

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
OPERATING BUDGET PLANNING REPORT
FISCAL YEAR 2015**

	PROJECTED TOTAL 2014	ORIGINAL BUDGET 2014	PROPOSED BUDGET 2015
REVENUES			
Cost of Water	\$ 51,785,814	\$ 49,353,156	\$ 50,835,969
Water Sales	\$ -	\$ -	\$ -
Interest Earned	\$ 795,206	\$ 500,000	\$ 500,000
TOTAL REVENUES	\$ 52,581,020	\$ 49,853,156	\$ 51,335,969
EXPENSES			
INTEREST EXPENSE & RESERVES	\$ 38,086,423	\$ 37,215,329	\$ 36,845,339
O&M EXPENSES:			
OPERATIONS & MAINTENANCE	\$ 17,302,682	\$ 21,445,700	\$ 21,215,400
TOTAL O&M	\$ 17,302,682	\$ 21,445,700	\$ 21,215,400
ADMINISTRATIVE EXPENSES:			
FINANCIAL SERVICES	\$ 47,750	\$ 50,000	\$ 50,000
ENGINEERING SERVICES	\$ -	\$ 45,000	\$ 45,000
LEGAL SERVICES	\$ 326,607	\$ 182,500	\$ 250,500
LEGISLATIVE CONSULTANT	\$ 130,500	\$ 131,500	\$ 131,500
COMMUNICATION SERVICES	\$ 319,501	\$ 320,050	\$ 317,050
MANAGEMENT SERVICES	\$ 1,533,008	\$ 1,868,448	\$ 2,153,275
MISCELLANEOUS SERVICES	\$ 116,641	\$ 390,000	\$ 265,000
CAPITAL OUTLAY	\$ 19,057	\$ 45,000	\$ 45,000
TOTAL ADMINISTRATIVE	\$ 2,493,064	\$ 3,032,498	\$ 3,257,325
TOTAL EXPENSES	\$ 57,882,169	\$ 61,693,527	\$ 61,318,064
NET REVENUES OVER (UNDER) EXPENSES	\$ (5,301,149)	\$ (11,840,370)	\$ (9,982,095)
BEGINNING FUND BALANCE	\$ 120,313,567	\$ 112,808,642	\$ 115,012,418
BUDGETED ENDING FUND BALANCE	\$ 115,012,418	\$ 100,968,272	\$ 105,030,323

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY REVENUE SUMMARY					
TCEQ CODE NUMBER	ACCOUNT NUMBER	REVENUE ACCOUNT	PROJECTED TOTAL 2014	ORIGINAL BUDGET 2014	ESTIMATED 2015
4000	-0010	Cost of Water Revenue	\$ 51,785,814	\$ 49,353,156	\$ 50,835,969
	-0040	Misc. Revenue	\$ -	\$ -	\$ -
5391	-0100	Interest Earned	\$ 795,206	\$ 500,000	\$ 500,000
4101	-0100	Water Sales - Interim	\$ -	\$ -	\$ -
		TOTAL	\$ 52,581,020	\$ 49,853,156	\$ 51,335,969

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY PUMPAGE FEE REVENUE ESTIMATES				
	ESTIMATED PUMPAGE VOLUMES	PUMPAGE FEE per 1000 gals.	DUE DATE	ESTIMATED REVENUE
Groundwater	16,200,625,000	\$ 2.00	Monthly	\$ 32,401,250
Surface Water	7,524,375,000	\$ 2.45	Monthly	\$ 18,434,719
TOTAL	23,725,000,000			\$ 50,835,969

