

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 BUDGET

**FOR FISCAL ENDING AUGUST 31, 2023
AS PRESENTED TO THE BOARD OF DIRECTORS**

GULF COAST WATER AUTHORITY

Approved Operating Budget

For Fiscal Year September 1, 2022 to August 31, 2023

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Profile of the Government Agency

The Gulf Coast Water Authority (the 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 according 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 interests 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, and
- 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 on even years, and five on odd years. 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 295 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 of Alvin, Texas, providing world-wide technology for the rice industry when not in drought conditions,
- Industrial customers served directly by the Canal Operations include INEOS Olefins and Polymers (INEOS), Ascend Performance Materials (Ascend) and Underground Storage,
- Municipal customers directly served by the Canal Operations include the cities of Sugar Land, Missouri City and Pearland, as well as Fort Bend WCID #2 and Pecan Grove MUD,
- The Industrial and Municipal customers within Galveston County, are further identified in the Texas City Reservoir, Industrial Operations System, and the Thomas Mackey Water Treatment Plant Operations below.

Texas City Reservoir Operations – Prompted by land subsidence resulting from the over withdrawal of groundwater, a private venture consisting of Texas City industries constructed extension of the Briscoe and American Canal Systems, in the late 1940's, 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-feet on-channel reservoir and the industrial/municipal canal delivery system, which terminates at the Thomas S. Mackey Water Plant diversion point. Ashland Specialty Chemicals, Topaz Energy, the Texas City Industrial Operations, and the Thomas S. Mackey Water Treatment Plant facility are all customers of the Texas City Reservoir Operations as further described below.

Texas City Industrial Operations System – The Authority owns and operates a 1,000-acre-feet reservoir, industrial pump station which is contracted for 62 million gallons of surface water per day to Texas City industries and approximately 10 miles of raw water transmission lines. Industrial customers served by this raw water system include DOW/Union Carbide Corp., Blanchard Refining Company, 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. The Texas Commission on Environmental Quality (TCEQ) approved an increase in the rated capacity to 57.6 million gallon per day (MGD). This 57.6 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, and League City, as well as 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, engineering, 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 24, 2022, issue of "Texas Economic Indicators," the Texas economy expanded further in April as payroll growth increased and initial unemployment claims remained at low levels. The Dallas Fed's Texas Employment Forecast indicates a 3.7 percent annualized job growth in 2022 (December/December). April job growth in Texas expanded to an annualized 5.7 percent. Job gains accelerated in most major sectors, with growth in oil and gas employment outpacing other sectors by a wide margin. The Texas unemployment rate fell to 4.3 percent in April, while the U.S. unemployment remained at 3.6 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 169,700 total nonfarm jobs in April '22 (year over year). Of the twelve largest metropolitan areas in the country, Houston ranked sixth in the number of jobs added over the year at 5.6 percent, higher than the 4.6 percent national increase. Galveston County unemployment fell dramatically over the past year to 4.3 percent in April 2022, which is in line with the state average of 4.3 percent and currently higher than the national rate of 3.6 percent.

Supply chain disruptions are expected to continue in 2022, adding to inflation. Real gross domestic product (GDP) decreased at a 1.5 percent annual rate in the first quarter of 2022, as compared to the 6.4 percent increase in the first quarter of 2021.

Continued population growth within the Authority's service area will necessitate the Authority's continued quest for additional water supplies to meet this growing demand for more water.

Gulf Coast Water Authority's (GCWA) 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 COVID-19

The COVID-19 pandemic has changed the way that the world operates. The Authority has fared fairly well, limiting exposures and risk associated with the possible transmission of the disease. The Authority has seen several of our employees' contract COVID-19 with the majority being mild cases. The biggest negative effect the pandemic has had on the Authority is the interruption of the supply chain. The economic impacts of uncertainty in the commodity markets have caused notable cost increase in the activities of Authority.

The Authority is planning for the impact of the changes in economic landscape by ensuring we are considering long lead items and ensuring a reasonable approach to stocking hard to obtain support products.

