

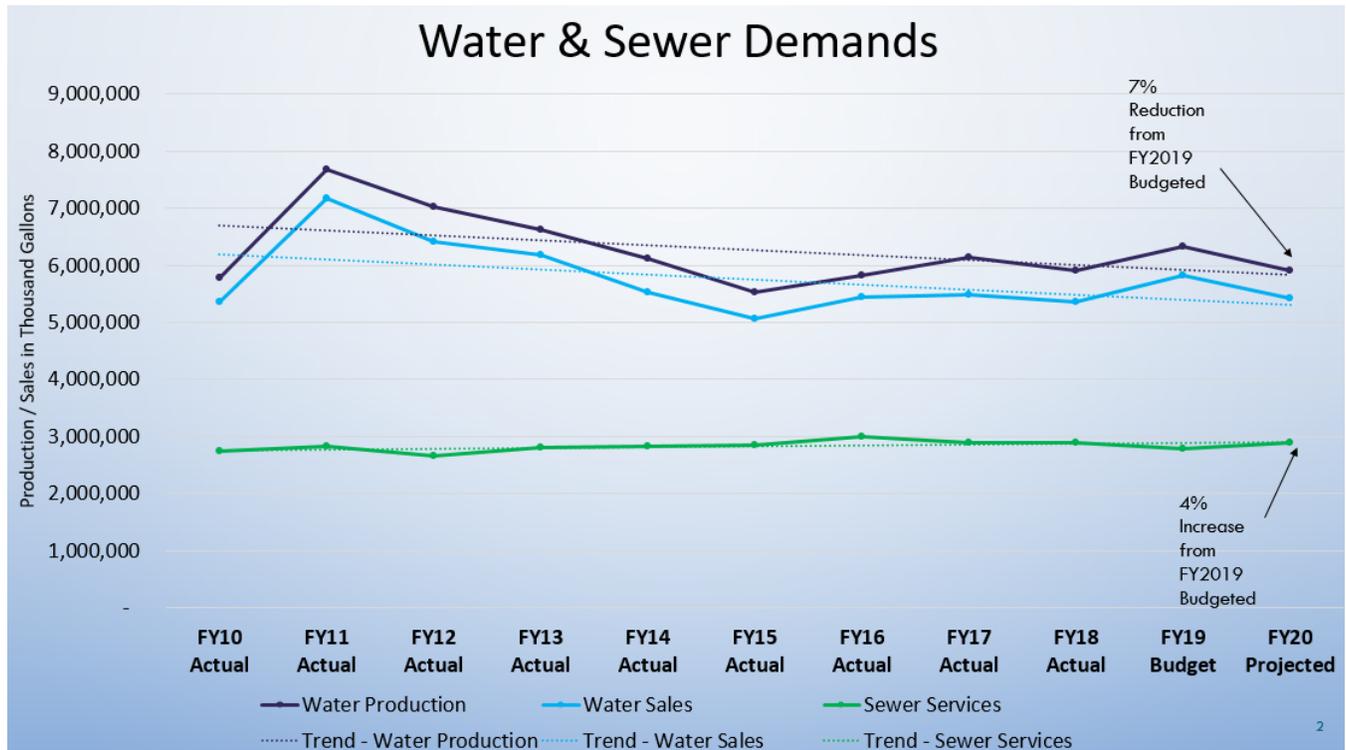


SJRA WOODLANDS DIVISION FY2020 PROPOSED BUDGET SUMMARY

The Proposed FY2020 Woodlands Division Budget and 10-Year project Plan maintains current service levels and addresses the need for system renewal of an aging infrastructure while projecting a decrease in water sales and an increase in wastewater services from previous budget years. The proposed budget is projecting metered water sales to decrease by 7% (392,578,000 gallons) and wastewater services to increase by 4% (118,106,000 gallons) compared to the adopted FY2019 budget.

Since September 2016, the Division has not increased wholesale water or sewer rates. Included with the Proposed FY2020 Budget is a 4.5% rate increase for water and sewer service. As a part of the Interceptor Program and Pretreatment Program implementations, expenses related to these programs are not included in the rate calculation since they are billed to each MUD separately. There is no projected increase in the Pretreatment fee.

Wholesale Rates (\$/1,000 gal.)	FY2016 Rates	FY2017 Rates	FY2018 Rates	FY2019 Rates	Proposed FY2020 Rates	Proposed % Increase
Water	\$2.03	\$2.10	\$2.10	\$2.10	\$2.19	4.5%
Wastewater	\$4.15	\$4.30	\$4.30	\$4.30	\$4.49	4.5%



R&R Funded Projects

The projects included in the table below are proposed R&R funded projects from the 10-year project Plan for FY2020 as presented to the Trustees and MUD Directors in April 2019. The total funding needed for these projects is \$4,700,000. An amount of \$4,700,000 is proposed to be transferred into the R&R fund throughout FY2020 from the O&M Budget. As indicated on slide 6 of the PowerPoint presentation, the R&R Fund is anticipated to have a balance of approximately \$2,740,000 at the end of FY20 to be used on projects contained in the 10-Year Project Plan.

