

Gulf Coast Water Authority

**Serving Industrial, Municipal and Agricultural interests
across Galveston, Brazoria and Fort Bend counties.**



Gulf Coast Water Authority

Offices in Texas City and Alvin, Texas

APPROVED OPERATING BUDGETS

**FOR FISCAL YEAR ENDING AUGUST 31, 2018
AS PRESENTED TO THE BOARD OF DIRECTORS**

GULF COAST WATER AUTHORITY

Approved Operating Budget

For Fiscal Year September 1, 2017 to August 31, 2018

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Gulf Coast Water Authority - Board of Directors

As of June 15, 2017

Mr. Russell C. Jones	President	Fort Bend County Municipal Position No. 1
Mr. C.B. "Bix" Rathburn, Ph.D.	Vice President	Galveston County Industrial Position No. 2
Mr. Eric Wilson	Secretary	Brazoria County Municipal Position No. 1
Mr. Bennie Jones, Jr.	Treasurer	Brazoria County Industrial Position No. 1
Mr. Brad Matlock	Assistant Secretary	Galveston County At-Large Position No. 2
Mr. James McWhorter	Director	Galveston County Municipal Position No. 1
Mr. Shane Hamilton	Director	Galveston County At-Large Position No. 1
Mr. Cliff Mock	Director	Brazoria County Agricultural Position No. 1
Mr. Mike O'Connell	Director	Fort Bend County At-Large Position No. 1
Vacant	Director	Galveston County Industrial Position No. 1

Profile of the Government Agency

The Gulf Coast Water Authority (then named Galveston County Water Authority) was created in 1965 by the 59th regular session of the Texas Legislature. The Authority is a conservation and reclamation district, body politic and corporate, and a governmental agency of the State of Texas created and operating under the provisions of a series of acts compiled as Vernon's Annotated Texas Civil Statutes, Article 8280-1, enacted pursuant to the provisions of Section 59 of Article XVI of the Texas Constitution.

The Authority provides surface water from the Brazos River for industry, agriculture and municipalities in Brazoria, Fort Bend and Galveston counties. The Authority also provides water from Chocolate Bayou to nearby industry and agriculture interest in Brazoria County.

The Authority is governed by a ten (10) member Board of Directors. They are appointed in the following manner:

- Five (5) by Galveston County Commissioners Court with two (2) being representatives of Industry, one (1) being a representative of Municipalities and two (2) being representatives at-large;
- Three (3) members by Brazoria County Commissioners Court with one (1) being a representative of Industry, one (1) being a representative of Municipalities and one (1) being a representative of Agriculture;
- Two (2) members by Fort Bend County Commissioners Court with one (1) being a representative of Municipalities and one being a representative at-large.

Appointees serve two year terms, staggered five one year, and five the next year. Term of office coincides with the Authority's fiscal year, beginning September 1st.

Four Operating Divisions

The Authority's operations are divided in four (4) separate divisions as described below:

Canal Operations – The Authority's Canal Operations is headquartered in Alvin, Texas. Canal Operations are further divided into two separate systems or Operating Funds, as designated by customer contracts. The American/Briscoe Canal System and the Juliff/Chocolate Bayou System. Combined, these two systems include approximately 400 miles of main-line canals and laterals, and 380,000 acre-feet of surface water rights on the lower basin of the Brazos River. Historically, surface water is delivered to:

- Approximately 16,000 acres of commercial and hybrid seed rice are irrigated annually in Brazoria and Galveston counties as well as a Rice Research Facility located outside Alvin, Texas, providing world-wide technology for the rice industry when not in drought conditions,
- Industrial customers served directly by the Canal Operations including INEOS Olefins and Polymers (INEOS), Ascend Performance Materials (Ascend) and Underground Storage,
- Municipal customers directly served include the cities of Sugar Land and Missouri City, as well as Fort Bend WCID #2 and Pecan Grove MUD with the City of Pearland to come online in 2019,
- The Industrial and Municipal customers in Galveston County, who are further identified in the Texas City Reservoir, Industrial Operations System and Thomas Mackey Water Treatment Plant Operations below.

Texas City Reservoir Operations – Prompted by land subsidence caused by the over

withdrawal of groundwater, a private venture by Texas City industries in the late 1940's constructed an extension of the Briscoe and American Canal System to provide surface water to the rapidly growing industrial complex in Texas City following World War II. Through acquisitions and exchanges, the former Galveston County Industrial Operations System was acquired by the Authority in 1971. In 2017, the Authority opted to split the Galveston County Industrial Operations System into two separate operating divisions: Texas City Reservoir Operations and Industrial Operations System. The Texas City Reservoir Operations operates an 8,700-acre-foot off-channel reservoir and the industrial/municipal canal delivery system, which terminates at the Thomas S. Mackey Water Plant diversion point. Ashland Specialty Chemicals and the Thomas S. Mackey Water Treatment Plant facility is also a customer of the Texas City Reservoir Operations as further described below.

Texas City Industrial Operations System – The Authority owns and operates a 1,000-acre-foot off-channel reservoir, industrial pump station contracted for 60 million gallons of surface water per day to Texas City industries and approximately 10 miles of raw water distribution lines. Industrial customers served include DOW/Union Carbide Corp., Marathon Galveston Bay Refinery, Marathon Texas Refining Division, Valero Texas City Refinery, Eastman Chemical Company, and the City of Texas City raw water system.

Thomas S. Mackey Water Treatment Plant – The Authority owns and operates the Thomas S. Mackey Water Treatment Plant located in Texas City. The plant was originally constructed by the City of Texas City in 1978, acquired by the Authority in 1983, and expanded in 2000 to its present capacity. This 50 million gallon per day (MGD) conventional surface water plant serves (13) thirteen water utilities in Galveston County. Those customers include the cities of Texas City, La Marque, Galveston, Hitchcock, League City, Galveston County WCID #1 (Dickinson), Galveston County WCID #8 (Santa Fe), Galveston County WCID #12 (Kemah/Clear Lake Shores), Galveston County MUD #12 (Bayou Vista), Galveston County Fresh Water District #6 (Tiki Island), Bacliff MUD, Bayview MUD, and San Leon MUD.

The Authority's Administrative Office is located in Texas City where all management, financial, human resources, purchasing and land administration are provided.

General Statement of Economic Conditions and Outlook

The Texas Economy. According to the DALLAS FED May 22, 2017 issue of "Texas Economic Indicators," Texas added jobs in 12 of 13 major sectors. The Dallas Fed's Texas Employment Forecast indicates a 2.4 annualized job growth in 2017. The energy sector has seen an annualized increase of 17.6 percent, yet remains below the pre-oil bust levels. Additionally, manufacturing employment has rebounded to annualized 7.0 percent increase after declining in 2015 and 2016. The lone contracting sector in the State is information services, which has contracted an annualized 9.9 percent.

The Local & Regional Economy. The Authority and its customers are part of the Greater Houston Metropolitan Area. According to the Bureau of Labor Statistics, the Houston Metro Area added 41,900 jobs in April '17 (year over year). These gains represent an eighth consecutive month over-the-year job gains. Local unemployment has been holding steady over the past at year 4.8 percent, which is slightly lower than the state average of 5.0 percent and currently higher than the nation's rate of 4.3 percent. The overall outlook for 2017 calls for no-growth/low-growth. This stems from wide ranging cuts to oil-related jobs. Since December 2014, the Region has lost an estimated 77,200 oil-related jobs, yet seem no real downturn in

total employment. Continued population growth within the Authority's service area will necessitate the demand for more water.

GCWA's Revenue Source

The Authority does not receive money from the State of Texas, any Regional, or County government; nor does it collect any type of taxes. Income is derived from the sale of surface water. This revenue covers the cost of operation, maintenance, and capital improvements as well as repayment of outstanding bond debt. Revenue bonds are sold to finance large, capital improvement projects needed to maintain the Authority's vast investment in infrastructure to insure reliable delivery of water to its customers.

Impact of the Texas Drought and Recovery

No budget report on any Texas surface water provider would be complete without a discussion of the 2008 through 2015 Texas drought. For the Authority, recognition of the drought began in 2009. Each year following, the Authority has struggled with securing enough stored water commitments from the Brazos River Authority to insure a reliable water supply for its customers whenever the Authority's 'run of the river' water rights were not available due to extreme low flows in the lower Brazos River. Purchase of that additional stored water supply as insurance against low river flows has sustained the Authority's ability to meet customer's demands for decades past. In 2016, the Brazos River Authority revised and substantially reduced its calculation of available short-term stored water they would have available; thus putting more pressure on the Authority to look at other opportunities to insure against the next drought.

According to the National Center of Environmental Information (formerly the National Climate Data Center), 5.0 percent of the contiguous U.S. was in a drought, the smallest drought footprint reports by the U.S. Drought Monitor since its inception in 2000. State wide, Texas experienced its ninth wettest April with nearly 180 percent of average rainfall. As of May 2017, 34.50 percent of the state of Texas is in an Abnormally Dry condition compared to June 2016 where less than 1.50 percent of the state was considered Abnormally Dry. None-the-less, the Authority must continue to seek additional firm water supplies to insure against the next drought.

The Authority has undertaken multiple studies over the past five years attempting to find *affordable* alternatives. Those studies have looked at a water supply from other river basins, seawater desalination, reuse, brackish desalination, groundwater from the Carrizo-Wilcox aquifer, as well as development of additional surface water storage on the Brazos River. At this time, further development of supplies on the Brazos River presents the best alternative, however, this will be years into the future. Meanwhile, the Authority will continue to work the the Brazos River Authority and its customers with excess stored water to meet our customers' needs.

Budget Construction

The Texas Water Code Section 49.057(b) requires the Board of Directors of the Gulf Coast Water Authority (GCWA) to adopt an annual operating budget. By contract with its customers, the Authority is required to adopt a budget and water rates no less than 60 days before the beginning of the next fiscal year. This budget document contains the summaries and details of the operating & maintenance funds, and capital improvement funds, and bond funds for Fiscal

Year 2017 (FY2017) for the fourteen (14) active Funds and two (2) inactive Funds within GCWA. These funds are identified as:

Operation & Maintenance Funds:

- Fund 04 - **League City Southeast Water Purification Plant (SEWPP)** – the Authority is the City of League City's *agent* as a co-participant in the Southeast Water Purification Plant located near Ellington Field, in Houston; currently contracting for 21.5 MGD.
- Fund 06 - **Thomas S. Mackey Water Treatment Plant (TMWTP)** - includes a 50 MGD water treatment plant and a potable water distribution system to 13 participating communities across Galveston County.
- Fund 08 - **American/Briscoe (A & B) Canal Operations** - includes water rights, pump stations and two parallel open channel, clay lined canals stretching across three counties from the Brazos River to Texas City. Participants are all of the Authority's customers with the one exception of INEOS and certain rice farmers.
- Fund 21 - **Juliff/Chocolate Bayou Operations** – this fund was originally designated to finance the purchase of this system, including water rights, two pump stations and two separate open channel, clay lined canals stretching across Fort Bend and Brazoria counties. Participants in the purchase are cities of Texas City, Galveston, and Pearland, as well as INEOS. Participants in the O&M of this system are INEOS and interruptible, annual contracts with rice farmers.
- Fund 22 - **Pearland Southeast Water Purification Plant (SEWPP)** – the Authority is the City of Pearland's *agent* as a co-participant in the Southeast Water Purification Plant located near Ellington Field, in Houston; currently contracting for 10 MGD.
- Fund 25 – **Texas City Reservoir Operations (TCR)** – includes the approximately 8,700 acre-foot Texas City reservoir and raw water canal system. Participants are all Texas City industrial customers, the Thomas S. Mackey Water Treatment Plant (TMWTP) customers and Ashland Specialty Chemicals.
- Fund 26 – **Texas City Industrial Operations System** – includes raw water canal system, approximately 1,000-acre-feet reservoir, pumping station and 10 miles of raw water distribution system to serve the Industrial customers in Texas City. (*Fund 25 and 26 were formerly combined as Fund 02.*)

Bond Funds:

- Fund 15 - **1998 C Series Texas City Projects** - financed construction of potable water distribution lines within Texas City; the City of Texas City being the only participant.
- Fund 16 - **1998 D Series La Marque Projects** - financed the construction of potable water distribution lines within La Marque; the City of La Marque being the only participant.
- Fund 19 - **2002 Galveston Projects** - financed the construction of potable water distribution lines on Galveston Island; the City of Galveston being the only participant.

Bond/Capital Improvement/Maintenance Funds:

- Fund 10 - **Galveston County WCID #12** - originally a bond fund since retired and is now used for O&M of the transmission line north of Bacliff to Kemah Only WCID#12

is a participant.

- **Fund 12 - 1997 Galveston Projects** - originally designated to finance the construction of various potable water distribution lines on Galveston Island including the new causeway crossing line constructed in 2000; and now includes to operation and maintenance of the causeway line; the City of Galveston is the only participant.
- **Fund 14 - 1998 A-B Series South Projects** - originally designated to finance the construction of the expansion of the Thomas Mackey WTP and potable water transmission lines running southward to connect to existing lines on Galveston Island and Hwy 6; and but now includes the O&M cost of the South Project Lines. Participants include all TMWTP customers except San Leon MUD, Bacliff MUD, Bayview MUD, City of Texas City, and WCID#12.
- **Fund 23 - TMWTP Northline Group** - a new fund for O&M of the transmission line from the TMWTP to Dickinson Bayou; established per customer contracts. Participants include City of La Marque, City of Texas City, WCID#1, WCID#12, Bacliff MUD, San Leon MUD and Bayview MUD.
- **Fund 24 - TMWTP Bayshore Group** - a new fund for O&M of the transmission line from the Dickinson Bayou to Bacliff; established per customer contracts. Participants include WCID#1, City of Texas City, San Leon, Bayview MUD, Bacliff MUD, and WCID#12.

Other Special Funds (Inactive):

- **Fund 01 - Administrative Special Projects Fund** - originally created to separately track administrative costs for startup of new funds and projects; is now established as a self-insurance reserve fund. (not active)
- **Fund 20 - Thomas Mackey Water Treatment Plant Expansion** - originally created in 2006 to expand the water plant to 70 MGD by 2011, however the participants withdrew due to the economic downturn in 2009.

Administrative Office Cost Allocation:

FY2018 Budget expands the cost allocation of the Administrative Office to more Funds than in previous years. The intent is to more properly share administrative costs among all operating funds, not just the major funds. The Authority's Administrative Office costs are allocated amongst twelve (12) funds: League City Southeast Water Purification Plant (2.00%), Water Treatment Plant (30.00%), Canal Operations (32.00%), Chocolate Bayou Operations (14.00%), Pearland Southeast Water Purification Plant (2.00%), Texas City Reservoir Operations (9.00%), Texas City Industrial Operations System (6.00%); and Galveston County WCID #12, 1997 Galveston Projects, 1998 A-B Series South Projects, TMWTP Northline Group and TMWTP Bayshore Group (1.00% each).

Each Fund's Budget Notes section provides additional details of revenues and expenses for FY2018. Detailed schedules, worksheets, notes and other documentation support the summary budget presented here and are included as elements of the budgets by reference.

The summary and detailed schedules within this report are presented using the cash basis of accounting.

General Elements of the Budget

The Authority has projected Total Revenues for all Divisions of \$69,886,296 for FY2018, of which there are two classifications: Operating Revenue and Other Revenue. (*Note; these totals include significant but appropriate interfund charges.*)

Total O&M Expenses for all Funds are projected to total \$48,807,275 and Total Capital Expenditures are projected to total \$33,558,100. Non-debt funded capital improvements total \$22,253,100 and debt funded capital improvements total \$11,305,000. The Authority has three (3) debt funded projects for FY2018: 1.) Texas City Reservoir Operations: Reservoir Intake & Discharge Pipe and Gate Improvement (\$6,355,000); 2.) Texas City Industrial Operations System: Industrial Pump Station (\$10,205,000); and 3.) Galveston County WCID #12: Bayshore Booster Pump Station (\$1,100,000). GCWA wide bond payments and Other Uses total \$7,288,496. The Authority projects to utilize Other Sources totaling \$19,938,000. Key assumptions for budgeted wages, salaries and employee benefits are stated below:

- Salaries and wages were budgeted with 3.5% increase for continuation of the Board approved Pay for Performance Plan, which allows for promotions, market equalizations and performance based salary increases, inclusive of a COLA.
- The Authority will add seven (7) Full-Time Equivalents (FTE's) in FY2018: Canal Rider, (2) Heavy Equipment Operators, Instrumentation & Control Technician II, GIS Analyst, Engineer and Administrative Assistant to the General Manager.
- The Authority continues to expand its wellness program to improve the overall health of GCWA employees and limit future health insurance costs increases to GCWA. The proposed FY2018 budget includes an increase of 15% in group health insurance rates.
- Group retirement expenses were budgeted at a rate of 12.67% of payroll. This is the same rate as the FY2017 budget.

Summary of Each Major Fund Water Contracts, Revenues and Water Rates

American/Briscoe Canal Operations Fund

The American/Briscoe Canal Operations Fund includes contracts for delivery of 161.5804 MGD-wholesale surface water supply.

The American/Briscoe Canal Operations Fund firm water contracts, by County, they are:

- Galveston County-
 - Galveston County Industrial & Municipal customers (listed by name elsewhere) - 110.762 MGD,
- Brazoria County-
 - Ascend Performance Materials - 17.866 MGD,
- Fort Bend County -
 - Fort Bend WCID #2 4.000 MGD
 - Missouri City 15.000 MGD
 - Pecan Grove MUD 2.354 MGD
 - The City of Sugar Land 10.000 MGD
 - Underground Storage 1.600 MGD



(Shannon Pumping Plant – Richmond, TX)

The Authority also has Option Water Agreements; by County, they are:

- Galveston County -
 - Future Thomas Mackey Water Treatment Plant Expansion – 8.00 MGD
- Brazoria County –
 - City of Pearland - 10.000 MGD,
- Fort Bend County –
 - City of Sugar Land – 10.000 MGD
 - Fort Bend WCID #2 - 6.500 MGD

There are three (3) key elements to the American/Briscoe Canal Operations Fund FY2018 budget, as highlighted below:

- Increases to the wholesale water rates for FY2018; an increase of 2.70%,
- Increase to Capital Improvement cost; an increase of 19.00%, and
- Increases to the total Full Time Equivalent (FTE) number of employees; an increase of 8.70%.

As budgeted, Total Operating Revenues will increase for FY2018, an increase of \$1,262,888. Metered Water Sales are projected to increase \$911,846, while Irrigation Income is projected to increase \$351,042 or 40.00%.

The FY2018 wholesale water rate charged to the customers is budgeted to increase to \$221.22 per MG for all customers with the exception of Pecan Grove MUD. The wholesale water rate for Pecan Grove MUD is budgeted to increase to \$403.56 per MG. Pecan Grove MUD has their

own stored water contract, managed by GCWA, with BRA and is thus entitled to 3,100 acre feet of stored water of the American/Briscoe Canal Operations Fund's 73,270 acre feet of stored water; (firm and interruptible).

Budgeted Operations & Maintenance (O&M) expenses total \$6,017,963, Raw Water totaling \$5,373,970 and Capital Improvements totaling \$4,000,000.

- Raw Water cost expenses total \$5,373,970 less Pecan Grove MUD Raw Water costs of \$229,400 and BRA stored water 5-year contract for Agricultural Water cost of \$213,675. The net Raw Water Cost of \$4,930,895. Based on 159.228 MGD, yields a Raw Water Rate \$84.84 per MG; an increase of 6.19%.
- O&M rates are based on 161.5804 MGD, at a rate of \$82.00 per MG; an increase of 2.44%.
- Capital Improvements rates are based on 161.5804 MGD, at a rate of \$54.38 per MG; an increase of 17.69%.

Texas City Reservoir Operations Fund (TCR)

The Texas City Reservoir Operations Fund includes contracts for delivery of provides 110.762 (MGD wholesale surface water supply to their customer base in Texas City:

- | | |
|---|------------|
| • Texas City Industrial Operations System | 60.062 MGD |
| • Thomas S. Mackey Water Treatment Plant | 49.700 MGD |
| • Ashland Specialty Chemicals | 1.000 MGD |



(Texas City Reservoir Operations - Industrial Reservoir-Texas City, TX)

There are four (4) elements to the Galveston County Industrial Operations Fund FY2018 Budget, highlighted as follows:

- Raw Water cost from the American/Briscoe Canal Operations Fund of 8.26%,
- O&M cost of \$577,101,
- Capital Improvement cost of \$7,180,000, and
- Bond Proceeds and cash applied to offset expenses of \$6,355,000

As budgeted, Total Operating Revenues will increase to \$11,385,291. Metered Water Sales are projected to be \$10,345,766, while Bond Payment Revenue is projected to be \$1,039,526.

Raw Water cost expenses total \$8,943,664. Operations & Maintenance (O&M) expenses total \$577,101. Related Capital Improvements of \$7,180,000, which are offset with Bond Proceeds of \$6,330,000 and Cash Applied of \$25,000. Anticipated Bond Payments totaling \$1,247,100.

- Raw water cost is based on 110.762 MGD, \$221.22 per MG; an increase of \$16.87 per MG for FY2018.
- O&M costs are based on 110.762 MGD, \$14.27 per MG.
- Capital improvement costs are based on 110.762 MGD, at a rate of \$19.52 per MG; a decrease of \$23.82 per MG.
- Bond cost are split amongst two (2) bonds:
 - Texas City Reservoir and Raw Water Conveyance, Series 2016A Bond. This consists of the Thomas Mackey Water Treatment Plant customer group at a rate of \$19.20 per MG. This bond has an initial principal issuance of \$5,185,000 based on a 11-Year Bond payment.
 - Texas City Reservoir and Raw Water Conveyance, Series 2016B Bond. This consists of Texas City Industrial Operations System customer base as well as Ashland Specialty Chemicals at a rate of \$31.02 per MG. This bond has an initial principal issuance of \$6,370,000 based on a 11-Year Bond payment.

Texas City Industrial Operations System Fund (TCI)

The Galveston County Industrial (and Municipal) Operations Fund provides 60.062 (MGD) wholesale surface water supply to their customer base in Texas City:

- | | |
|---|------------|
| • Marathon Galveston Bay Refinery (GBR) | 28.600 MGD |
| • DOW/Union Carbide Corp. | 12.931 MGD |
| • Eastman Chemical Company | 8.542 MGD |
| • Valero Refining Texas | 6.510 MGD |
| • Marathon Texas Refining | 4.000 MGD |
| • City of Texas City | 0.019 MGD |

There are four (4) elements to the Galveston County Industrial Operations Fund FY2018 Budget, highlighted as follows:

- Budgeted decrease in electrical power cost to \$650,000,
- Raw Water cost from the Texas City Reservoir Operations of \$6,290,068,
- O&M cost of \$875,049,
- Capital Improvement cost of \$12,425,000, offset by \$10,000,000 of Bond Proceeds and \$205,000 of Cash Applied,

As budgeted, Total Operating Revenues will increase to \$11,112,900. Metered Water Sales are projected to be \$10,035,117, while Bond Payment Revenue is projected to be \$1,077,783.

Budgeted Power Cost expenses total \$650,000. Raw Water cost expenses total \$6,290,068. Operations & Maintenance (O&M) expenses total \$875,049. Related Capital Improvements of \$12,425,000, which are offset with Bond Proceeds of \$10,000,000 and Cash Applied of \$205,000. Anticipated Bond Payments totaling \$1,156,49.

- Power cost at the Industrial Pump Station is based on 42.52885 MGD, \$41.87 per MG based on Estimated Metered Sales.



(Texas City Industrial Operations System – Industrial Pumping Station-Texas City, TX)

- Raw water cost is based on 60.062 MGD, \$286.92 per MG.
- O&M costs are based on 60.062 MGD, \$39.92 per MG.
- Capital improvement costs are based on 60.062 MGD, at a rate of \$101.27 per MG.
- Bond cost as associated with the issuance of the Texas City Industrial Pump Station and Raw Water Conveyance, Series 2017 Bond:
 - Texas City Industrial Pump Station and Raw Water Conveyance, Series 2017 Bond. This consists of Texas City Industrial Operations System customer base excluding the City of Texas City at a rate of \$31.02 per MG. This bond has an initial principal issuance of \$14,135,000 based on a 14-Year Bond payment

Thomas S. Mackey Water Treatment Plant Fund

The Thomas S. Mackey Water Treatment Plant (WTP) is contracted to provide 49.70 MGD treated water supply to the following Galveston County customers:

- City of Texas City 11.5050 MGD
- City of La Marque 2.7800 MGD
- Galveston County WCID #1 4.1650 MGD
- Bacliff MUD 1.1900 MGD
- Bayview MUD 0.3880 MGD
- Galveston County WCID #12 1.0430 MGD
- San Leon MUD 1.7850 MGD
- City of League City 2.5440 MGD
- City of Galveston 20.9900 MGD
- City of Hitchcock 1.5000 MGD
- Gal. County WCID #8 1.0000 MGD
- Galveston County MUD #12 0.4500 MGD
- Gal. County FWD #6 0.3600 MGD

There are three (3) key elements to the WTP FY2018 budget highlighted as follows:

- Increase to Raw Water cost of 5.57%,
- Decrease to Capital Improvement costs of \$1,000,500, and
- Decrease to O&M of \$59,023.



(Thomas S. Mackey Water Treatment Plant – Texas City, TX)

As budgeted, Total Operating Revenues will increase to \$15,163,701, an increase of \$274,541 or 1.84%. The FY2018 Reserved Capacity Water Rate (Raw Water-\$275.10 per MG and Capital-\$207.85 per MG) charged to customers is \$482.95 per MG, an increase of \$15.00 per MG. The Operations & Maintenance (O&M) Rate, based on estimated water usage, is \$571.35 per MG, a decrease of \$3.25 per MG.

Budgeted Operations & Maintenance (O&M) expenses total \$6,402,704, Raw Water totaling \$4,990,497, and Capital Improvements totaling \$3,770,500. There will not be any cash applied for FY2018.

- Raw water cost is based on 49.700 MGD, at a rate of \$275.10 per MG, an increase of \$14.52 per MG.
- Capital Improvements rates are based on 49.700 MGD, at a rate of \$207.85 per MG, an increase of \$16.51 per MG.
- O&M rates are based on estimated usage of 30.702 MGD, at a rate of \$571.35 per MG, a decrease of \$3.25 per MG. O&M expenses are based on anticipated usage with a true-up adjustment of actual expenses and actual customer usage at the end of the fiscal year.

Juliff/Chocolate Bayou Operations Fund

The Juliff/Chocolate Bayou Operations provide 15.00 MGD of wholesale surface water supply in Brazoria County to INEOS. INEOS has an Option Water Agreement for an additional 9.00 MGD. When available, the Authority has the ability to provide Interruptible Water for Agricultural Customers in Brazoria and Fort Bend counties; until the recent drought, this equated to 85,000 ac-ft diverted per year based on a 5-year average as self-reported to TCEQ.

There are four (4) key elements to the Chocolate Bayou Operations FY2018 budget, highlighted as follows:

- Increase to O&M cost of 9.46%,
- Increase to capital improvement cost of 127.35%,
- Increase to raw water cost 2.33% and
- Increase to Interruptible Water, Irrigation revenues of 362.22%.

As budgeted, Total Operating Revenues will increase to \$5,557,928, an increase of \$1,380,895. Metered Water Sales are projected to decrease \$29,932, while Irrigation Income is projected to increase \$1,410,827 in FY2018.

The FY2018 wholesale water rate charged to the customers is proposed to decrease to \$504.22 per MG, a decrease of \$3.09 per MG. The FY2018 Option Water Agreement water rate is proposed to decrease to \$100.84 per MG, a decrease of \$0.62 per MG.

Budgeted Operations and Maintenance (O&M) expenses of \$2,509,990, an increase of \$216,976. O&M expenses are offset by cash applied of \$685,000 and revenues from other water supply agreements of \$876,846, net O&M of \$731,268. Capital Improvements of \$1,521,000, which will be offset by cash applied of \$1,485,000. Raw Water cost expenses total \$525,261.



(Chocolate Bayou Pumping Plant – Alvin, TX)

- Raw water cost is based on 15.00 MGD, \$98.18 per MG, an increase of \$2.24 per MG.
- O&M rates are based on 15.00 MGD, at a rate of \$45.68 per MG, a decrease of \$87.89 per MG.
- Capital Improvements rates are based on 15.00 MGD, at a rate of \$360.37 per MG, an increase of \$82.56 per MG.

1997 Galveston Projects Fund

Galveston Projects provides wholesale water supply to the City of Galveston. There is one (1) key element to the Galveston Projects FY2018 budget, as highlighted below:

- Increase to capital improvement cost of \$450,000.

As budgeted, Total Operating Revenues will increase to \$769,769, an increase of \$444,847.

Budgeted Operations and Maintenance (O&M) expenses \$69,769, a decrease of \$5,153 and Capital Improvements of \$700,000, an increase of \$450,000. The City of Galveston is the sole participant.

League City Southeast Water Purification Plant

The Authority has a contract with the City of Houston, Southeast Water Purification Plant (SEWPP) located near Ellington Field, on behalf of the City of League City. The Authority acts as a conduit agency on behalf of the City of League City as their co-participant of 21.50 MGD of the capacity of SEWPP's 200.00 MGD facility.

The City of League City receives their water from the SEWPP from two (2) transmission lines:

- 42" Transmission Line adjacent to State Highway 3 for 16.50 MGD, and
- 36" Transmission Line adjacent to Beamer Road for 5.00 MGD.

As budgeted, Total Operating Revenues will increase to \$3,771,056, a decrease of \$64,020.

Budgeted water cost from City of Houston and City of South Houston total \$3,648,756, an increase of 11.12%. Budgeted Operations and Maintenance (O&M) expenses \$62,300, an increase of 104%. General and Administrative (G&A) expenses represent their pro-rata share of 2.00%.