Budget Construction

The Texas Water Code Section 49.057(b) requires the Board of Directors of the Authority 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 and

maintenance funds, bond fund, and capital improvement fund for Fiscal Year 2023 (FY2023) for the thirteen (13) active within GCWA. These funds are identified as:

Operation & Maintenance (O&M) Funds:

- **Fund 06 – Thomas S. Mackey Water Treatment Plant (TMWTP)** – includes a 57.6 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 channels, clay lined canals stretching across three counties from the Brazos River to Texas City. Participants in this fund consist of all of the Authority's customers with the 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 channels, clay lined canals stretching across Fort Bend and Brazoria counties. Participants in this 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 (PSEWPP)** – the Authority is also the City of Pearland's *agent* as a co-participant in the Southeast Water Purification Plant located near Ellington Airport, 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 of the Texas City industrial customers, the TMWTP customers, TOPAZ, and Ashland Specialty Chemicals.
- **Fund 26 – Texas City Industrial Operations (TCI)** – includes raw water canal system, approximately 1,000-acre-foot reservoir, pumping station and 10 miles of raw water transmission system to serve the Industrial customers in Texas City.

Bond Fund:

- **Fund 04 – League City Southeast Water Purification Plant, 2021 Series Southeast Transmission Line Project (SEWPP)** – financed the design and construction of Southeast Transmission Line; the City of League City being the only participant.

Bond/Capital Improvement/Maintenance Funds:

- **Fund 10 – Galveston County WCID #12** – originally a bond fund and is now used for capital financing of a new Potable Water Booster Station on FM 517 as well as the O&M of this pump station, and the transmission line north of Bacliff to Kemah. WCID#12 is the only participant.
- **Fund 14 – South Transmission System** – originally designated to finance the construction of the expansion of the TMWTP and potable water transmission lines running southward to connect to existing lines on Galveston Island and Hwy 6; now includes the O&M cost of the South Project Lines and Capital improvements of the Calder Meter Station and Hwy 3 / Hwy 146 water line relocation. Participants include all TMWTP customers except San Leon MUD, Bacliff MUD, Bayview MUD, City of Texas City, and WCID#12.

- **Fund 23 – North Transmission System** – formed to fund the O&M and Capital Improvements 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 – Bayshore Transmission System** – formed to fund the O&M and Capital Improvements of the transmission line from the Dickinson Bayou to Bacliff; established per customer contracts. Participants include City of Texas City, San Leon MUD, Bayview MUD, Bacliff MUD, and WCID#12.

Capital Improvement Fund:

- **Fund 30 – Capital Improvement Fund** – formed to fund Capital Improvements within the TCI Operations. Currently, Blanchard Refining Company is the only participant. The Authority and Blanchard Refining Company entered into an Option Water contract for an additional 1.00 MGD to further increase their reliability of the water supply to their Galveston Bay Refinery.

General and Administrative Cost:

- **Fund 99 – Administrative Fund** – FY2023 Budget maintains the cost allocation of the Administrative Fund as presented in the in the FY2022 Budget. The intent is to more properly share general and administrative costs among all operating funds based on expected activity. These costs are allocated based on Contract Quantity of the participants in the Canal Operations, Texas City Reservoir Operations, Texas City Industrial Operations, Thomas Mackey Water Treatment Plant and the Chocolate Bayou Operations.

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 Funds of \$110,089,806 for FY2023. It is important to note that several costs of operations are repeated as components of downstream funds. Therefore, the total budget of \$110,089,806 does not include interdepartmental eliminations.

Total O&M Expenses for all Funds without eliminations are projected to total \$72,012,236 and Total Capital Expenditures are projected to total \$17,706,621. GCWA bond payments and Other Uses total \$2,540,739. The Authority projects to utilize Other Sources totaling \$4,480,354. (*Note: these totals include significant but appropriate interfund charges.*)

The FY2023 Budget also includes \$22,120,000 of New Water Sales as a result of the 7,900 KGPD increase in rated capacity of the Thomas Mackey Water Treatment Plant.

The normal operations of the Authority including general and administrative costs are \$47,724,184.

Key assumptions for budgeted wages, salaries and employee benefits are stated below:

- Salaries and wages were budgeted with 6.25% increase for all employees 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 two (2) Full-Time Equivalents (FTE's) in FY2023 as a result of the addition of an Instrumentation Technician, a Maintenance Superintendent and a Heavy Equipment Operator I; offset by the elimination of an Aquatic Vegetation Control.
- The Authority continues to expand its wellness program to improve the overall health of GCWA employees and limit future health insurance cost increases to GCWA. The proposed FY2023 budget includes an increase of 15% in group health insurance rates.
- Group retirement expenses were budgeted at a rate of 13.03% of payroll. This is a slight decrease from the FY2022 budget of 13.61%.