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

FISCAL YEAR 2015

**INTEREST EXPENSE & RESERVES - P&I, DEBT SERVICE
ACCOUNT: 7362**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2014	Original Budget 2014	Budget 2015
7362	0100	P&I Expense	Series 2013 Bonds - P&I	\$ 8,049,219	\$ 8,048,719	\$ 8,045,219
			Series 2003 Capital Contributions - P&I	2,373,821	2,373,821	2,373,821
			Series 2003 Reserve Fund (fully funded in 2009)	-	-	-
			Series 2005 Bonds - P&I (refunded in 2014 = \$1.0mm savings)	6,585,556	6,584,256	5,709,536
			Series 2005 Capital Contributions - P&I	1,000,879	1,000,879	1,000,879
			Series 2005 Reserve Fund (fully funded in 2010)	-	-	-
			Series 2008 Bonds - P&I	17,069,994	17,070,794	17,072,219
			Series 2008 Capital Contributions	2,643,665	2,643,665	2,643,665
			Series 2008 Reserve Fund (fully funded with Bond proceeds)	-	-	-
			Operation & Maintenance Reserve Fund (1/6 of annual O&M and Admin. Expenses - \$4,080,000 in 2015 - fully funded)	363,289	363,289	-
			Coverage Fund Requirement (25% of Maximum Annual Debt Service = \$8,185,000) (fully funded)	-	-	-
		TOTAL		\$ 38,086,423	\$ 38,085,423	\$ 36,845,339

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

2015

**OPERATION & MAINTENANCE
ACCOUNT: 7360**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2014	Original Budget 2014	Budget 2015
7360	0100	Water System O&M	Operation and Maintenance Costs (includes Operator, SCADA, electric, permit fees, and City of Houston surface water, etc.)	\$ 17,302,682	\$ 21,445,700	\$ 21,215,400
		Major System Repairs	Major system repairs not covered under normal Water System O&M (funded with Improvement Fund)	\$ -	\$ -	\$ -
		TOTAL		\$ 17,302,682	\$ 21,445,700	\$ 21,215,400

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
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FISCAL YEAR 2015**

**FINANCIAL SERVICES
ACCOUNT: 6359**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2014	Original Budget 2014	Budget 2015
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	\$ 27,750	\$ 30,000	\$ 30,000
		TOTAL		\$ 47,750	\$ 50,000	\$ 50,000

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
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**ENGINEERING SERVICES
 ACCOUNT: 6322**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2014	Original Budget 2014	Budget 2015
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 2015

**LEGAL SERVICES
ACCOUNT: 6320**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2014	Original Budget 2014	Budget 2015
6320	10	General Counsel Services	Agendas, Meeting Minutes, Contracts, etc.	\$ 137,726	\$ 137,000	\$ 140,000
	20	Misc. Expenses	Postage, Copies, Deliveries, etc.	\$ 4,265	\$ 3,000	\$ 3,500
	30	Litigation Expenses				
	-01	General	Funds to pursue delinquent accounts & other	\$ -	\$ -	\$ -
	-02	Delinquent Accounts	legal issues as they arise	\$ -	\$ -	\$ -
	-03	Construction		\$ -	\$ -	\$ -
	40	Director Elections		\$ 38,284	\$ 15,000	\$ 3,000
	50	Open Records Responses		\$ 9,345	\$ 2,500	\$ 8,000
	60	Contract Negotiations		\$ 133,874	\$ 12,000	\$ 60,000
	70	Legislation	Assisting with Legislative language and review	\$ 863	\$ 2,000	\$ 12,000
	80	Creation Issues	Legislation related to NHCRWA	\$ -	\$ -	\$ -
	90	Regulations		\$ -	\$ -	\$ -
	100	Personnel Matters		\$ -	\$ 1,000	\$ 4,000
	110	Defense Costs		\$ -	\$ -	\$ -
	120	Easement/ROW Acquisition		\$ -	\$ -	\$ -
	130	Special Projects	Services related to special projects such as redistricting, rate case issues, briefs, etc.	\$ 2,250	\$ 10,000	\$ 20,000
		TOTAL		\$ 326,607	\$ 182,500	\$ 250,500

**NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
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 FISCAL YEAR 2015**