Pearland Southeast Water Purification Plant

The Authority has a contract with the City of Houston, Southeast Water Purification Plant (SEWPP) located near Ellington Field, on behalf of the City of Pearland. The Authority acts as a conduit agency on behalf of the City of Pearland as their co-participant of 10.00 MGD of the capacity of SEWPP's 200.00 MGD facility.

The City of Pearland receives their water from the SEWPP from one (1) 96" transmission line west of the SEWPP.

As proposed, Total Operating Revenues will increase to \$1,437,449, an increase of \$125,704.

Budgeted water cost from City of Houston total \$1,380,149, an increase of 6.97%. Budgeted Operations and Maintenance (O&M) expenses \$57,300 an increase of 166.00%. General and Administrative (G&A) expenses represent their pro-rata share of 2.00%

Northline Group, Bayshore Group, WCID #12 and 1998 A-B Series South Projects

Thomas S. Mackey Water Treatment Plant customers benefit from these distribution lines for the delivery of treated water for their customers. This capitalized maintenance cost to each group for FY2018 budget, is highlighted as follows:

- Increase to capital improvements.

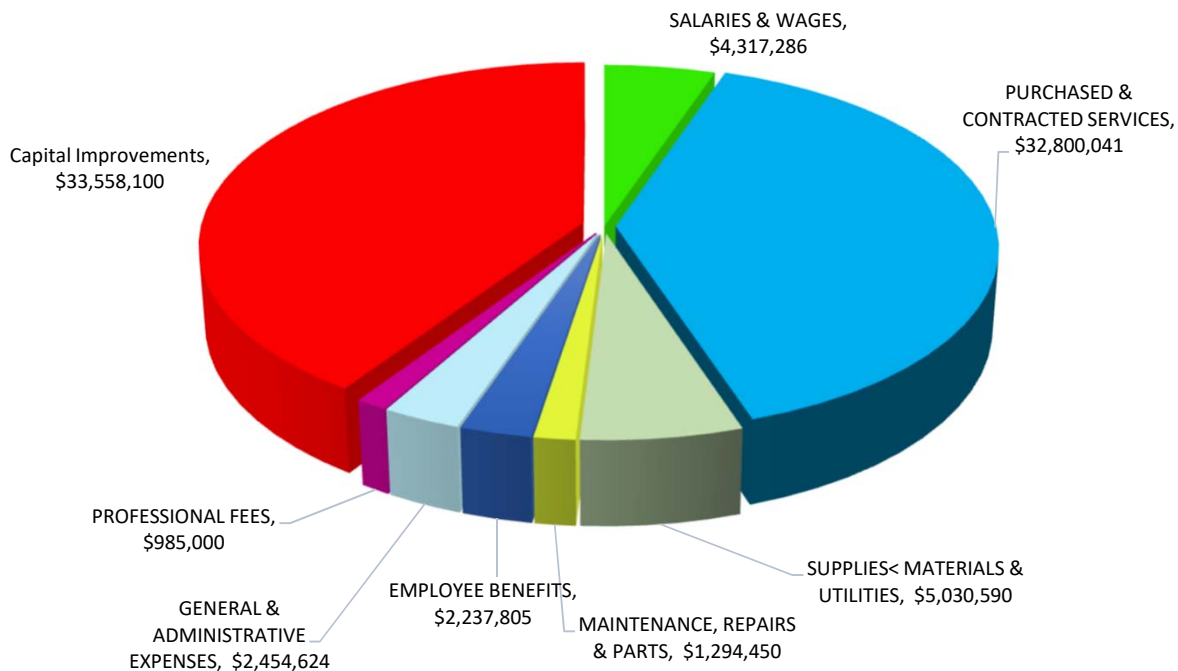
As proposed, Total Water Sales will increase to \$136,484.00 for the Northline Group, will increase to \$78,819.00 for the Bayshore Group, an increase to \$39,629.00 for WCID #12 and decrease to \$805,245.00 for 1998 A-B Series South Projects.

Budgeted Capital Improvements for the Northline Group is \$83,800.00, the Bayshore Group is \$36,800.00, WCID #12 is \$1,100,000 and the 1998 A-B Series South Projects is \$744,000.00. WCID #12 capital improvement costs will be offset with the proposed bond issuance of \$1,100,000 bond for the addition of the Bayshore Booster Pump Station.

**GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET**

	Budget Year 2016-2017	Budget Year 2017-2018
OPERATING REVENUES	\$ 54,056,898	\$ 64,857,204
OTHER REVENUES	6,664,034	5,341,612
TOTAL REVENUES	\$ 60,720,933	\$ 70,198,816
SALARIES & WAGES	\$ 3,931,266	\$ 4,317,286
PURCHASED & CONTRACTED SERVICES	24,849,371	32,800,041
SUPPLIES, MATERIALS & UTILITIES	5,162,263	5,030,590
MAINTENANCE, REPAIRS & PARTS	1,009,400	1,294,450
EMPLOYEE BENEFITS	2,177,289	2,237,805
GENERAL & ADMINISTRATIVE EXPENSES	2,203,720	2,454,624
PROFESSIONAL FEES	955,000	985,000
TOTAL EXPENSES	\$ 40,288,308	\$ 49,119,795
NET REVENUES OVER EXPENSES	\$ 20,432,624	\$ 21,079,021
LESS: CAPITAL IMPROVEMENTS	\$ 32,553,600	\$ 33,558,100
LESS: OTHER USES	10,003,056	7,289,523
ADD: OTHER SOURCES	22,485,694	19,938,000
NET CASH BASIS SOURCES (USES)	\$ 361,661	\$ 169,398

FISCAL YEAR 2017-2108 BUDGET



GULF COAST WATER AUTHORITY

FISCAL YEAR 2017 - 2018 BUDGET

2017 - 2018								
	FUND 04	FUND 06	FUND 08	FUND 10	FUND 12	FUND 14	FUND 15	
OPERATING REVENUES	-	3,711,056	15,163,701	14,598,933	39,629	769,769	805,245	-
OTHER REVENUES	-	278,419	53,112	214,121	-	-	2,838,719	626,342
TOTAL REVENUES	-	3,989,475	15,216,813	14,813,054	39,629	769,769	3,643,964	626,342
SALARIES & WAGES	-	2,435	1,374,546	1,710,201	6,055	24,178	17,530	-
PURCHASED & CONTRACTED SERVICES	-	3,648,756	5,186,497	5,829,070	3,000	5,000	6,000	-
SUPPLIES, MATERIALS & UTILITIES	-	4,325	2,891,427	962,101	2,334	2,334	2,334	-
MAINTENANCE, REPAIRS & PARTS	-	-	413,407	456,727	-	-	-	-
EMPLOYEE BENEFITS	-	1,448	685,937	898,354	3,694	13,710	10,834	-
GENERAL & ADMINISTRATIVE EXPENSES	-	49,092	736,387	785,480	24,546	24,546	24,546	-
PROFESSIONAL FEES	-	5,000	105,000	750,000	-	-	-	-
TOTAL EXPENSES	-	3,711,056	11,393,201	11,391,933	39,629	69,769	61,245	-
NET REVENUES OVER EXPENSES	-	278,419	3,823,612	3,421,121	-	700,000	3,582,719	626,342
LESS: NON-OPERATING EXPENSES	-	-	-	-	-	-	-	-
LESS: CAPITAL IMPROVEMENTS	-	-	3,770,500	4,000,000	1,100,000	700,000	744,000	-
LESS: OTHER USES	-	276,119	-	-	-	-	2,869,150	622,813
ADD: OTHER SOURCES	-	-	-	793,000	1,100,000	-	-	-
NET CASH BASIS SOURCES (USES)	-	2,299	53,112	214,121	-	-	(30,431)	3,530

	2017 - 2018								
	FUND 16	FUND 19	FUND 21	FUND 22	FUND 23	FUND 24	FUND 25	FUND 26	TOTAL
OPERATING REVENUES	60,000	-	5,557,928	1,437,449	136,484	78,819	11,385,291	11,112,900	64,857,204
OTHER REVENUES	252,565	870,427	42,686	-	-	-	51,260	113,961	5,341,612
TOTAL REVENUES	312,565	870,427	5,600,614	1,437,449	136,484	78,819	11,436,551	11,226,861	70,198,816
SALARIES & WAGES	-	-	753,586	2,435	12,130	7,405	109,040	297,747	4,317,286
PURCHASED & CONTRACTED SERVICES	-	-	1,241,438	1,380,149	6,200	3,200	8,986,664	6,504,068	32,800,041
SUPPLIES, MATERIALS & UTILITIES	-	-	412,400	4,325	2,334	2,334	69,533	674,807	5,030,590
MAINTENANCE, REPAIRS & PARTS	-	-	330,716	-	-	-	51,650	41,950	1,294,450
EMPLOYEE BENEFITS	-	-	403,142	1,448	7,474	4,534	60,963	146,267	2,237,805
GENERAL & ADMINISTRATIVE EXPENSES	-	-	343,647	49,092	24,546	24,546	220,916	147,277	2,454,624
PROFESSIONAL FEES	-	-	100,000	-	-	-	22,000	3,000	985,000
TOTAL EXPENSES	-	-	3,584,928	1,437,449	52,684	42,019	9,520,766	7,815,117	49,119,795
NET REVENUES OVER EXPENSES	312,565	870,427	2,015,686	-	83,800	36,800	1,915,786	3,411,744	21,079,021
LESS: NON-OPERATING EXPENSES	-	-	-	-	-	-	-	-	-
LESS: CAPITAL IMPROVEMENTS	60,000	-	3,458,000	-	83,800	36,800	7,180,000	12,425,000	33,558,100
LESS: OTHER USES	251,975	864,849	-	-	-	-	1,247,100	1,157,517	7,289,523
ADD: OTHER SOURCES	-	-	1,485,000	-	-	-	6,355,000	10,205,000	19,938,000
NET CASH BASIS SOURCES (USES)	590	5,578	42,686	-	(0)	0	(156,314)	34,226	169,398

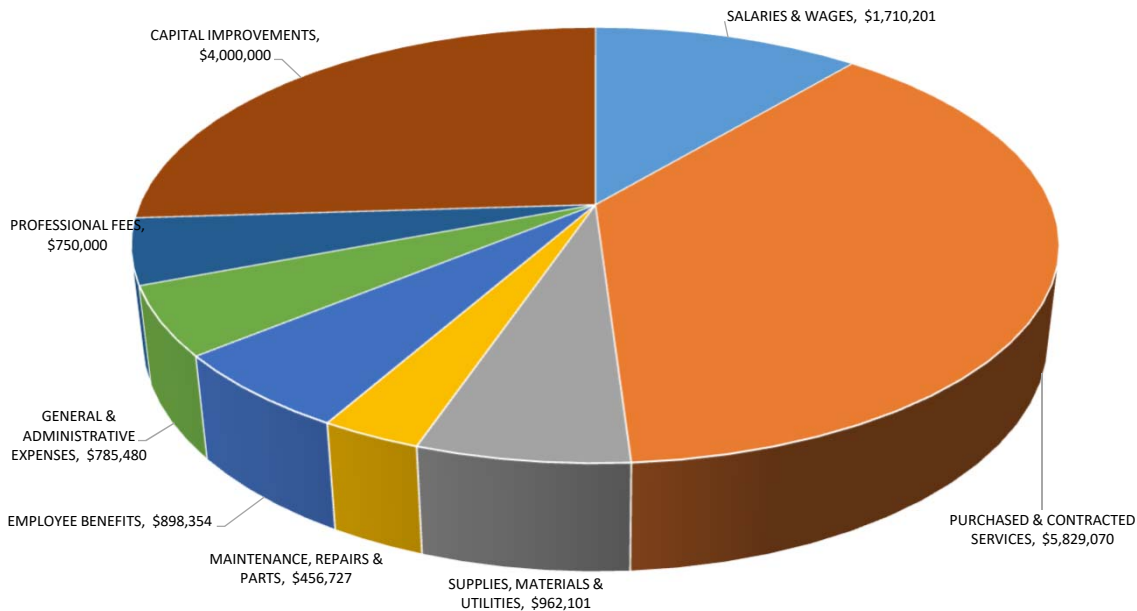
CANAL OPERATIONS

(08)

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

CANAL OPERATIONS (08)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ 13,212,404	\$ 13,491,656	\$ 13,336,045	\$ 14,598,933	\$ 14,774,726
OTHER REVENUES	213,224	111,962	79,804	214,121	215,000
TOTAL REVENUES	\$ 13,425,628	\$ 13,603,617	\$ 13,415,849	\$ 14,813,054	\$ 14,989,726
SALARIES & WAGES	\$ 1,338,551	\$ 1,457,401	\$ 1,471,850	\$ 1,710,201	\$ 1,770,058
PURCHASED & CONTRACTED SERVICES	5,158,578	4,987,603	5,634,881	5,829,070	5,946,817
SUPPLIES, MATERIALS & UTILITIES	809,331	948,552	1,047,438	962,101	956,455
MAINTENANCE, REPAIRS & PARTS	441,578	398,186	382,050	456,727	428,250
EMPLOYEE BENEFITS	684,018	777,628	811,260	898,354	993,143
GENERAL & ADMINISTRATIVE EXPENSES	615,960	628,577	786,067	785,480	784,503
PROFESSIONAL FEES	197,852	260,000	750,000	750,000	750,000
TOTAL EXPENSES	\$ 9,245,868	\$ 9,457,947	\$ 10,883,545	\$ 11,391,933	\$ 11,629,226
NET REVENUES OVER EXPENSES	\$ 4,179,761	\$ 4,145,670	\$ 2,532,304	\$ 3,421,121	\$ 3,360,500
LESS: NON-OPERATING EXPENSES	\$ 1,491,670	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	1,026,902	2,484,613	3,240,000	4,000,000	3,145,500
LESS: OTHER USES	-	-	-	-	-
ADD: OTHER SOURCES	-	-	787,500	793,000	-
NET CASH BASIS SOURCES (USES)	\$ 1,661,189	\$ 1,661,057	\$ 79,804	\$ 214,121	\$ 215,000



GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

CANAL OPERATIONS (08)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES					
METERED WATER SALES	\$ 12,385,805	\$ 13,491,656	\$ 12,808,002	\$ 13,719,848	\$ 13,985,685
IRRIGATION INCOME	826,599	-	528,043	879,085	789,041
TOTAL OPERATING REVENUES	\$ 13,212,404	\$ 13,491,656	\$ 13,336,045	\$ 14,598,933	\$ 14,774,726
OTHER REVENUES					
OTHER INCOME	\$ 188,931	\$ 62,089	\$ 40,000	\$ 140,000	\$ 140,000
INTEREST INCOME-GENERAL FUND	22,674	45,791	39,804	74,121	75,000
INTEREST INCOME-GENERAL SWEEP	1,619	4,083	-	-	-
TOTAL OTHER REVENUES	\$ 213,224	\$ 111,962	\$ 79,804	\$ 214,121	\$ 215,000
SALARIES & WAGES					
OPERATIONS	\$ 232,988	\$ 316,267	\$ 252,635	\$ 296,396	\$ 306,770
MAINTENANCE	715,455	716,836	762,320	925,034	957,410
OFFICE MANAGEMENT	390,108	424,299	456,895	488,772	505,879
SALARIES & WAGES	1,338,551	1,457,401	1,471,850	1,710,201	1,770,058
PURCHASED & CONTRACTED SERVICES					
CONTRACT WATER COST	\$ 4,829,340	\$ 4,579,471	\$ 5,231,881	\$ 5,373,970	\$ 5,491,717
SERVICE AGREEMENTS	8,296	8,132	8,000	19,600	19,600
CONTRACT SERVICE OPERATIONS	320,942	400,000	395,000	435,500	435,500
PURCHASED & CONTRACTED SERVICES	5,158,578	4,987,603	5,634,881	5,829,070	5,946,817
SUPPLIES, MATERIALS & UTILITIES					
POWER - ELECTRIC	\$ 411,224	\$ 490,000	\$ 547,210	\$ 500,000	\$ 510,000
MISCELLANEOUS CHEMICALS	95,946	68,000	70,000	70,000	70,000
SUPPLIES OPERATIONS	3,598	2,218	5,000	4,000	4,000
RIGHT OF WAY EASEMENT	21,431	20,000	60,000	30,000	30,000
DATA PROCESSING	24,914	110,471	103,171	68,740	70,115
RECORDS MANAGEMENT	7,413	9,575	10,451	9,632	9,825
MANAGEMENT EXPENSE	15,510	19,156	16,000	16,000	16,000
CONTRIBUTIONS/DONATIONS	-	-	-	-	-
INSURANCE EXPENSE	54,783	46,976	57,105	55,730	58,516
JANITORIAL SUPPLIES	3,014	1,100	2,000	2,000	2,000
STATIONERY & OFFICE SUPPLIES	11,367	8,900	8,000	8,000	8,000
TELEPHONE	8,124	9,643	8,500	10,000	10,000
DUES/SUBSCRIPTIONS	77	154	-	-	-
TCEQ PERMITS	88,348	98,010	90,000	98,000	98,000
TRAINING	30,155	35,000	40,000	60,000	40,000
SAFETY EQUIPMENT	27,786	25,000	25,000	25,000	25,000
HEAT, LIGHT & WATER	5,641	4,349	5,000	5,000	5,000
SUPPLIES, MATERIALS & UTILITIES	809,331	948,552	1,047,438	962,101	956,455
MAINTENANCE, REPAIRS & PARTS					
SHOP SUPPLIES	\$ 20,894	\$ 17,068	\$ 12,000	\$ 17,000	\$ 17,000
RESERVOIRS & CANALS	66,986	41,156	50,000	50,000	50,000
BUILDINGS - MAINT	10,284	16,343	15,000	15,000	15,000
VEHICLES - REPAIRS & MAINT	57,569	45,000	40,000	45,000	45,000
EQUIPMENT - HEAVY	61,786	65,000	50,000	75,000	60,000
EQUIPMENT - LIGHT	14,321	12,000	5,000	12,000	12,000
EQUIPMENT GROUNDS - MAINT	-	-	-	-	-
GROUNDS - MAINTENANCE	3,447	5,821	5,000	5,000	5,000
MECHANICAL	20,905	6,587	7,000	7,000	7,000
ELECTRICAL	5,339	5,613	8,000	7,000	7,000
PIPING (DISTRIBUTION)	8,050	10,000	6,000	8,000	8,000

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

CANAL OPERATIONS (08)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
INSTRUMENTATION	8,503	807	15,000	15,000	15,000
METER MAINTENANCE	-	-	-	2,000	2,000
PAINT & INSULATION	1,195	1,000	750	750	750
ROAD REPAIRS	-	-	-	-	-
MAINT - OFFICE BLDG & GROUNDS	-	5,081	1,500	2,500	2,500
RADIO/COMMUNICATIONS	22,856	29,199	28,800	36,477	38,000
MAINT - TOOLS	32,465	20,000	25,000	30,000	25,000
OFFICE EQUIPMENT	3,980	3,941	3,000	4,000	4,000
FUEL & OIL EXPENSE	102,997	113,570	110,000	125,000	115,000
MAINTENANCE, REPAIRS & PARTS	441,578	398,186	382,050	456,727	428,250
EMPLOYEE BENEFITS					
PAYROLL TAXES	\$ -	\$ 105,956	\$ 112,597	\$ 130,830	\$ 135,409
EMPLOYEE BENEFITS - HEALTH INS	424,892	437,822	441,619	471,990	542,788
EMPLOYEE BENEFITS DENTAL	14,226	13,632	14,868	21,983	25,281
EMPLOYEE BENEFITS VISION	3,239	3,387	4,721	4,575	5,261
EMPLOYEE BENEFITS - LIFE INS	16,600	15,128	16,946	19,010	21,862
EMPLOYEE BENEFITS - TC&DRS	141,864	122,412	127,609	148,274	153,464
EMPLOYEE BENEFITS-401(K)	53,180	44,114	58,874	68,408	70,802
WORKERS COMPENSATION INSURANCE	30,018	35,175	34,027	33,283	38,276
EMPLOYEE BENEFITS	684,018	777,628	811,260	898,354	993,143
GENERAL & ADMINISTRATIVE EXPENSES					
ADMIN EXPENSES	\$ 615,960	\$ 628,577	\$ 786,067	\$ 785,480	784,503
GENERAL & ADMINISTRATIVE EXPENSES	615,960	628,577	786,067	785,480	784,503
PROFESSIONAL FEES					
ENGINEERING	\$ 146,377	\$ 200,000	\$ 350,000	\$ 350,000	\$ 350,000
LEGAL EXPENSE	51,475	60,000	400,000	400,000	400,000
AUDITING EXPENSE (OUTSIDE)	-	-	-	-	-
PROFESSIONAL FEES	197,852	260,000	750,000	750,000	750,000
NON-OPERATING EXPENSES					
DEPRECIATION	\$ 1,491,670	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	1,491,670	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL	\$ 1,026,902	\$ 2,484,613	\$ 3,240,000	\$ 4,000,000	\$ 3,145,500
ADMIN-CAPITAL	-	-	-	-	-
TOTAL CAPITAL IMPROVEMENTS	1,026,902	2,484,613	3,240,000	4,000,000	3,145,500
TOTAL EXPENSES	\$ 11,764,439	\$ 11,942,560	\$ 14,123,545	\$ 15,391,933	\$ 14,774,726
OTHER SOURCES					
CASH APPLIED	\$ -	\$ -	\$ 787,500	\$ 793,000	\$ -
TOTAL OTHER SOURCES	-	-	787,500	793,000	-
NET CASH BASIS SOURCES (USES)	\$ 1,661,189	\$ 1,661,057	\$ 79,804	\$ 214,121	\$ 215,000

FY2018 Budget Notes –Canal Operations

1. Operating Revenues – Operating Revenues for FY2018 for Canal Operations are projected to total \$14,598,933, based on fees collected for the following:
 - Firm Contract Customers- All Firm Contract customers pay \$221.22 per MG with the exception of Pecan Grove MUD, which pays \$403.56 per MG. Based on projected water use, the estimated revenue is \$13,203,632.
 - Option Water Agreement Customers- All Option Water Contract Customers pay \$44.24 per MG. Based on projected water use, the estimated revenue is \$427,957.
 - Interruptible Water Agreement Customers- All Interruptible Water Contract Customers pay varying rates based on availability. Based on projected water use, the estimated revenue is \$753,668.
2. Salaries & Wages – Staffing for FY2018 includes 27.86 Full Time Employees (FTE's) as follows:
 - Canal Operations Staff- Utilizes 27.86 FTE's for a total cost of \$1,471,851, which is a 2.23 FTE increase from FY2016 due to the addition of (1) Canal Rider and (2) Heavy Equipment Operators and reallocation of personnel.
3. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$5,829,070. Included in the total is \$5,373,970 for expenses related to contract water cost purchases from the Brazos River Authority. Contract water cost purchases includes the additional interruptible agricultural water which will be offset by irrigation sales at a cost of \$213,675. Additionally, \$435,000 for expenses related to contract mowing, clearing and mechanical services.
4. Supplies, Materials & Utilities – Includes expenses for supplies for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$962,101. The single largest expense is power costs in the amount of \$500,000. Additionally, \$68,740 for pro-rata share of data processing associated with asset management software and other software needs and \$98,000 for various permits.
5. Maintenance, Repairs & Parts – Includes expenses for routine maintenance, building and grounds maintenance, and security monitoring, totaling \$456,727. Also, included in the total is \$50,000 for reservoirs and canals, \$125,000 for gasoline and oil expense and \$75,000 for repairs and maintenance-heavy equipment.
6. Employee Benefits – Includes expenses for payroll taxes, group health insurance, TCDRS retirement, 401(k) retirement savings, and Worker's compensation insurance for the staff previously noted, totaling \$898,354.
7. General & Administration Expenses – Includes \$785,480 for expenses incurred by General & Administration (G&A) staff to support the Canal Operations. These costs include such operational expense items as professional fees, purchased & contracted services, supplies, materials, utilities, rentals, maintenance repairs & parts, capital

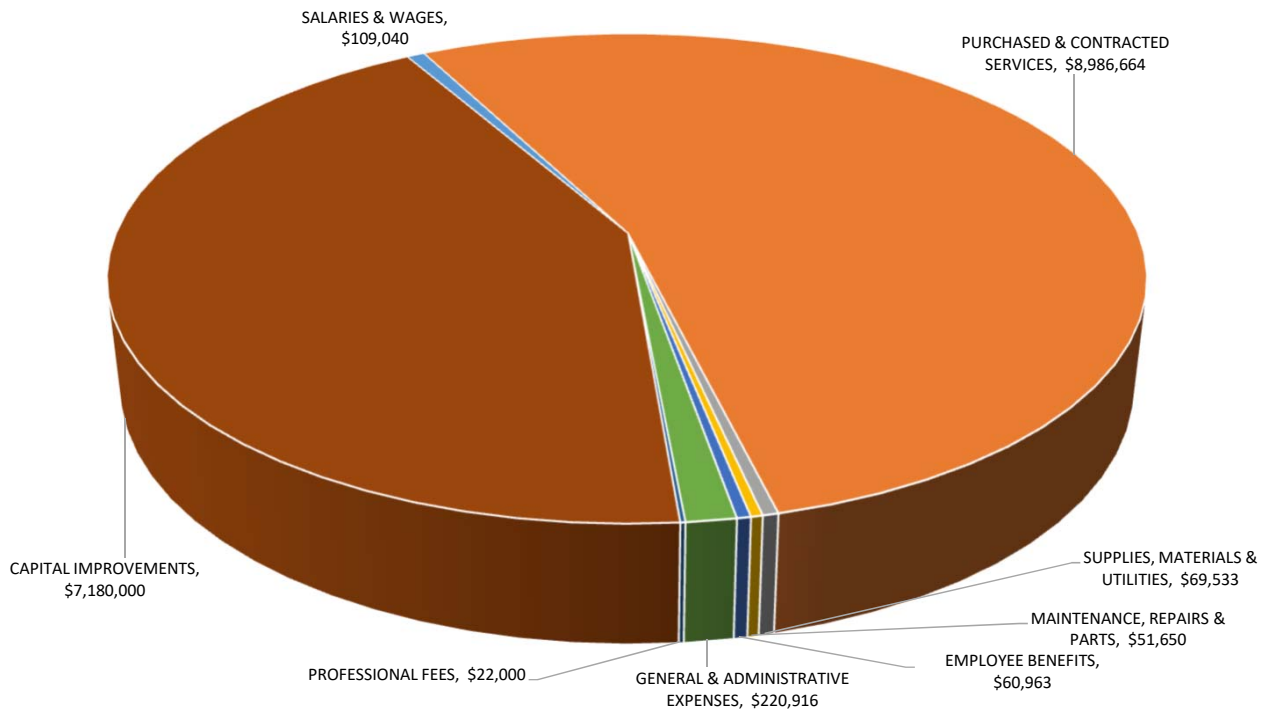
improvements and salaries & employee benefits associated with the support provided by G&A staff previously noted. Staffing for FY2018 includes 3.44 FTE's, allocated by time, to support the management and implementation of the Canal Operations for a total cost of \$370,977.

8. Professional Fees- Include expenses such as attorneys, engineers, etc., for a total of \$750,000. Legal Fee are projected to be \$400,000. Engineering fees are projected to be \$350,000 for non-capital related engineering and other professional services to support the Canal Operations.
9. Capital Improvements – Costs totaling \$4,000,000. Major projects include:
 - Lateral 10 Land Purchase (\$403,000),
 - River Bank Rehabilitation (\$375,000)
 - Purchase Bull Dozer (\$275,000) and Excavator (\$260,000)
 - Cullinan Park Clearing (\$200,000) and
 - SCADA Improvements (\$200,000).
10. Cash Used-Utilized \$793,000 from FY2017 carryforward of cash funds.