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

Canal Operations Fund (American and Briscoe Canals)

The Canal Operations Fund includes contracts for delivery of 193.117 MGD wholesale surface water supply.

The Canal Operations Fund firm water contracts, by County, are:

- Galveston County:
 - Texas City Reservoir Operations customers (listed by name elsewhere) – 120.799 MGD,
- Brazoria County:
 - Ascend Performance Materials – 17.866 MGD,
- Fort Bend County:
 - Fort Bend WCID #2 10.500 MGD
 - Missouri City 20.000 MGD
 - Pecan Grove MUD 2.354 MGD
 - The City of Sugar Land 10.000 MGD
 - The City of Pearland 10.000 MDG
 - Underground Storage 1.600 MDG

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

- Fort Bend County:
 - City of Sugar Land 10.000 MGD
 - City of Missouri City 5.000 MGD

There are three (3) key elements to the Canal Operations Fund FY2023 budget, as highlighted below:

- Stored water rates from BRA increase of 5.33%, and Purchase of Firm Stored Water totaling 94,250 a/f from BRA,
- O&M Expenses increase of 7.66%, and

- Capital Improvement spending increase of 15.77%.

As budgeted, Total Operating Revenues will increase to \$21,193,791, an increase of 10.90%. Metered Water Sales are projected to increase \$2,023,985, while Irrigation Income is projected to decrease \$81,921.

The FY2023 raw water conveyance rate charged to the customers is budgeted to increase to \$276.18 per MG for all customers except Pecan Grove MUD. The raw water conveyance rate for Pecan Grove MUD is budgeted to increase to \$491.61 per MG. Pecan Grove MUD has their own stored water contract with BRA, managed by GCWA, and is thus entitled to 3,100 acre-feet of stored water of the American and Briscoe canals. The Canal Operations Fund purchases approximately 99,510 acre-feet of stored water (firm and interruptible).

Budgeted Contract Water Cost expenses total \$8,081,191, O&M expenses total \$10,393,600, and Capital Improvement spending totals \$2,719,000.

- Stored Water expense of \$8,081,191 less Pecan Grove MUD Raw Water costs of \$271,246, BRA Agricultural Water cost of \$267,597 and Option Water Contracts costs of \$546,356 nets to a Raw Water Cost of \$6,995,991.93. Based on 190.765 MGD, yields a Stored Water Rate \$100.47 per MG, an increase of 1.30% per MG.
- O&M rates are based on 193.1174 MGD, at a rate of \$141.26 per MG, an increase of 6.77% per MG.
- Capital Improvements rates are based on 193.1174 MGD, at a rate of \$34.44 per MG, an increase of 13.59% per MG.

Texas City Reservoir Operations Fund (TCR)

The TCR Operations Fund includes contracts for delivery of 120.799 MGD wholesale surface water supply to their customer base in Texas City, as follows:

- | | |
|---|------------|
| • Texas City Industrial Operations System | 62.062 MGD |
| • Thomas S. Mackey Water Treatment Plant | 57.600 MGD |
| • Ashland Specialty Chemicals | 1.000 MGD |
| • Topaz Energy | 0.137 MGD |

There are four (4) elements to the TCR Fund FY2023 Budget, highlighted as follows:

- Contract Water Cost increase from the Canal Operations Fund of 5.49%,
- O&M cost increase of 1.20%,
- Capital Improvement spending reduction of 94.00%, and
- Bond Payments increase of 0.50%.



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

As budgeted, Metered Water Sales will decrease to \$13,327,607, a decrease of 0.04%. Bond Payment Revenue will increase to \$1,248,679, an increase of \$0.39%.

Budgeted Contract Water Cost expenses total \$12,177,207, O&M expenses total \$1,108,400, Capital Improvement spending totals \$42,000, and Bond Payment expense totals \$1,247,862.