**LEGISLATIVE CONSULTANT
 ACCOUNT: 6400**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2014	Original Budget 2014	Budget 2015
6400	0010-01	Steve Bresnen & Associates	Represent NHCROWA at 84th Legislative session, 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
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FISCAL YEAR 2015

**COMMUNICATION SERVICES
ACCOUNT: 6510**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2014	Original Budget 2014	Budget 2015
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 functions; web site oversight and updates; meetings; newsletters, mailings, writing assignments, etc.	\$ 72,000	\$ 72,000	\$ 72,000
	-02	Internet/Website Management Services	Monthly hosting and updating three websites, periodic design revisions, archiving, special updates, expansions, new pages/sections; programming for interactive features; domain name renewals. Web Site Management Services, Co-location Agreement, SQL Server, Web Site Modifications	\$ 38,000	\$ 39,800	\$ 39,800
	-03	Professional Services (Audio/Visual, Contract)	Includes monthly and special meeting audio support; feature presentations (video and editing), duplicating on CD, audio/visual equipment upgrades. Education Consulting Services (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).	\$ 19,000	\$ 17,500	\$ 15,000
	-04	Printing	Resident Newsletter/brochures (1 issue 12 pg Waterlines-200,000 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.)	\$ 98,000	\$ 101,000	\$ 103,500
	-05	Publications Postage	Postage for mailouts (Waterlines)	\$ 36,000	\$ 32,000	\$ 38,000
	-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 (Frontier Series, #1 and #2, Dime Novels, "Journey" book) Specialty products (water conservation themed promotional items) Dues for Water Conservation organizations: Alliance for Water Efficiency Texas Water Foundation, Save Water Texas Coalition (Radio/TV/Web/Social Media)	\$ 56,500	\$ 57,750	\$ 48,750
		TOTAL		\$ 319,501	\$ 320,050	\$ 317,050

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY DETAIL OF BUDGET REQUEST FISCAL YEAR 2015						
MANAGEMENT SERVICES ACCOUNT: 6300						
TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2014	Original Budget 2014	Budget 2015
6310	0010	Director Fees	5 @ \$7200/ea - social security	\$ 30,900	\$ 33,246	\$ 33,246
			SUB-TOTAL	\$ 30,900	\$ 33,246	\$ 33,246
	0020	Salaries, Wages & Benefits				
6311	-010	Salaries	All full time positions minus taxes	\$ 614,441	\$ 755,567	\$ 914,004
6311	-020	Overtime		\$ 2,500	\$ 6,000	\$ 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 @ \$840, 2 @ 660, 1 @ 600, 1 @ 60	\$ 2,700	\$ 3,420	\$ 3,660
		Cost of Living Adjustment	0.0%		\$ -	\$ -
6314	-060	Taxes	Full time positions	\$ 225,000	\$ 251,856	\$ 304,668
6314	-070	Social Security/457/Medicare	7.65% of all positions & directors	\$ 65,325	\$ 77,068	\$ 93,228
6312	-080	Retirement	7% or 25% of all Positions (plus annual fees)	\$ 120,506	\$ 126,241	\$ 141,029
6313	-090	Group Insurance	All full time positions (maximum listed)	\$ 96,683	\$ 160,000	\$ 160,000
6315	-100	Worker's Compensation	All full time positions	\$ 5,000	\$ 5,000	\$ 5,000
6317	-110	Unemployment Compensation		\$ 1,949	\$ 3,000	\$ 3,000
			SUB-TOTAL	\$ 1,134,104	\$ 1,393,152	\$ 1,632,089