TEXAS CITY OPERATIONS
RESERVOIR
(25)

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET
TEXAS CITY RESERVOIR OPERATIONS (25)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ -	\$ -	\$ -	\$ 11,385,291	\$ 11,731,721
OTHER REVENUES	-	-	-	51,260	73,975
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 11,436,551	\$ 11,805,696
SALARIES & WAGES	\$ -	\$ -	\$ -	\$ 109,040	\$ 113,401
PURCHASED & CONTRACTED SERVICES	-	-	-	8,986,664	9,162,011
SUPPLIES, MATERIALS & UTILITIES	-	-	-	69,533	71,058
MAINTENANCE, REPAIRS & PARTS	-	-	-	51,650	51,650
EMPLOYEE BENEFITS	-	-	-	60,963	67,670
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	220,916	220,641
PROFESSIONAL FEES	-	-	-	22,000	2,000
TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ 9,520,766	\$ 9,688,431
NET REVENUES OVER EXPENSES	\$ -	\$ -	\$ -	\$ 1,915,786	\$ 2,117,265
LESS: NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	-	-	-	7,180,000	797,000
LESS: OTHER USES	-	-	-	1,247,100	1,246,290
ADD: OTHER SOURCES	-	-	-	6,355,000	-
NET CASH BASIS SOURCES (USES)	\$ -	\$ -	\$ -	\$ (156,314)	\$ 73,975



GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

TEXAS CITY RESERVOIR OPERATIONS (25)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES					
METERED WATER SALES	\$ -	\$ -	\$ -	10,345,766	\$ 10,485,431
BOND PAYMENT REVENUE	-	-	-	1,039,526	1,246,290
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	11,385,291	\$ 11,731,721
OTHER REVENUES					
OTHER INCOME	\$ -	\$ -	\$ -	2,000	\$ 2,000
INTEREST INCOME-GENERAL FUND	-	-	-	28,012	71,975
INTEREST INCOME-GENERAL SWEEP	-	-	-	-	-
INTEREST INCOME DEBT SERVICE	-	-	-	4,976	-
INTEREST INCOME PROJECT FUND	-	-	-	16,273	-
TOTAL OTHER REVENUES	\$ -	\$ -	\$ -	51,260	\$ 73,975
SALARIES & WAGES					
OPERATIONS - LABOR	\$ -	\$ -	\$ -	54,912	\$ 57,108
MAINTENANCE - LABOR	-	-	-	9,216	9,585
OFFICE MANAGEMENT - LABOR	-	-	-	44,912	46,708
SALARIES & WAGES	-	-	-	109,040	113,401
PURCHASED & CONTRACTED SERVICES					
CONTRACT WATER COST	\$ -	\$ -	\$ -	8,943,664	\$ 9,119,011
SERVICE AGREEMENTS	-	-	-	3,000	3,000
CONTRACT SERVICE OPERATIONS	-	-	-	40,000	40,000
PURCHASED & CONTRACTED SERVICES	-	-	-	8,986,664	9,162,011
SUPPLIES, MATERIALS & UTILITIES					
POWER - ELECTRIC	\$ -	\$ -	\$ -	5,000	\$ 5,000
MISCELLANEOUS CHEMICALS	-	-	-	3,000	3,000
SUPPLIES OPERATIONS	-	-	-	1,000	1,000
RIGHT OF WAY EASEMENT	-	-	-	-	-
DATA PROCESSING	-	-	-	34,350	35,037
RECORDS MANAGEMENT	-	-	-	2,709	2,763
MANAGEMENT EXPENSE	-	-	-	400	400
INSURANCE EXPENSE	-	-	-	15,674	16,458
JANITORIAL - SUPPLIES	-	-	-	200	200
STATIONERY & OFFICE SUPPLIES	-	-	-	200	200
TELEPHONE	-	-	-	-	-
DUES/SUBSCRIPTIONS	-	-	-	500	500
TRAINING	-	-	-	3,000	3,000
SAFETY EQUIPMENT	-	-	-	3,500	3,500
SUPPLIES, MATERIALS & UTILITIES	-	-	-	69,533	71,058
MAINTENANCE, REPAIRS & PARTS					
SHOP SUPPLIES	\$ -	\$ -	\$ -	400	\$ 400
RESERVOIRS & CANALS	-	-	-	25,000	25,000
BUILDING - PUMP STATION	-	-	-	2,000	2,000
VEHICLES - REPAIRS & MAINT	-	-	-	4,000	4,000
EQUIPMENT - LIGHT	-	-	-	1,000	1,000
GROUNDS - MAINTENANCE	-	-	-	1,500	1,500
MECHANICAL	-	-	-	1,000	1,000
ELECTRICAL	-	-	-	1,000	1,000
PIPING (PUMP STATION)	-	-	-	-	-
PIPING (DISTRIBUTION)	-	-	-	-	-
INSTRUMENTATION	-	-	-	2,000	2,000
PAINT & INSULATION	-	-	-	250	250
RADIO/COMMUNICATIONS	-	-	-	4,800	4,800

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

TEXAS CITY RESERVOIR OPERATIONS (25)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
MAINTENANCE - TOOLS	-	-	-	4,000	4,000
RENTAL - EQUIPMENT	-	-	-	2,500	2,500
OFFICE EQUIPMENT	-	-	-	200	200
FUEL & OIL EXPENSE	-	-	-	2,000	2,000
MAINTENANCE, REPAIRS & PARTS	-	-	-	51,650	51,650
EMPLOYEE BENEFITS					
PAYROLL TAXES FICA	\$ -	\$ -	\$ -	8,342	8,675
EMPLOYEE BENEFITS - HEALTH INS	-	-	-	34,263	39,402
EMPLOYEE BENEFITS DENTAL	-	-	-	1,305	1,501
EMPLOYEE BENEFITS VISION	-	-	-	324	373
EMPLOYEE BENEFITS - LIFE INS	-	-	-	1,166	1,341
EMPLOYEE BENEFITS - TC&DRS	-	-	-	9,454	9,832
EMPLOYEE BENEFITS-401(K)	-	-	-	4,362	4,536
WORKERS COMPENSATION INSURANCE	-	-	-	1,747	2,009
EMPLOYEE BENEFITS	-	-	-	60,963	67,670
GENERAL & ADMINISTRATIVE EXPENSES					
ADMIN EXPENSES	\$ -	\$ -	\$ -	220,916	220,641
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	220,916	220,641
PROFESSIONAL FEES					
ENGINEERING	\$ -	\$ -	\$ -	20,000	-
LEGAL EXPENSE	-	-	-	2,000	2,000
AUDITING EXPENSE (OUTSIDE)	-	-	-	-	-
PROFESSIONAL FEES	-	-	-	22,000	2,000
NON-OPERATING EXPENSES					
DEPRECIATION	\$ -	\$ -	\$ -	-	-
TOTAL NON-OPERATING EXPENSES	-	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL	\$ -	\$ -	\$ -	7,180,000	797,000
TOTAL CAPITAL IMPROVEMENTS	-	-	-	7,180,000	797,000
OTHER USES					
BOND PAYMENT	\$ -	\$ -	\$ -	1,247,100	1,246,290
TOTAL OTHER USES	-	-	-	1,247,100	1,246,290
TOTAL EXPENSES	\$ -	\$ -	\$ -	17,947,866	11,731,721
OTHER SOURCES					
CASH APPLIED	\$ -	\$ -	\$ -	25,000	-
BOND PROCEEDS	-	-	-	6,330,000	-
TOTAL OTHER SOURCES	\$ -	\$ -	\$ -	6,355,000	-
NET CASH BASIS SOURCES (USES)	\$ -	\$ -	\$ -	(156,314)	73,975

FY2018 Budget Notes –Texas City Reservoir Operations (TCR)

1. Operating and Bond Payment Revenues – Metered Water Sales for TCR totals \$10,345,766 and Bond Payment Revenue totals \$1,039,526. Revenues are based on fees collected from Industrial participants for the following:
 - Texas City Industrial Operations is contracted for 60.062 MGD with a revenue total of \$6,290,068;
 - Water Treatment Plant is contracted for 49.700 MGD with a revenue total of \$4,990,497;
 - Ashland is contracted for 1.000 MGD with a revenue total of \$104,726.
2. Salaries & Wages – Staffing for FY2018 includes 1.48 Full Time Equivalents (FTEs) as follows:
 - TCR Operations Staff – utilize 1.48 FTEs (Operations, Maintenance & Office Management) at a total cost of \$109,040.
3. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$8,986,664. Included in the total is \$8,943,664 for expenses related to contract water cost purchases from the Canal A & B System. Additionally, \$40,000 for expenses related to contract mowing and mechanical services.
4. Supplies, Materials & Utilities – Includes expenses for supplies for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$69,533. Additionally, \$34,350 for expenses for data processing with the majority of this expense related to the asset management software.
5. Maintenance, Repairs & Parts – Includes expenses for routine maintenance, building and grounds maintenance, and security monitoring, totaling \$51,650. Included in the total is \$51,650 for expenses related to Reservoirs and Canals maintenance of \$25,000.
6. Employee Benefits – Includes \$60,963 for payroll taxes, group health insurance, TCDRS retirement, 401(k) retirement savings, and Worker's Compensation expenses for the staff previously identified.
7. General & Administration Expenses – Includes \$220,916 for expenses incurred by General & Administration (G&A) staff to support the TCR Operations. These costs include such operational expense items as professional fees, purchased & contracted services, supplies, materials, utilities, maintenance repairs & parts, capital improvements and salaries & employee benefits associated with the support provided by G&A staff previously noted. Staffing for FY2018 includes 0.9675 FTEs to support the management and implementation of the TCR Operations for a total cost of \$104,337.

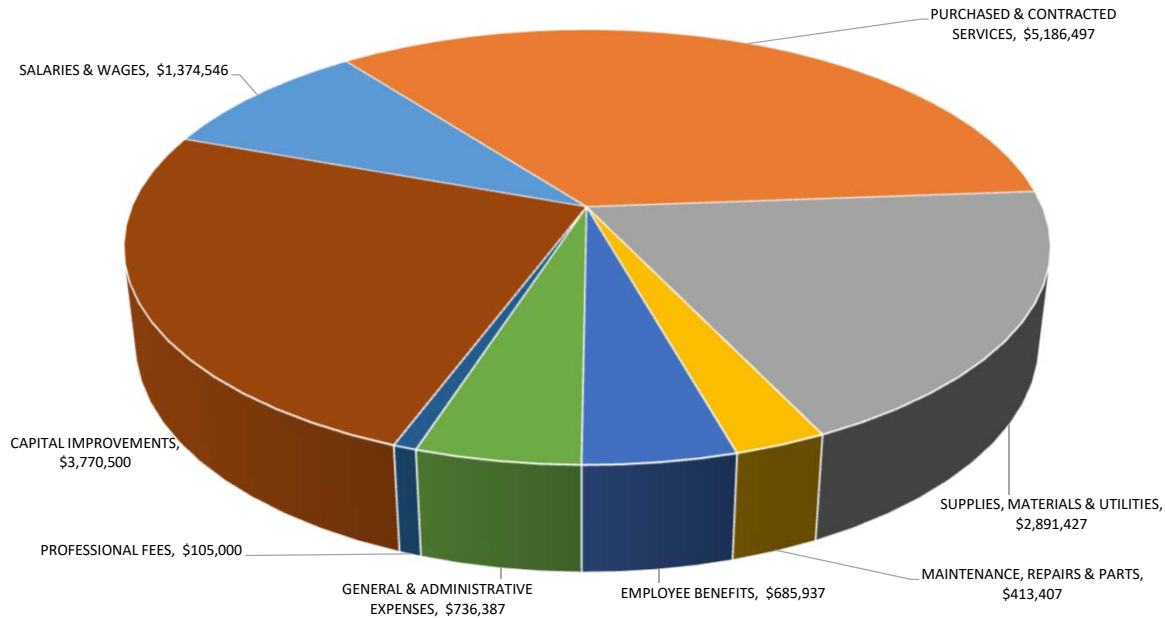
8. Professional Fees – Professional Fees for FY2018 total \$22,000, including the following highlighted expenses:
 - Legal Services - \$2,000;
 - Engineering - \$20,000 for non-capital related engineering and other professional services to support the Industrial Operations.
9. Capital Improvements – Costs totaling \$7,180,000. Major projects include:
 - Drainage Improvements East Levee (\$550,000),
 - Reservoir Intake & Discharge Pipe and Gate Improvements (\$6,330,000- anticipated capital expenditure for year 2 of this project) and
 - Canal Levee Improvements (\$200,000) and
10. Bond Principal – Payment of \$1,247,100 for the Reservoir Intake & Discharge Pipe and Gate Improvements (\$11,555,000).
11. Cash Used-Utilized \$230,000 from FY2017 and \$6,330,000 in bond proceeds from sale of the Texas City Industrial Reservoir and Raw Water Conveyance, Series 2016A&B Bond.

WATER TREATMENT
PLANT OPERATIONS
(06)

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

WATER TREATMENT PLANT OPERATIONS (06)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ 13,862,596	\$ 14,598,327	\$ 14,889,159	\$ 15,163,701	\$ 16,543,115
OTHER REVENUES	(1,486,343)	41,727	40,929	53,112	40,929
TOTAL REVENUES	\$ 12,376,254	\$ 14,640,054	\$ 14,930,089	\$ 15,216,813	\$ 16,584,044
SALARIES & WAGES	\$ 1,327,017	\$ 1,308,736	\$ 1,474,315	\$ 1,374,546	\$ 1,422,655
PURCHASED & CONTRACTED SERVICES	5,066,037	4,879,268	4,923,000	5,186,497	5,449,599
SUPPLIES, MATERIALS & UTILITIES	2,468,057	2,795,168	2,771,273	2,891,427	2,966,682
MAINTENANCE, REPAIRS & PARTS	292,941	320,948	348,000	413,407	429,000
EMPLOYEE BENEFITS	615,855	726,727	804,599	685,937	756,707
GENERAL & ADMINISTRATIVE EXPENSES	569,298	625,758	782,541	736,387	735,471
PROFESSIONAL FEES	32,842	58,253	85,000	105,000	105,000
TOTAL EXPENSES	\$ 10,372,047	\$ 10,714,856	\$ 11,188,727	\$ 11,393,201	\$ 11,865,114
NET REVENUES OVER EXPENSES	\$ 2,004,206	\$ 3,925,198	\$ 3,741,361	\$ 3,823,612	\$ 4,718,930
LESS: NON-OPERATING EXPENSES	\$ 1,571,486	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	3,381,819	3,471,000	4,771,000	3,770,500	4,678,000
LESS: OTHER USES	-	-	290,832	-	-
ADD: OTHER SOURCES	-	-	1,361,400	-	-
NET CASH BASIS SOURCES (USES)	\$ (2,949,099)	\$ 454,198	\$ 40,929	\$ 53,112	\$ 40,929



GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

WATER TREATMENT PLANT OPERATIONS (06)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES					
METERED WATER SALES	\$ 13,862,596	\$ 14,598,327	\$ 14,889,159	15,163,701	16,543,115
TOTAL OPERATING REVENUES	\$ 13,862,596	\$ 14,598,327	\$ 14,889,159	\$ 15,163,701	\$ 16,543,115
OTHER REVENUES					
OTHER INCOME	\$ (1,507,389)	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
INTEREST INCOME-GENERAL FUND	19,938	39,929	39,929	52,112	39,929
INTEREST INCOME-GENERAL SWEEP	1,109	798	-	-	-
TOTAL OTHER REVENUES	\$ (1,486,343)	\$ 41,727	\$ 40,929	\$ 53,112	\$ 40,929
SALARIES & WAGES					
OPERATIONS - LABOR	\$ 636,764	\$ 698,720	\$ 735,237	\$ 749,015	\$ 775,230
MAINTENANCE - LABOR	423,505	285,849	340,403	277,835	287,560
OFFICE MANAGEMENT - LABOR	266,748	324,166	398,675	347,696	359,865
SALARIES & WAGES	1,327,017	1,308,736	1,474,315	1,374,546	1,422,655
PURCHASED & CONTRACTED SERVICES					
CONTRACT WATER COST	\$ 4,927,550	\$ 4,726,995	\$ 4,727,000	\$ 4,990,497	\$ 5,253,599
SERVICE AGREEMENTS	22,273	21,874	25,000	25,000	25,000
CONTRACT SERVICE OPERATIONS	29,967	53,536	75,000	75,000	75,000
CONTRACT BACK-UP POWER	86,246	76,863	96,000	96,000	96,000
PURCHASED & CONTRACTED SERVICES	5,066,037	4,879,268	4,923,000	5,186,497	5,449,599
SUPPLIES, MATERIALS & UTILITIES					
POWER - ELECTRIC	\$ 775,449	\$ 742,894	\$ 803,780	\$ 800,000	\$ 810,000
PHOSPHATE	93,120	112,865	120,000	106,000	110,000
CHLORINE	84,534	131,558	110,000	143,000	145,000
CATIONIC POLYMER	260,992	254,590	325,000	280,000	285,000
POWDERED ACTIVATED CARBON	116,172	224,532	90,000	285,000	293,000
GRANULAR ACTIVATED CARBON	49,033	234,010	160,000	40,000	60,000
FLUORIDE	43,642	20,323	60,000	50,000	50,000
AMMONIA	97,465	83,081	120,000	125,000	130,000
MISCELLANEOUS CHEMICALS	1,226	-	3,500	5,000	5,000
COPPER SULFATE	259,663	242,550	190,000	250,000	257,500
FERRIC SULFATE	108,588	170,423	160,000	230,000	235,000
SODIUM CHLORITE	121,710	186,370	180,000	189,000	198,500
SUPPLIES OPERATIONS	12,039	8,033	10,000	12,000	12,000
LAB SUPPLIES	63,596	56,125	85,000	85,000	85,000
LABORATORY GASES	6,838	6,369	6,500	7,000	7,000
RIGHT OF WAY EASEMENTS	755	-	1,055	1,055	1,055
SEDIMENT	166,890	68,564	50,000	20,000	20,000
PUBLIC COMMUNICATIONS	-	-	-	-	-
DATA PROCESSING	29,764	109,102	108,085	73,096	74,558
RECORDS MANAGEMENT	5,989	9,532	10,404	9,030	9,211
MANAGEMENT EXPENSE	19,127	4,681	14,000	14,000	14,000
CONTRIBUTIONS/DONATIONS	27,982	28,000	28,000	28,000	28,000
INSURANCE EXPENSE	48,757	46,765	56,849	52,246	54,859
JANITORIAL - SUPPLIES	2,463	6,012	6,000	6,200	6,200
STATIONERY & OFFICE SUPPLIES	12,792	3,017	8,000	6,000	6,000
TELEPHONE	6,495	6,585	6,000	7,000	7,000
DUES/SUBSCRIPTIONS	1,813	1,010	2,500	2,500	2,500
TCEQ PERMITS	639	250	100	3,700	3,700
TRAINING	30,977	19,165	35,000	40,000	35,000

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

WATER TREATMENT PLANT OPERATIONS (06)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
SAFETY EQUIPMENT	17,084	17,228	20,000	20,000	20,000
HEAT, LIGHT & WATER	2,462	1,537	1,500	1,600	1,600
SUPPLIES, MATERIALS & UTILITIES	2,468,057	2,795,168	2,771,273	2,891,427	2,966,682
MAINTENANCE, REPAIRS & PARTS					
SHOP SUPPLIES	\$ 2,470	\$ 5,276	\$ 5,000	\$ 6,000	\$ 6,000
RESERVOIRS & CANALS	325	-	-	-	-
BUILDINGS - MAINTENANCE	12,804	26,438	30,000	15,000	20,000
VEHICLES - REPAIRS & MAINT	6,817	4,060	10,000	25,000	25,000
EQUIPMENT - LIGHT - REPAIRS &	5,783	19,149	5,000	5,000	5,000
GROUND - MAINTENANCE	2,974	14,638	10,000	20,000	20,000
MECHANICAL	67,638	94,143	110,000	100,000	105,000
ELECTRICAL	35,569	44,488	50,000	50,000	50,000
PIPE - MAINTENANCE	4,523	7,541	6,000	6,000	6,000
PIPING (DISTRIBUTION)	17,318	-	-	-	-
INSTRUMENTATION	83,875	47,328	55,000	55,000	60,000
INSTRUMENTS	-	-	-	20,000	20,000
PAINT & INSULATION	1,052	4,000	10,000	10,000	10,000
ROAD REPAIRS	-	3,000	10,000	10,000	10,000
RADIO/COMMUNICATIONS	13,240	11,991	12,000	15,407	16,000
MAINT - TOOLS	15,411	21,642	16,000	20,000	20,000
RENTAL - EQUIPMENT	-	-	-	35,000	35,000
OFFICE EQUIPMENT	-	-	1,000	1,000	1,000
FUEL & OIL EXPENSE	23,144	17,253	18,000	20,000	20,000
MAINTENANCE, REPAIRS & PARTS	292,941	320,948	348,000	413,407	429,000
EMPLOYEE BENEFITS					
PAYROLL TAXES	\$ -	\$ 97,969	\$ 112,785	\$ 105,153	\$ 108,833
EMPLOYEE BENEFITS - HEALTH INS	362,676	411,007	437,749	345,295	397,089
EMPLOYEE BENEFITS DENTAL	11,771	11,215	14,273	16,428	18,892
EMPLOYEE BENEFITS VISION	2,105	2,418	4,259	3,088	3,551
EMPLOYEE BENEFITS - LIFE INS	14,504	13,257	15,583	14,491	16,665
EMPLOYEE BENEFITS - TC&DRS	139,726	115,274	127,823	119,173	123,344
EMPLOYEE BENEFITS-401(K)	54,674	41,313	58,973	54,982	56,906
WORKERS COMPENSATION INSURANCE	30,399	34,273	33,154	27,327	31,426
EMPLOYEE BENEFITS	615,855	726,727	804,599	685,937	756,707
GENERAL & ADMINISTRATIVE EXPENSES					
ADMIN EXPENSES	\$ 569,298	\$ 625,758	\$ 782,541	\$ 736,387	\$ 735,471
GENERAL & ADMINISTRATIVE EXPENSES	569,298	625,758	782,541	736,387	735,471
PROFESSIONAL FEES					
ENGINEERING	\$ 26,840	\$ 55,910	\$ 80,000	\$ 100,000	\$ 100,000
LEGAL EXPENSE	6,002	2,343	5,000	5,000	5,000
AUDITING EXPENSE (OUTSIDE)	-	-	-	-	-
PROFESSIONAL FEES	32,842	58,253	85,000	105,000	105,000
NON-OPERATING EXPENSES					
DEPRECIATION	\$ 1,571,486	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	1,571,486	-	-	-	-

GULF COAST WATER AUTHORITY

FISCAL YEAR 2017 - 2018 BUDGET

WATER TREATMENT PLANT OPERATIONS (06)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
CAPITAL IMPROVEMENTS					
CAPITAL	\$ 3,381,819	\$ 3,471,000	\$ 4,771,000	\$3,770,500	\$4,678,000
ADMIN-CAPITAL	-	-	-		
TOTAL CAPITAL IMPROVEMENTS	3,381,819	3,471,000	4,771,000	3,770,500	4,678,000
OTHER USES					
CURRENT REVENUE BONDS	\$ -	\$ -	\$ 290,832	-	-
TOTAL OTHER USES	-	-	290,832	-	-
TOTAL EXPENSES	15,325,353	14,185,856	16,250,559	15,163,701	16,543,115
OTHER SOURCES					
CASH APPLIED	\$ -	\$ -	\$ 61,400	\$ -	\$ -
BOND PROCEEDS	-	-	1,300,000	-	-
TOTAL OTHER SOURCES	-	-	1,361,400	-	-
NET CASH BASIS SOURCES (USES)	<u>(2,949,099)</u>	<u>454,198</u>	<u>40,929</u>	<u>53,112</u>	<u>40,929</u>

FY2018 Budget Notes – Thomas S. Mackey Water Treatment Plant

1. Operating Revenues - Operating Revenues for the Water Treatment Plant (WTP) are projected to be \$15,163,701 based on fees collected from WTP participants for the following:
 - Mainland Customer Group – Based on water use, the estimated revenue is \$7,237,797. Estimated revenue by customer is as follows:
 - Texas City (\$3,257,726)
 - La Marque (\$857,245)
 - WCID #1 (\$1,063,142)
 - Bacliff (\$328,639)
 - Bayview (\$93,421)
 - WCID #12 (\$332,408)
 - San Leon (\$439,781)
 - League City (\$865,535)
 - South Project Customer Group – Based on water use, the estimated revenue is \$7,925,804. Estimated revenue by customer is as follows:
 - Galveston (\$6,645,727)
 - Hitchcock (\$431,250)
 - WCID #8 (\$290,976)
 - MUD #12 (\$131,460)
 - La Marque (\$136,406)
 - FWSD #6 (\$107,254)
 - Texas City (\$52,883)
 - WCID #1 (\$129,847)
2. Salaries & Wages – Staff salaries for FY2018 includes 20.14 Full Time Equivalents (FTEs) as follows:
 - WTP Operations Staff – utilizes 20.14 FTEs for a total cost of \$1,374,546, which is a 0.52 FTE decrease from FY2017 due to the reallocation of personnel as well as the addition of one (1) Instrumentation and Control Technician II.
3. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$5,186,497. Included in the total is \$4,990,497 for expenses related to contract water cost purchases from the Texas City Reservoir Operations. Additionally, \$75,000 for expenses related to contract mowing and mechanical services and \$96,000 for contract back-up power.
4. Supplies, Materials & Utilities – Includes expenses for supplies for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$2,891,427. The single largest expense is power costs in the amount of \$800,000. Data Processing of \$73,096 for pro-rata share of data processing associated with the asset management software and other software needs. Other large expenses are associated with the various chemicals needed to treat the water for consumption, which range in cost from \$5,000 to \$285,000 annually.

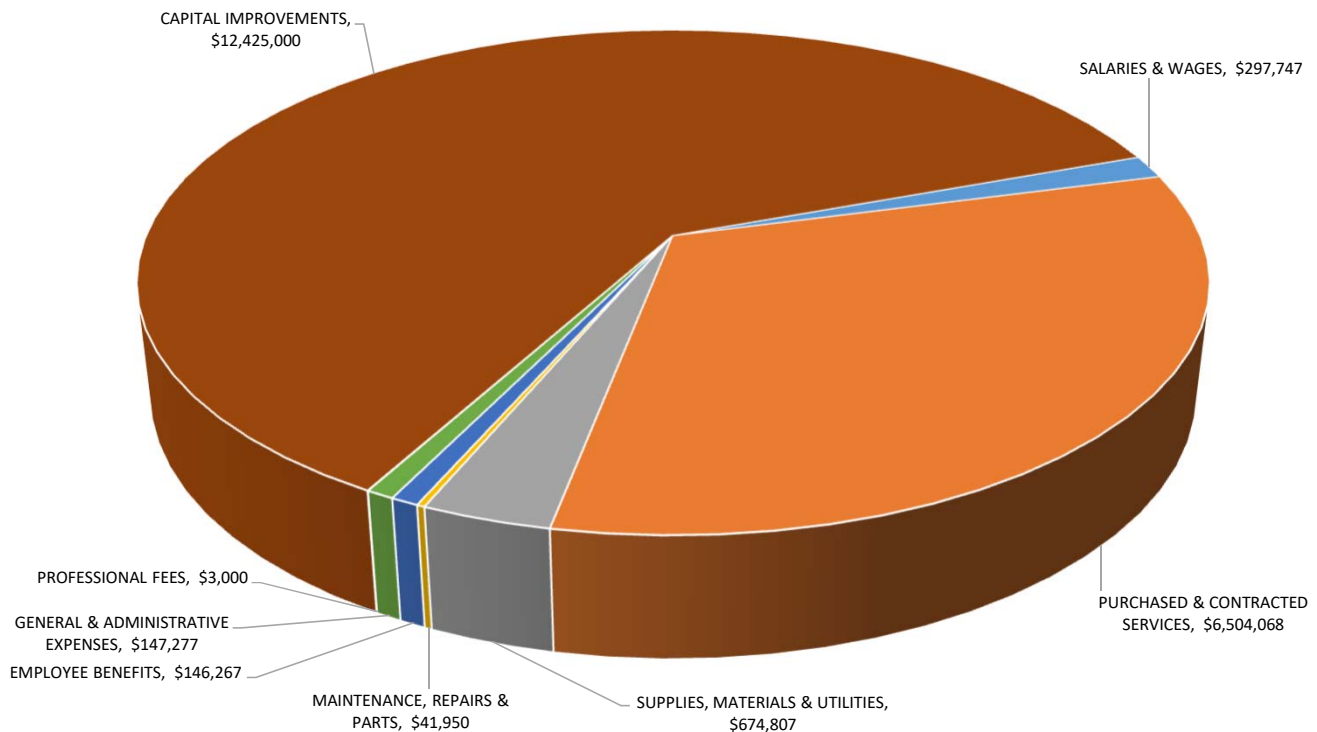
5. Maintenance, Repairs & Parts – Includes expenses for routine maintenance, building and grounds maintenance, and security monitoring, totaling \$413,407. Also included in the total is \$100,000 for mechanical repairs, \$55,000 for instrumentation and \$20,000 for instruments.
6. Employee Benefits – Includes expenses for payroll taxes, group health insurance, TCDRS retirement, 401(k) retirement savings, and Worker's compensation insurance for the staff previously noted, totaling \$685,937.
7. General & Administration Expenses – Includes \$736,387 for expenses incurred by General & Administration (G&A) staff to support the WTP Operations. These costs include such operational expense items as professional fees, purchased & contracted services, supplies, materials, utilities, rentals, maintenance repairs & parts, capital improvements and salaries & employee benefits associated with the support provided by G&A staff previously noted. Staffing for FY2018 includes 3.225 FTEs to support the management and implementation of the WTP Operations for a total cost of \$347,791.
8. Professional Fees – Include expenses such as attorneys, engineers, etc., for a total of \$105,000. Legal Fee are projected to be \$5,000. Engineering fees are projected to be \$100,000 for non-capital related engineering and other professional services to support the WTP Operations.
9. Capital Improvements – Costs totaling \$3,770,500. Major projects include:
 - River Sediment Basin and Mono-Fill (\$1,200,000),
 - Distribution Pump Station (\$300,000),
 - Hydraulic Improvements (\$250,000),
 - Backwash Basin Stabilization (\$200,000) and
 - In-Plant PLC Replacements (\$200,000)

TEXAS CITY INDUSTRIAL
OPERATIONS SYSTEM
(26)

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

TEXAS CITY INDUSTRIAL OPERATIONS SYSTEM (26)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ -	\$ -	\$ -	\$ 11,112,900	\$ 11,024,225
OTHER REVENUES	-	-	-	113,961	75,000
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 11,226,861	\$ 11,099,225
SALARIES & WAGES	\$ -	\$ -	\$ -	\$ 297,747	\$ 309,657
PURCHASED & CONTRACTED SERVICES	-	-	-	6,504,068	6,586,031
SUPPLIES, MATERIALS & UTILITIES	-	-	-	674,807	675,456
MAINTENANCE, REPAIRS & PARTS	-	-	-	41,950	41,950
EMPLOYEE BENEFITS	-	-	-	146,267	161,552
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	147,277	147,094
PROFESSIONAL FEES	-	-	-	3,000	3,000
TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ 7,815,117	\$ 7,924,741
NET REVENUES OVER EXPENSES	\$ -	\$ -	\$ -	\$ 3,411,744	\$ 3,174,484
LESS: NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	-	-	-	12,425,000	7,960,000
LESS: OTHER USES	-	-	-	1,157,517	1,170,469
ADD: OTHER SOURCES	-	-	-	10,205,000	6,000,000
NET CASH BASIS SOURCES (USES)	\$ -	\$ -	\$ -	\$ 34,226	\$ 44,015



GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

TEXAS CITY INDUSTRIAL OPERATING SYSTEM (26)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES					
METERED WATER SALES	\$ -	\$ -	\$ -	10,035,117	\$ 9,857,080
BOND PAYMENT REVENUE	-	-	-	1,077,783	1,167,146
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	11,112,900	\$ 11,024,225
OTHER REVENUES					
OTHER INCOME	\$ -	\$ -	\$ -	2,000	\$ 2,000
INTEREST INCOME-GENERAL FUND	-	-	-	72,030	73,000
INTEREST INCOME-GENERAL SWEEP	-	-	-	-	-
INTEREST INCOME DEBT SERVICE	-	-	-	2,489	2,500
INTEREST INCOME PROJECT FUND	-	-	-	37,442	38,000
TOTAL OTHER REVENUES	\$ -	\$ -	\$ -	113,961	\$ 75,000
SALARIES & WAGES					
OPERATIONS - LABOR	\$ -	\$ -	\$ -	41,255	\$ 42,905
MAINTENANCE - LABOR	-	-	-	109,470	113,849
OFFICE MANAGEMENT - LABOR	-	-	-	147,022	152,903
SALARIES & WAGES	-	-	-	297,747	309,657
PURCHASED & CONTRACTED SERVICES					
CONTRACT WATER COST	\$ -	\$ -	\$ -	6,290,068	\$ 6,372,031
SERVICE AGREEMENTS	-	-	-	2,000	2,000
CONTRACT SERVICE OPERATIONS	-	-	-	20,000	20,000
CONTRACT BACK-UP POWER	-	-	-	192,000	192,000
PURCHASED & CONTRACTED SERVICES	-	-	-	6,504,068	6,586,031
SUPPLIES, MATERIALS & UTILITIES					
POWER - ELECTRIC	\$ -	\$ -	\$ -	650,000	\$ 650,000
MISCELLANEOUS CHEMICALS	-	-	-	2,000	2,000
SUPPLIES OPERATIONS	-	-	-	1,000	1,000
RIGHT OF WAY EASEMENT	-	-	-	3,000	3,000
DATA PROCESSING	-	-	-	4,551	4,642
RECORDS MANAGEMENT	-	-	-	1,806	1,842
MANAGEMENT EXPENSE	-	-	-	-	-
INSURANCE EXPENSE	-	-	-	10,449	10,972
JANITORIAL - SUPPLIES	-	-	-	-	-
STATIONERY & OFFICE SUPPLIES	-	-	-	-	-
TELEPHONE	-	-	-	-	-
DUES/SUBSCRIPTIONS	-	-	-	-	-
TRAINING	-	-	-	2,000	2,000
SAFETY EQUIPMENT	-	-	-	-	-
SUPPLIES, MATERIALS & UTILITIES	-	-	-	674,807	675,456
MAINTENANCE, REPAIRS & PARTS					
SHOP SUPPLIES	\$ -	\$ -	\$ -	200	\$ 200
RESERVOIRS & CANALS	-	-	-	5,000	5,000
BUILDING - PUMP STATION	-	-	-	1,000	1,000
VEHICLES - REPAIRS & MAINT	-	-	-	-	-
EQUIPMENT - LIGHT	-	-	-	-	-
GROUNDS - MAINTENANCE	-	-	-	500	500
MECHANICAL	-	-	-	5,000	5,000
ELECTRICAL	-	-	-	9,000	9,000
PIPING (PUMP STATION)	-	-	-	8,000	8,000
PIPING (DISTRIBUTION)	-	-	-	-	-
INSTRUMENTATION	-	-	-	8,000	8,000
PAINT & INSULATION	-	-	-	250	250
ROAD REPAIRS	-	-	-	2,500	2,500

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

TEXAS CITY INDUSTRIAL OPERATING SYSTEM (26)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
RADIO/COMMUNICATIONS	-	-	-	-	-
MAINTENANCE - TOOLS	-	-	-	-	-
RENTAL - EQUIPMENT	-	-	-	2,500	2,500
OFFICE EQUIPMENT	-	-	-	-	-
FUEL & OIL EXPENSE	-	-	-	-	-
MAINTENANCE, REPAIRS & PARTS	-	-	-	41,950	41,950
EMPLOYEE BENEFITS					
PAYROLL TAXES FICA	\$ -	\$ -	\$ -	\$ 22,778	\$ 23,689
EMPLOYEE BENEFITS - HEALTH INS	-	-	-	74,697	85,901
EMPLOYEE BENEFITS DENTAL	-	-	-	3,295	3,789
EMPLOYEE BENEFITS VISION	-	-	-	679	781
EMPLOYEE BENEFITS - LIFE INS	-	-	-	3,019	3,472
EMPLOYEE BENEFITS - TC&DRS	-	-	-	25,815	26,847
EMPLOYEE BENEFITS-401(K)	-	-	-	11,910	12,386
WORKERS COMPENSATION INSURANCE	-	-	-	4,075	4,687
EMPLOYEE BENEFITS	-	-	-	146,267	161,552
GENERAL & ADMINISTRATIVE EXPENSES					
ADMIN EXPENSES	\$ -	\$ -	\$ -	\$ 147,277	\$ 147,094
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	147,277	147,094
PROFESSIONAL FEES					
ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -
LEGAL EXPENSE	-	-	-	3,000	3,000
AUDITING EXPENSE (OUTSIDE)	-	-	-	-	-
PROFESSIONAL FEES	-	-	-	3,000	3,000
NON-OPERATING EXPENSES					
DEPRECIATION	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	-	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL	\$ -	\$ -	\$ -	\$ 12,425,000	\$ 7,960,000
TOTAL CAPITAL IMPROVEMENTS	-	-	-	12,425,000	7,960,000
OTHER USES					
PROPOSED BOND PAYMENT	\$ -	\$ -	\$ -	\$ 1,157,517	\$ 1,170,469
TOTAL OTHER USES	-	-	-	1,157,517	1,170,469
TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ 21,397,634	\$ 17,055,210
OTHER SOURCES					
CASH APPLIED	\$ -	\$ -	\$ -	\$ 205,000	\$ -
BOND PROCEEDS	-	-	-	10,000,000	6,000,000
TOTAL OTHER SOURCES	\$ -	\$ -	\$ -	\$ 10,205,000	\$ 6,000,000
NET CASH BASIS SOURCES (USES)	\$ -	\$ -	\$ -	\$ 34,226	\$ 44,015

FY2018 Budget Notes –Texas City Industrial Operations System (TCI)

1. Operating and Bond Payment Revenues - Metered Water Sales for TCI totals \$10,035,117 and Bond Payment Revenues total \$1,077,783. Revenues are based on fees collected from Industrial participants for the following:
 - GBR is contracted for 28.600 MGD with a revenue total of \$5,387,255;
 - Union Carbide is contracted for 12.391 MGD with a revenue total of \$2,285,073;
 - Eastman Chemical is contracted for 8.542 MGD with a revenue total of \$1,509,161;
 - Valero is contracted for 6.510 MGD with a revenue total of \$1,173,418;
 - Marathon Petroleum is contracted for 4.000 MGD with a revenue total of \$755,024 and
 - Texas City is contracted for 0.019 MGD with a revenue total of \$2,969.
2. Salaries & Wages – Staffing for FY2018 includes 3.25 Full Time Equivalents (FTEs) as follows:
 - Industrial Operations Staff – utilize 3.25 FTEs (Operations, Maintenance & Office Management) at a total cost of \$297,747.
3. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$6,504,068. Included in the total is \$6,290,068 for expenses related to contract water cost purchases from TCR Operations System. Additionally, \$192,000 for expenses related to contract back-up power and \$20,000 for contract mowing and mechanical services.
4. Supplies, Materials & Utilities – Includes expenses for supplies for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$674,807. Included in the total is \$650,000 for expenses for electricity.
5. Maintenance, Repairs & Parts – Includes expenses for routine maintenance, building and grounds maintenance, and security monitoring, totaling \$41,950.
6. Employee Benefits – Includes \$146,267 for payroll taxes, group health insurance, TCDRS retirement, 401(k) retirement savings, and Worker's Compensation expenses for the staff previously identified.
7. General & Administration Expenses – Includes \$147,277 for expenses incurred by General & Administration (G&A) staff to support the TCI Operations. These costs include such operational expense items as professional fees, purchased & contracted services, supplies, materials, utilities, maintenance repairs & parts, capital improvements and salaries & employee benefits associated with the support provided by G&A staff previously noted. Staffing for FY2018 includes 0.645 FTEs to support the management and implementation of the TCI Operations for a total cost of \$69,558.
8. Professional Fees – Professional Fees for FY2018 total \$3,000 all of which are for legal expenses.

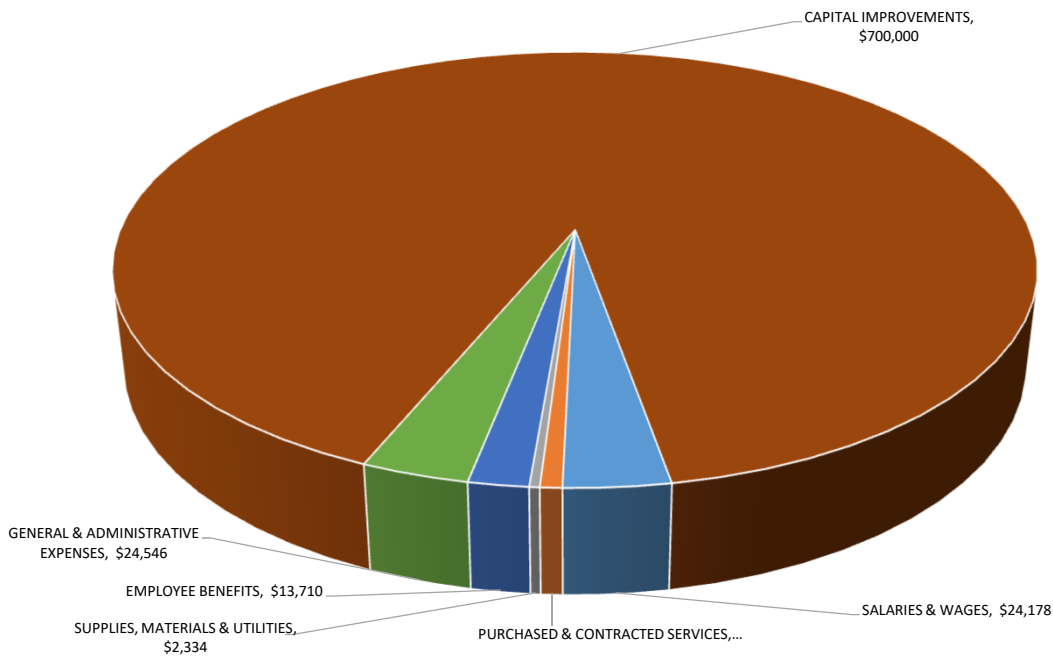
9. Capital Improvements – Costs totaling \$12,425,000. Major projects include:
- Industrial Pump Station (\$10,000,000-anticipated capital expenditure for year 2 of this project),
 - Rehabilitate and Replace 1951 18-inch Raw Water Line (\$800,000),
 - Evaluation and assessments of Raw Water Lines (\$200,000) and
 - Transmission System Valves, Piping and Cathodic Protection (\$1,000,000)
10. Bond Principal – Payment of \$1,156,491 for the Industrial Pump Station (\$18,000,000).
11. Cash Used-Utilized \$205,000 from FY2017 and \$10,000,000 in bond proceeds from sale of the Texas City Industrial Pump Station and Raw Water Conveyance, Series 2017 Bond.

1997 GALVESTON PROJECTS (12)

GULF COAST WATER AUTHORITY
FISCAL YEAR 2016 - 2017 BUDGET

1997 GALVESTON PROJECTS (12)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ 312,166	\$ 324,922	\$ 324,922	\$ 769,769	\$ 172,175
OTHER REVENUES	815,755	299,723	250,193	-	-
TOTAL REVENUES	\$ 1,127,921	\$ 624,645	\$ 575,115	\$ 769,769	\$ 172,175
SALARIES & WAGES	\$ 22,974	\$ 22,175	\$ 23,837	\$ 24,178	\$ 25,024
PURCHASED & CONTRACTED SERVICES	-	-	-	5,000	5,000
SUPPLIES, MATERIALS & UTILITIES	1,916	2,009	4,788	2,334	2,433
MAINTENANCE, REPAIRS & PARTS	123	-	3,500	-	-
EMPLOYEE BENEFITS	13,289	12,016	15,030	13,710	15,202
GENERAL & ADMINISTRATIVE EXPENSES	17,480	22,204	27,767	24,546	24,516
PROFESSIONAL FEES	-	-	-	-	-
TOTAL EXPENSES	\$ 55,781	\$ 58,404	\$ 74,922	\$ 69,769	\$ 72,175
NET REVENUES OVER EXPENSES	\$ 1,072,140	\$ 566,241	\$ 500,193	\$ 700,000	\$ 100,000
LESS: NON-OPERATING EXPENSES	\$ 959,723	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	42,371	250,000	250,000	700,000	100,000
LESS: OTHER USES	814,132	818,297	818,297	-	-
ADD: OTHER SOURCES	-	-	572,477	-	-
NET CASH BASIS SOURCES (USES)	\$ (744,087)	\$ (502,056)	\$ 4,373	\$ -	\$ -



GULF COAST WATER AUTHORITY
FISCAL YEAR 2016 - 2017 BUDGET

1997 GALVESTON PROJECTS (12)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES					
METERED WATER SALES	\$ 312,166	\$ 324,922	\$ 324,922	\$ 769,769	\$ 172,175
TOTAL OPERATING REVENUES	\$ 312,166	\$ 324,922	\$ 324,922	\$ 769,769	\$ 172,175
OTHER REVENUES					
BOND PAYMENT REVENUE	\$ 811,825	\$ 295,978	\$ 246,648	\$ -	\$ -
OTHER INCOME	-	-	-	-	-
INTEREST INCOME GENERAL FUND	219	766	-	-	-
INTEREST INCOME-SWEEP	-	-	-	-	-
INTEREST INCOME DEBT SERVICE	1,022	252	1,255	-	-
INTEREST INCOME RESERVE	2,689	2,727	2,290	-	-
TOTAL OTHER REVENUES	\$ 815,755	\$ 299,723	\$ 250,193	\$ -	\$ -
SALARIES & WAGES					
OPERATIONS	\$ 20,052	\$ 21,942	\$ 23,837	\$ 20,148	\$ 20,853
MAINTENANCE	-	-	-	775	802
OFFICE MANAGEMENT	2,923	233	-	3,255	3,369
SALARIES & WAGES	22,974	22,175	23,837	24,178	25,024
PURCHASED & CONTRACTED SERVICES					
SERVICE AGREEMENTS	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
PURCHASED & CONTRACTED SERVICES	-	-	-	5,000	5,000
SUPPLIES, MATERIALS & UTILITIES					
DATA PROCESSING	\$ 73	\$ 11	\$ 2,402	\$ 292	\$ 298
RECORDS MANAGEMENT	180	338	369	301	307
MANAGEMENT EXPENSE	1	-	-	-	-
CONTRIBUTIONS/DONATIONS	-	-	-	-	-
INSURANCE EXPENSE	1,626	1,659	2,017	1,742	1,829
JANITORIAL SERVICES & SUPPLIES	-	-	-	-	-
STATIONERY & OFFICE SUPPLIES	0	-	-	-	-
TRAINING	32	-	-	-	-
SAFETY EQUIPMENT	3	-	-	-	-
SUPPLIES, MATERIALS & UTILITIES	1,916	2,009	4,788	2,334	2,433
MAINTENANCE, REPAIRS & PARTS					
VEHICLES - REPAIRS & MAINT	\$ 8	\$ -	\$ -	\$ -	\$ -
PIPING (DISTRIBUTION)	-	-	3,000	-	-
INSTRUMENTS	-	-	500	-	-
RADIO/COMMUNICATIONS	114	-	-	-	-
MAINTENANCE, REPAIRS & PARTS	123	-	3,500	-	-
EMPLOYEE BENEFITS					
PAYROLL TAXES	\$ -	\$ 1,672	\$ 1,824	\$ 1,850	\$ 1,914
EMPLOYEE BENEFITS - HEALTH INS	8,058	6,374	8,850	7,568	8,703
EMPLOYEE BENEFITS DENTAL	259	195	262	325	374
EMPLOYEE BENEFITS VISION	54	49	96	72	83
EMPLOYEE BENEFITS - LIFE INS	313	240	257	266	306
EMPLOYEE BENEFITS - TC&DRS	2,820	1,983	2,067	2,096	2,170
EMPLOYEE BENEFITS-401(K)	1,160	758	953	967	1,001
WORKERS COMPENSATION INSURANCE	623	746	721	567	652
EMPLOYEE BENEFITS	13,289	12,016	15,030	13,710	15,202
GENERAL & ADMINISTRATIVE EXPENSES					

GULF COAST WATER AUTHORITY

FISCAL YEAR 2016 - 2017 BUDGET

1997 GALVESTON PROJECTS (12)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
ADMIN EXPENSES	\$ 17,480	\$ 22,204	\$ 27,767	\$ 24,546	24,516
GENERAL & ADMINISTRATIVE EXPENSES	17,480	22,204	27,767	24,546	24,516
PROFESSIONAL FEES					
ENGINEERING	\$ -	\$ -	\$ -	\$ -	-
LEGAL EXPENSE	-	-	-	-	-
AUDITING EXPENSE (OUTSIDE)	-	-	-	-	-
PROFESSIONAL FEES	-	-	-	-	-
NON-OPERATING EXPENSES					
DEPRECIATION	\$ 959,723	\$ -	\$ -	\$ -	-
TOTAL NON-OPERATING EXPENSES	959,723	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL	\$ 42,371	\$ 250,000	\$ 250,000	\$ 700,000	\$ 100,000
TOTAL CAPITAL IMPROVEMENTS	42,371	250,000	250,000	700,000	100,000
OTHER USES					
CURRENT REVENUE BONDS	\$ 755,000	\$ 795,000	\$ 795,000	\$ -	\$ -
INTEREST EXPENSE	56,052	19,047	19,047	-	-
BOND HANDLING FEE	1,830	4,250	4,250	-	-
BOND ISSUANCE EXPENSE	1,250	-	-	-	-
TOTAL OTHER USES	814,132	818,297	818,297	-	-
TOTAL EXPENSES	\$ 1,872,008	\$ 1,126,701	\$ 1,143,219	\$ 769,769	\$ 172,175
OTHER SOURCES					
CASH APPLIED	\$ -	\$ -	\$ 572,477	\$ -	\$ -
TOTAL OTHER SOURCES	-	-	572,477	-	-
NET CASH BASIS SOURCES (USES)	\$ (744,087)	\$ (502,056)	\$ 4,373	\$ -	\$ -

FY2018 Budget Notes-Galveston Projects

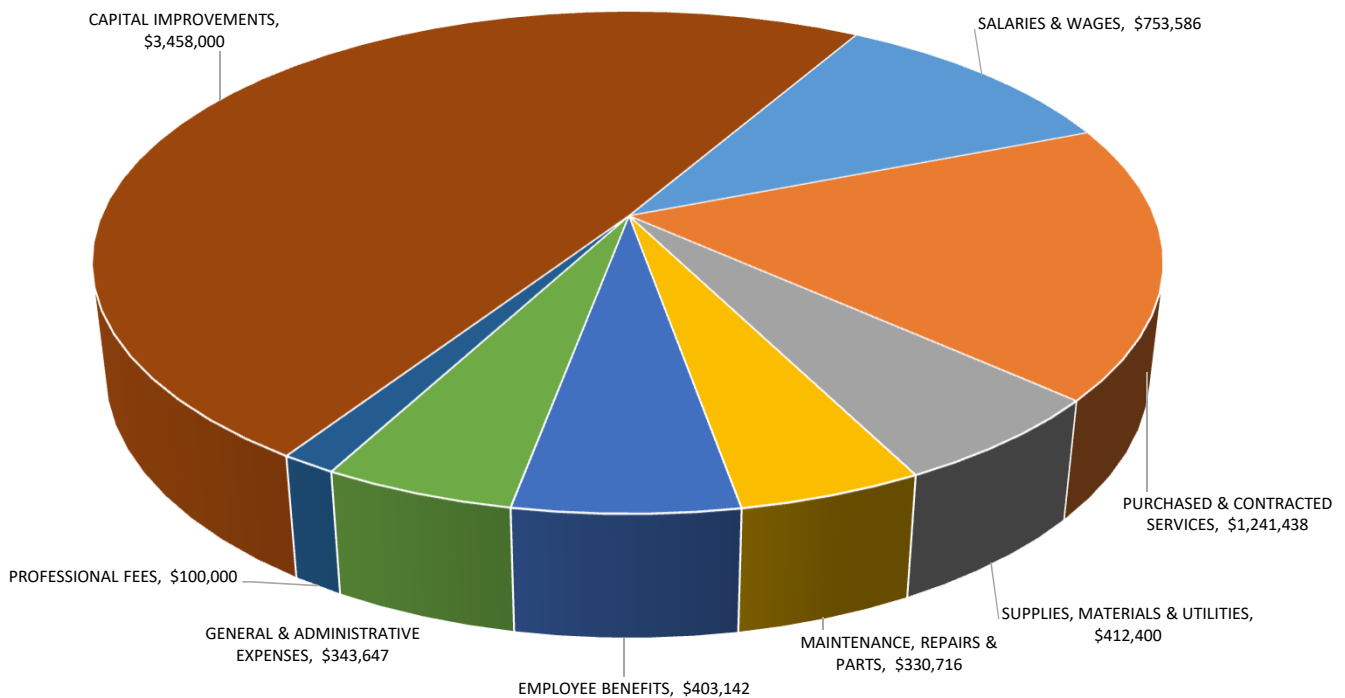
1. Operating Revenues – Operating Revenues for FY2018 for are projected to total \$769,769, based on fees collected from the City of Galveston.
2. Salaries & Wages – Staffing for FY2018 includes 0.39 Full Time Employees (FTE's) for a total cost of \$24,178.
3. Supplies, Materials & Utilities – Includes expenses for supplies for data processing, records management, insurance expense, training and safety equipment totaling \$2,334.
4. Employee Benefits – Includes expenses for payroll taxes, group health insurance, TCDRS retirement, 401(k) retirement savings, and Worker's compensation insurance for the staff previously noted, totaling \$13,710.
5. General & Administration Expenses – Includes \$24,546 for expenses incurred by General & Administration (G&A) staff to support the 1997 Galveston Projects Operations. These costs include such operational expense items as professional fees, purchased & contracted services, supplies, materials, utilities, rentals, maintenance repairs & parts, capital improvement and salaries & employee benefits associated with the support provided by G&A staff previously noted. Staffing for FY2018, includes 0.1075 FTE's, allocated by time, to support the management and implementation of the 1997 Galveston Projects Operations for a total cost of \$11,593.
6. Capital Improvements – Costs totaling \$700,000. Major projects include:
 - Replacement of Old Galveston Line (\$70,000) and
 - Virginia Point Pressure Reduction Station (\$630,000).

CHOCOLATE BAYOU
OPERATIONS
(21)

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

CHOCOLATE BAYOU OPERATIONS (21)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ 5,286,493	\$ 3,141,094	\$ 4,177,033	\$ 5,557,928	\$ 7,272,578
OTHER REVENUES	\$ 1,195,036	\$ 2,150,743	\$ 1,083,525	\$ 42,686	\$ 40,000
TOTAL REVENUES	\$ 6,481,529	\$ 5,291,836	\$ 5,260,558	\$ 5,600,614	\$ 7,312,578
SALARIES & WAGES	\$ 630,545	\$ 589,587	\$ 643,001	\$ 753,586	\$ 779,961
PURCHASED & CONTRACTED SERVICES	1,158,782	780,504	1,191,819	1,241,438	1,261,520
SUPPLIES, MATERIALS & UTILITIES	315,870	408,412	537,180	412,400	439,152
MAINTENANCE, REPAIRS & PARTS	260,320	360,171	186,200	330,716	338,800
EMPLOYEE BENEFITS	320,084	321,129	368,363	403,142	446,003
GENERAL & ADMINISTRATIVE EXPENSES	311,665	251,466	314,471	343,647	343,220
PROFESSIONAL FEES	19,532	20,165	100,000	100,000	100,000
TOTAL EXPENSES	\$ 3,016,797	\$ 2,731,434	\$ 3,341,033	\$ 3,584,928	\$ 3,708,656
NET REVENUES OVER EXPENSES	\$ 3,464,732	\$ 2,560,402	\$ 1,919,525	\$ 2,015,686	\$ 3,603,922
LESS: NON-OPERATING EXPENSES	\$ 4,378,333	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	1,040,423	1,431,500	1,521,000	3,458,000	6,087,000
LESS: OTHER USES	1,054,830	2,094,572	1,058,716	-	-
ADD: OTHER SOURCES	-	-	685,000	1,485,000	5,000,000
NET CASH BASIS SOURCES (USES)	\$ (3,008,854)	\$ (965,670)	\$ 24,809	\$ 42,686	\$ 2,516,921



GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

CHOCOLATE BAYOU OPERATIONS (21)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES					
METERED WATER SALES	\$ 2,902,206	\$ 3,141,094	\$ 3,121,833	\$ 3,091,901	\$ 4,795,657
IRRIGATION INCOME	2,384,287	-	1,055,201	2,466,027	2,476,921
TOTAL OPERATING REVENUES	\$ 5,286,493	\$ 3,141,094	\$ 4,177,033	\$ 5,557,928	\$ 7,272,578
OTHER REVENUES					
BOND PAYMENT REVENUE	\$ 1,047,504	\$ 2,111,889	\$ 1,054,144	\$ -	\$ -
OTHER INCOME	130,028	6,762	-	-	-
INTEREST INCOME-GENERAL	13,974	27,510	27,213	39,728	40,000
INTEREST INCOME AIM	1,093	2,344	-	-	-
INTEREST INCOME-DEBT SERVICE	1,118	25	29	-	-
INTEREST INCOME-CONSTRUCTION	1,319	2,214	2,139	2,958	-
TOTAL OTHER REVENUES	\$ 1,195,036	\$ 2,150,743	\$ 1,083,525	\$ 42,686	\$ 40,000
SALARIES & WAGES					
OPERATIONS	\$ 211,213	\$ 202,544	\$ 227,410	\$ 237,649	\$ 245,967
MAINTENANCE	259,982	232,902	247,628	307,905	318,682
OFFICE MANAGEMENT	159,350	154,141	167,963	208,031	215,312
SALARIES & WAGES	630,545	589,587	643,001	753,586	779,961
PURCHASED & CONTRACTED SERVICES					
CONTRACT WATER COST	\$ 965,818	\$ 723,332	\$ 1,048,019	\$ 1,074,938	\$ 1,095,020
SERVICE AGREEMENTS	995	1,392	800	1,500	1,500
CONTRACT SERVICE OPERATIONS	191,969	55,781	143,000	165,000	165,000
PURCHASED & CONTRACTED SERVICES	1,158,782	780,504	1,191,819	1,241,438	1,261,520
SUPPLIES, MATERIALS & UTILITIES					
POWER - ELECTRIC	\$ 179,883	\$ 215,000	\$ 336,013	\$ 225,000	\$ 250,000
POWER - NATURAL GAS	21,472	21,000	35,000	30,000	30,000
MISCELLANEOUS CHEMICALS	1,597	10,000	20,000	15,000	15,000
SUPPLIES OPERATIONS	1,019	608	1,000	1,000	1,000
RIGHT OF WAY EASEMENT	-	-	-	-	-
DATA PROCESSING	1,599	53,555	31,441	22,454	22,903
RECORDS MANAGEMENT	2,927	3,831	4,181	4,214	4,298
MANAGEMENT EXPENSE	3,154	1,598	2,500	3,000	3,000
INSURANCE EXPENSE	27,432	18,793	22,845	24,382	25,601
JANITORIAL SUPPLIES	-	100	100	100	100
STATIONERY & OFFICE SUPPLIES	6	12	100	250	250
TELEPHONE	-	-	-	-	-
TCEQ PERMITS	70,898	72,415	72,000	72,500	72,500
TRAINING	3,000	7,000	7,000	10,000	10,000
SAFETY EQUIPMENT	2,884	4,500	5,000	4,500	4,500
SUPPLIES, MATERIALS & UTILITIES	315,870	408,412	537,180	412,400	439,152
MAINTENANCE, REPAIRS & PARTS					
SHOP SUPPLIES	\$ 1,935	\$ 795	\$ 2,000	\$ 2,000	\$ 2,000
RESERVOIRS & CANALS	140,268	225,000	100,000	200,000	200,000
BUILDINGS - MAINT	1,001	3,500	3,500	3,500	3,500
VEHICLES - REPAIRS & MAINT	5,638	15,000	5,000	10,000	10,000
EQUIPMENT - HEAVY	-	-	-	3,000	3,500
EQUIPMENT - LIGHT	2,956	412	1,500	1,000	1,000
GROUNDS - MAINTENANCE	1,176	950	500	500	500
MECHANICAL	8,839	12,000	5,000	9,000	9,000
ELECTRICAL	7,390	9,732	10,000	10,000	10,000
PUMPING PLANTS -MOTORS&CONTROL	-	-	-	-	-
PIPING	37,029	37,000	15,000	20,000	20,000

