100
<b>Total</b>	<b>\$36,384,690</b>	<b>\$36,931,046</b>	<b>\$39,683,321</b>	<b>\$40,985,399</b>

# Woodlands Operating Expenses

Category	FY2016 Actuals	Rolling 12 Months (Apr 16 – Mar 17)	Approved FY2017 Budget	Proposed FY2018 Budget
Salaries, Wages & Benefits	\$6,376,973	\$6,442,430	\$6,530,198	\$7,062,891
Professional Fees	\$189,584	\$222,165	\$368,234	\$163,800
Purchased Services	\$15,522,216	\$15,997,562	\$17,358,785	\$18,692,395
Supplies, Materials & Utilities	\$3,732,816	\$3,573,941	\$4,579,917	\$4,533,465
Maintenance, Repairs, Parts, & Rentals (Includes Bond Related Items)	\$1,395,335	\$1,290,360	\$2,308,703	\$3,287,201
General & Admin	\$739,877	\$757,381	\$771,685	\$822,231
Total Operating	\$27,956,801	\$28,283,839	\$31,917,522	\$34,561,983

# Environmental Budget

Category	Proposed FY2018 Budget
Salaries, Wages & Benefits	\$170,000
Professional Fees (Legal, Engineering, Consulting)	\$24,000
Printing, Newspaper, Postage	\$6,000
Travel	\$1,000
Training	\$2,000
Safety	\$500
Lab Equipment	\$1,600
<b>Total Environmental</b>	<b>\$205,100</b>

# Woodlands Operating Budget

## Salaries, Wages & Benefits

- Starting August 1, 2016, all new eligible SJRA employees will not be included in the SJRA defined pension plan but will be on a new defined contribution plan.
- Health insurance budgeted with 30% increase
- Full time equivalent employees (FTE's)

Direct		Indirect	
Approved FY2017	Proposed FY2018	Approved FY2017	Proposed FY2018
42	42	25.55	25.60

# Woodlands Operating Budget Purchased & Contracted Services

- GRP Fee / Rates

Fee / Rate (per 1,000 gallons)	Approved FY2017	Proposed FY2018
Groundwater Pumpage Fee	\$2.50	\$2.64
Surface Water Rate	\$2.69	\$2.83
Blended Rate	\$2.62	\$2.76

- Blended rate charged to customers based on:
  - 65% surface water
  - 35% groundwater