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY DETAIL OF BUDGET REQUEST FISCAL YEAR 2015						
MANAGEMENT SERVICES ACCOUNT: 6300						
TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2014	Original Budget 2014	Budget 2015
6358	0030	Office Space				
	-010	Leases				
	-01	Office Lease	Annual lease	\$ 100,699	\$ 110,500	\$ 125,000
	-02	Misc. Building Rentals	Storage facility, Town Hall meetings	\$ -	\$ -	\$ -
6351	-020	Utilities		\$ 1,233	\$ 1,200	\$ 1,500
	-01	Telephone/Long Distance & Ans. Service	@ \$320/month	\$ 3,773	\$ 3,600	\$ 3,840
	-02	Cellular Telephone	@ \$400/month	\$ 4,261	\$ 4,800	\$ 4,800
	-03	T-1 Line/Internet & Phone Services	@ \$1000/month	\$ 11,328	\$ 12,000	\$ 12,000
	-04	Maintenance/Repairs	Unforeseen Repairs and Expenses	\$ 2,034	\$ 2,500	\$ 2,500
6340	-030	Office Supplies/Services	@ \$1000/month	\$ 12,412	\$ 12,000	\$ 12,000
6350	-040	Postage	@ \$200/month	\$ 2,179	\$ 2,400	\$ 2,400
6340	-050	Delivery Fees	@ \$300/month	\$ 2,455	\$ 3,600	\$ 3,600
6340	-060	Books/Periodicals		\$ 250	\$ 500	\$ 500
6340	-070	Software	Updates & New	\$ 17,963	\$ 25,000	\$ 25,000
			SUB-TOTAL	\$ 158,587	\$ 178,100	\$ 193,140
	0040	Services				
6353	-010	Insurance	See Schedule	\$ 83,213	\$ 117,600	\$ 136,000
6354	-030	Travel/Training	See Schedule	\$ 57,290	\$ 66,000	\$ 75,000
6370	-040	Memberships/Subscriptions	See Schedule	\$ 9,790	\$ 10,050	\$ 13,300
6357	-050	Equipment Leases	See Schedule	\$ 14,882	\$ 16,000	\$ 16,000
6340	-060	Computer Maint/Repairs	Scheduled service & assistance,			
	-10	Financial (MIP)	maint. & support agreements,	\$ 5,000	\$ 6,000	\$ 6,000
	-20	Technical	replacement parts	\$ 13,200	\$ 15,000	\$ 15,000
	-30	Administrative	Office equipment services	\$ 23,108	\$ 25,000	\$ 25,000
6340	-070	Records Management	Equipment & files inventory - includes safe deposit box & offsite data backup	\$ 2,112	\$ 7,500	\$ 7,500
6134	-080	Security	Office security system & monitoring	\$ 823	\$ 800	\$ 1,000
			SUB-TOTAL	\$ 209,417	\$ 263,950	\$ 294,800
			TOTAL	\$ 1,533,008	\$ 1,868,448	\$ 2,153,275

SCHEDULE 2015				
TCEQ CODE NUMBER	NUMBER	DESCRIPTION	EXPLANATION	BUDGET
6353	0040-010	Insurance		
	-01	Directors Liability	Annual Renewal effective 7/1/2015	\$ 15,000
	-02	Gen. Manager Bond & Public Employee	Annual Renewal effective 7/1/2015	\$ 800
	-03	Director Bond	Annual Renewal effective 7/1/2015	\$ 700
	-04	Property Insurance (Includ. Computer Equip & Elec Data Coverage)	Annual Renewal effective 7/1/2015	\$ 115,000
	-05	General Liability	Annual Renewal effective 7/1/2015	\$ 2,500
	-06	Auto	Annual Renewal effective 7/1/2015	\$ 2,000
			TOTAL	\$ 136,000

SCHEDULE 2015				
TCEQ CODE NUMBER	NUMBER	DESCRIPTION	EXPLANATION	BUDGET
6354	0040-030	Travel/Training		
	-01	Reimbursements, Travel & Other	Airfare, Hotels, Meals, etc.	\$ 25,000
	-02	TWCA Conference - Fall	Reg for 7 @ Annual Mtg	\$ 2,400
	-03	TWCA Conference - Spring	Reg for 7 @ Annual Mtg	\$ 2,800
	-04	TWCA Conference - Summer	Reg for 7 @ Annual Mtg	\$ 2,300
	-05	AWBD Conference - Winter	Reg for 7 @ Annual Mtg	\$ 2,000
	-06	AWBD Conference - Summer	Reg for 7 @ Annual Mtg	\$ 2,500
	-07	Investment Training	Reg for 2 @ \$250	\$ 500
	-08	Mileage Reimbursements	Including Mileage, Parking, Toll Road for Directors & Staff	\$ 12,000
	-09	Misc. Seminars/Training	Continuing education, computer training & misc seminars	\$ 5,000
	-10	Training Equipment	Equipment as needed	\$ 500
	-11	Car Allowance		\$ 20,000
			TOTAL	\$ 75,000