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

CHOCOLATE BAYOU OPERATIONS (21)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
INSTRUMENTATION	2,721	78	2,500	2,500	2,500
METER MAINTENANCE	-	-	-	10,000	10,000
PAINT & INSULATION	888	800	200	800	800
MAINT - OFFICE BLDG & GROUNDS	-	-	1,000	1,000	1,000
RADIO/COMMUNICATIONS	7,324	7,500	3,000	15,416	18,000
MAINT - TOOLS	1,845	2,000	2,000	2,000	2,000
RENTAL EQUIPMENT	-	-	-	-	-
OFFICE EQUIPMENT	-	-	-	-	-
FUEL & OIL EXPENSE	41,311	45,405	35,000	40,000	45,000
MAINTENANCE, REPAIRS & PARTS	260,320	360,171	186,200	330,716	338,800
EMPLOYEE BENEFITS					
PAYROLL TAXES	\$ -	\$ 43,632	\$ 49,190	\$ 57,649	\$ 59,667
EMPLOYEE BENEFITS - HEALTH INS	194,340	177,996	206,315	215,144	247,415
EMPLOYEE BENEFITS DENTAL	6,481	5,778	6,508	9,494	10,919
EMPLOYEE BENEFITS VISION	1,405	1,384	2,035	2,129	2,448
EMPLOYEE BENEFITS - LIFE INS	7,694	6,140	7,353	8,400	9,659
EMPLOYEE BENEFITS - TC&DRS	68,212	51,192	55,748	65,336	67,623
EMPLOYEE BENEFITS-401(K)	27,010	18,990	25,720	30,143	31,198
WORKERS COMPENSATION INSURANCE	14,942	16,017	15,494	14,847	17,074
EMPLOYEE BENEFITS	320,084	321,129	368,363	403,142	446,003
GENERAL & ADMINISTRATIVE EXPENSES					
ADMIN EXPENSES	\$ 311,665	\$ 251,466	\$ 314,471	\$ 343,647	\$ 343,220
GENERAL & ADMINISTRATIVE EXPENSES	311,665	251,466	314,471	343,647	343,220
PROFESSIONAL FEES					
ENGINEERING	\$ 5,252	\$ 17,015	\$ 50,000	\$ 50,000	\$ 50,000
LEGAL EXPENSE	14,280	3,150	50,000	50,000	50,000
AUDITING EXPENSE (OUTSIDE)	-	-	-	-	-
PROFESSIONAL FEES	19,532	20,165	100,000	100,000	100,000
NON-OPERATING EXPENSES					
DEPRECIATION	\$ 4,378,333	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	4,378,333	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL CHOCOLATE BAYOU	\$ 1,040,423	\$ 1,431,500	\$ 1,521,000	\$ 3,458,000	\$ 6,087,000
TOTAL CAPITAL IMPROVEMENTS	1,040,423	1,431,500	1,521,000	3,458,000	6,087,000
OTHER USES					
CURRENT REVENUE BONDS	\$ 1,030,000	\$ 2,090,000	\$ 1,054,144	\$ -	\$ -
INTEREST EXPENSE	24,830	4,572	4,572	-	-
BOND HANDLING FEE	-	-	-	-	-
TOTAL OTHER USES	1,054,830	2,094,572	1,058,716	-	-
TOTAL EXPENSES	\$ 9,490,383	\$ 6,257,506	\$ 5,920,749	\$ 7,042,928	\$ 9,795,657
OTHER SOURCES					
CASH APPLIED	\$ -	\$ -	\$ 685,000	\$ 1,485,000	\$ 5,000,000
TOTAL OTHER SOURCES	-	-	685,000	1,485,000	5,000,000

GULF COAST WATER AUTHORITY

FISCAL YEAR 2017 - 2018 BUDGET

CHOCOLATE BAYOU OPERATIONS (21)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
NET CASH BASIS SOURCES (USES)	<u>\$ (3,008,854)</u>	<u>\$ (965,670)</u>	<u>\$ 24,809</u>	<u>\$ 42,686</u>	<u>\$ 2,516,921</u>

FY2018 Budget Notes – Chocolate Bayou Operations

1. Operating Revenues – Operating Revenues for FY2018 for the Chocolate Bayou Operations are based on fees collected for the following participants:
 - Firm Contract Customers- Based on water use, the estimated revenue is \$2,760,625. Firm Contract customers pay \$504.22 per MG.
 - Option Water Contract Customers- Based on water use, the estimated revenue is \$331,275. Option Water Contract Customers pay \$100.84 per MG.
 - Interruptible Water Agreement Customers- Based on water use, the estimated revenue is \$1,928,602, of which all is derived from Irrigation Income. Interruptible Water Agreement Customers pay varying rates based on availability.
2. Other Revenues – For FY2018 are anticipated to be \$42,686, consisting of Interest Income.
3. Salaries & Wages – Staffing for FY2018 includes 11.45 Full Time Employees (FTE's) for a total cost of \$753,586.
4. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$1,241,438. Included in the total is \$1,074,938 for expenses related to contract water cost purchases from the Brazos River Authority. Contract water cost purchases includes the additional interruptible agricultural water which will be offset by irrigation sales at a cost of \$537,425. Additionally, \$165,000 for expenses related to contract mowing and mechanical services.
5. Supplies, Materials & Utilities – Includes expenses for supplies for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$412,400. The single largest expense is power costs in the amount of \$225,000. Additionally, \$72,500 for various permits and \$22,454 for pro-rata share of data processing associated with asset management software and other software needs.
6. Maintenance, Repairs & Parts – Includes expenses for routine maintenance, building and grounds maintenance, and security monitoring, totaling \$330,716. Also, included in the total is \$200,000 for reservoirs and canals and \$40,000 for gasoline and oil expense.
7. Employee Benefits – Includes expenses for payroll taxes, group health insurance, TCDRS retirement, 401(k) retirement savings, and Worker's compensation insurance for the staff previously noted, totaling \$403,142.
8. General & Administration Expenses – Includes \$343,647 for expenses incurred by General & Administration (G&A) staff to support the Chocolate Bayou Operations. These costs include such operational expense items as professional fees, purchased & contracted services, supplies, materials, utilities, rentals, maintenance repairs & parts, capital improvements and salaries & employee benefits associated with the support provided by G&A staff previously noted. Staffing for FY2018 includes 1.51 FTE's, allocated by time, to support the management and implementation of the Chocolate Bayou Operations for a total cost of \$162,302.

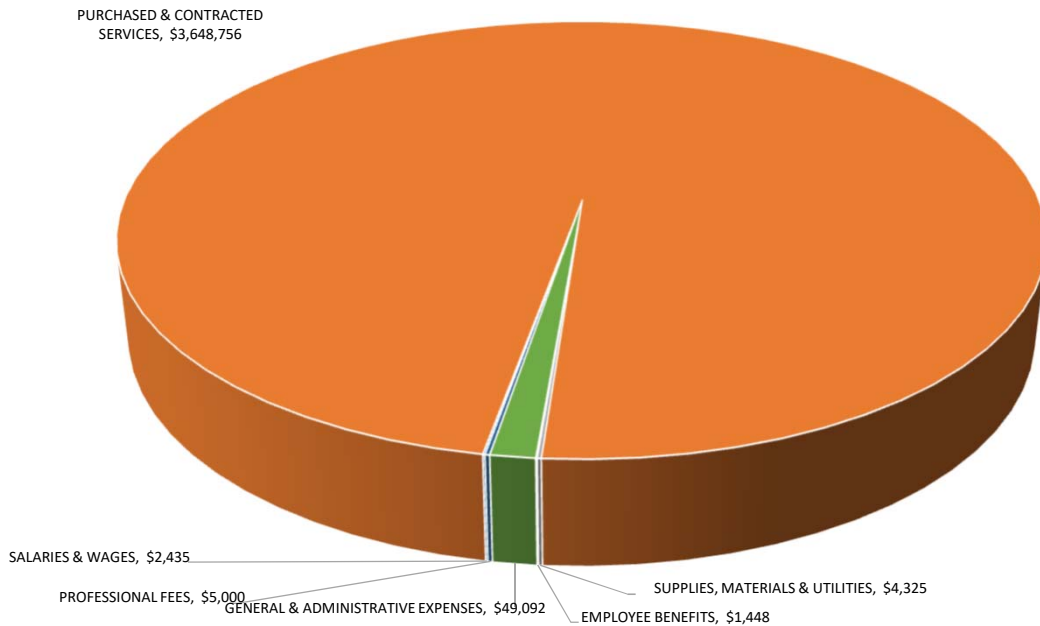
9. Professional Fees- Include expenses such as attorneys, engineers, etc., for a total of \$100,000.00. Legal fees are projected to be \$50,000. Engineering fees are projected to be \$50,000.00 for non-capital related engineering and other professional services to support the Chocolate Bayou Operations.
10. Capital Improvements – Costs totaling \$3,458,000. Major projects include:
- Salt Water Barrier Improvements (\$1,400,000),
 - Chocolate Bayou Pumping Plant - Preliminary Design (\$500,000)
 - William J May Plant #1 - Pump Set (\$225,000),
 - William J May Plant #2 - Support Structure Refurbishment (\$200,000),
 - Chocolate Bayou Pumping Plant – Pump Set (\$175,000) and
 - SCADA Improvements (\$150,000).
11. Cash Used-Utilized \$1,458,000 from FY2017 carryforward of cash funds.

LEAGUE CITY SE
WATER PURIFICATION
PLANT (SEWPP)
(04)

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

LEAGUE CITY SE WATER PURIFICATION PLANT (04)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ 2,517,161	\$ 3,040,102	\$ 3,775,076	\$ 3,711,056	\$ 3,893,883
OTHER REVENUES	380,642	1,337,002	271,557	278,419	276,500
TOTAL REVENUES	\$ 2,897,804	\$ 4,377,104	\$ 4,046,633	\$ 3,989,475	\$ 4,170,383
SALARIES & WAGES	\$ -	\$ -	\$ -	\$ 2,435	\$ 2,532
PURCHASED & CONTRACTED SERVICES	2,181,053	3,009,496	3,282,469	3,648,756	3,831,194
SUPPLIES, MATERIALS & UTILITIES	1,916	2,453	2,027	4,325	4,516
MAINTENANCE, REPAIRS & PARTS	119	-	-	-	-
EMPLOYEE BENEFITS	3,197	299	-	1,448	1,609
GENERAL & ADMINISTRATIVE EXPENSES	16,724	18,856	23,580	49,092	49,031
PROFESSIONAL FEES	17,993	-	5,000	5,000	5,000
TOTAL EXPENSES	\$ 2,221,003	\$ 3,031,103	\$ 3,313,076	\$ 3,711,056	\$ 3,893,883
NET REVENUES OVER EXPENSES	\$ 676,801	\$ 1,346,001	\$ 733,557	\$ 278,419	\$ 276,500
LESS: NON-OPERATING EXPENSES	\$ 1,195,964	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	110,591	1,070,000	462,000	-	-
LESS: OTHER USES	278,843	272,906	272,906	276,119	273,450
ADD: OTHER SOURCES	-	-	-	-	-
NET CASH BASIS SOURCES (USES)	\$ (908,596)	\$ 3,095	\$ (1,349)	\$ 2,299	\$ 3,050



GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

LEAGUE CITY SE WATER PURIFICATION PLANT (04)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES					
METERED WATER SALES	\$ 2,517,161	\$ 3,040,102	\$ 3,775,076	\$ 3,711,056	\$ 3,893,883
TOTAL OPERATING REVENUES	\$ 2,517,161	\$ 3,040,102	\$ 3,775,076	\$ 3,711,056	\$ 3,893,883
OTHER REVENUES					
BOND PAYMENT REVENUE	\$ 268,748	\$ 269,627	\$ 269,627	\$ 275,716	\$ 273,800
OTHER INCOME	110,591	1,065,511	-	-	-
INTEREST INCOME-GENERAL FUND	(142)	298	-	-	-
INTEREST INCOME- DEBT SERVICE	140	101	734	1,049	1,050
INTEREST INCOME-1999B DEBT	187	23	-	-	-
INTEREST INCOME-99B RESERVE	564	57	1,197	1,654	1,650
INTEREST INCOME-RESERVE FUND	555	1,386	-	-	-
OTHER INCOME	-	-	-	-	-
TOTAL OTHER REVENUES	\$ 380,642	\$ 1,337,002	\$ 271,557	\$ 278,419	\$ 276,500
SALARIES & WAGES					
OPERATIONS - LABOR	\$ -	\$ -	\$ -	\$ -	\$ -
MAINTENANCE - LABOR	-	-	-	-	-
OFFICE MANAGEMENT - LABOR	-	-	-	2,435	2,532
SALARIES & WAGES	-	-	-	2,435	2,532
PURCHASED & CONTRACTED SERVICES					
CONTRACT WATER COST	\$ 2,181,053	\$ 3,009,496	\$ 3,282,469	\$ 3,648,756	\$ 3,831,194
SERVICE AGREEMENTS	-	-	-	-	-
PURCHASED & CONTRACTED SERVICES	2,181,053	3,009,496	3,282,469	3,648,756	3,831,194
SUPPLIES, MATERIALS & UTILITIES					
DATA PROCESSING	\$ -	\$ -	\$ -	\$ 240	\$ 245
RECORDS MANAGEMENT	173	287	314	602	614
MANAGEMENT EXPENSE	17	757	-	-	-
CONTRIBUTIONS/DONATIONS	-	-	-	-	-
INSURANCE EXPENSE	1,726	1,409	1,713	3,483	3,657
JANITORIAL - SUPPLIES	-	-	-	-	-
STATIONERY & OFFICE SUPPLIES	-	-	-	-	-
TRAINING	-	-	-	-	-
SAFETY EQUIPMENT	-	-	-	-	-
SUPPLIES, MATERIALS & UTILITIES	1,916	2,453	2,027	4,325	4,516
MAINTENANCE, REPAIRS & PARTS					
VEHICLES - REPAIRS & MAINT	\$ -	\$ -	\$ -	\$ -	\$ -
RADIO/COMMUNICATIONS	119	-	-	-	-
FUEL & OIL EXPENSE	-	-	-	-	-
MAINTENANCE, REPAIRS & PARTS	119	-	-	-	-
EMPLOYEE BENEFITS					
PAYROLL TAXES	\$ -	\$ 45	\$ -	\$ 186	\$ 193
EMPLOYEE BENEFITS - HEALTH INS	1,748	146	-	865	995
EMPLOYEE BENEFITS DENTAL	66	5	-	46	53
EMPLOYEE BENEFITS VISION	17	1	-	8	9
EMPLOYEE BENEFITS - LIFE INS	92	8	-	28	33
EMPLOYEE BENEFITS - TC&DRS	873	64	-	211	220
EMPLOYEE BENEFITS-401(K)	403	29	-	97	101
WORKERS COMPENSATION INSURANCE	(2)	-	-	5	6
EMPLOYEE BENEFITS	3,197	299	-	1,448	1,609

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

LEAGUE CITY SE WATER PURIFICATION PLANT (04)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
GENERAL & ADMINISTRATIVE EXPENSES					
ADMIN EXPENSES	\$ 16,724	\$ 18,856	\$ 23,580	\$ 49,092	49,031
GENERAL & ADMINISTRATIVE EXPENSES	16,724	18,856	23,580	49,092	49,031
PROFESSIONAL FEES					
CONSULTANTS	\$ -	\$ -	\$ -	\$ -	-
ENGINEERING	-	-	-	-	-
LEGAL EXPENSE	17,993	-	5,000	5,000	5,000
AUDITING EXPENSE (OUTSIDE)	-	-	-	-	-
PROFESSIONAL FEES	17,993	-	5,000	5,000	5,000
NON-OPERATING EXPENSES					
DEPRECIATION	\$ 1,195,964	\$ -	\$ -	\$ -	-
TOTAL NON-OPERATING EXPENSES	1,195,964	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL	\$ 110,591	\$ 1,070,000	\$ 462,000	\$ -	-
TOTAL CAPITAL IMPROVEMENTS	110,591	1,070,000	462,000	-	-
OTHER USES					
CURRENT REVENUE BONDS	\$ 225,000	\$ 225,000	\$ 225,000	\$ 235,000	\$ 240,000
INTEREST EXPENSE	49,513	42,906	42,906	36,119	28,450
BOND HANDLING FEE	1,830	5,000	5,000	5,000	5,000
BOND ISSUANCE EXPENSE	2,500	-	-	-	-
TOTAL OTHER USES	278,843	272,906	272,906	276,119	273,450
TOTAL EXPENSES	\$ 3,806,400	\$ 4,374,009	\$ 4,047,982	\$ 3,987,175	\$ 4,167,333
OTHER SOURCES					
BOND PROCEEDS	\$ -	\$ -	\$ -	\$ -	-
TOTAL OTHER SOURCES	\$ -	\$ -	\$ -	\$ -	-
NET CASH BASIS SOURCES (USES)	\$ (908,596)	\$ 3,095	\$ (1,349)	\$ 2,299	\$ 3,050

FY2018 Budget Notes – League City Southeast Water Purification Plant

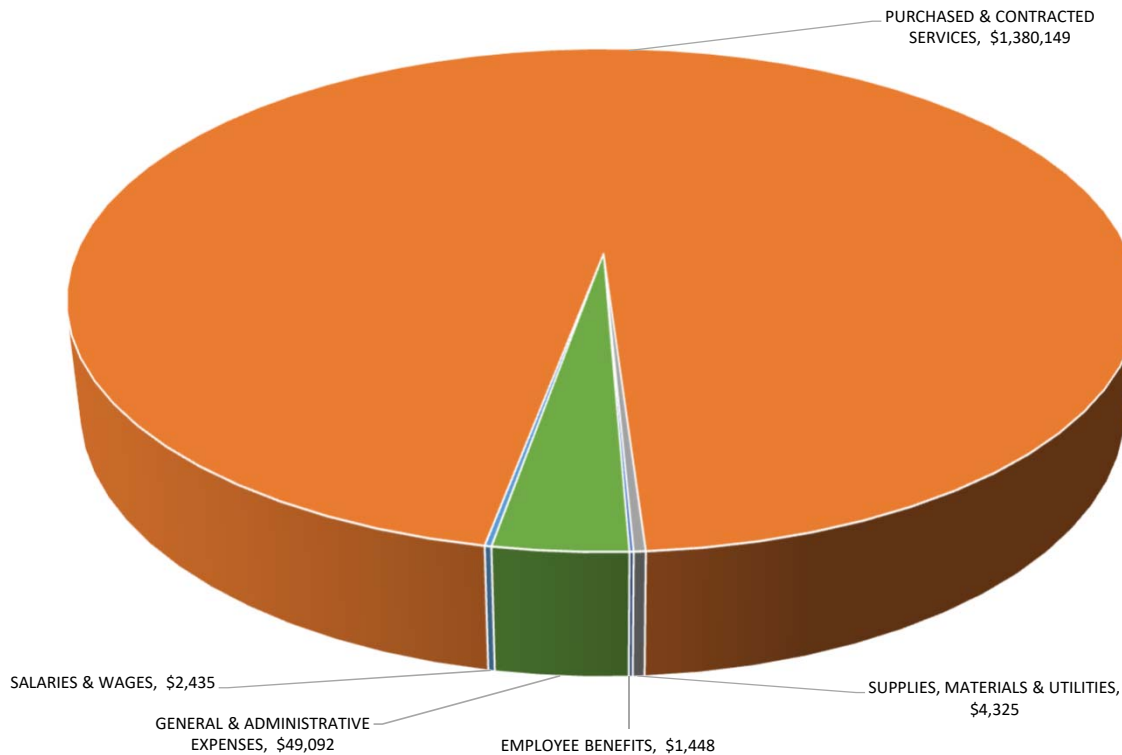
1. Operating Revenues – Operating Revenues for FY2018 for League City SEWPP are projected to total \$3,711,056 based on fees collected.
2. Other Revenues – For FY2018 are other revenues are projected to total \$278,419, consisting mostly of Bond Payment Revenue \$275,716.
3. Purchase & Contracted Services – Services purchased and contracted from third party providers totaling \$3,648,756 which is comprised of contract water cost purchases from the City of Houston \$3,462,606 and the City of South Houston fee of \$186,150.
4. General & Administrative Expenses – Includes \$49,092 for expenses incurred by General & Administration (G&A) staff to support the League City SEWPP Operations. These costs include such operational expense items as professional fee, purchased & contracted services, supplies, materials, utilities, maintenance/repairs & parts, capital improvements and salaries & employee benefits associated with the support provided by G & A staff previously noted. Staffing for FY2018 includes 0.215 Full Time Equivalents (FTEs), which is comprised solely of G&A Staff. Total cost for services is \$23,186.
5. Bond Principal – Payment of \$235,000 for the League City SEWPP.

PEARLAND SE
WATER PURIFICATION
PLANT (SEWPP)
(22)

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

PEARLAND SE WATER PURIFICATION PLANT (22)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ 957,983	\$ 1,199,019	\$ 1,311,745	\$ 1,437,449	\$ 1,506,832
OTHER REVENUES	-	-	-	-	-
TOTAL REVENUES	\$ 957,983	\$ 1,199,019	\$ 1,311,745	\$ 1,437,449	\$ 1,506,832
SALARIES & WAGES	\$ -	\$ -	\$ -	\$ 2,435	\$ 2,520
PURCHASED & CONTRACTED SERVICES	801,434	1,177,481	1,290,207	1,380,149	1,449,156
SUPPLIES, MATERIALS & UTILITIES	1,212	1,427	1,705	4,325	4,516
MAINTENANCE, REPAIRS & PARTS	76	-	-	-	-
EMPLOYEE BENEFITS	2,014	189	-	1,448	1,608
GENERAL & ADMINISTRATIVE EXPENSES	10,486	15,860	19,833	49,092	49,031
PROFESSIONAL FEES	13,207	-	-	-	-
TOTAL EXPENSES	\$ 828,428	\$ 1,194,956	\$ 1,311,745	\$ 1,437,449	\$ 1,506,832
NET REVENUES OVER EXPENSES	\$ 129,555	\$ 4,063	\$ -	\$ -	\$ -
LESS: NON-OPERATING EXPENSES	\$ 637,999	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	-	-	-	-	-
LESS: OTHER USES	-	-	-	-	-
ADD: OTHER SOURCES	-	-	-	-	-
NET CASH BASIS SOURCES (USES)	\$ (508,444)	\$ 4,063	\$ -	\$ -	\$ -



GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

PEARLAND SE WATER PURIFICATION PLANT (22)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES					
METERED WATER SALES	\$ 957,983	\$ 1,199,019	\$ 1,311,745	\$ 1,437,449	\$ 1,506,832
TOTAL OPERATING REVENUES	\$ 957,983	\$ 1,199,019	\$ 1,311,745	\$ 1,437,449	\$ 1,506,832
OTHER REVENUES					
OTHER INCOME	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST INCOME-GENERAL	-	-	-	-	-
INTEREST INCOME-GENERAL SWEEP	-	-	-	-	-
TOTAL OTHER REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
SALARIES & WAGES					
OPERATIONS	\$ -	\$ -	\$ -	\$ -	\$ -
MAINTENANCE - LABOR	-	-	-	-	-
OFFICE MANAGEMENT - LABOR	-	-	-	2,435	2,520
SALARIES & WAGES	-	-	-	2,435	2,520
PURCHASED & CONTRACTED SERVICES					
CONTRACT WATER COST	\$ 801,434	\$ 1,177,481	\$ 1,290,207	\$ 1,380,149	\$ 1,449,156
PURCHASED & CONTRACTED SERVICES	801,434	1,177,481	1,290,207	1,380,149	1,449,156
SUPPLIES, MATERIALS & UTILITIES					
DATA PROCESSING	\$ -	\$ -	\$ -	\$ 240	\$ 245
RECORDS MANAGEMENT	125	242	264	602	614
MANAGEMENT EXPENSE	1	-	-	-	-
INSURANCE EXPENSE	1,086	1,185	1,441	3,483	3,657
SAFETY EQUIPMENT	-	-	-	-	-
SUPPLIES, MATERIALS & UTILITIES	1,212	1,427	1,705	4,325	4,516
MAINTENANCE, REPAIRS & PARTS					
VEHICLES - REPAIRS & MAINT	\$ -	\$ -	\$ -	\$ -	\$ -
RADIO/COMMUNICATIONS	76	-	-	-	-
MAINTENANCE, REPAIRS & PARTS	76	-	-	-	-
EMPLOYEE BENEFITS					
PAYROLL TAXES	\$ -	\$ 29	\$ -	\$ 186	\$ 193
EMPLOYEE BENEFITS - HEALTH INS	1,102	92	-	865	995
EMPLOYEE BENEFITS DENTAL	42	3	-	46	53
EMPLOYEE BENEFITS VISION	10	1	-	8	9
EMPLOYEE BENEFITS - LIFE INS	58	5	-	28	33
EMPLOYEE BENEFITS - TC&DRS	550	40	-	211	219
EMPLOYEE BENEFITS-401(K)	254	19	-	97	101
WORKERS COMPENSATION INSURANCE	(2)	-	-	5	6
EMPLOYEE BENEFITS	2,014	189	-	1,448	1,608
GENERAL & ADMINISTRATIVE EXPENSES					
ADMIN EXPENSES	\$ 10,486	\$ 15,860	\$ 19,833	\$ 49,092	\$ 49,031
GENERAL & ADMINISTRATIVE EXPENSES	10,486	15,860	19,833	49,092	49,031
PROFESSIONAL FEES					
ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -
LEGAL EXPENSE	13,207	-	-	-	-
AUDITING EXPENSE (OUTSIDE)	-	-	-	-	-

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

PEARLAND SE WATER PURIFICATION PLANT (22)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
PROFESSIONAL FEES	13,207	-	-	-	-
NON-OPERATING EXPENSES					
DEPRECIATION	\$ 637,999	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	637,999	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL IMPROVEMENTS	-	-	-	-	-
TOTAL EXPENSES	\$ 1,466,427	\$ 1,194,956	\$ 1,311,745	\$ 1,437,449	\$ 1,506,832
OTHER SOURCES					
CASH USED	\$ -	\$ -	\$ -		
TOTAL OTHER SOURCES	-	-	-	-	-
NET CASH BASIS SOURCES (USES)	\$ (508,444)	\$ 4,063	\$ -	\$ -	\$ -

FY2018 Budget Notes- Pearland Southeast Water Purification Plant

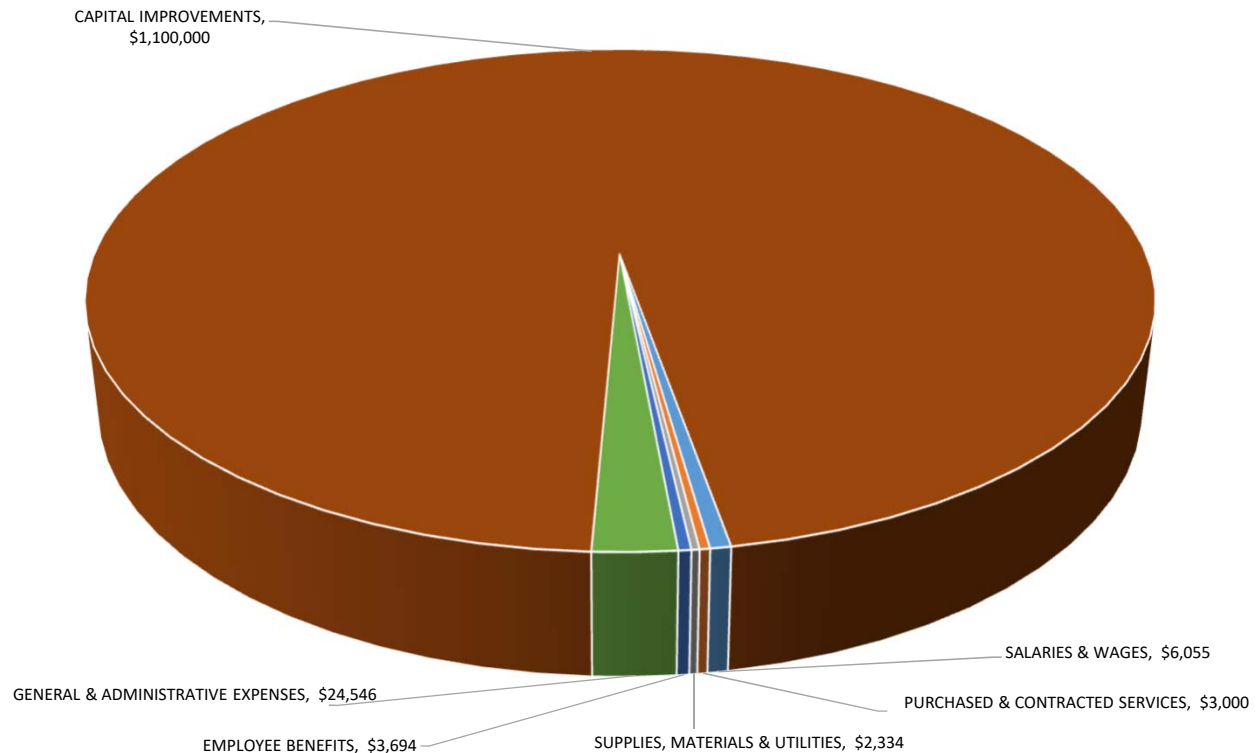
1. Operating Revenues – Operating Revenues for FY2018 for Pearland SEWPP Operations are projected to total \$1,387,891.
2. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$1,380,149. The total \$1,380,149 is for contract water cost purchases from the City of Houston.
3. Supplies, Materials & Utilities – Includes expenses for supplies for records management and insurance expense totaling \$4,325.
4. General & Administrative Expenses – Includes \$49,092 for expenses incurred by General & Administration (G&A) staff to support the Pearland SEWPP Operations. These costs include such operational expense items as professional fee, purchased & contracted services, supplies, materials, utilities, maintenance/repairs & parts, capital improvements and salaries & employee benefits associated with the support provided by G & A staff previously noted. Staffing for FY2018 includes 0.215 Full Time Equivalents (FTEs), which is comprised solely of G&A Staff. Total cost for services is \$23,186.