- Raw Water Conveyance is based on 120.799 MGD, \$276.18 per MG, an increase of 5.49% per MG.
- O&M costs are based on 120.799 MGD, \$25.14 per MG, and increase of 1.73% per MG.
- Capital improvement costs are based on 120.799 MGD, at a rate of \$0.95 per MG, a decrease of 94.00% per MG.
- Bond costs 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 \$26.30 per MG. This bond had 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, Ashland Specialty Chemicals and Topaz Energy at a rate of \$30.16 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 TCI (and Municipal) Operations Fund provides 62.062 (MGD wholesale surface water supply to their customer base in Texas City:

• Blanchard Refining Company (Marathon)	34.600 MGD
• DOW/Union Carbide Corp.	12.391 MGD
• Eastman Chemical Company	8.542 MGD
• Valero Refining Texas	6.510 MGD
• City of Texas City	0.019 MGD

There are four (4) elements to the TCI Operations Fund FY2023 Budget, highlighted as follows:

- Budgeted electrical power cost of \$500,000,
- Contract Water Cost decrease 0.03%,
- O&M cost decrease of 9.76%,
- Capital Improvement spending increase of 6.79%.



(7th Avenue Booster Pump Station – Texas City, TX)

As budgeted, Metered Water Sales will increase to \$11,711,181, an increase of 0.55% while Bond Payment Revenue will decrease to \$1,167,289, a decrease of 0.13%.

Budgeted Contract Water Cost expenses total \$7,530,381 and O&M expenses total \$2,705,800, including \$500,000 Power Cost. Capital Improvements spending totals \$1,475,000 and Bond Payment expense totals \$1,167,542.

- Raw Water Conveyance is based on 62.062 MGD, \$332.43 per MG, a decrease of 0.03% per MG.
- O&M costs are based on 62.062 MGD, \$97.38 per MG, a decrease of 1.22% per MG.
- Capital improvement costs are based on 62.062 MGD, at a rate of \$65.11 per MG, an increase of 6.80% per MG.
- Power cost at the Industrial Pump Station is based on 44.751 MGD based on Estimated Metered Sales, \$30.61 per MG, a decrease of 13.33% 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 \$51.55 per MG. This bond had an initial principal issuance of \$14,135,000 based on a 14-Year Bond payment.

Thomas S. Mackey Water Treatment Plant Fund (TMWTP)

The TMWTP is contracted to provide 57.600 MGD treated water supply to the following Galveston County customers:

• City of Texas City	11.505 MGD
• City of La Marque	4.027 MGD
• Galveston County WCID #1	4.165 MGD
• Bacliff MUD	1.190 MGD
• Bayview MUD	0.388 MGD
• Galveston County WCID #12	3.087 MGD
• San Leon MUD	1.785 MGD
• City of League City	5.544 MGD
• City of Galveston	20.990 MGD
• City of Hitchcock	2.000 MGD
• Gal. County WCID #8	1.659 MGD
• Galveston County MUD #12	0.450 MGD
• Gal. County FWD #6	0.810 MGD
•	

There are four (4) key elements to the TMWTP FY2023 budget highlighted as follows:

- Raw Water Conveyance cost increase of 0.03%,
- New Water Sales of \$22,120,000 for 7.900 MGD expansion.
- O&M cost increase of 13.38%, and
- Capital Improvement spending increase of 8.75%.



(Thomas S. Mackey Water Treatment Plant – Sediment Basin 2 -Texas City, TX)

As budgeted, Total Operating Revenues will increase to \$41,244,795, an increase of 134.94%. Metered Water Sales are projected to increase \$1,569,136 and New Water Sales are \$22,120,000.

Budgeted Raw Water Conveyance expenses total \$6,907,945, O&M expenses total \$10,114,500, and Capital Improvement spending totals \$3,073,550.