Project	FY2020 Budget
Elevated Storage Tank No. 2 Rehabilitation	\$1,050,000
Elevated Storage Tank No. 1 Rehabilitation	\$100,000
Water Plant No. 5 Generator Replacement	\$300,000
Liftstation No. 5 Forcemain Replacement	\$1,100,000
WWTF No. 2 Plant Process Water (PPW) Motor Control Center (MCC) Replacement	\$350,000
Sanitary Sewer Transmission Assessment & Renewal (SSTAR Program)	\$1,300,000
Emergency Repair Service Center & Site work	\$500,000
Total	\$4,700,000

Budget Notes

Category	FY19 Budget	FY20 Proposed	Variance	Comments
Revenue				
Water Fees	\$12,223,214	\$11,887,320	(\$335,894)	<ul style="list-style-type: none"> Decrease in sales by 7%; Increase in rate by 4.5%
Wastewater Treatment Fees	\$11,962,144	\$13,021,000	\$1,058,856	<ul style="list-style-type: none"> Increase in services by 4% Increase in rate by 4.5%
GRP Pumping Fees	\$15,948,384	\$15,632,640	(\$315,744)	<ul style="list-style-type: none"> Adjustment from 50/50 blend to a 35 SW / 65 GW blend. Adjustment from a blended fee of \$2.74 to \$2.88
Expenditures				
Purchased & Contracted Services				
Sludge Disposal	\$416,000	\$495,000	\$79,000	<ul style="list-style-type: none"> Historical production of sludge trending upward due to higher strength wastewater. Higher strength waste is mostly due to water saving devices in showers, toilets, etc.
Groundwater District Fees	\$316,500	\$402,675	\$86,175	<ul style="list-style-type: none"> Increase in groundwater usage to achieve groundwater to surface water blend ratio.

Category	FY19 Budget	FY20 Proposed	Variance	Comments
GRP Pumping Fee	\$8,351,264	\$10,469,550	\$2,118,286	<ul style="list-style-type: none"> Increase in groundwater usage to achieve blend.
GRP Surface Water Delivery Rate	\$8,952,302	\$6,504,750	(\$2,447,552)	<ul style="list-style-type: none"> Decrease in surface water to achieve blend.
Commercial Lab Fees	\$203,000	\$155,000	(\$48,000)	<ul style="list-style-type: none"> MUD Water Quality sampling returned to MUDs
Salaries, Wages & Employee Benefits				
Salaries & Wages	\$2,693,869	\$2,726,878	\$33,009	<ul style="list-style-type: none"> Includes 3% for merit increases & 1% for promotions
Salaries & Wages - Allocation	\$2,113,456	\$2,201,755	\$88,299	
Professional Fees				
Legal Fees	\$170,000	\$190,000	\$20,000	<ul style="list-style-type: none"> Includes general legal & land acquisition easements Private landowner easement acquisition began in April 2019
Engineering	\$196,772	\$200,000	\$3,228	<ul style="list-style-type: none"> Includes contracted pretreatment program implementation (\$75,000) and misc. engineering.
Purchased & Contracted Services				
Waste Disposal Services	\$93,000	\$91,000	(\$2,000)	<ul style="list-style-type: none"> Includes funds to conduct in-house cleaning of tanks and general trash removal.
Commercial Lab Fees	\$203,000	\$155,000	(\$48,000)	<ul style="list-style-type: none"> Transferred water quality sampling for MUD systems to MUDs.
GRP Pumping Fees	\$8,351,264	\$10,469,550	\$2,118,286	<ul style="list-style-type: none"> Increased groundwater pumpage by 15% Increased GRP Groundwater Pumpage Fee
GRP Surface Water Fees	\$8,952,302	\$6,504,750	(\$2,447,552)	<ul style="list-style-type: none"> Decreased surface water delivery by 15% Increased GRP Surface Water Delivery Fee
Supplies, Materials & Utilities				
Automobile & Truck Expense	\$83,500	\$90,000	\$6,500	<ul style="list-style-type: none"> Increase in fleet maintenance costs due to aging fleet.
Postage	\$21,500	\$6,000	(\$15,500)	<ul style="list-style-type: none"> Changed wastewater labs to reduce shipping costs
Chlorine	\$120,440	\$177,000	\$56,560	<ul style="list-style-type: none"> Additional funds due to construction of chlorine disinfection facilities at WWTF No. 2

Category	FY19 Budget	FY20 Proposed	Variance	Comments
Polymer	\$69,500	\$85,000	\$15,500	<ul style="list-style-type: none"> • Vendor price increase in mid-2019
Sulfur Dioxide	\$49,290	\$87,500	\$38,210	<ul style="list-style-type: none"> • Used to remove chlorine from wastewater, per TCEQ. • Additional funds due to construction of chlorine disinfection facilities at WWTF No. 2
Utilities – Electric	\$1,600,000	\$1,800,000	\$200,000	<ul style="list-style-type: none"> • Increase in usage projected based on increased groundwater usage
Alkalinity	\$50,000	\$25,000	(\$25,000)	<ul style="list-style-type: none"> • Decrease in usage based on increased groundwater usage
Fuel	\$103,000	\$120,000	\$17,000	<ul style="list-style-type: none"> • Account also includes oils and lubricants for wells. • Increase in usage projected based on increased groundwater usage
Maintenance, Repairs, Rentals, & Parts				
Electrical	\$96,000	\$167,100	\$71,100	<ul style="list-style-type: none"> • Electrical replacement and upgrades to WWTF No. 2 Return and Waste pumps
Air Conditioning	\$62,000	\$94,500	\$32,500	<ul style="list-style-type: none"> • Replacement of AC at WWTF No. 2 Electrical Building
Pumps & Motors	\$271,500	\$194,000	(\$77,500)	<ul style="list-style-type: none"> • FY2019 included pump and valve replacements not included in FY2020
Mowing	\$270,000	\$215,000	(\$55,000)	<ul style="list-style-type: none"> • Easement clearing is nearing completion
Tanks	\$185,500	\$130,000	(\$55,500)	<ul style="list-style-type: none"> • This account includes any maintenance of water tanks or sewer basins. • Reduced the amount of contracted debris removal due to in-house services
Aerators	\$6,500	\$46,825	\$40,325	<ul style="list-style-type: none"> • Includes one blower rebuild
Lines, Valves & Pipes	\$402,000	\$350,000	(\$52,000)	<ul style="list-style-type: none"> • Account used for funding of emergency line breaks and repairs. • Decrease in manhole rehabilitation from 20 manholes/year to 10/year.