SCHEDULE 2015				
TCEQ CODE NUMBER	NUMBER	DESCRIPTION	EXPLANATION	BUDGET
6370	0040-040	Memberships/Subscriptions		
	-01	Membership		
		Texas Water Conservation Assoc.	Annual Renewal (with Legis. News Service)	\$ 1,800
		American Water Works Association	Annual Renewal	\$ 500
		Assoc. of Water Board Directors	Annual Renewal	\$ 600
		North Houston Association	Annual Renewal	\$ 1,250
		Tomball Chamber	Annual Renewal	\$ 200
		Houston Northwest Chamber	Annual Renewal	\$ 250
		Cy-Fair Chamber	Annual Renewal	\$ 250
		Greens Bayou Corridor Coalition	Annual Membership	\$ 1,000
		Wholesale Club Memberships	Discount Office Supply Stores	\$ 50
		Government Treasurers Organization	Annual Renewal	\$ 100
		Government Financial Officers Assoc	Annual Renewal	\$ 100
		Other - HESS, NSPE, TSPS, etc.	Annual Renewal	\$ 2,500
	-01	Sponsorships		\$ 2,500
			SUB-TOTAL	\$ 11,100

SCHEDULE 2015						
TCEQ CODE NUMBER	NUMBER	DESCRIPTION	EXPLANATION	BUDGET		
6340	-02	Subscriptions	Annual Renewals	\$ 1,000		
			SUB-TOTAL	\$ 1,000		
	-03	Professional Licenses	License renewals	\$ 1,200		
			SUB-TOTAL	\$ 1,200		
	TOTAL			\$ 13,300		
	0040-050	Equipment Leases	Copier/printer/fax	Annual, 3 yr Lease*	\$ 15,000	
			Postage meter	Annual, 3 yr Lease*	\$ 1,000	
			TOTAL			\$ 16,000

* Includes machine maintenance, Lease payment, and copy overage

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

FISCAL YEAR 2015

MISCELLANEOUS SERVICES

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2014	Original Budget 2014	Budget 2015
6321-	20	Mapping expenses	HGAC Aerial Imagery	\$ 5,800	\$ 5,000	\$ 5,000
6325-	10	Election expenses	2014 Board of Directors Election	\$ 110,841	\$ 125,000	\$ -
		Redistricting expenses	Realign Voting District boundaries	\$ -	\$ -	\$ -
7395-		Misc. Expenses		\$ -	\$ 10,000	\$ 10,000
		Budget Reserve		\$ -	\$ 250,000	\$ 250,000
		TOTAL		\$ 116,641	\$ 390,000	\$ 265,000

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

FISCAL YEAR 2015

**CAPITAL OUTLAY
ACCOUNT: 7306**

TCEQ CODE NUMBER	ACCOUNT NUMBER	DESCRIPTION	EXPLANATION	Projected Total 2014	Original Budget 2014	Budget 2015
7306	0010	Capital Outlay	Computer Equipment	\$ 8,557	\$ 10,000	\$ 10,000
	0020	Capital Outlay	Computer Software	\$ 6,500	\$ 25,000	\$ 25,000
	0030	Capital Outlay	Office Furniture	\$ 2,500	\$ 6,000	\$ 6,000
			Office Equipment	\$ 1,500	\$ 4,000	\$ 4,000
		TOTAL		\$ 19,057	\$ 45,000	\$ 45,000