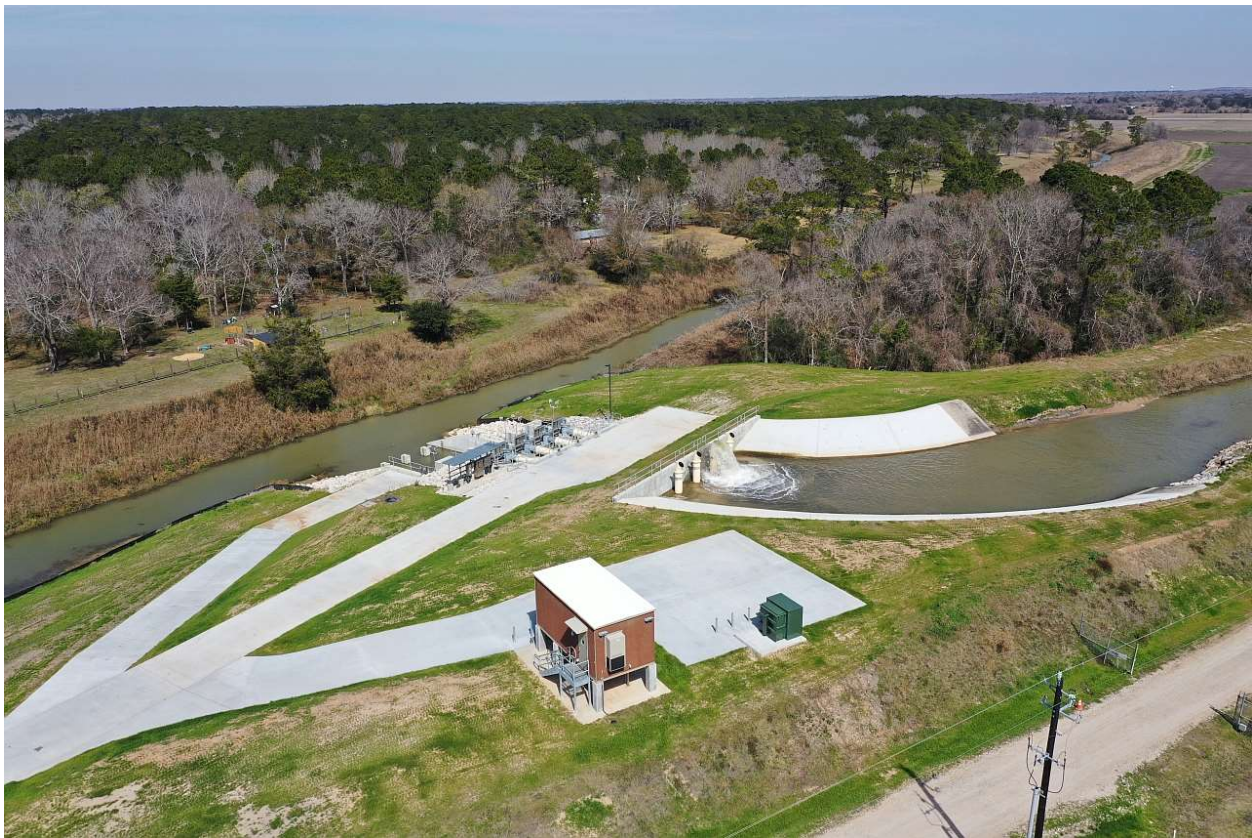
- Raw water conveyance cost is based on 57.600 MGD, at a rate of \$328.57 per MG, an increase of 0.03%. Raw water conveyance cost to the TMWTP is a direct cost allocation from TCR.
- O&M rates are based on estimated usage of 26.490 MGD, at a rate of \$945.66 per MG, an increase of 20.81%. The price increase is primarily due to chemical and fuel costs. 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. The anticipated usage is projected to increase in FY2023 by 0.079 MGD.
- Capital Improvements rates are based on 57.600 MGD, at a rate of \$146.19 per MG, an increase of 8.75%.

Juliff/Chocolate Bayou Operations Fund

The Juliff/Chocolate Bayou Operations provide 24.00 MGD of wholesale surface water supply in Brazoria County to INEOS. In December 2018, INEOS exercised their right to convert 9MGD of Option Water to Firm Water. When available, the Authority has the ability to provide Interruptible Water for Agricultural Customers in Brazoria and Fort Bend counties.

There are four (4) key elements to the Chocolate Bayou Operations FY2023 budget, highlighted as follows:

- Stored water rates from BRA increase of 5.42%, and Purchase of Firm Stored Water totaling 8,733 a/f from BRA,
- Interruptible Water, Irrigation revenues decrease of 29.06%.
- O&M Expenses increase of 8.00%
- Capital improvement spending decrease of 64.16%, and



(Chocolate Bayou Pump Station – Alvin, TX)

As budgeted, Total Operating Revenues will decrease to \$5,605,770, a decrease of 5.55%. Metered Water Sales are projected to increase \$465,549, while Irrigation Income is projected to decrease \$794,939. The Chocolate Bayou Operations purchases approximately 12,210 acre-feet of stored water (firm and interruptible.)