Category	FY19 Budget	FY20 Proposed	Variance	Comments
Other Maintenance	\$100,100	\$100,000	(\$100)	<ul style="list-style-type: none"> Account is used for unforeseen or emergency repairs in water or wastewater systems
Others Uses				
Bond Principal	\$1,366,667	\$1,640,000	\$273,333	<ul style="list-style-type: none"> Funds for first full principal payment on 2017 Bond.

San Jacinto River Authority - Woodlands Operating
Actual to Budget Comparison
FY2018 - FY2020

Description	Rolling 12				PROPOSED Budget FY2020
	Actuals 8/31/2018	Actuals Sept-April FY2019	Mo. Actuals May 2018- April 2019	Budget FY2019	
OPERATING REVENUES					
Water Sales-Woodlands MUD's	\$ 11,279,001	\$ 5,266,245	\$ 10,139,861	\$ 12,223,214	\$ 11,887,320
Wastewater Treatment Fees	13,286,432	7,809,933	12,632,266	11,962,144	13,021,000
Direct Reuse Water	30,000	20,000	30,000	30,000	30,000
Permits, Licenses & Fees - Commercial	205,100	-	205,100	205,100	205,100
GRP Pumping Fees	14,774,220	6,871,195	13,230,105	15,948,384	15,632,640
Sampling	-	-	-	15,000	15,000
Capital Contributions	132,710	-	-	-	-
TOTAL OPERATING REVENUES	\$ 39,707,463	\$ 19,967,373	\$ 36,237,332	\$ 40,383,842	\$ 40,791,060
OTHER REVENUES					
Interest Income	\$ 425,379	\$ 797,283	\$ 1,113,503	\$ 15,600	\$ 36,000
FEMA Grant Revenue	209,834	-	209,834	-	-
Proceeds From Sale Of Assets	12,395	17,233	29,628	-	-
Other Gains & Losses	15,845	6,655	9,029	-	-
TOTAL OTHER REVENUES	\$ 663,453	\$ 821,172	\$ 1,361,995	\$ 15,600	\$ 36,000
OPERATING EXPENSES					
SALARIES, WAGES, & EMPLOYEE BENEFITS					
Salaries & Wages	\$ 2,464,898	\$ 1,591,389	\$ 2,469,605	\$ 2,693,869	\$ 2,726,878
Salary & Wage Allocation	2,104,304	1,328,372	2,073,554	2,113,456	2,201,755
Staffing Services	16,866	25,533	42,400	-	-
Compensated Absences	(2,047)	-	(2,047)	-	-
Group Insurance	1,058,702	681,011	1,022,330	1,314,448	1,153,821
Group Insurance - Retirees	5,720	3,878	5,808	6,021	6,261
Group Insurance - Retiree OPEB	(23,980)	-	(23,980)	200,000	120,000
Group Retirement Expense	543,981	380,798	559,241	631,523	582,017
Workers Compensation Insurance	122,760	83,175	125,308	161,465	154,486
Social Security Taxes	326,674	206,356	323,468	359,185	368,807
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFITS	\$ 6,617,880	\$ 4,300,513	\$ 6,595,687	\$ 7,479,966	\$ 7,314,025
PROFESSIONAL FEES					
Legal Fees	\$ 77,123	\$ 17,113	\$ 35,777	\$ 190,000	\$ 170,000
Annual Financial Audit	34,540	39,806	45,224	40,000	48,000
Paying Agent Fees	2,250	-	1,500	750	750
Engineering	131,015	61,881	88,498	196,772	200,000
Safety Inspections & Testing	3,132	6,699	6,699	5,000	11,700
Graphic Design	-	348	348	2,000	5,000
TOTAL PROFESSIONAL FEES	\$ 248,059	\$ 125,846	\$ 178,045	\$ 434,522	\$ 435,450
PURCHASED & CONTRACTED SERVICES					
Waste Disposal Services	\$ 50,539	\$ 30,089	\$ 33,877	\$ 93,000	\$ 91,000
Sampling-Reimbursible	-	-	-	15,000	15,000
Sludge Removal	460,673	323,683	521,287	416,000	495,000
Meter Calibration Services	3,527	985	2,046	6,950	5,500
Commercial Laboratory Fees	170,821	95,592	160,758	203,000	155,000
State Fees	93,319	90,677	91,177	100,300	100,300
Groundwater District Fees-GRP	396,969	233,549	455,428	316,500	402,675
Employee Testing- New	6,025	1,604	3,795	5,450	9,655
GRP Pumpage Fees	8,537,557	4,372,482	7,738,544	8,351,264	10,469,550
GRP Surface Water Fees	7,666,109	3,106,064	6,629,760	8,952,302	6,504,750
Janitorial Services	23,574	16,040	25,314	29,000	29,000
Stream Gauging & Water Quality-USGS	59,304	41,987	64,530	48,000	60,000
Public Relations Expense	-	-	-	2,000	2,000
Water Conservation & Public Education	-	-	-	7,000	7,000
Document Retention/Destruction	5,493	1,159	6,323	5,000	6,000
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 17,473,912	\$ 8,313,912	\$ 15,732,840	\$ 18,550,766	\$ 18,352,430