GALVESTON COUNTY
WCID #12
(10)

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

GALVESTON COUNTY WCID #12 (10)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ 25,000	\$ 25,000	\$ 25,000	\$ 39,629	\$ 62,322
OTHER REVENUES	-	-	-	-	-
TOTAL REVENUES	\$ 25,000	\$ 25,000	\$ 25,000	\$ 39,629	\$ 62,322
SALARIES & WAGES	\$ -	\$ -	\$ -	\$ 6,055	\$ 6,266
PURCHASED & CONTRACTED SERVICES	-	-	3,000	3,000	3,000
SUPPLIES, MATERIALS & UTILITIES	-	-	-	2,334	2,434
MAINTENANCE, REPAIRS & PARTS	-	-	-	-	-
EMPLOYEE BENEFITS	-	-	-	3,694	4,107
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	24,546	24,515
PROFESSIONAL FEES	-	-	-	-	-
TOTAL EXPENSES	\$ -	\$ -	\$ 3,000	\$ 39,629	\$ 40,322
NET REVENUES OVER EXPENSES	\$ 25,000	\$ 25,000	\$ 22,000	\$ -	\$ 22,000
LESS: NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	-	10,500	22,000	1,100,000	22,000
LESS: OTHER USES	-	-	-	-	-
ADD: OTHER SOURCES	-	-	-	1,100,000	-
NET CASH BASIS SOURCES (USES)	<u>\$ 25,000</u>	<u>\$ 14,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

GALVESTON COUNTY WCID #12 (10)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES					
METERED WATER SALES	\$ 25,000	\$ 25,000	\$ 25,000	\$ 39,629	\$ 62,322
TOTAL OPERATING REVENUES	\$ 25,000	\$ 25,000	\$ 25,000	\$ 39,629	\$ 62,322
SALARIES & WAGES					
OPERATIONS	\$ -	\$ -	\$ -	\$ 2,025	\$ 2,096
MAINTENANCE	-	-	-	775	802
OFFICE MANAGEMENT	-	-	-	3,255	3,369
SALARIES & WAGES	-	-	-	6,055	6,266
PURCHASED & CONTRACTED SERVICES					
CONTRACT SERVICE OPERATIONS	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 3,000
PURCHASED & CONTRACTED SERVICES	-	-	3,000	3,000	3,000
SUPPLIES, MATERIALS & UTILITIES					
DATA PROCESSING	\$ -	\$ -	\$ -	\$ 292	\$ 298
RECORDS MANAGEMENT	-	-	-	301	307
INSURANCE EXPENSE	-	-	-	1,742	1,829
SUPPLIES, MATERIALS & UTILITIES	-	-	-	2,334	2,433
EMPLOYEE BENEFITS					
PAYROLL TAXES	\$ -	\$ -	\$ -	\$ 463	\$ 479
EMPLOYEE BENEFITS - HEALTH INS	-	-	-	2,200	2,530
EMPLOYEE BENEFITS DENTAL	-	-	-	80	92
EMPLOYEE BENEFITS VISION	-	-	-	21	24
EMPLOYEE BENEFITS - LIFE INS	-	-	-	63	73
EMPLOYEE BENEFITS - TC&DRS	-	-	-	525	543
EMPLOYEE BENEFITS-401(K)	-	-	-	242	251
WORKERS COMPENSATION INSURANCE	-	-	-	99	114
EMPLOYEE BENEFITS	-	-	-	3,694	4,107
GENERAL & ADMINISTRATIVE EXPENSES					
ADMIN EXPENSES	\$ -	\$ -	\$ -	\$ 24,546	\$ 24,516
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	24,546	24,516
PROFESSIONAL FEES					
ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -
PROFESSIONAL FEES	-	-	-	-	-
NON-OPERATING EXPENSES					
DEPRECIATION	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	-	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL	\$ -	\$ 10,500	\$ 22,000	\$ 1,100,000	\$ 22,000
ADMIN-CAPITAL	-	-	-	-	-
TOTAL CAPITAL IMPROVEMENTS	-	10,500	22,000	1,100,000	22,000
TOTAL EXPENSES	\$ -	\$ 10,500	\$ 25,000	\$ 1,139,629	\$ 62,322
OTHER SOURCES					
BOND PROCEEDS	\$ -	\$ -	\$ -	\$ 1,100,000	\$ -

GULF COAST WATER AUTHORITY

FISCAL YEAR 2017 - 2018 BUDGET

GALVESTON COUNTY WCID #12 (10)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
TOTAL OTHER SOURCES	\$ -	\$ -	\$ -	\$ 1,100,000	\$ -
NET CASH BASIS SOURCES (USES)	<u>\$ 25,000</u>	<u>\$ 14,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FY2018 Budget Notes-Galveston County WCID #12

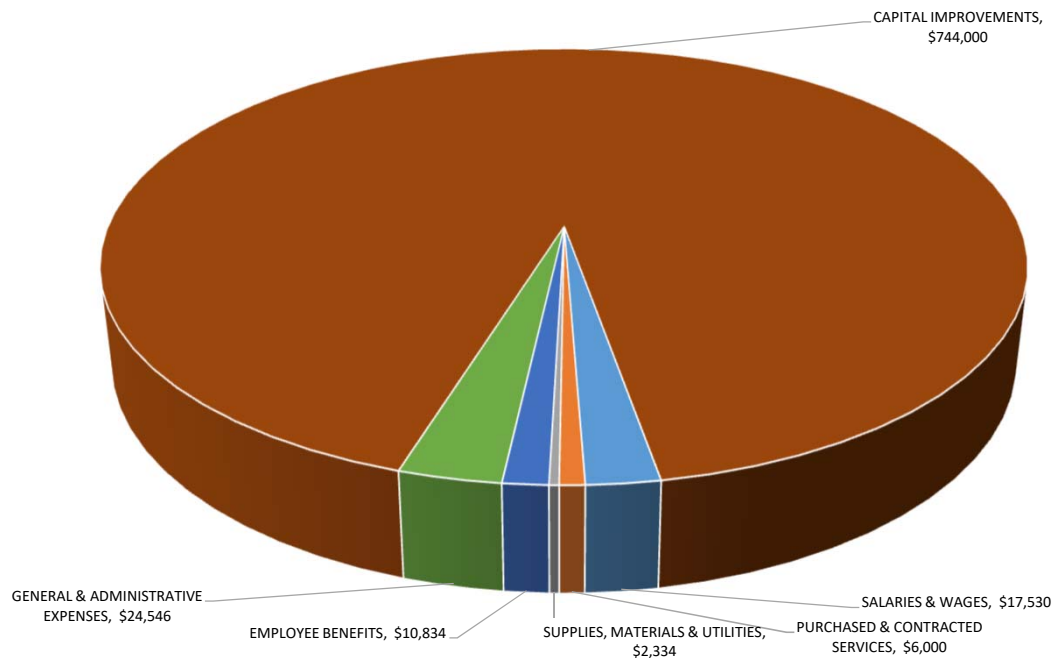
1. Operating Revenues- Operating Revenues for FY2017 for are projected to total \$39,629, based on fees collected from Galveston County WCID #12.
2. Salaries & Wages – Staffing for FY2018 includes 0.08 Full Time Employees (FTE's) for a total cost of \$6,055.
3. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$3,000, which is for contract mowing services.
4. General & Administration Expenses – Includes \$24,546 for expenses incurred by General & Administration (G&A) staff to support the Galveston County WCID #12 Operations. These costs include such operational expense items as professional fees, purchased & contracted services, supplies, materials, utilities, rentals, maintenance repairs & parts, capital improvement and salaries & employee benefits associated with the support provided by G&A staff previously noted. Staffing for FY2018, includes 0.1075 FTE's, allocated by time, to support the management and implementation of the Galveston County WCID #12 Operations for a total cost of \$11,593.
5. Capital Improvements- Costs totaling \$1,100,000:
 - Bayshore Booster Pump Station (\$1,100,000).
6. Cash-Utilized \$1,100,000 in proposed bond proceeds for the construction of the Bayshore Booster Pump Station.

1998 A-B SERIES
SOUTH PROJECTS
(14)

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

1998 A-B SERIES SOUTH PROJECTS (14)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ 320,364	\$ 318,000	\$ 250,000	\$ 805,245	\$ 307,142
OTHER REVENUES	1,939,496	3,124,244	3,128,204	2,838,719	2,897,175
TOTAL REVENUES	\$ 2,259,860	\$ 3,442,244	\$ 3,378,204	\$ 3,643,964	\$ 3,204,317
SALARIES & WAGES	\$ -	\$ -	\$ -	\$ 17,530	\$ 18,143
PURCHASED & CONTRACTED SERVICES	-	6,000	6,000	6,000	6,000
SUPPLIES, MATERIALS & UTILITIES	-	-	-	2,334	2,433
MAINTENANCE, REPAIRS & PARTS	-	-	-	-	-
EMPLOYEE BENEFITS	-	-	-	10,834	12,050
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	24,546	24,516
PROFESSIONAL FEES	-	-	-	-	-
TOTAL EXPENSES	\$ -	\$ 6,000	\$ 6,000	\$ 61,245	\$ 63,142
NET REVENUES OVER EXPENSES	\$ 2,259,860	\$ 3,436,244	\$ 3,372,204	\$ 3,582,719	\$ 3,141,175
LESS: NON-OPERATING EXPENSES	\$ 1,843,102	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	269,326	312,000	312,000	744,000	244,000
LESS: OTHER USES	2,964,680	2,926,400	2,926,400	2,869,150	2,866,342
ADD: OTHER SOURCES	-	-	-	-	-
NET CASH BASIS SOURCES (USES)	\$ (2,817,248)	\$ 197,844	\$ 133,804	\$ (30,431)	\$ 30,833



GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

1998 A-B SERIES SOUTH PROJECTS (14)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES					
METERED WATER SALES	\$ 320,364	\$ 318,000	\$ 250,000	\$ 805,245	\$ 307,142
TOTAL OPERATING REVENUES	\$ 320,364	\$ 318,000	\$ 250,000	\$ 805,245	\$ 307,142
OTHER REVENUES					
BOND PAYMENT REVENUE	\$ 1,929,486	\$ 3,109,746	\$ 3,109,745	\$ 2,812,671	\$ 2,871,175
OTHER INCOME	-	-	-	-	-
INTEREST INCOME REVENUE FUND	1,260	968	6,197	9,096	9,100
INTEREST INCOME RESERVE	8,355	13,403	11,260	15,566	15,500
INTEREST INCOME INT & SINKING	395	127	1,001	1,385	1,400
TOTAL OTHER REVENUES	\$ 1,939,496	\$ 3,124,244	\$ 3,128,204	\$ 2,838,719	\$ 2,897,175
SALARIES & WAGES					
OPERATIONS	\$ -	\$ -	\$ -	\$ 13,500	\$ 13,973
MAINTENANCE	-	-	-	775	802
OFFICE MANAGEMENT	-	-	-	3,255	3,369
SALARIES & WAGES	-	-	-	17,530	18,143
PURCHASED & CONTRACTED SERVICES					
CONTRACT SERVICE OPERATIONS	\$ -	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
PURCHASED & CONTRACTED SERVICES	-	6,000	6,000	6,000	6,000
SUPPLIES, MATERIALS & UTILITIES					
DATA PROCESSING	\$ -	\$ -	\$ -	\$ 292	\$ 298
RECORDS MANAGEMENT	-	-	-	301	307
INSURANCE EXPENSE	-	-	-	1,742	1,829
SUPPLIES, MATERIALS & UTILITIES	-	-	-	2,334	2,433
EMPLOYEE BENEFITS					
PAYROLL TAXES	\$ -	\$ -	\$ -	\$ 1,341	\$ 1,388
EMPLOYEE BENEFITS - HEALTH INS	-	-	-	6,494	7,468
EMPLOYEE BENEFITS DENTAL	-	-	-	139	160
EMPLOYEE BENEFITS VISION	-	-	-	62	71
EMPLOYEE BENEFITS - LIFE INS	-	-	-	183	210
EMPLOYEE BENEFITS - TC&DRS	-	-	-	1,520	1,573
EMPLOYEE BENEFITS-401(K)	-	-	-	701	726
WORKERS COMPENSATION INSURANCE	-	-	-	395	454
EMPLOYEE BENEFITS	-	-	-	10,834	12,050
GENERAL & ADMINISTRATIVE EXPENSES					
ADMIN EXPENSES	\$ -	\$ -	\$ -	\$ 24,546	\$ 24,516
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	24,546	24,516
NON-OPERATING EXPENSES					
DEPRECIATION	\$ 1,843,102	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	1,843,102	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL	\$ 269,326	\$ 312,000	\$ 312,000	\$ 744,000	\$ 244,000
TOTAL CAPITAL IMPROVEMENTS	269,326	312,000	312,000	744,000	244,000
OTHER USES					

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

1998 A-B SERIES SOUTH PROJECTS (14)

	Ending Balance 8/31/2016		Annualized FY 2017		FY 2017 Budget		FY 2018 Budget		Forecasted FY 2019 Budget
CURRENT REVENUE BONDS	\$ 2,280,000	\$	2,280,000	\$	2,280,000	\$	2,295,000	\$	2,385,000
INTEREST EXPENSE-1998A	591,863		561,500		561,500		501,267		420,883
INTEREST EXPENSE-1998B	87,738		78,900		78,900		66,883		54,458
BOND HANDLING FEE	2,580		6,000		6,000		6,000		6,000
BOND ISSUANCE EXPENSE	2,500		-		-		-		-
TOTAL OTHER USES	2,964,680		2,926,400		2,926,400		2,869,150		2,866,342
TOTAL EXPENSES	\$ 5,077,108	\$	3,244,400	\$	3,244,400	\$	3,674,395	\$	3,173,484
NET CASH BASIS SOURCES (USES)	\$ (2,817,248)	\$	197,844	\$	133,804	\$	(30,431)	\$	30,833

FY2018 Budget Notes – 1998 A-B Series South Projects

1. Operating Revenues- Operating Revenues for FY2018 for are projected to total \$805,000, based on fees collected from customers.
2. Other Revenues - For FY2018 for 1998 A-B Series South Projects are projected to total \$2,838,719, consisting mostly of Bond Payment Revenue \$2,812,671.
3. Salaries & Wages – Staffing for FY2018 includes 0.25 Full Time Employees (FTE's) for a total cost of \$17,530.
4. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$6,000, which is for contract mowing services.
5. Employee Benefits – Includes expenses for payroll taxes, group health insurance, TCDRS retirement, 401(k) retirement savings, and Worker's compensation insurance for the staff previously noted, totaling \$10,834.
6. General & Administration Expenses – Includes \$24,546 for expenses incurred by General & Administration (G&A) staff to support the 1998A-B Series South Projects Operations. These costs include such operational expense items as professional fees, purchased & contracted services, supplies, materials, utilities, rentals, maintenance repairs & parts, capital improvement and salaries & employee benefits associated with the support provided by G&A staff previously noted. Staffing for FY2018, includes 0.1075 FTE's, allocated by time, to support the management and implementation of the 1998A-B Series South Projects for a total cost of \$11,593.
7. Capital Improvements- Costs totaling \$744,000. Major projects include:
 - Pipeline Rehabilitation (\$400,000),
 - Alta Loma By-Pass (\$300,000) and
 - Pipeline Study-10,000 Linear Foot (\$44,000).
8. Bond Principal-Payment of \$2,295,000 for the 1998 A-B Series South Projects.

1998 C SERIES
TEXAS CITY PROJECTS
(15)

GULF COAST WATER AUTHORITY

FISCAL YEAR 2017 - 2018 BUDGET

1998 C SERIES SOUTH PROJECTS (15)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER REVENUES	623,603	621,734	624,079	626,342	632,670
TOTAL REVENUES	\$ 623,603	\$ 621,734	\$ 624,079	\$ 626,342	\$ 632,670
SALARIES & WAGES	\$ -	\$ -	\$ -	\$ -	\$ -
PURCHASED & CONTRACTED SERVICES	-	-	-	-	-
SUPPLIES, MATERIALS & UTILITIES	-	-	-	-	-
MAINTENANCE, REPAIRS & PARTS	-	-	-	-	-
EMPLOYEE BENEFITS	-	-	-	-	-
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	-	-
PROFESSIONAL FEES	-	-	-	-	-
TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
NET REVENUES OVER EXPENSES	\$ 623,603	\$ 621,734	\$ 624,079	\$ 626,342	\$ 632,670
LESS: NON-OPERATING EXPENSES	\$ 854,903	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	-	-	-	-	-
LESS: OTHER USES	621,797	624,354	624,354	622,813	625,260
ADD: OTHER SOURCES	-	-	-	-	-
NET CASH BASIS SOURCES (USES)	\$ (853,097)	\$ (2,620)	\$ (275)	\$ 3,530	\$ 7,410

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

1998 C SERIES SOUTH PROJECTS (15)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OTHER REVENUES					
BOND PAYMENT REVENUE	\$ 621,650	\$ 619,473	\$ 619,473	\$ 619,949	\$ 626,250
INTEREST INCOME DEBT SERVICE	495	293	1,553	2,174	2,200
INTEREST INCOME RESERVE	1,458	1,968	3,053	4,220	4,220
INTEREST INCOME CONSTRUCTION	-	-	-	-	-
TOTAL OTHER REVENUES	\$ 623,603	\$ 621,734	\$ 624,079	\$ 626,342	\$ 632,670
NON-OPERATING EXPENSES					
DEPRECIATION	\$ 854,903	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	854,903	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL IMPROVEMENTS	-	-	-	-	-
OTHER USES					
CURRENT REVENUE BONDS	\$ 410,000	\$ 430,000	\$ 430,000	\$ 450,000	\$ 475,000
INTEREST EXPENSE-1998 C	206,717	190,104	190,104	168,563	146,010
BOND HANDLING FEE	2,580	4,250	4,250	4,250	4,250
BOND ISSUANCE EXPENSE	2,500	-	-	-	-
TOTAL OTHER USES	621,797	624,354	624,354	622,813	625,260
TOTAL EXPENSES	\$ 1,476,700	\$ 624,354	\$ 624,354	\$ 622,813	\$ 625,260
NET CASH BASIS SOURCES (USES)	\$ (853,097)	\$ (2,620)	\$ (275)	\$ 3,530	\$ 7,410

FY2018 Budget Notes – 1998 C Series Texas City Projects

1. Other Revenues- Other Revenues for FY2018 for 1998 A-B Series Texas City Projects are projected to total \$626,342, consisting mostly of Bond Payment Revenue \$619,949.
2. Bond Principal-Payment of \$450,000 for the 1998 C Series Texas City Projects.

1998 D SERIES
LA MARQUE PROJECTS
(16)

GULF COAST WATER AUTHORITY

FISCAL YEAR 2017 - 2018 BUDGET

1998 D SERIES SOUTH PROJECTS (16)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ -	\$ -	\$ -	\$ 60,000	\$ 10,000
OTHER REVENUES	248,714	251,248	251,552	252,565	252,050
TOTAL REVENUES	\$ 248,714	\$ 251,248	\$ 251,552	\$ 312,565	\$ 262,050
SALARIES & WAGES	\$ -	\$ -	\$ -	\$ -	\$ -
PURCHASED & CONTRACTED SERVICES	-	-	-	-	-
SUPPLIES, MATERIALS & UTILITIES	-	-	-	-	-
MAINTENANCE, REPAIRS & PARTS	-	-	-	-	-
EMPLOYEE BENEFITS	-	-	-	-	-
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	-	-
PROFESSIONAL FEES	-	-	-	-	-
TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
NET REVENUES OVER EXPENSES	\$ 248,714	\$ 251,248	\$ 251,552	\$ 312,565	\$ 262,050
LESS: NON-OPERATING EXPENSES	\$ 185,704	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	-	-	-	60,000	10,000
LESS: OTHER USES	248,230	249,392	249,392	251,975	249,083
ADD: OTHER SOURCES	-	-	-	-	-
NET CASH BASIS SOURCES (USES)	\$ (185,220)	\$ 1,856	\$ 2,160	\$ 590	\$ 2,967

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

1998 D SERIES SOUTH PROJECTS (16)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES					
METERED WATER SALES	\$ -	\$ -	\$ -	\$ 60,000	\$ 10,000
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ 60,000	\$ 10,000
OTHER REVENUES					
BOND PAYMENT REVENUE	\$ 247,403	\$ 249,781	\$ 249,781	\$ 250,054	\$ 249,500
OTHER INCOME	-	-	-	-	-
INTEREST INCOME DEBT SERVICE	260	115.54	637	939	950
INTEREST INCOME RESERVE	1,051	1,351	1,134	1,573	1,600
TOTAL OTHER REVENUES	\$ 248,714	\$ 251,248	\$ 251,552	\$ 252,565	\$ 252,050
NON-OPERATING EXPENSES					
DEPRECIATION	\$ 185,704	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	185,704	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL	\$ -	\$ -	\$ -	\$ 60,000	\$ 10,000
TOTAL CAPITAL IMPROVEMENTS	-	-	-	60,000	10,000
OTHER USES					
CURRENT REVENUE BONDS	\$ 180,000	\$ 185,000	\$ 185,000	\$ 195,000	\$ 200,000
INTEREST EXPENSE	63,900	60,142	60,142	52,725	44,833
BOND HANDLING FEE	1,830	4,250	4,250	4,250	4,250
BOND ISSUANCE EXPENSE	2,500	-	-	-	-
TOTAL OTHER USES	248,230	249,392	249,392	251,975	249,083
TOTAL EXPENSES	\$ 433,934	\$ 249,392	\$ 249,392	\$ 311,975	\$ 259,083
NET CASH BASIS SOURCES (USES)	\$ (185,220)	\$ 1,856	\$ 2,160	\$ 590	\$ 2,967

FY2018 Budget Notes – 1998 D Series La Marque Projects

1. Operating Revenues- Operating Revenues for FY2018 for are projected to total \$60,000, based on fees collected from customers.
2. Other Revenues- Other Revenues for FY2018 for 1998 D Series La Marque Projects are projected to total \$252,565, consisting mostly of Bond Payment Revenue \$250,054.
3. Capital Improvements- Costs totaling \$60,000:
 - Installation of new take point site (\$50,000) and
 - Installation of new pipeline at FM 1764 (\$10,000).
4. Bond Principal-Payment of \$195,000 for the 1998 D Series La Marque Projects.

2002 GALVESTON PROJECTS (19)

GULF COAST WATER AUTHORITY

FISCAL YEAR 2017 - 2018 BUDGET

2002 GALVESTON PROJECTS (19)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OTHER REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER REVENUES	863,819	858,259	860,215	870,427	866,348
TOTAL REVENUES	\$ 863,819	\$ 858,259	\$ 860,215	\$ 870,427	\$ 866,348
 SALARIES & WAGES	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -
PURCHASED & CONTRACTED SERVICES	-	-	-	-	-
SUPPLIES, MATERIALS & UTILITIES	-	-	-	-	-
MAINTENANCE, REPAIRS & PARTS	-	-	-	-	-
EMPLOYEE BENEFITS	-	-	-	-	-
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	-	-
PROFESSIONAL FEES	-	-	-	-	-
TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
 NET REVENUES OVER EXPENSES	 \$ 863,819	 \$ 858,259	 \$ 860,215	 \$ 870,427	 \$ 866,348
 LESS: NON-OPERATING EXPENSES	 \$ 1,009,574	 \$ -	 \$ -	 \$ -	 \$ -
LESS: CAPITAL IMPROVEMENTS	-	-	495,000	-	-
LESS: OTHER USES	861,758	856,784	856,784	864,849	862,356
ADD: OTHER SOURCES	-	-	495,000	-	-
 NET CASH BASIS SOURCES (USES)	 \$ (1,007,513)	 \$ 1,475	 \$ 3,431	 \$ 5,578	 \$ 3,992

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

2002 GALVESTON PROJECTS (19)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OTHER REVENUES					
2002 GAL BOND PAYMENT	\$ 861,488	\$ 855,269	\$ 855,269	\$ 867,174	\$ 863,098
INTEREST INCOME-GENERAL FUND	-	-	-	-	-
INTEREST INCOME-INT & SINK	1,023	355	4,945	3,252	3,250
INTEREST INCOME-PROJECT FUND	1,308	2,635	-	-	-
TOTAL OTHER REVENUES	\$ 863,819	\$ 858,259	\$ 860,215	\$ 870,427	\$ 866,348
NON-OPERATING EXPENSES					
DEPRECIATION	\$ 1,009,574	-	-	-	-
TOTAL NON-OPERATING EXPENSES	1,009,574	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL	\$ -	-	495,000	-	-
TOTAL CAPITAL IMPROVEMENTS	-	-	495,000	-	-
OTHER USES					
CURRENT REVENUE BONDS	\$ 735,000	\$ 745,000	\$ 745,000	\$ 770,000	\$ 785,000
INTEREST EXPENSE	123,928	107,234	107,234	90,299	72,806
BOND HANDLING FEE	1,580	4,550	4,550	4,550	4,550
BOND ISSUANCE EXPENSE	1,250	-	-	-	-
TOTAL OTHER USES	861,758	856,784	856,784	864,849	862,356
TOTAL EXPENSES	\$ 1,871,332	\$ 856,784	\$ 1,351,784	\$ 864,849	\$ 862,356
OTHER SOURCES					
CASH APPLIED	\$ -	-	495,000	-	-
TOTAL OTHER SOURCES	-	-	495,000	-	-
NET CASH BASIS SOURCES (USES)	\$ (1,007,513)	\$ 1,475	\$ 3,431	\$ 5,578	\$ 3,992

FY2018 Budget Notes – 2002 Galveston Projects

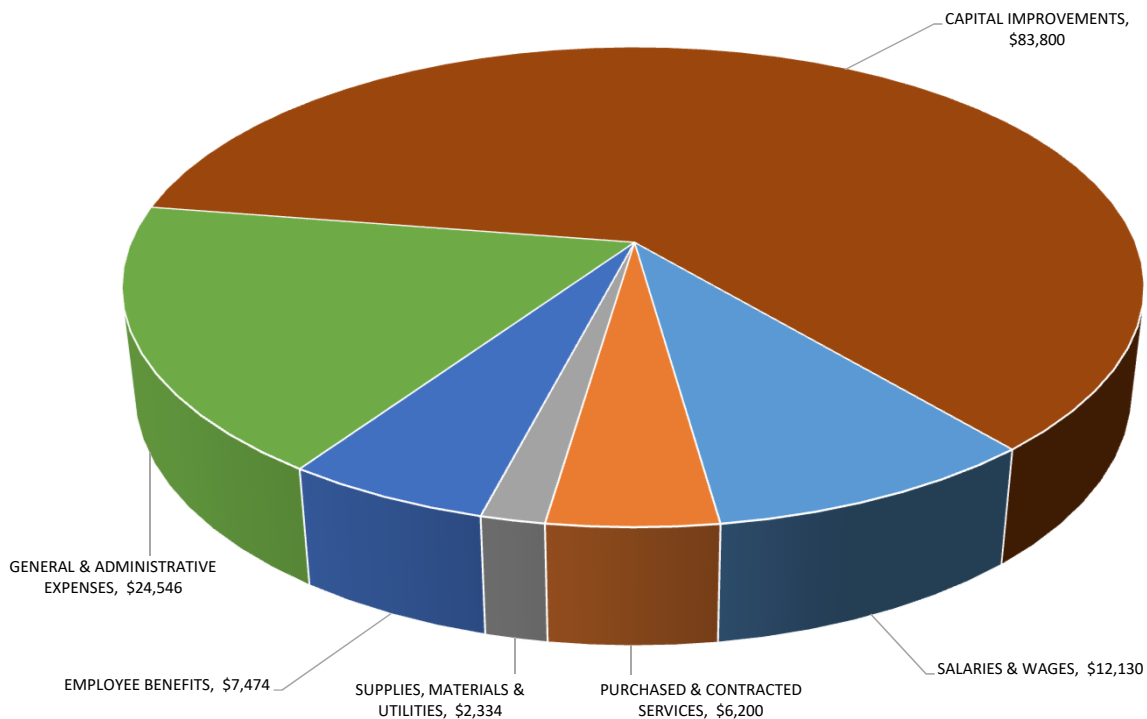
1. Other Revenues- Other Revenues for FY2018 for 2002 Galveston Projects are projected to total \$870,427, consisting mostly of Bond Payment Revenue \$867,174.
2. Bond Principal-Payment of \$770,000 for the 2002 Galveston Projects.