The FY2023 raw water conveyance rate charged to the customers is proposed to increase to \$448.26 per MG, an increase of 13.45% per MG.

Budgeted Raw Water Conveyance expenses are \$991,570, O&M expenses total \$4,271,200, O&M expenses are offset by revenues from other water supply agreements of \$1,411,410, resulting in net O&M of \$2,859,790. Capital Improvement spending totals \$343,000.

- Stored water cost is based on 24.00 MGD, \$82.65 per MG, an increase of 4.71% per MG.
- O&M rates are based on 24.00 MGD, at a rate of \$326.46 per MG, an increase of 53.52% per MG. Irrigation Income is projected to decrease by 32.13%, therefore increasing the net O&M charged to the customer.
- Capital Improvements rates are based on 24.00 MGD, at a rate of \$39.16 per MG, a decrease of 62.18% per MG.

City of Houston Southeast Water Purification Plant - League City Participation

The Authority has a contract with the City of Houston, Southeast Water Purification Plant (SEWPP) located near Ellington Airport, 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 decrease to \$5,451,540, a decrease of 48.30%. The decrease is a result of the reduction in the City of Houston Southeast Transmission Line costs.

Budgeted water cost from City of Houston and City of South Houston total \$3,531,990, a decrease of 6.65% and Raw Water Reservation Fee is \$657,000, an increase of 5.88%. Southeast Transmission Line Fee is \$1,206,950, a decrease of 80.17% and O&M expenses of \$55,600 which is the fund's allocation of G&A expenses and did not change from prior year.

City of Houston Southeast Water Purification Plant – Pearland Participation

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 budgeted, Total Operating Revenues will increase to \$1,898,902, a decrease of 8.29%.

Budgeted water cost from City of Houston total \$1,843,302, a decrease of 8.52%. O&M expenses of \$55,600 which is the fund's allocation of G&A expenses and did not change from prior year.

North Transmission System, Bayshore Transmission System, Galveston County WCID #12 and South Transmission System

Thomas S. Mackey Water Treatment Plant customers benefit from these transmission lines for the delivery of treated water for their customers. This O&M expenses and Capital Project costs to each group for FY2023 budget, are highlighted as follows:

- Increase to O&M of \$26,610, and
- Increase to capital improvements of \$9,825,000.

Total Water Sales will increase to \$90,500 for the North Transmission System, \$88,800 for the Bayshore Transmission System, \$84,100 for Galveston County WCID #12 and \$6,484,756 for the South Transmission System. The South Transmission System increase is due to the cash funded portion of the Hwy 3 / Hwy 146 water line relocation.

Budgeted O&M expenses for these transmission lines are as follows:

- North Transmission System expenses are projected to be \$65,500, an increase of 6.68%,
- Bayshore Transmission System expenses are projected to be \$88,800, an increase of 2.42%,
- Galveston County WCID #12 expenses are projected to be \$84,100, an increase of 1.82%,
- South Transmission System expenses are projected to be \$141,600, an increase of 15.41%

Budgeted Capital Improvement spending is \$9,975,000 for the South Transmission System (Hwy 3 / Hwy 146 water line relocation) and \$25,000 for the North Transmission System.

Capital Improvement Fund

The Capital Improvement Fund includes option water contracts of 1.000 MGD with Blanchard Refining Company, a decrease from prior year of 10.000 MGD.

Total Operating Revenues and Capital Improvement spending will both decrease to \$54,071, a decrease of 90.91% for each. This reduction is due to the 10.000 MGD reduction in option water.