# Woodlands Operating Budget

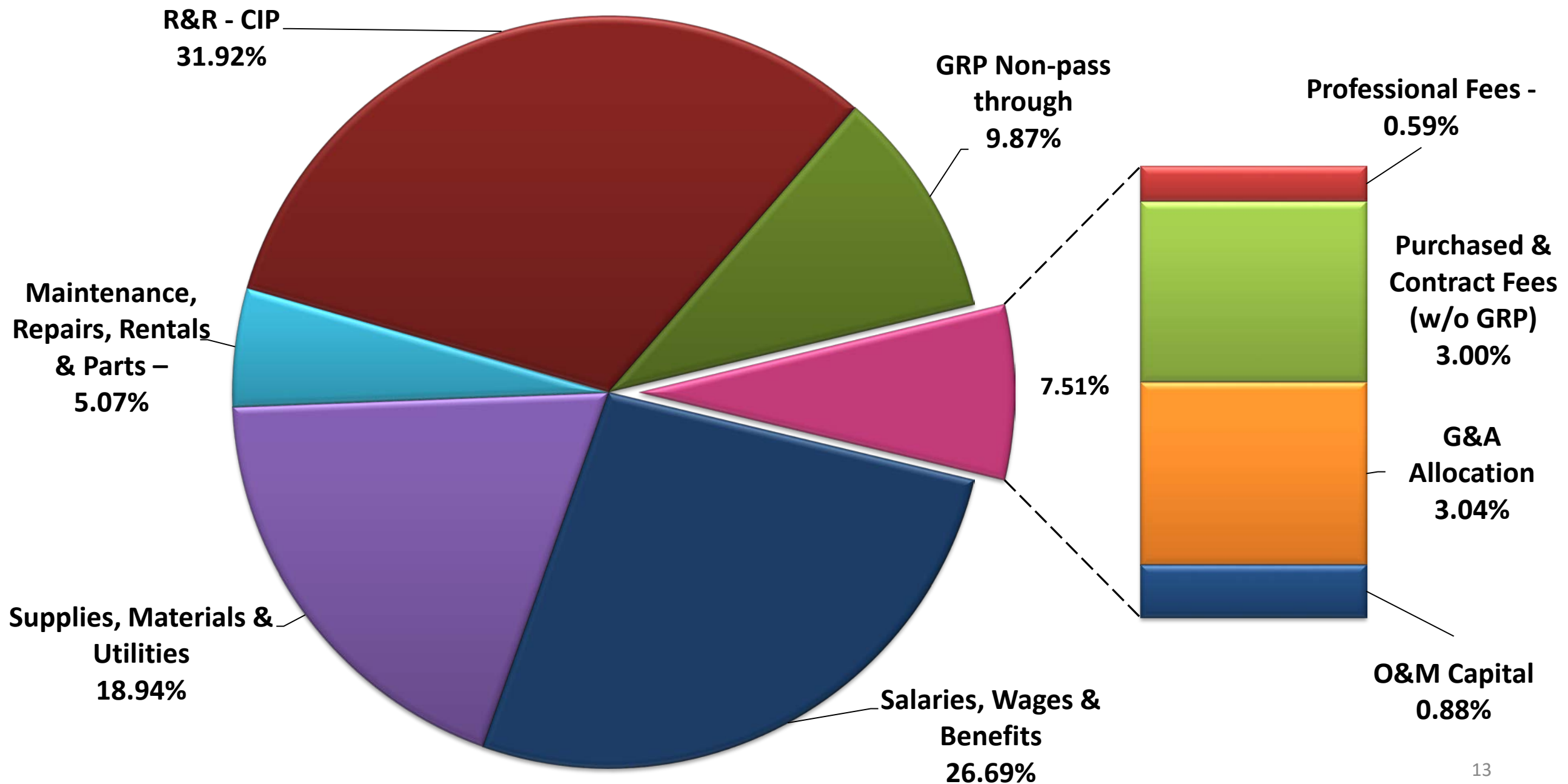
## Capital Investments / Transfers

Category	FY2016 Actuals	Rolling 12 Months (Apr 16 – Mar 17)	Approved FY2017 Budget	Proposed FY2018 Budget
Capital Improvement	\$0	\$0	\$317,800	\$207,763
R&R Fund Transfer	\$8,523,379	\$7,448,000	\$7,448,000	\$6,096,553
Emergency Reserve Fund Transfer	\$135,000	\$0	\$0	\$0
<b>Total</b>	<b>\$8,658,379</b>	<b>\$7,448,000</b>	<b>\$7,765,800</b>	<b>\$6,304,316</b>

# Woodlands Operating Budget Comparison Recap

Category	FY2016 Actuals	Rolling 12 Months (Apr 16 – Mar 17)	Approved FY2017 Budget	Proposed FY2018 Budget
Operating Revenue	\$36,384,690	\$36,931,046	\$39,683,321	\$40,993,399
Operating Expenses	\$36,615,180	\$35,731,839	\$39,683,322	\$40,993,399
Net Change	-\$230,490	\$1,199,207	-\$1	\$0