San Jacinto River Authority - Woodlands Operating
Actual to Budget Comparison
FY2018 - FY2020

Description	Actuals			Rolling 12 Mo. Actuals		PROPOSED	
	Actuals 8/31/2018	Sept-April FY2019	Mo. Actuals May 2018- April 2019	Budget FY2019	Budget FY2020		
SUPPLIES, MATERIALS & UTILITIES							
Office Supplies & Printing	\$ 16,318	\$ 4,474	\$ 12,804	\$ 19,000	\$ 19,000		
Travel	7,374	43	5,079	4,000	3,000		
Automobile & Truck Expense	85,072	31,271	67,814	83,500	90,000		
Postage	10,131	1,061	2,515	21,500	6,000		
Property Insurance	198,004	142,167	210,219	204,818	223,912		
Auto Insurance	44,777	22,045	35,929	52,211	42,542		
Liability Insurance	30,443	13,478	21,114	65,474	42,796		
Training-External	31,080	7,622	7,703	64,000	44,000		
Training-Internal	8,819	1,001	8,245	3,000	6,000		
Training-Employee HR	6,103	2,987	4,481	6,540	7,350		
Chlorine	122,725	74,643	120,440	184,000	177,000		
Polymer	65,250	60,233	83,295	69,500	85,000		
Sulfur Dioxide	43,725	33,390	49,290	97,000	87,500		
Other Chemicals	49,327	30,936	46,849	52,000	60,000		
Alkalinity	56,608	16,228	37,167	50,000	25,000		
Fuel	102,056	51,848	87,835	103,000	120,000		
Uniform Services	33,795	25,945	37,000	39,000	26,000		
Maintenance Supplies	82,410	44,130	76,221	70,500	78,500		
Supplies - Lab	18,214	-	17,684	-	-		
Operations Supplies	51,927	31,800	48,291	67,750	57,000		
Other Operating Expenses	9,161	8,340	3,270	18,000	15,000		
Memberships & Professional Dues	16,503	14,376	29,420	2,000	15,000		
Utilities-Electric	2,447,713	1,298,785	2,252,792	2,575,000	2,750,000		
Utilities-Natural Gas	15,024	8,294	12,657	12,500	14,000		
Bank Service Charges	150	-	-	-	-		
Personal Protective Equipment	5,674	127	5,801	-	-		
Safety Equipment & Meetings	15,823	7,254	10,844	34,875	24,400		
Health & Wellness Program	-	27	27	1,450	1,480		
Recruiting Expenses	2,052	2,768	3,360	5,900	5,950		
Computer Hardware	29,553	33,205	34,274	80,946	44,863		
Software & Support	114,607	80,130	117,102	128,593	133,399		
Software Maintenance	46,475	34,127	58,613	71,000	58,300		
Network Communications	27,594	15,667	28,222	21,360	21,360		
Newspaper Ads	2,493	2,080	4,573	14,000	6,000		
Wireless Devices & Services	42,798	23,718	38,214	50,340	50,940		
Landline Telephone Services	45,369	30,368	45,506	63,000	53,016		
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 3,885,148	\$ 2,154,570	\$ 3,624,650	\$ 4,335,757	\$ 4,394,307		
RENTALS							
Equipment Rentals	\$ 12,536	\$ 11,034	\$ 14,341	\$ 15,000	\$ 15,000		
Office Rent	5,598	-	-	-	-		
Radio Tower Rental	8,104	5,565	8,266	8,700	9,000		
TOTAL RENTALS	\$ 26,238	\$ 16,599	\$ 22,607	\$ 23,700	\$ 24,000		
MAINTENANCE, REPAIRS & PARTS							
Office, Furniture, & Fixtures	\$ 5,521	\$ 1,849	\$ 2,487	\$ 7,000	\$ 2,000		
Air Conditioner	53,537	15,747	45,660	62,000	94,500		
Sidewalks & Driveways	19,223	20,378	21,801	35,000	25,000		
Mowing	141,294	169,637	217,870	270,000	215,000		
Buildings & Grounds Maintenance	75,483	18,985	51,727	125,000	138,702		
Plants & Facilities	115,274	43,439	140,442	60,000	60,000		
Security System Monitoring	2,749	1,872	2,531	4,000	4,000		
Wells	3,715	4,248	7,726	12,000	4,500		
Tanks	180,043	166,824	254,092	185,500	130,000		
Electrical	216,901	60,922	122,880	96,000	167,100		
Generators	96,619	26,796	100,942	45,000	35,000		
Pumps & Motors	198,691	108,307	174,723	271,500	194,000		
Compressor	933	-	933	-	-		
Aerators	9,314	1,842	5,785	6,500	46,825		
Machinery, Tools, & Implements	175	7,166	7,166	-	-		
Belt Press	18,566	11,736	27,517	10,000	10,000		