FY2023 Budget Notes –Texas City Reservoir Operations (TCR)

1. Operating and Bond Payment Revenues – Metered Water Sales for TCR totals \$13,327,607 and Bond Payment Revenue totals \$1,248,679. Revenues are based on fees collected from Industrial participants for the following:
 - Texas City Industrial Operations is contracted for 62.062 MGD with a revenue total of \$7,530,381,
 - Water Treatment Plant is contracted for 57.600 MGD with a revenue total of \$6,907,945,
 - Ashland is contracted for 1.000 MGD with a revenue total of \$121,336, and
 - Topaz Energy is contracted for 0.137 MGD with a revenue total of \$16,623.
2. Raw Water Conveyance – TCR Operations contract water cost purchases from the Canal Operations System, \$12,177,207.
3. Supplies, Materials & Utilities – Expenses for operating activities for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$22,000. Included in the total is \$11,000 for expenses for electric.
4. Maintenance, Repairs & Parts – Expenses for routine maintenance, building and grounds maintenance totaling \$73,000. Included in the total is \$40,000 for expenses related to Reservoirs and Canals maintenance.
5. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$58,000. Included in the total is \$40,000 for expenses related to contract mowing and \$10,000 for contract service operations.
6. General & Administration Expenses –Expenses incurred by G&A staff, TMWTP Overhead Expenses and various other administrative expenses to support the TCR Operations for \$955,400. G&A Staff costs of \$793,300 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. Additionally, these expenses include Water Treatment Plant Overhead Charges of \$154,900 and Insurance Expense of \$7,200.
7. Capital Improvements – Cost of \$42,000 is for a truck purchase.
8. Other Uses – Payment of \$1,247,862 for the Reservoir Intake & Discharge Pipe and Gate Improvements debt service.

FY2023 Budget Notes –Texas City Industrial Operations System (TCI)

1. Operating and Bond Payment Revenues - Metered Water Sales for TCI totals \$11,711,181 and Bond Payment Revenues total \$1,167,289. Revenues are based on fees collected from Industrial participants for the following:
 - Union Carbide is contracted for 12.391 MGD with a revenue total of \$2,580,719,
 - Eastman Chemical is contracted for 8.542 MGD with a revenue total of \$1,724,574,
 - Valero is contracted for 6.510 MGD with a revenue total of \$1,347,272,
 - Blanchard Refining Company is contracted for 34.600 MGD with a revenue total of \$7,222,473, and
 - Texas City is contracted for 0.019 MGD with a revenue total of \$3,432.
2. Raw Water Conveyance – TCI Operations contract water cost purchases from TCR Operations System, \$7,530,381.
3. Supplies, Materials & Utilities – Expenses for operating activities for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$507,500. Included in the total is \$500,000 for expenses for electric.
4. Maintenance, Repairs & Parts – Expenses for routine maintenance, building and grounds maintenance totaling \$56,000.
5. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$206,000. Included in the total is \$192,000 for expenses related to contract back-up power and \$9,000 for contract mowing.
6. General & Administrative Expenses – Expenses incurred by G&A staff, TMWTP Overhead Expenses and various other administrative expenses to support the TCI Operations for \$1,936,300. G&A Staff costs of \$1,278,300 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. Additionally, these expenses include Water Treatment Plant Overhead Charges of \$361,300 and Insurance Expense of \$289,200.
7. Capital Improvements – Costs totaling \$1,475,000. Major projects include:
 - Ind Raw Water Line – Segment Access pool (\$1,000,000),
 - Industrial Raw Water Line - Inspections (\$150,000),
 - IPS HVAC (\$150,000)
 - IPS Pump Slot 2 (\$150,000) and
 - IPS High Yard Maintenance (\$25,000).
8. Other Uses – Payment of \$1,167,542 for the Industrial Pump Station debt service.

FY2023 Budget Notes – League City Southeast Water Purification Plant (SEWPP)

1. Operating Revenues – Operating Revenues for FY2023 for SEWPP – League City Operations are projected to total \$5,451,540 based on fees collected. Revenues are based on three categories:
 - Metered Water Sales – Based on water use, the estimated revenue is \$3,587,590,
 - Raw Water Reservation Revenue – Annual Reservation Fee for an additional 20 MGD of untreated surface for the benefit of League City (\$657,000), and
 - Southeast Transmission Line Revenue – Based on the cost sharing agreement for the Southeast Transmission Line Project (\$1,206,950).
2. Raw Water Conveyance – SEWPP – League City operations contract water cost purchases from the City of Houston, \$3,531,990. These expenses include Raw Water Reservation Fee of \$657,000 and Southeast Transmission Line Fee of \$1,206,950.
3. General & Administrative Expenses – Consists of \$55,600 for expenses incurred by G&A staff to support the SEWPP – League City 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.