# FY2018 Water Rate Break Out (\$2.10 per 1,000 gallons)

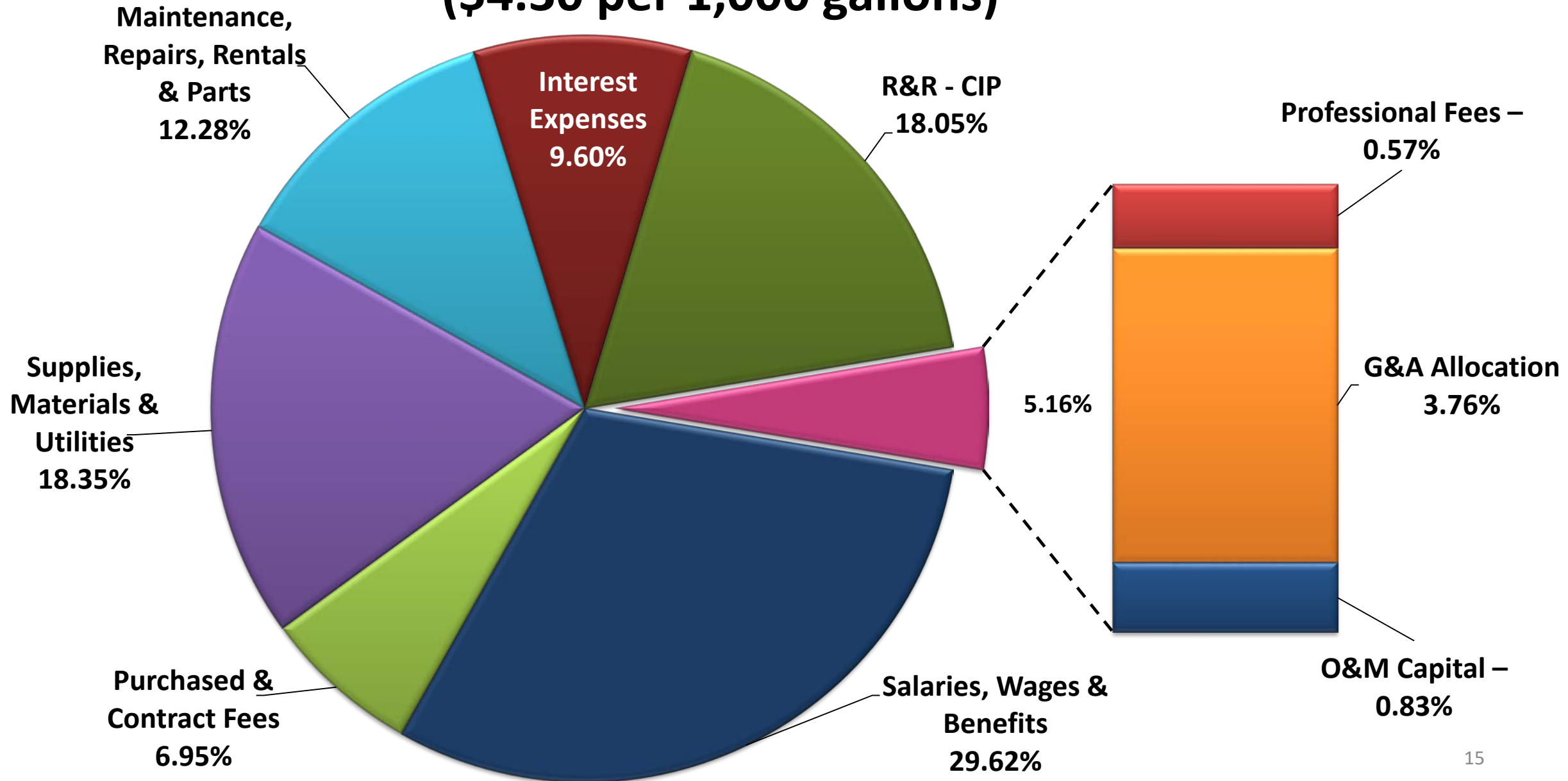


# Woodlands Water Rate Break Out

Category	Approved FY2017 (\$2.10 per 1,000 gallons)		Proposed FY2018 (\$2.10 per 1,000 gallons)		Proposed FY2018 Expense
	% of rate	\$ of rate	% of rate	\$ of rate	
Salaries, Wages & Benefits	26.03%	\$0.55	26.69%	\$0.56	\$3,305,781
Professional Fees	0.73%	\$0.02	0.59%	\$0.01	\$72,650
Purchased & Contract Fees (w/o GRP)	3.33%	\$0.07	3.00%	\$0.06	\$371,539
Supplies, Materials & Utilities	20.16%	\$0.42	18.94%	\$0.40	\$2,346,082
Maintenance, Repairs, Rentals, & Parts	7.19%	\$0.15	5.07%	\$0.11	\$628,081
G&A Allocation	3.10%	\$0.07	3.04%	\$0.06	\$375,952
O&M Capital	1.31%	\$0.03	0.88%	\$0.02	\$108,881
R&R - CIP	28.58%	\$0.59	31.92%	\$0.67	\$3,953,471
GRP Non-pass through	9.57%	\$0.20	9.87%	\$0.21	\$1,223,019
<b>Total Expenses</b>	<b>100.00%</b>	<b>\$2.10</b>	<b>100.00%</b>	<b>\$2.10</b>	<b>\$12,385,458</b>

# FY2018 Proposed Wastewater Rate Break Out

## (\$4.30 per 1,000 gallons)



# Woodlands Wastewater Rate Break Out

Category	Approved FY2017 (\$4.30 per 1,000 gallons)		Proposed FY2018 (\$4.30 per 1,000 gallons)		Proposed FY2018 Expense
	% of rate	\$ of rate	% of rate	\$ of rate	
Salaries, Wages & Benefits	25.81%	\$1.11	29.62%	\$1.27	\$3,517,404
Professional Fees	1.97%	\$0.08	0.57%	\$0.02	\$67,150
Purchased and Contract Fees	7.51%	\$0.32	6.95%	\$0.30	\$825,065
Supplies, Materials & Utilities	17.16%	\$0.74	18.35%	\$0.79	\$2,178,382
Maintenance, Repairs, Rentals, & Parts	11.29%	\$0.49	12.28%	\$0.53	\$1,458,151
G&A Allocation	3.17%	\$0.14	3.76%	\$0.16	\$446,280
O&M Capital	1.27%	\$0.05	0.83%	\$0.04	\$98,881
Bond Payment	0.00%	\$0.00	9.60%	\$0.41	\$1,139,369
R&R - CIP	31.82%	\$1.37	18.05%	\$0.78	\$2,143,081
<b>Total Expenses</b>	<b>100.00%</b>	<b>\$4.30</b>	<b>100.00%</b>	<b>\$4.30</b>	<b>\$11,873,763</b>

**Questions?**