San Jacinto River Authority - Woodlands Operating
Actual to Budget Comparison
FY2018 - FY2020

Description	Actuals 8/31/2018	Actuals Sept-April FY2019	Rolling 12		Budget FY2019	PROPOSED Budget FY2020
			Mo. Actuals May 2018- April 2019			
Clarifier	531	4,440	4,971		5,000	5,000
UV Equipment	9,609	5,900	6,193		5,000	-
Lines, Valves, & Pipes	629,652	117,434	189,995		402,000	350,000
Drainage Structures	-	17,161	17,161		30,000	30,000
Other Maintenance	-	-	-		100,100	100,000
Laboratory Equipment	444	-	-		-	-
Instrumentation Equipment & Parts	199,109	121,547	191,887		192,000	213,200
Bar Screens	61,420	17,615	78,854		9,500	10,500
Chlorinator	25,954	21,702	31,240		42,500	41,500
Low Head Filters	26,723	28,623	32,726		36,000	23,000
Networking and Communications - SCADA	-	4,280	4,280		13,500	20,900
Inventory Gains and Losses	5,829	(716)	3,600		-	-
Bad Debt Expense	13,074	-	13,074		-	-
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 2,110,383	\$ 997,733	\$ 1,758,264		\$ 2,025,100	\$ 1,920,727
GENERAL & ADMINISTRATIVE EXPENSES						
General & Administrative Expense Allocated	\$ 770,218	\$ 487,656	\$ 755,217		\$ 815,409	\$ 799,714
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 770,218	\$ 487,656	\$ 755,217		\$ 815,409	\$ 799,714
NON-OPERATING EXPENSES						
Interest Expense	\$ 365,824	\$ 312,475	\$ 458,805		\$ 457,281	\$ 457,281
Bond Issuance Costs	1,420,700	-	-		-	-
TOTAL NON-OPERATING EXPENSES	\$ 1,786,524	\$ 312,475	\$ 458,805		\$ 457,281	\$ 457,281
TOTAL EXPENSES	\$ 32,918,362	\$ 16,709,304	\$ 29,126,114		\$ 34,122,501	\$ 33,697,934
NET REVENUES OVER EXPENSES	\$ 7,452,554	\$ 4,079,240	\$ 8,473,213		\$ 6,276,941	\$ 7,129,126
CAPITAL IMPROVEMENTS*						
Easements					\$ 75,000	\$ 275,000
Water Treatment Plant & Facilities					-	45,000
Maintenance Equipment					9,000	20,000
Operations Equipment					26,600	250,000
Lift Station					-	181,526
Transportation Equipment					75,000	50,000
Software					1,652	1,640
Computer Equipment					69,612	107,486
Radio Communications Equipment					20,000	-
TOTAL CAPITAL IMPROVEMENTS					\$ 276,864	\$ 930,652
OTHER SOURCES (USES)*						
Cash Sources (Uses)					\$ (1,818)	\$ 141,526
Bond Principal					(1,366,667)	(1,640,000)
Repair and Replacement Transfers					(4,631,592)	(4,700,000)
TOTAL OTHER SOURCES (USES)					\$ (6,000,077)	\$ (6,198,474)
NET CASH BASIS SOURCES (USES)	\$ 7,452,554	\$ 4,079,240	\$ 8,473,213		\$ -	\$ -

*Actuals intentionally left blank.

San Jacinto River Authority - Woodlands Repair and Replacement
Actual to Budget Comparison
FY2018 - FY2020

Description	Actuals 8/31/2018	Actuals Sept-April FY2019	Rolling 12		PROPOSED Budget FY2020
			Mo. Actuals May 2018- April 2019	Budget FY2019	
OTHER REVENUES					
Interest Income	\$ 184,031	\$ 152,745	\$ 229,326	\$ 102,589	\$ 120,000
Other Gains & Losses	-	162	162	-	-
TOTAL OTHER REVENUES	\$ 184,031	\$ 152,908	\$ 229,488	\$ 102,589	\$ 120,000
OPERATING EXPENSES					
PROFESSIONAL FEES					
Engineering	\$ -	\$ 249,109	\$ 249,109	\$ 502,000	\$ 1,300,000
TOTAL PROFESSIONAL FEES	\$ -	\$ 249,109	\$ 249,109	\$ 502,000	\$ 1,300,000
MAINTENANCE, REPAIRS & PARTS					
Plants & Facilities	\$ -	\$ -	\$ -	\$ 266,000	\$ 350,000
Wells	393,123	91,659	91,659	460,000	-
Tanks	2,364,976	1,271,934	2,282,318	100,000	2,250,000
Electrical	-	43,642	43,642	-	-
Lines, Valves, & Pipes	237,959	342,297	394,217	4,012,500	-
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 2,996,058	\$ 1,749,533	\$ 2,811,836	\$ 4,838,500	\$ 2,600,000
TOTAL EXPENSES	\$ 2,996,058	\$ 1,998,642	\$ 3,060,945	\$ 5,340,500	\$ 3,900,000
NET REVENUES OVER EXPENSES	\$ (2,812,027)	\$ (1,845,734)	\$ (2,831,457)	\$ (5,237,911)	\$ (3,780,000)
CAPITAL IMPROVEMENTS*					
Water Treatment Plant & Facilities				\$ -	\$ 300,000
Sewage Treatment Plant & Facilities				695,000	500,000
TOTAL CAPITAL IMPROVEMENTS				\$ 695,000	\$ 800,000
OTHER SOURCES (USES)*					
Cash Sources (Uses)				\$ 7,457,564	\$ 2,490,227
Repair and Replacement Transfers				4,631,592	4,700,000
TOTAL OTHER SOURCES (USES)				\$ 12,089,156	\$ 7,190,227
NET CASH BASIS SOURCES (USES)	\$ (2,812,027)	\$ (1,845,734)	\$ (2,831,457)	\$ 6,156,245	\$ 2,610,227