NORTHLINE GROUP
(23)

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

NORTHLINE GROUP (23)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ 140,000	\$ 90,001	\$ 90,000	\$ 136,484	\$ 144,015
OTHER REVENUES	-	-	-	-	-
TOTAL REVENUES	\$ 140,000	\$ 90,001	\$ 90,000	\$ 136,484	\$ 144,015
SALARIES & WAGES	\$ -	\$ -	\$ -	\$ 12,130	\$ 12,554
PURCHASED & CONTRACTED SERVICES	-	-	6,200	6,200	6,200
SUPPLIES, MATERIALS & UTILITIES	-	-	-	2,334	2,433
MAINTENANCE, REPAIRS & PARTS	-	-	-	-	-
EMPLOYEE BENEFITS	-	-	-	7,474	8,312
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	24,546	24,516
PROFESSIONAL FEES	-	-	-	-	-
TOTAL EXPENSES	\$ -	\$ -	\$ 6,200	\$ 52,684	\$ 54,015
NET REVENUES OVER EXPENSES	\$ 140,000	\$ 90,001	\$ 83,800	\$ 83,800	\$ 90,000
LESS: NON-OPERATING EXPENSES	\$ 819	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	100,765	26,000	83,800	83,800	90,000
LESS: OTHER USES	-	-	-	-	-
ADD: OTHER SOURCES	-	-	-	-	-
NET CASH BASIS SOURCES (USES)	<u>\$ 38,415</u>	<u>\$ 64,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

NORTHLINE GROUP (23)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES					
METERED WATER SALES	\$ 140,000	\$ 90,001	\$ 90,000	\$ 136,484	\$ 144,015
TOTAL OPERATING REVENUES	\$ 140,000	\$ 90,001	\$ 90,000	\$ 136,484	\$ 144,015
SALARIES & WAGES					
OPERATIONS	\$ -	\$ -	\$ -	\$ 8,100	\$ 8,384
MAINTENANCE - LABOR	-	-	-	775	802
OFFICE MANAGEMENT - LABOR	-	-	-	3,255	3,369
SALARIES & WAGES	-	-	-	12,130	12,554
PURCHASED & CONTRACTED SERVICES					
CONTRACT SERVICE OPERATIONS	\$ -	\$ -	\$ 6,200	\$ 6,200	\$ 6,200
PURCHASED & CONTRACTED SERVICES	-	-	6,200	6,200	6,200
SUPPLIES, MATERIALS & UTILITIES					
DATA PROCESSING	\$ -	\$ -	\$ -	\$ 292	\$ 298
RECORDS MANAGEMENT	-	-	-	301	307
INSURANCE EXPENSE	-	-	-	1,742	1,829
SUPPLIES, MATERIALS & UTILITIES	-	-	-	2,334	2,433
EMPLOYEE BENEFITS					
PAYROLL TAXES	\$ -	\$ -	\$ -	\$ 928	\$ 960
EMPLOYEE BENEFITS - HEALTH INS	-	-	-	4,473	5,144
EMPLOYEE BENEFITS DENTAL	-	-	-	111	128
EMPLOYEE BENEFITS VISION	-	-	-	42	49
EMPLOYEE BENEFITS - LIFE INS	-	-	-	127	146
EMPLOYEE BENEFITS - TC&DRS	-	-	-	1,052	1,088
EMPLOYEE BENEFITS-401(K)	-	-	-	485	502
WORKERS COMPENSATION INSURANCE	-	-	-	256	294
EMPLOYEE BENEFITS	-	-	-	7,474	8,312
GENERAL & ADMINISTRATIVE EXPENSES					
ADMIN EXPENSES	\$ -	\$ -	\$ -	\$ 24,546	\$ 24,516
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	24,546	24,516
PROFESSIONAL FEES					
ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -
PROFESSIONAL FEES	-	-	-	-	-
NON-OPERATING EXPENSES					
DEPRECIATION	\$ 819	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	819	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL	\$ 100,765	\$ 26,000	\$ 83,800	\$ 83,800	\$ 90,000
TOTAL CAPITAL IMPROVEMENTS	100,765	26,000	83,800	83,800	90,000
TOTAL EXPENSES	\$ 101,584	\$ 26,000	\$ 90,000	\$ 136,484	\$ 144,015
NET CASH BASIS SOURCES (USES)	\$ 38,415	\$ 64,001	\$ -	\$ -	\$ -

FY2018 Budget Notes – Northline Group

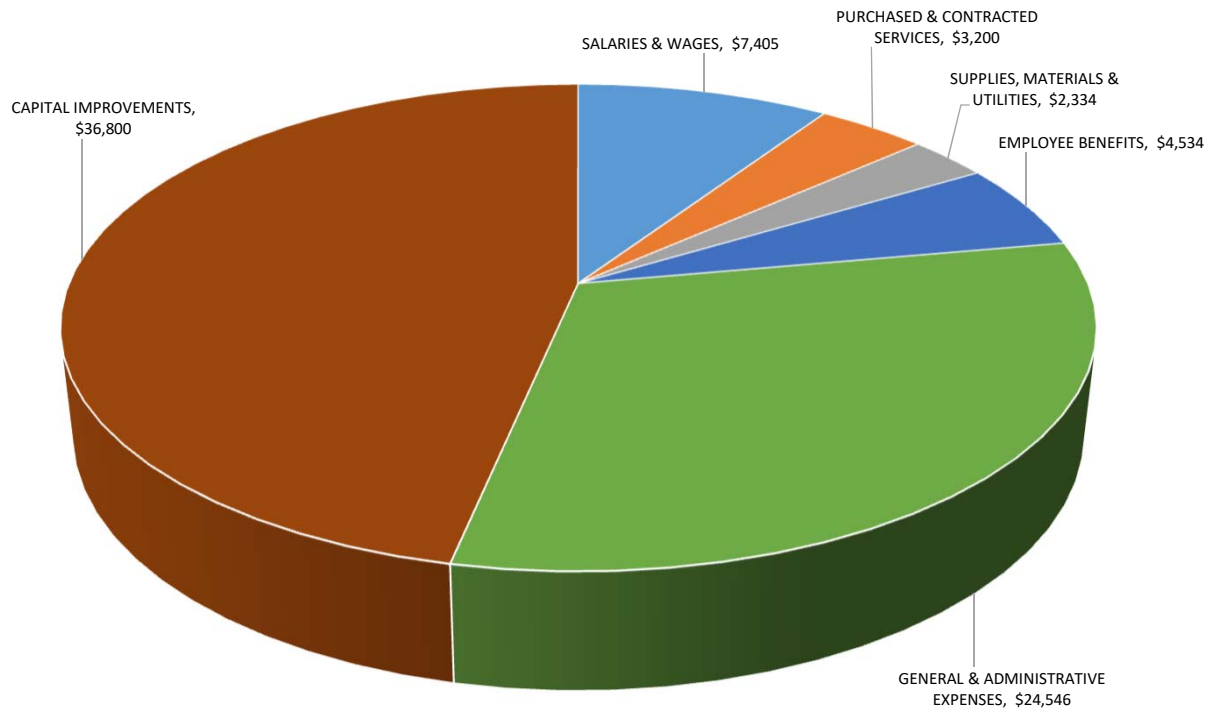
1. Operating Revenues- Operating Revenues for FY2018 are projected to total \$136,484, based on anticipated fees collected.
2. Salaries & Wages – Staffing for FY2018 includes 0.70 Full Time Employees (FTE's) for a total cost of \$12,130.
3. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$6,200, which is for contract mowing services.
4. Supplies, Materials & Utilities – Includes expenses for supplies for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$2,334.
5. Employee Benefits – Includes expenses for payroll taxes, group health insurance, TCDRS retirement, 401(k) retirement savings, and Worker's compensation insurance for the staff previously noted, totaling \$7,474.
6. General & Administration Expenses – Includes \$24,546 for expenses incurred by General & Administration (G&A) staff to support the Northline Group. These costs include such operational expense items as professional fees, purchased & contracted services, supplies, materials, utilities, rentals, maintenance repairs & parts, capital improvement and salaries & employee benefits associated with the support provided by G&A staff previously noted. Staffing for FY2018, includes 0.1075 FTE's, allocated by time, to support the management and implementation of the Northline Group for a total cost of \$11,593.
7. Capital Improvements- Costs totaling \$83,800. Major projects include:
 - Pipeline Rehabilitation (\$40,000) and,
 - Pipeline Study-5,000 Linear Foot (\$43,800).

BAYSHORE GROUP
(24)

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

BAYSHORE GROUP (24)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ 40,000	\$ 40,000	\$ 40,000	\$ 78,819	\$ 82,854
OTHER REVENUES	-	-	-	-	-
TOTAL REVENUES	\$ 40,000	\$ 40,000	\$ 40,000	\$ 78,819	\$ 82,854
SALARIES & WAGES	\$ -	\$ -	\$ -	\$ 7,405	\$ 7,664
PURCHASED & CONTRACTED SERVICES	-	1,300	3,200	3,200	3,200
SUPPLIES, MATERIALS & UTILITIES	-	-	-	2,334	2,433
MAINTENANCE, REPAIRS & PARTS	-	-	-	-	-
EMPLOYEE BENEFITS	-	-	-	4,534	5,041
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	24,546	24,516
PROFESSIONAL FEES	-	-	-	-	-
TOTAL EXPENSES	\$ -	\$ 1,300	\$ 3,200	\$ 42,019	\$ 42,854
NET REVENUES OVER EXPENSES	\$ 40,000	\$ 38,700	\$ 36,800	\$ 36,800	\$ 40,000
LESS: NON-OPERATING EXPENSES	\$ 303	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	12,159	46,000	36,800	36,800	40,000
LESS: OTHER USES	-	-	-	-	-
ADD: OTHER SOURCES	-	-	-	-	-
NET CASH BASIS SOURCES (USES)	<u>\$ 27,538</u>	<u>\$ (7,300)</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ 0</u>



GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

BAYSHORE GROUP (24)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES					
METERED WATER SALES	\$ 40,000	\$ 40,000	\$ 40,000	\$ 78,819	\$ 82,854
TOTAL OPERATING REVENUES	\$ 40,000	\$ 40,000	\$ 40,000	\$ 78,819	\$ 82,854
SALARIES & WAGES					
OPERATIONS	\$ -	\$ -	\$ -	\$ 3,375	\$ 3,493
MAINTENANCE - LABOR	-	-	-	775	802
OFFICE MANAGEMENT - LABOR	-	-	-	3,255	3,369
SALARIES & WAGES	-	-	-	7,405	7,664
PURCHASED & CONTRACTED SERVICES					
CONTRACT SERVICE OPERATIONS	\$ -	\$ 1,300	\$ 3,200	\$ 3,200	\$ 3,200
PURCHASED & CONTRACTED SERVICES	-	1,300	3,200	3,200	3,200
SUPPLIES, MATERIALS & UTILITIES					
DATA PROCESSING	\$ -	\$ -	\$ -	\$ 292	\$ 298
RECORDS MANAGEMENT	-	-	-	301	307
INSURANCE EXPENSE	-	-	-	1,742	1,829
SUPPLIES, MATERIALS & UTILITIES	-	-	-	2,334	2,433
EMPLOYEE BENEFITS					
PAYROLL TAXES	\$ -	\$ -	\$ -	\$ 566	\$ 586
EMPLOYEE BENEFITS - HEALTH INS	-	-	-	2,706	3,111
EMPLOYEE BENEFITS DENTAL	-	-	-	87	100
EMPLOYEE BENEFITS VISION	-	-	-	26	29
EMPLOYEE BENEFITS - LIFE INS	-	-	-	77	89
EMPLOYEE BENEFITS - TC&DRS	-	-	-	642	664
EMPLOYEE BENEFITS-401(K)	-	-	-	296	307
WORKERS COMPENSATION INSURANCE	-	-	-	134	154
EMPLOYEE BENEFITS	-	-	-	4,534	5,041
GENERAL & ADMINISTRATIVE EXPENSES					
ADMIN EXPENSES	\$ -	\$ -	\$ -	\$ 24,546	\$ 24,516
GENERAL & ADMINISTRATIVE EXPENSES	-	-	-	24,546	24,516
PROFESSIONAL FEES					
ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -
PROFESSIONAL FEES	-	-	-	-	-
NON-OPERATING EXPENSES					
DEPRECIATION	\$ 303	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	303	-	-	-	-
CAPITAL IMPROVEMENTS					
CAPITAL	\$ 12,159	\$ 46,000	\$ 36,800	\$ 36,800	\$ 40,000
TOTAL CAPITAL IMPROVEMENTS	12,159	46,000	36,800	36,800	40,000
TOTAL EXPENSES	\$ 12,462	\$ 47,300	\$ 40,000	\$ 78,819	\$ 82,854
NET CASH BASIS SOURCES (USES)	\$ 27,538	\$ (7,300)	\$ -	\$ -	\$ -

FY2018 Budget Notes – Bayshore Group

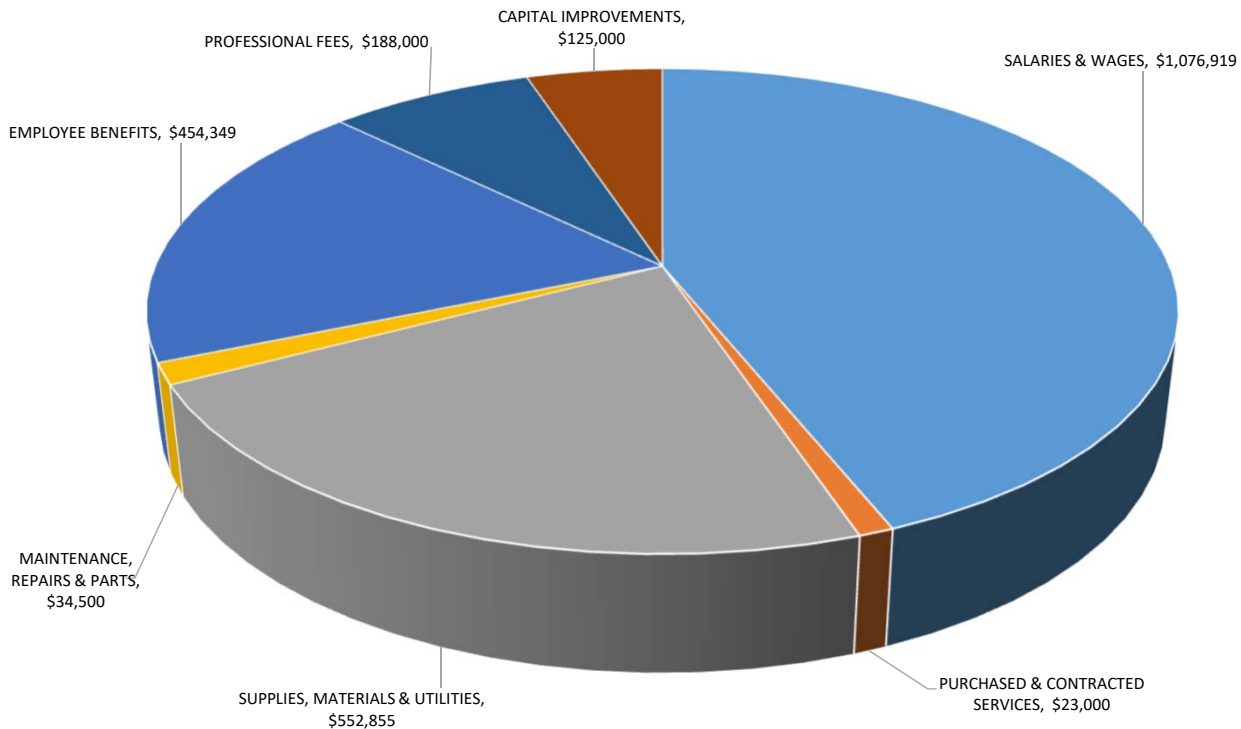
1. Operating Revenues- Operating Revenues for FY2018 are projected to total \$40,000, based on anticipated fees collected.
2. Salaries & Wages – Staffing for FY2018 includes 0.70 Full Time Employees (FTE's) for a total cost of \$7,405.
3. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$3,200, which is for contract mowing services.
4. Supplies, Materials & Utilities – Includes expenses for supplies for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$2,334.
5. Employee Benefits – Includes expenses for payroll taxes, group health insurance, TCDRS retirement, 401(k) retirement savings, and Worker's compensation insurance for the staff previously noted, totaling \$4,534.
6. General & Administration Expenses – Includes \$24,546 for expenses incurred by General & Administration (G&A) staff to support the Bayshore Group. These costs include such operational expense items as professional fees, purchased & contracted services, supplies, materials, utilities, rentals, maintenance repairs & parts, capital improvement and salaries & employee benefits associated with the support provided by G&A staff previously noted. Staffing for FY2018, includes 0.1075 FTE's, allocated by time, to support the management and implementation of the Bayshore Group for a total cost of \$11,593.
7. Capital Improvements- Costs totaling \$36,800, for Pipeline Rehabilitation (\$36,800).

ADMINISTRATIVE FUND
(99)

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

ADMINISTRATION (99)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER REVENUES	1,349	84	-	-	-
TOTAL REVENUES	\$ 1,349	\$ 84	\$ -	\$ -	\$ -
SALARIES & WAGES	\$ 67,911	\$ 761,281	\$ 949,579	\$ 1,076,919	\$ 1,114,612
PURCHASED & CONTRACTED SERVICES	15,932	25,804	25,028	23,000	25,500
SUPPLIES, MATERIALS & UTILITIES	273,020	351,541	494,703	552,855	580,497
MAINTENANCE, REPAIRS & PARTS	13,130	16,234	22,000	34,500	36,225
EMPLOYEE BENEFITS	18,814	310,080	435,810	454,349	497,336
GENERAL & ADMINISTRATIVE EXPENSES	(592,838)	(1,794,926)	(2,203,720)	(2,454,624)	(2,451,570)
PROFESSIONAL FEES	157,754	283,885	196,600	188,000	197,400
TOTAL EXPENSES	\$ (46,277)	\$ (46,100)	\$ (80,000)	\$ (125,000)	\$ 0
NET REVENUES OVER EXPENSES	\$ 47,627	\$ 46,184	\$ 80,000	\$ 125,000	\$ (0)
LESS: NON-OPERATING EXPENSES	\$ 93,112	\$ -	\$ -	\$ -	\$ -
LESS: CAPITAL IMPROVEMENTS	48,491	46,100	80,000	125,000	-
LESS: OTHER USES	-	-	-	-	-
ADD: OTHER SOURCES	-	-	-	-	-
NET CASH BASIS SOURCES (USES)	\$ (93,976)	\$ 84	\$ 0	\$ 0	\$ (0)



GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

ADMINISTRATION (99)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
OTHER REVENUES					
OTHER INCOME	\$ 1,349	\$ 84	\$ -		
TOTAL OTHER REVENUES	\$ 1,349	\$ 84	\$ -	\$ -	\$ -
SALARIES & WAGES					
ADMIN-OFFICE	\$ 67,911	\$ 761,281	\$ 949,579	\$ 1,076,919	\$ 1,114,612
SALARIES & WAGES	\$ 67,911	\$ 761,281	\$ 949,579	\$ 1,076,919	\$ 1,114,612
PURCHASED & CONTRACTED SERVICES					
ADMIN-SERVICE AGREEMENTS	\$ 14,689	\$ 24,539	\$ 22,000	\$ 19,000	\$ 21,000
ADMIN-CONTRACT SERVICES	1,243	1,264	3,028	4,000	4,500
PURCHASED & CONTRACTED SERVICES	15,932	25,804	25,028	23,000	25,500
SUPPLIES, MATERIALS & UTILITIES					
ADMIN-DATA PROCESSING	\$ 128,169	\$ 98,149	\$ 113,850	\$ 142,200	\$ 149,310
ADMIN-DIRECTOR'S EXPENSE	30,398	93,407	102,000	105,000	110,250
ADMIN-MANAGEMENT EXPENSE	45,346	74,336	47,500	47,500	49,875
ADMIN-INSURANCE EXPENSE	-	30,403	160,093	174,155	182,862
ADMIN-JANITORIAL SERVICE & SUP	5,145	3,765	5,160	5,000	5,250
ADMIN-STATIONARY & OFFICE SUPP	35,823	20,944	26,500	26,000	27,300
ADMIN-TELEPHONE	5,499	5,355	6,000	6,000	6,300
ADMIN-TRAINING	8,543	11,663	20,000	25,000	26,250
ADMIN-DUES/SUBSCRIPTIONS	12,020	10,839	11,100	15,000	15,750
ADMIN-SAFETY EQUIPMENT	1,266	1,813	2,000	2,000	2,100
ADMIN-HEAT,LIGHT,WATER	811	867	500	5,000	5,250
SUPPLIES, MATERIALS & UTILITIES	273,020	351,541	494,703	552,855	580,497
MAINTENANCE, REPAIRS & PARTS					
ADMIN -FUEL & OIL EXPENSE	\$ 478	\$ 4,944	\$ 5,000	\$ 2,000	\$ 2,100
ADMIN-MAINT OFFICE BLDG & GRND	10,346	2,958	8,000	23,000	24,150
ADMIN-RADIO MAINTENANCE	-	5,947	6,000	6,500	6,825
ADMIN-VEHICLE REPAIRS & MAINT	2,306	2,385	3,000	3,000	3,150
MAINTENANCE, REPAIRS & PARTS	13,130	16,234	22,000	34,500	36,225
EMPLOYEE BENEFITS					
PAYROLL TAXES	\$ 5,087	\$ 45,631	\$ 72,643	\$ 82,384	\$ 85,268
ADMIN-EMPL BENEFIT HEALTH INS	2,480	143,835	219,602	210,181	241,709
EMPLOYEE BENEFITS DENTAL	44	5,683	8,230	9,814	11,286
EMPLOYEE BENEFITS VISION	10	1,471	2,421	2,105	2,421
ADMIN-EMPL BENEFIT LIFE INS	291	4,500	10,071	11,118	12,786
ADMIN-EMPL BENEFIT TC & DRS	5,888	72,942	82,329	93,369	96,637
ADMIN - 401 (K)	2,716	33,653	37,983	43,077	44,584
ADMIN-WORKERS COMP INSURANCE	2,296	2,365	2,532	2,301	2,646
EMPLOYEE BENEFITS	18,814	310,080	435,810	454,349	497,336

GULF COAST WATER AUTHORITY
FISCAL YEAR 2017 - 2018 BUDGET

ADMINISTRATION (99)

	Ending Balance 8/31/2016	Annualized FY 2017	FY 2017 Budget	FY 2018 Budget	Forecasted FY 2019 Budget
GENERAL & ADMINISTRATIVE EXPENSES					
ADMIN EXPENSES	\$ (592,838)	\$ -	\$ -	\$ -	\$ -
G&A Expense Allocated to TCR		-	-	(220,916)	(220,641)
G&A Expense Allocated to Industrial		(203,186)	(249,461)	(147,277)	(147,094)
G&A Expense Allocated to SEWPP-LC		(19,206)	(23,580)	(49,092)	(49,031)
G&A Expense Allocated to WTP		(637,378)	(782,541)	(736,387)	(735,471)
G&A Expense Allocated to Canal		(640,250)	(786,067)	(785,480)	(784,503)
G&A Expense Allocated to WCID #12		-	-	(24,546)	(24,516)
G&A Expense Allocated to Galveston (12)		(22,616)	(27,767)	(24,546)	(24,516)
G&A Expense Allocated to South Projects		-	-	(24,546)	(24,516)
G&A Expense Allocated to Chocolate Bayou		(256,136)	(314,471)	(343,647)	(343,220)
G&A Expense Allocated to SEWPP-Pearland		(16,154)	(19,833)	(49,092)	(49,031)
G&A Expense Allocated to Northline		-	-	(24,546)	(24,516)
G&A Expense Allocated to SEWPP-Bayshore		-	-	(24,546)	(24,516)
ADMIN EXPENSES		-	-	-	-
GENERAL & ADMINISTRATIVE EXPENSES	(592,838)	(1,794,926)	(2,203,720)	(2,454,624)	(2,451,570)
PROFESSIONAL FEES					
ADMIN-CONSULTANTS	\$ 94,062	\$ 219,314	\$ 128,600	\$ 110,000	\$ 115,500
ADMIN-LEGAL EXPENSE	24,442	25,322	28,000	28,000	29,400
ADMIN-AUDIT EXPENSE (OUTSIDE)	39,250	39,250	40,000	50,000	52,500
PROFESSIONAL FEES	157,754	283,885	196,600	188,000	197,400
NON-OPERATING EXPENSES					
DEPRECIATION	\$ 93,112	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	93,112	-	-	-	-
CAPITAL IMPROVEMENTS					
ADMIN-CAPITAL	\$ 48,491	\$ 46,100	\$ 80,000	\$ 125,000	\$ -
TOTAL CAPITAL IMPROVEMENTS	48,491	46,100	80,000	125,000	-
TOTAL EXPENSES	\$ 95,325	\$ -	\$ (0)	\$ -	\$ -
NET CASH BASIS SOURCES (USES)	\$ (93,976)	\$ 84	\$ 0	\$ -	\$ -

FY2018 Budget Notes – General & Administrative Fund

1. Operating Revenues- The G&A Fund does not have Operating Revenues.
2. Salaries & Wages – Staffing for FY2018 includes 10.75 Full Time Employees (FTE's) for a total cost of \$1,076,919, which is a 0.30 FTE increase from FY2017 due to the addition of an Administrative Assistant to the General Manager and reallocation the Assistant General Manager and Project Manager-Information Systems.
3. Supplies, Materials, & Utilities — Includes expenses for supplies for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$522,855. The single largest expense is insurance expense in the amount of \$174,155. Additionally, \$142,200 for data processing and \$105,000 for director's expense.
4. Employee Benefits – Includes expenses for payroll taxes, group health insurance, TCDRS retirement, 401(k) retirement savings, and Worker's compensation insurance for the staff previously noted, totaling \$454,349.
5. Professional Fees- Include expenses such as attorneys, consultants, auditing, etc., for a total of \$188,000. Legal Fee and Auditing are projected to be \$28,000 and \$50,000, respectively. Consulting fees are projected to be \$110,000.
6. Capital Improvements- Costs totaling \$125,000. Major projects include:
 - Preliminary Layout for Operations Center (\$50,000)
 - Two (2) Administrative Vehicle (\$70,000) and,
 - Administrative Office Security System (\$5,000).

APPENDIX



Gulf Coast Water Authority

Exhibit A

2018 WATER RATES PER MILLION GALLONS (\$MG)

<u>CANAL- System A & B</u>	<u>O&M</u>	<u>Capital</u>	<u>Raw Water</u>	<u>Raw Water - Pecan Grove</u>	<u>Option Water</u>
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Rates	82.00	54.38	84.84	267.17	44.24
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<u>CANAL- Chocolate Bayou</u>	<u>O&M</u>	<u>Capital</u>	<u>Raw Water</u>	<u>Option Water</u>
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Rates	45.68	360.37	98.18	100.84
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<u>INTERRUPTIBLE WATER</u>	<u>Interruptible Rates</u>
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Silvercreek Community Association	272.76
Sugar Creek Country Club	365.48
Mainland Concrete	221.22
First Colony Community Services (Fluor)	268.77
First Colony Commons	221.22
Riverbend Country Club	221.22
Diamond K	221.22
Mag Creek Country Club	221.22
Texas City Golf Course	275.10

<u>Thomas Mackey Water Treatment Plant Rates</u>	<u>Raw Water</u>	<u>Capital</u>	<u>O&M</u>
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Rates	275.10	207.85	571.35
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<u>Texas City Reservoir Rates</u>	<u>Raw Water</u>	<u>O&M</u>	<u>Capital</u>	<u>Bonds</u>		
				<u>Industrial Division</u>	<u>Ashland</u>	<u>Water Treatment Plant</u>

Rates	221.22	14.27	20.41	31.02	31.02	19.20
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<u>Texas City Industrial Rates</u>	<u>Power</u>	<u>Raw Water</u>	<u>O&M</u>	<u>Capital</u>	<u>Bonds</u>	
					<u>Texas City</u>	<u>Industrial</u>

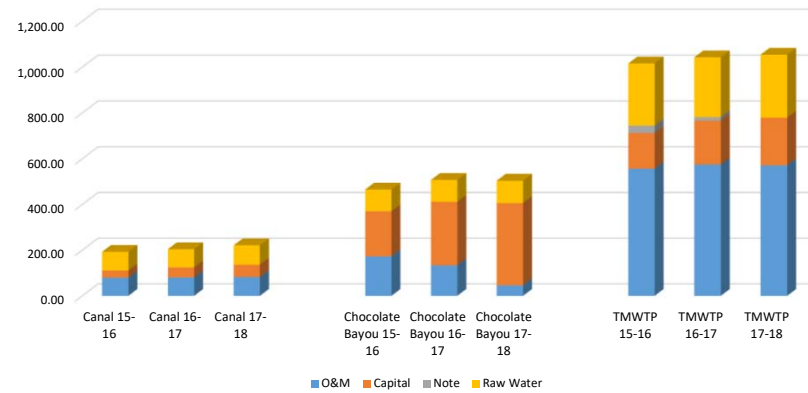
Rates	41.87	286.92	39.92	101.27	N/A	49.18
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SPOT RAW WATER-(TRUCKED)

\$1,000 minimum up to first million and \$500 per half million thereafter.

Annual Bond Debt Obligation for each customer is detailed in Appendix C.

Historical Water Rates Per Million Gallons (\$MG)





Gulf Coast Water Authority

**SUPPLEMENT TO EXHIBIT A
2018 WATER RATES**

RAW WATER

	CONTRACT QUANTITY	
	(MGD)	(\$/MG)
<u>CANAL SYSTEM A&B</u>		
Industrial Division	110.7620	221.22
Ascend Performance Materials	17.8660	221.22
Ft. Bend WCID#2	4.0000	221.22
Missouri City	15.0000	221.22
Pecan Grove	2.3524	403.56
Sugar Land	10.0000	221.22
Underground Storage	1.6000	221.22
<u>CHOCOLATE BAYOU</u>		
INEOS Olefins and Polymers	15.0000	504.22
<u>OPTION WATER</u>		
Sugar Land	10.0000	44.24
Ft. Bend WCID #2	6.5000	44.24
Pearland	10.0000	44.24
INEOS	9.0000	100.84
<u>INTERRUPTIBLE WATER</u>		
Silvercreek Community Association	0.0000	272.76
Sugar Creek Country Club	0.2098	365.48
Mainland Concrete	0.0329	221.22
First Colony Community Services (Fluor)	0.0803	268.77
First Colony Commons	0.0384	221.22
Riverbend Country Club	0.1370	221.22
Diamond K	0.0580	221.22
Mag Creek Country Club	0.4930	221.22
Texas City Golf Course	0.1095	275.10

SPOT RAW WATER-(TRUCKED)

\$1,000 minimum up to first million and \$500 per half million thereafter.

Annual Bond Debt Obligation for each customer is detailed in Appendix C.