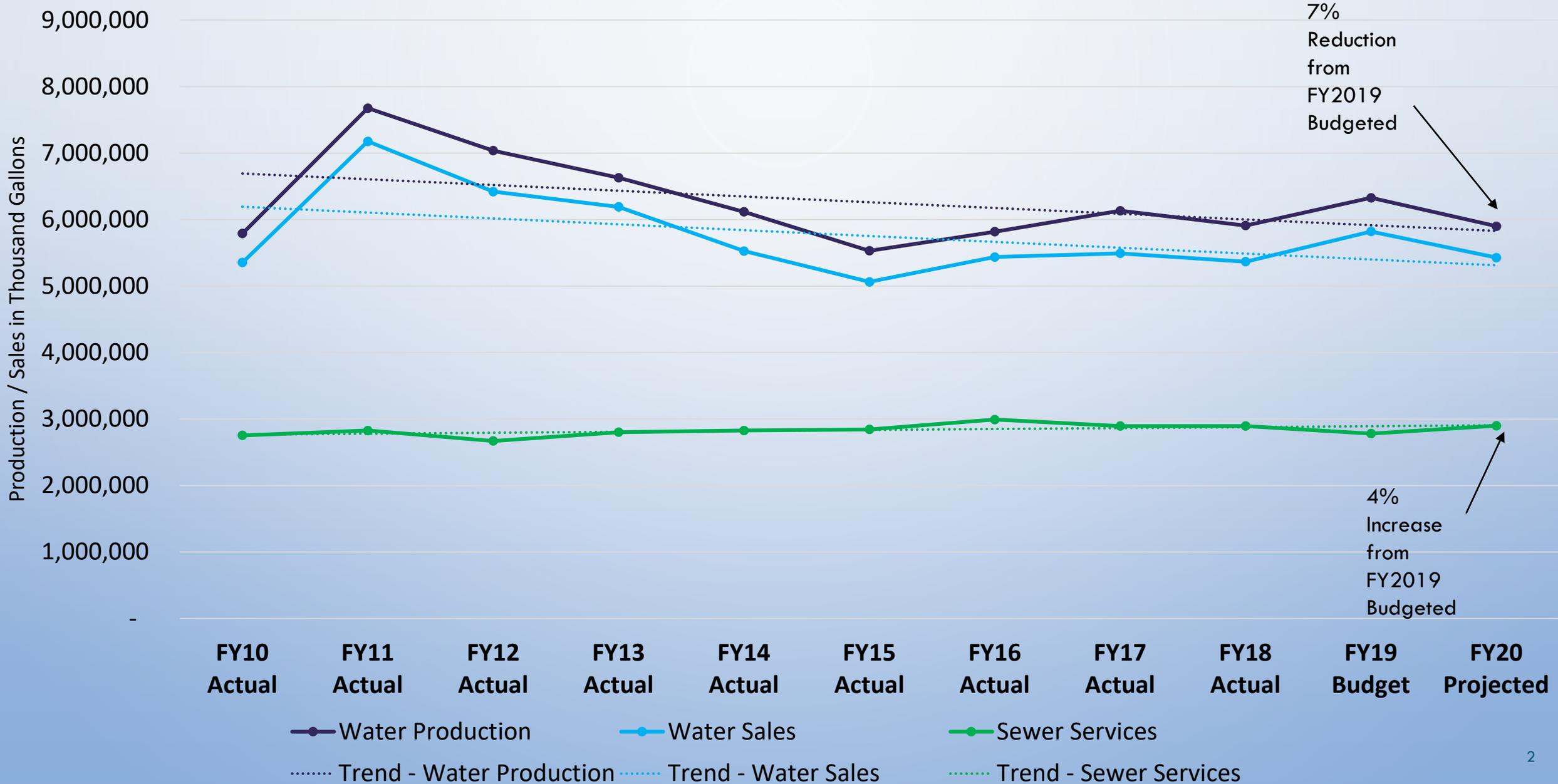
*Actuals intentionally left blank.



WOODLANDS DIVISION
PROPOSED FISCAL YEAR 2020
BUDGET

June 2019

Water & Sewer Demands



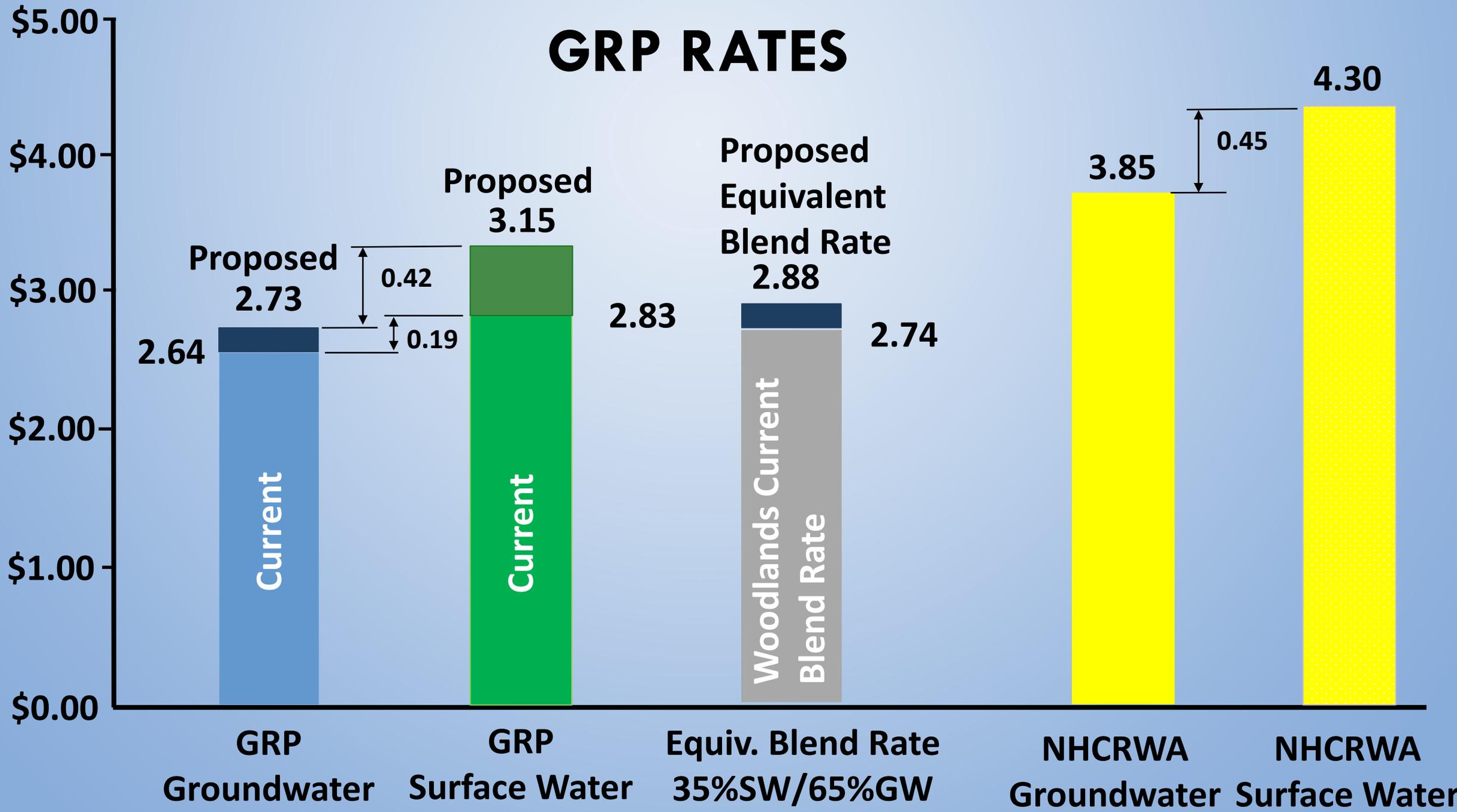
KEY BUDGET ELEMENTS

- Decrease in water sales / Increase in wastewater treatment services
- Decrease in Maintenance, Repairs & Parts expenses but increase in Capital Purchases
- Reduced Woodlands Direct FTE by 1
 - Total FTE decrease by 0.75
 - 4% merit and promotion
- Blend Ratio: 35% Surface Water to 65% Groundwater

Fee / Rate (per 1,000 gallons) (Blend ratio % surface water / groundwater)	FY2017 Rates (65/35)	FY2018 Rates (50/50)	FY2019 Rates (50/50)	Proposed FY2020 (35/65)
Groundwater Pumpage Fee	\$2.50	\$2.64	\$2.64	\$2.73
Surface Water Rate	\$2.69	\$2.83	\$2.83	\$3.15
Blended Rate (surface water conversion fee)	\$2.62	\$2.74	\$2.74	\$2.88