Gulf Coast Water Authority

**SUPPLEMENT TO EXHIBIT A
2018 WATER RATES**

RAW WATER - TEXAS CITY RESERVOIR (TCR)

	RAW WATER		O & M		CAPITAL		*BONDS		AVERAGE COST PER (MG) BASED ON CONTRACT QUANTITIES	
	CONTRACT (MGD)	(\$/MG)	CONTRACT (MGD)	(\$/MG)	CONTRACT (MGD)	(\$/MG)	CONTRACT (MGD)	(\$/MG)	CONTRACT (MGD)	(\$/MG)
Industrial Division	60.0620	221.22	60.0620	14.27	60.0620	20.41	60.0620	31.02	60.0620	286.92
Ashland	1.0000	221.22	1.0000	14.27	1.0000	20.41	1.0000	31.02	1.0000	286.92
Thomas Mackey Water Treatment Plant	49.7000	221.22	49.7000	14.27	49.7000	20.41	49.7000	19.20	49.7000	275.10

Annual Bond Debt Obligation for each customer is detailed in Appendix C.

* The Thomas Mackey Water Treatments Plant provides the funds to pay for the Bond Series 2017A and the Industrial Division Customers and Ashland provide the funds to pay for the Bond Series 2017B.



Gulf Coast Water Authority

**SUPPLEMENT TO EXHIBIT A
2018 WATER RATES**

RAW WATER - TEXAS CITY - INDUSTRIAL

	POWER		RAW WATER		O & M		CAPITAL		BONDS		AVERAGE COST PER (MG) BASED ON CONTRACT QUANTITIES	
	ESTIMATED		CONTRACT		CONTRACT		CONTRACT		CONTRACT		CONTRACT	
	(MGD)	(\$/MG)	(MGD)	(\$/MG)	(MGD)	(\$/MG)	(MGD)	(\$/MG)	(MGD)	(\$/MG)	(MGD)	(\$/MG)
GBR	26.4938	41.87	28.6000	286.92	28.6000	39.92	28.6000	101.27	28.6000	49.18	28.6000	516.07
Dow	8.2748	41.87	12.3910	286.92	12.3910	39.92	12.3910	101.27	12.3910	49.18	12.3910	505.24
Eastman	1.3794	41.87	8.5420	286.92	8.5420	39.92	8.5420	101.27	8.5420	49.18	8.5420	484.04
Valero	2.5732	41.87	6.5100	286.92	6.5100	39.92	6.5100	101.27	6.5100	49.18	6.5100	493.83
Marathon Petroleum	3.8077	41.87	4.0000	286.92	4.0000	39.92	4.0000	101.27	4.0000	49.18	4.0000	517.14
Texas City (Highway 146)	N/A	N/A	0.0190	286.92	0.0190	39.92	0.0190	101.27	N/A	N/A	0.0190	428.10

Annual Bond Debt Obligation for each customer is detailed in Appendix C.

* Power cost is adjusted at end of year for actual metered water and cost.



Gulf Coast Water Authority

SUPPLEMENT TO EXHIBIT A 2018 WATER RATES

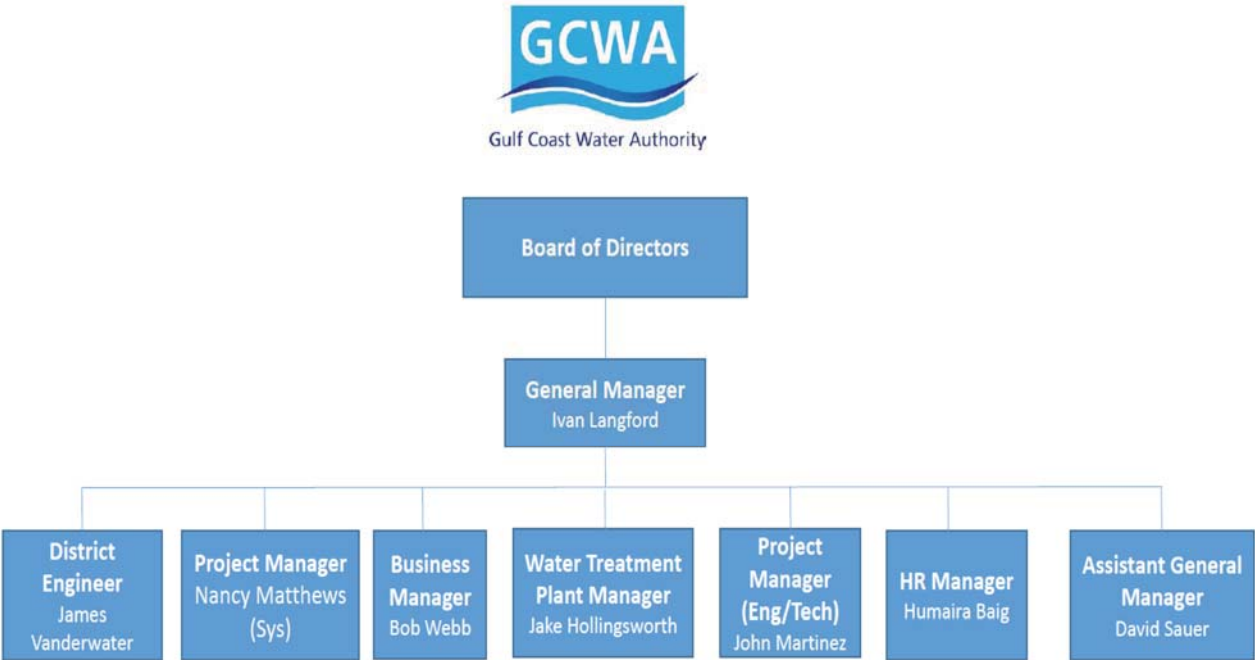
THOMAS MACKEY WATER TREATMENT PLANT

	RESERVE CAPACITY			O & M	
				ESTIMATED METERED WATER	
	<u>(MGD)</u>	<u>RAW WATER (\$/MG)</u>	<u>CAPITAL (\$/MG)</u>	<u>(MGD)</u>	<u>(\$/MG)</u>
Texas City (North Line)	11.2050	275.10	207.85	6.1500	571.35
LaMarque (North Line)	2.3800	275.10	207.85	2.0990	571.35
WCID #1 (North Line)	3.6650	275.10	207.85	2.0000	571.35
Bacliff	1.1900	275.10	207.85	0.5700	571.35
Bayview	0.3880	275.10	207.85	0.1200	571.35
WCID #12	1.0430	275.10	207.85	0.7120	571.35
San Leon	1.7850	275.10	207.85	0.6000	571.35
League City	2.5440	275.10	207.85	2.0000	571.35
Galveston	20.9900	275.10	207.85	14.1250	571.35
Hitchcock	1.5000	275.10	207.85	0.8000	571.35
WCID #8	1.0000	275.10	207.85	0.5500	571.35
MUD #12	0.4500	275.10	207.85	0.2500	571.35
La Marque (South Line)	0.4000	275.10	207.85	0.3160	571.35
FWSD #6	0.3600	275.10	207.85	0.2100	571.35
Texas City (South Line)	0.3000	275.10	207.85	0.0000	0
WCID #1 (South Line)	0.5000	275.10	207.85	0.2000	571.35

GULF COAST WATER AUTHORITY

Organizational Chart

As of June 15, 2107



GULF COAST WATER AUTHORITY
BOND DEBT
YEARS ENDING AUGUST 31

CITY OF LEAGUE CITY (04) REFUNDING SERIES 2011F (2001)

<u>DUE DATE</u>	<u>PRINCIPAL</u> <u>08/15</u>	<u>INTEREST</u> <u>02/15</u>	<u>INTEREST</u> <u>08/15</u>	<u>TOTAL</u>
2018	235,000.00	18,218.75	18,218.75	271,437.50
2019	240,000.00	14,400.00	14,400.00	268,800.00
2020	250,000.00	10,200.00	10,200.00	270,400.00
2021	260,000.00	5,200.00	5,200.00	270,400.00
 TOTAL	 985,000.00	 48,018.75	 48,018.75	 1,081,037.50

		ANNUAL PAYMENT DUE NEXT FOUR YEARS			
CUSTOMER	%	2018	2019	2020	2021

LEAGUE CITY	100.000%	271,437.50	268,800.00	270,400.00	270,400.00
TOTAL	100.000%	271,437.50	268,800.00	270,400.00	270,400.00

GULF COAST WATER AUTHORITY
BOND DEBT
YEARS ENDING AUGUST 31

SOUTH PROJECT (14) - REFUNDING BONDS, SERIES 2011A (1998A)

DUE DATE	<u>PRINCIPAL</u> 08/15	<u>INTEREST</u> 02/15	<u>INTEREST</u> 08/15	<u>TOTAL</u>
2018	1,985,000.00	252,287.50	252,287.50	2,489,575.00
2019	2,060,000.00	212,587.50	212,587.50	2,485,175.00
2020	2,165,000.00	161,087.50	161,087.50	2,487,175.00
2021	2,255,000.00	115,625.00	115,625.00	2,486,250.00
2022	2,370,000.00	59,250.00	59,250.00	2,488,500.00
 TOTAL	 10,835,000.00	 800,837.50	 800,837.50	 12,436,675.00

		ANNUAL PAYMENT DUE NEXT FOUR YEARS			
CUSTOMER	%	2018	2019	2020	2021
GALVESTON	97.287%	2,422,032.94	2,417,752.31	2,419,698.05	2,418,798.14
LEAGUE CITY	2.267%	56,447.77	56,348.01	56,393.35	56,372.38
WCID #1	0.446%	11,094.29	11,074.69	11,083.60	11,079.48
 TOTAL	 100.000%	 2,489,575.00	 2,485,175.00	 2,487,175.00	 2,486,250.00

GULF COAST WATER AUTHORITY
BOND DEBT
YEARS ENDING AUGUST 31

SOUTH PROJECT (14) - HWY 6 REFUNDING BONDS, SERIES 2011B (1998B)

<u>DUE DATE</u>	<u>PRINCIPAL</u> 08/15	<u>INTEREST</u> 02/15	<u>INTEREST</u> 08/15	<u>TOTAL</u>
2018	310,000.00	33,700.00	33,700.00	377,400.00
2019	325,000.00	27,500.00	27,500.00	380,000.00
2020	335,000.00	21,000.00	21,000.00	377,000.00
2021	350,000.00	14,300.00	14,300.00	378,600.00
2022	365,000.00	7,300.00	7,300.00	379,600.00
 TOTAL	 1,685,000.00	 103,800.00	 103,800.00	 1,892,600.00

		ANNUAL PAYMENT DUE NEXT FOUR YEARS			
CUSTOMER	%	2018	2019	2020	2021
HITCHCOCK	36.283%	136,932.99	137,876.36	136,787.86	137,368.39
WCID # 8	24.189%	91,288.66	91,917.57	91,191.91	91,578.93
MUD #12	10.885%	41,079.90	41,362.91	41,036.36	41,210.52
LA MARQUE	9.676%	36,515.46	36,767.03	36,476.76	36,631.57
FWSD #6	8.708%	32,863.92	33,090.33	32,829.09	32,968.41
TEXAS CITY	7.257%	27,386.60	27,575.27	27,357.57	27,473.68
LEAGUE CITY	2.510%	9,471.02	9,536.27	9,460.98	9,501.14
WCID #1	0.493%	1,861.44	1,874.27	1,859.47	1,867.36
 TOTAL	 100%	 377,400.00	 380,000.00	 377,000.00	 378,600.00

GULF COAST WATER AUTHORITY
BOND DEBT
YEARS ENDING AUGUST 31

CITY OF TEXAS CITY (15) REFUNDING BONDS, SERIES 2011C (1998C)
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DUE DATE	<u>PRINCIPAL</u> 08/15	<u>INTEREST</u> 02/15	<u>INTEREST</u> 08/15	<u>TOTAL</u>
2018	450,000.00	84,750.00	84,750.00	619,500.00
2019	475,000.00	73,500.00	73,500.00	622,000.00
2020	500,000.00	61,625.00	61,625.00	623,250.00
2021	520,000.00	49,125.00	49,125.00	618,250.00
2022	1,445,000.00	36,125.00	36,125.00	1,517,250.00
	3,390,000.00	305,125.00	305,125.00	4,000,250.00

		ANNUAL PAYMENT DUE NEXT FOUR YEARS			
CUSTOMER	%	2018	2019	2020	2021

TEXAS CITY	100.000%	619,500.00	622,000.00	623,250.00	618,250.00
TOTAL	100.000%	619,500.00	622,000.00	623,250.00	618,250.00

GULF COAST WATER AUTHORITY
BOND DEBT
YEARS ENDING AUGUST 31

CITY OF LA MARQUE (16) REFUNDING BONDS, SERIES 2011D (1998D)

DUE DATE	<u>PRINCIPAL</u> 08/15	<u>INTEREST</u> 02/15	<u>INTEREST</u> 08/15	<u>TOTAL</u>
2018	195,000.00	26,525.00	26,525.00	248,050.00
2019	200,000.00	22,625.00	22,625.00	245,250.00
2020	215,000.00	17,625.00	17,625.00	250,250.00
2021	220,000.00	12,250.00	12,250.00	244,500.00
2022	270,000.00	6,750.00	6,750.00	283,500.00
 TOTAL	 1,100,000.00	 85,775.00	 85,775.00	 1,271,550.00

		ANNUAL PAYMENT DUE NEXT FOUR YEARS			
CUSTOMER	%	2018	2019	2020	2021

LA MARQUE	100.000%	248,050.00	245,250.00	250,250.00	244,500.00
TOTAL	100.000%	248,050.00	245,250.00	250,250.00	244,500.00

GULF COAST WATER AUTHORITY
BOND DEBT
YEARS ENDING AUGUST 31

CITY OF GALVESTON (19) REFUNDING BONDS, SERIES 2012 (2002)

<u>DUE DATE</u>	<u>PRINCIPAL</u> <u>08/15</u>	<u>INTEREST</u> <u>02/15</u>	<u>INTEREST</u> <u>08/15</u>	<u>TOTAL</u>
2018	770,000.00	45,513.50	45,513.50	861,027.00
2019	785,000.00	36,774.00	36,774.00	858,548.00
2020	800,000.00	27,864.25	27,864.25	855,728.50
2021	820,000.00	18,784.25	18,784.25	857,568.50
2022	835,000.00	9,477.25	9,477.25	853,954.50
 TOTAL	 4,010,000.00	 138,413.25	 138,413.25	 4,286,826.50

		ANNUAL PAYMENT DUE NEXT FOUR YEARS			
CUSTOMER	%	2018	2019	2020	2021

GALVESTON	100.000%	861,027.00	858,548.00	855,728.50	857,568.50
TOTAL	100.000%	861,027.00	858,548.00	855,728.50	857,568.50

**GULF COAST WATER AUTHORITY
BOND DEBT
YEARS ENDING AUGUST 31**

TEXAS CITY RESERVOIR SERIES 2016A				
<u>DUE DATE</u>	<u>PRINCIPAL</u> 08/15	(Estimate) <u>INTEREST</u> 02/15	(Estimate) <u>INTEREST</u> 08/15	<u>TOTAL</u>
2018	440,000.00	53,137.50	53,137.50	546,275.00
2019	450,000.00	48,341.50	48,341.50	546,683.00
2020	460,000.00	43,436.50	43,436.50	546,873.00
2021	470,000.00	38,422.50	38,422.50	546,845.00
2022	480,000.00	33,299.50	33,299.50	546,599.00
2023	495,000.00	28,067.50	28,067.50	551,135.00
2024	505,000.00	22,672.00	22,672.00	550,344.00
2025	515,000.00	17,167.50	17,167.50	549,335.00
2026	525,000.00	11,554.00	11,554.00	548,108.00
2027	535,000.00	5,831.50	5,831.50	546,663.00
	4,875,000.00	301,930.00	301,930.00	5,478,860.00

ANNUAL PAYMENT DUE NEXT FOUR YEARS					
CUSTOMER	%	2018	2019	2020	2021
TEXAS CITY	23.15%	126,456.62	126,551.06	126,595.05	126,588.57
LA MARQUE	5.59%	30,556.23	30,579.05	30,589.68	30,588.11
WCID #1	8.38%	45,779.38	45,813.58	45,829.50	45,827.15
BACLIF	2.39%	13,079.82	13,089.59	13,094.14	13,093.47
BAYVIEW	0.78%	4,264.68	4,267.87	4,269.35	4,269.13
WCID #12	2.10%	11,464.08	11,472.64	11,476.63	11,476.04
SAN LEON	3.59%	19,619.74	19,634.39	19,641.21	19,640.21
LEAGUE CITY	5.12%	27,962.25	27,983.13	27,992.86	27,991.42
GALVESTON	42.23%	230,710.51	230,882.82	230,963.06	230,951.24
HITCHCOCK	3.02%	16,487.17	16,499.49	16,505.22	16,504.38
WCID #8	2.01%	10,991.45	10,999.66	11,003.48	11,002.92
MUD #12	0.91%	4,946.15	4,949.85	4,951.57	4,951.31
FWSD #6	0.72%	3,956.92	3,959.88	3,961.25	3,961.05
TOTAL	100.00%	546,275.00	546,683.00	546,873.00	546,845.00

GULF COAST WATER AUTHORITY
BOND DEBT
YEARS ENDING AUGUST 31

TEXAS CITY RESERVOIR SERIES 2016B

DUE DATE	<u>PRINCIPAL</u> 08/15	<u>INTEREST</u> 02/15	<u>INTEREST</u> 08/15	<u>TOTAL</u>
2018	510,000.00	93,412.50	93,412.50	696,825.00
2019	525,000.00	85,303.50	85,303.50	695,607.00
2020	540,000.00	76,956.00	76,956.00	693,912.00
2021	560,000.00	68,370.00	68,370.00	696,740.00
2022	575,000.00	59,466.00	59,466.00	693,932.00
2023	595,000.00	50,323.50	50,323.50	695,647.00
2024	615,000.00	40,863.00	40,863.00	696,726.00
2025	630,000.00	31,084.50	31,084.50	692,169.00
2026	650,000.00	21,067.50	21,067.50	692,135.00
2027	675,000.00	10,732.50	10,732.50	696,465.00
 TOTAL	 5,875,000.00	 537,579.00	 537,579.00	 6,950,158.00

		ANNUAL PAYMENT DUE NEXT FOUR YEARS			
CUSTOMER	%	2018	2019	2020	2021

GBR	46.84%	326,376.39	325,805.91	325,012.01	326,336.58
UNION CARBIDE	20.29%	141,403.14	141,155.98	140,812.02	141,385.89
EASTMAN CHEMICAL	13.99%	97,479.27	97,308.88	97,071.77	97,467.38
VALERO	10.66%	74,290.57	74,160.71	73,980.01	74,281.51
MARATHON PETROBRAS	6.55%	45,647.05	45,567.26	45,456.22	45,641.48
TEXAS CITY	0.03%	216.82	216.44	215.92	216.80
ASHLAND	1.64%	11,411.76	11,391.81	11,364.06	11,410.37
 TOTAL	 100.00%	 696,825.00	 695,607.00	 693,912.00	 696,740.00

GULF COAST WATER AUTHORITY
BOND DEBT
YEARS ENDING AUGUST 31

TEXAS CITY RESERVOIR SERIES 2016B

DUE DATE	<u>PRINCIPAL</u> 08/15	<u>INTEREST</u> 02/15	<u>INTEREST</u> 08/15	<u>TOTAL</u>
2018	490,000.00	407,739.78	267,858.25	1,165,598.03
2019	650,000.00	258,572.75	258,572.75	1,167,145.50
2020	680,000.00	246,255.25	246,255.25	1,172,510.50
2021	700,000.00	233,369.25	233,369.25	1,166,738.50
2022	730,000.00	220,104.25	220,104.25	1,170,208.50
2023	755,000.00	206,270.75	206,270.75	1,167,541.50
2024	785,000.00	191,963.50	191,963.50	1,168,927.00
2025	820,000.00	177,087.75	177,087.75	1,174,175.50
2026	850,000.00	161,548.75	161,548.75	1,173,097.50
2027	875,000.00	145,441.25	145,441.25	1,165,882.50
2028	1,605,000.00	128,860.00	128,860.00	1,862,720.00
2029	1,670,000.00	98,445.25	98,445.25	1,866,890.50
2030	1,730,000.00	66,798.75	66,798.75	1,863,597.50
2031	1,795,000.00	34,015.25	34,015.25	1,863,030.50
 TOTAL	 14,135,000.00	 2,576,472.53	 2,436,591.00	 19,148,063.53

		ANNUAL PAYMENT DUE NEXT FOUR YEARS			
CUSTOMER	%	2018	2019	2020	2021

GBR	47.63%	555,203.83	555,940.93	558,496.42	555,747.07
UNION CARBIDE	20.64%	240,543.03	240,862.38	241,969.55	240,778.39
EASTMAN CHEMICAL	14.23%	165,823.47	166,043.62	166,806.87	165,985.71
VALERO	10.84%	126,376.82	126,544.60	127,126.28	126,500.47
MARATHON PETROLLEUM	6.66%	77,650.89	77,753.98	78,111.39	77,726.86
 TOTAL	 100.00%	 1,165,598.03	 1,167,145.50	 1,172,510.50	 1,166,738.50

ACCOUNT DEFINITIONS

SALARIES & WAGES:

These accounts reflect the gross wages paid to the Authority's employees:

- 5200 Operations – Salary and wage compensation paid to operations staff.
- 5490 Maintenance – Salary and wage compensation paid to maintenance staff.
- 6640 Office Management – Salary and wage compensation paid to office management staff.
- 5710 Administrative-Office – Salary and wage compensation paid to administrative staff.

PURCHASED & CONTRACTED SERVICES:

These accounts reflect the cost of services (other than the professional services included in "Professional Fees") performed by a private company or individual. As well as the cost of water purchased from other governmental units:

- 5010 Contract Water Cost – Cost of water purchased from the Brazos River Authority, another Brazos River Authority customer, or cost from another GCWA Fund, such as raw water cost from Canal Fund (Fund 08) charged to Industrial Fund (Fund 02).
- 5205 Service Agreements – Cost of independent contractors to perform services such as fire extinguisher checks, uniforms, floor mats, trash collection, copier lease agreements and janitorial cleaning services, etc.
- 5240 Contract Service Operations – Cost for such services as mowing, brush clearing, mechanical services (HVAC), and vegetation control, etc.
- 6423 Contract Back-Up Power – Cost associated with the monthly payments of back-up generation power.

SUPPLIES, MATERIALS & UTILITIES:

These accounts reflect the expenses associated with the cost of supplies and materials:

- 5030 Power-Electric – Cost of electricity for the operation of all facilities.
- 5116 Phosphate – Cost of phosphate for water treatment.
- 5119 Chlorine – Cost of chlorine gas for water treatment.
- 5120 Cationic Polymer – Cost of cationic polymer for water treatment.
- 5121 Powdered Activated Carbon – Cost of powdered activated carbon for water treatment.
- 5122 Granular Activated Carbon – Cost of granular activated carbon for water treatment.

- 5123 Fluoride – Cost of fluorosilicic acid for water treatment.
- 5124 Ammonia – Cost of liquid ammonia for water treatment.
- 5125 Miscellaneous Chemicals – Cost of miscellaneous chemicals used system-wide, associated primarily with vegetation control operation to also include commercial grade insecticides.
- 5126 Copper Sulfate – Cost of copper sulfate for water treatment.
- 5128 Ferric Sulfate – Cost of ferric sulfate for water treatment.
- 5129 Sodium Chloride – Cost of sodium chloride for water treatment.
- 5220 Supplies Operations – Cost of supplies purchased system-wide, including nuts, bolts, industrial paper products, wet wipes, personal insecticides, wasp spray, etc.
- 5242 Lab Supplies – Cost of laboratory supplies associated with running various analyses, tests and reports. Includes laboratory chemicals and equipment.
- 5245 Laboratory Gases – Cost of various laboratory used in the water plant lab.
- 5250 Right of Way Easements – Cost paying annual right of way easement fees to landowners; primarily associated with canal operations.
- 5270 Sediment – Cost of removal and disposal of sediment from the water treatment plant.
- 6120 Data Processing – Cost associated with system-wide IT related expenses such as IT Support, annual software maintenance agreements, computer replacement, “cloud” based back-up services, etc.
- 6130 Records Management – Cost associated system-wide with records management for the Authority, including off-site storage of hard copy documents.
- 6150 Management Expense – Cost incurred by management personnel for travel, lodging, meals, and incidentals, including customer engagements.
- 6190 Contributions/Donations – Cost of contributions and donations made on behalf of the Authority, such as participation in the AWWA Research Foundation contribution, Lower Brazos River Coalition, community engagements, etc.
- 6340 Insurance Expense – Cost system-wide associated with the annual property and liability insurance expense.
- 6425 Janitorial-Supplies – Cost of expendable janitorial supplies.
- 6460 Stationery & Office Supplies – Cost of all forms of tangible office supplies, including pens, pencils, paper products, printer toner, etc.
- 6820 Telephone – Cost system-wide associated for telephone and internet services.
- 6840 Dues/Subscriptions – Cost associated with dues for professional organizations and publications.
- 6845 TCEQ Permits – Cost associated with annual Texas Commission on Environmental Quality Water System and Watermaster fees.

6845 Training – Cost associated with registration of employee training courses and/or conference attendance; including employee travel, lodging, meals and incidentals.

6860 Safety Equipment – Cost associated with the purchase of safety equipment for the protection of employees and the public, including air monitoring and personal protection equipment.

6880 Heat, Light & Water – Cost of natural gas for heating, hot water and engine driven pumps as well as city utilities.

MAINTENANCE, REPAIRS & PARTS:

These accounts reflect the expenses associated with the purchase of maintenance supplies and materials:

5225 Shop Supplies – Cost associated with supplies and materials purchased for use by maintenance personnel.

5400 Reservoirs & Canals – Cost associated with the purchase of supplies and materials used for repairs and maintenance of canals and reservoirs.

5410 Building-Maintenance – Cost system-wide associated with consumable supplies for repairing and maintaining the physical facilities.

5420 Vehicles-Repairs & Maintenance – Cost associated with consumable supplies for repairing and maintaining vehicles and other rolling stock.

5422 Vehicles-Heavy-Repairs & Maintenance – Cost associated with consumable supplies purchased for repairing and maintaining heavy equipment.

5423 Equipment-Light-Repairs & Maintenance – Cost associated with consumable supplies purchased for repairing and maintaining light equipment.

5430 Grounds-Maintenance – Cost system-wide associated with consumable supplies purchased for repairing and maintaining the grounds surrounding of the Authority's facilities.

5440 Mechanical – Cost associated with the purchase of mechanical materials and supplies for maintenance of valves, fittings, filters, pumps and motors.

5450 Electrical – Cost associated with the purchase of electrical materials and supplies, such as wiring, conduit, fans, lighting, breaker boxes, breakers, etc.

5460 Pipe-Maintenance – Cost associated with the purchase of piping materials and supplies used for maintenance projects "within the fence line" of the Authority's facilities.

5461 Piping (Water Line Distribution) – Cost associated with the purchase of piping materials and supplies used for distribution projects only.

5470 Instruments – Cost associated with the purchase of devices to assist in the measurement of pressure, level, flow and temperature.

5471 Instrumentation – Cost associated with the purchase of instrumentation materials and supplies used to measurement of pressure, level, flow and temperature throughout the Authority.

5472 Meter Maintenance – Cost associated with the purchase of supplies and materials to maintain various meters owned by the Authority. To include routine or preventative, planned and breakdown maintenance.

5480 Paint & Insulation – Cost associated with the purchase of paint, insulation and related supplies.

5485 Road Repairs – Cost associated with the purchase of materials and supplies for minor road repairs “within the fence line” for the Authority’s facilities.

6410 Radio/Communications – Cost associated with cellular telephone and radio communication services for the Authority.

6420 Maintenance-Tools – Cost associated with the purchase of small tools such as hand tools, small powered tools, small pumps, etc.

6424 Rental-Equipment – Cost associated with the use of rented equipment by the Authority, such as pumps, hoses, forklifts, tractors, etc.

6462 Office Equipment – Cost associated with the purchase of office equipment by the Authority, such as office chairs, tables, calculators, etc.

6890 Gasoline & Oil Expense – Cost associated with the purchase of unleaded and diesel fuel as well as other fluids needed for vehicles and equipment.

EMPLOYEE BENEFITS:

These accounts reflect the cost of employee benefits:

5715 Payroll Taxes – Social Security and Medicare taxes for employees.

6310 Employee Benefits-Health Insurance – Cost associated with health insurance premiums for employees coverage.

6312 Employee Benefits-Dental Insurance – Cost associated with dental insurance premiums for employees coverage.

6314 Employee Benefits-Vision Insurance – Cost associated with vision insurance premiums for employees coverage.

6320 Employee Benefits-Life Insurance – Cost associated with life insurance premiums for employees coverage.

6330 Employee Benefits-TCDRS – Cost associated with monthly contributions paid for employee’s retirement benefits to the Texas County & District Retirement System.

6335 Employee Benefits-401(k) – Cost associated with monthly contributions paid for employee’s retirement benefits in an optional 401(k) plan.

6350 Workers' Compensation Insurance – Cost associated with workers' compensation insurance premiums for employee's coverage.

PROFESSIONAL FEES:

These accounts reflect the expenses associated with professional services rendered:

6360 Engineering – Cost associated with engineering services received by the authority not related to capitalized projects.

6380 Legal Expense – Cost associated with legal services received.

CAPITAL IMPROVEMENTS:

These accounts reflect the expenses associated with capital expenditures:

8254 Capital – Cost associated with the purchase of land, improvements, buildings, building improvements, vehicles, machinery, equipment, infrastructure and all other tangible or intangible assets that are used in operations with a total acquisition cost of \$5,000 or more and that have an initial useful lives extending beyond a single reporting period.

Capital Projects are assigned asset numbers at the time they are initiated.

****These definitions do not include General & Administrative expenses as they are duplicative.**