GRP RATES

Per 1,000 Gallons

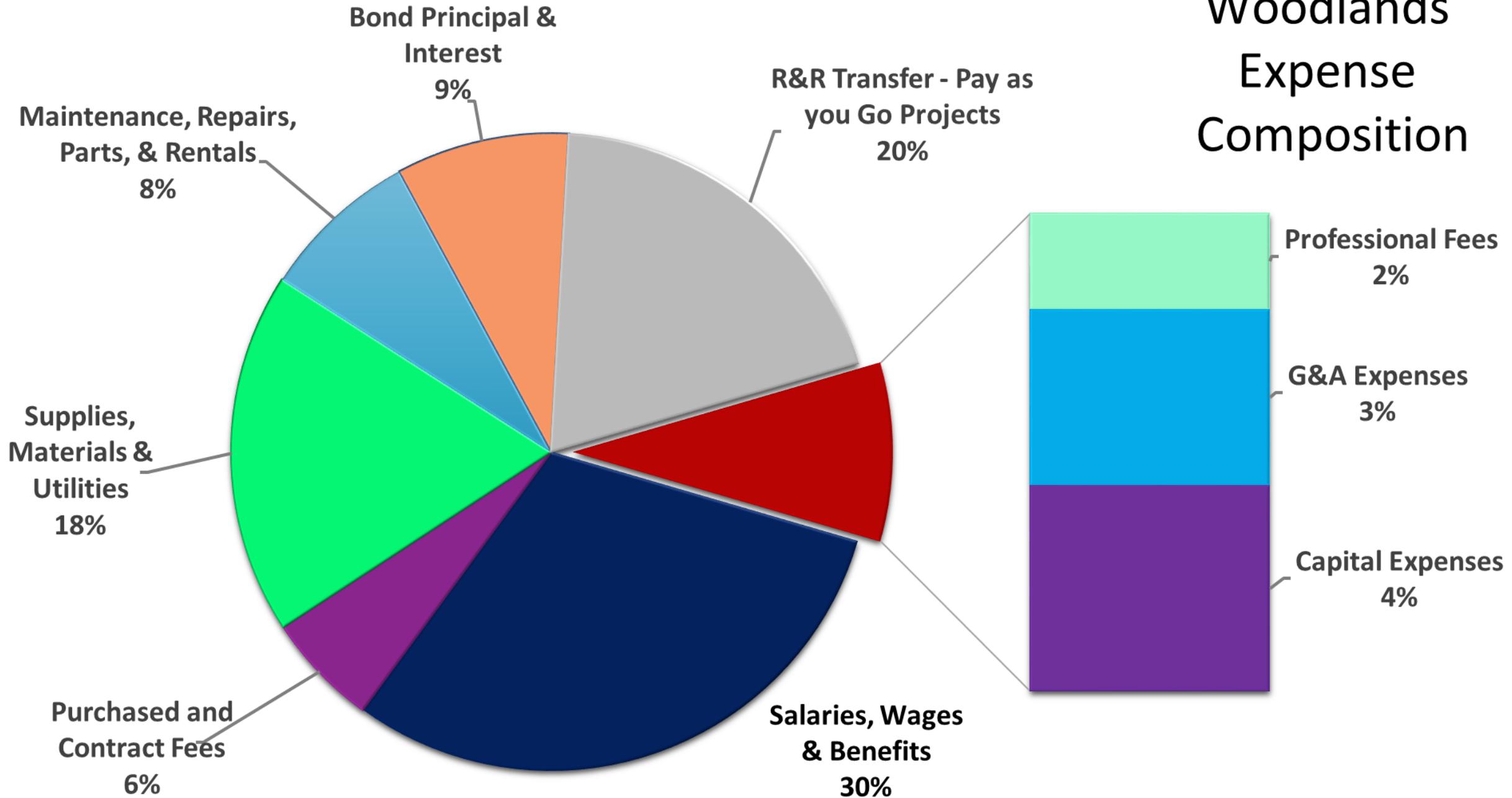


KEY BUDGET RISKS

- **Uncertainty of Groundwater Management Rules by LSGCD**
- **Revenue**
 - Wet weather
 - Customer Usage Patterns
- **Maintenance**
 - Unexpected major repairs
 - Delay of projects for rate stability and/or to counterbalance reduction in revenue



Woodlands Expense Composition



REPAIR & REPLACEMENT FUND – PAY AS YOU GO PROJECTS



Estimated FY20 Net Cash
on 9/1/19
\$7,800,000

Includes FY2019 Projects:

LS No. 5 Force Main

SSTAR Program

WWTF No. 2 Generator

WWTF No. 2 PPW MCC

Rehab of WW No. 34

LS No. 4 Rehabilitation

LS No. 13 Rehabilitation

Proposed FY20
R&R Transfer
\$4,700,000

(Projects from Page 2 of Budget Summary)

Estimated Spend in
FY20
\$9,900,000



Estimated Ending
Balance on 8/31/20
\$2,600,000

Amounts are estimated as of 5/31/2019 and are rounded to nearest \$100,000.

PROPOSED WHOLESALE FY2020 RATES

Category	FY2016 Rates (per 1,000 gallons)	FY2017 Rates (per 1,000 gallons)	FY2018 Rates (per 1,000 gallons)	FY2019 Rates (per 1,000 gallons)	Proposed FY2020 Rate (per 1,000 gallons)	Value of \$0.01
Wholesale Water Rate	\$2.03	\$2.10	\$2.10	\$2.10	\$2.19	\$54,280
Wholesale Wastewater Rate	\$4.15	\$4.30	\$4.30	\$4.30	\$4.49	\$29,000

Impact to Customers:

5,400,000,000 gallons sold annually ÷ 12 months = 450,000,000 gallons sold monthly

450,000,000 ÷ 34,000 Customers = 13,235 gallons per customer per month (average)

13,235 ÷ 1,000 × \$0.09 (Water rate increase) = Per month, per customer increase of \$1.19

13,235 ÷ 1,000 × \$0.19 (Wastewater rate increase) = Per month, per customer increase of \$2.51

SJRA – WOODLANDS BUDGET TAKEAWAYS

- Proposed 4.5% rate increase
- Ongoing renewal of systems
- Demands have reduced
- Approved Reserves are fully funded



QUESTIONS?