FY2023 Budget Notes – Thomas S. Mackey Water Treatment Plant

1. Operating Revenues - Operating Revenues for TMWTP are projected to be \$19,124,795 based on fees collected from TMWTP participants for the following:
 - Texas City (\$4,127,059)
 - La Marque (\$1,727,844)
 - WCID #1 (\$1,487,627)
 - Bacliff MUD (\$411,463)
 - Bayview MUD (\$106,206)
 - WCID #12 (\$238,712)
 - San Leon (\$188,892)
 - League City (\$1,290,781)
 - Galveston (\$7,279,859)
 - Hitchcock (\$611,020)
 - WCID #8 (\$458,121)
 - MUD #12 (\$145,391)
 - FWSD #6 (\$207,553)

2. New Water Sales – New Water Sales for the TMWTP are projected to be \$22,120,000 based on additional water purchases from the TMWTP participants as follows:
 - La Marque 1.247 MGD
 - WCID #12 2.044 MGD
 - League City 3.000 MGD
 - Hitchcock 0.500 MGD
 - WCID #8 0.659 MGD
 - FWSD #6 0.450 MGD
3. Raw Water Conveyance – TMWTP contract water cost purchases from TCR Operations System, \$6,907,945.
4. Salaries & Wages – Staff salaries for FY2023 includes 25.00 Full Time Equivalents (FTEs) as follows:
 - TMWTP Operations Staff – utilizes 25.00 FTEs for a total cost of \$2,176,700 with no additional positions.
 - Discretionary and Non-Discretionary Benefits – Expenses for payroll taxes, group health insurance, TCDRS retirement and 401(k) retirement savings for the staff previously noted, totaling \$1,147,700.
5. Supplies, Materials & Utilities – Expenses for operating activities for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$3,537,500. The largest expenses are chemical costs in the amount of \$2,551,000 and power costs in the amount of \$750,000. Also included are Lab supplies of \$75,000 associated with the operations of the TMWTP Lab and other expenses associated with the various supplies needed to operate the TMWTP, which range in cost from \$5,000 to \$50,000 annually.
6. Maintenance, Repairs & Parts – Expenses for routine maintenance, building and grounds maintenance totaling \$455,000. The largest expenses are \$120,000 for mechanical repairs, \$120,000 for electrical repairs and \$80,000 for instrumentation.
7. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$932,500. Included in the total is \$270,000 for expenses related to sediment removal from the TMWTP sediment basins. Additionally, \$177,500 for expenses related to SCADA maintenance services, \$96,000 for contract back-up power and \$50,000 for contract mowing
8. General & Administration Expenses – Expenses incurred by G&A staff and various other administrative expenses to support the TMWTP for \$1,865,100. G&A Staff costs of \$1,415,900 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. Additionally, these expenses include Insurance Expense of \$349,200,

Water Conservation & Public Education of \$40,000, Office Equipment of \$25,000, Training of \$15,000 and Management Expense of \$15,000.

9. Capital Improvements – Costs totaling \$3,073,550 consisting of:

- Replacement of two Variable Frequency Drives (\$903,550)
- Clarifier #3 Rehabilitation (\$500,000)
- Sedimentation Basin #1 Rehab (\$350,000)
- North Line Flow Meter (\$300,000)
- Clearwell P552 Pump Set (\$300,000)
- Low Lift Pump Set (\$200,000)

10. Other Sources – Interfund Transfers of \$971,200 includes the TMWTP Overhead charge for operations and maintenance expenses.

FY2023 Budget Notes – Canal Operations

1. Operating Revenues – Operating Revenues for FY2023 for Canal Operations are projected to total \$21,193,791, based on fees collected for the following:

- Firm Contract Customers- All Firm Contract customers pay \$276.81 per MG with the exception of Pecan Grove MUD, which pays \$491.61 per MG. Based on projected water use, the estimated revenue is \$19,652,276.
- Option Water Agreement Customers- All Option Water Contract Customers pay \$152.99 per MG. Based on projected water use, the estimated revenue is \$837,625.
- Interruptible Water Agreement Customers- All Interruptible Water Contract Customers pay varying rates based on availability. Based on projected water use, the estimated revenue is \$436,292.

2. Raw Water Conveyance – Canal Operations contract water cost purchases from the Brazos River Authority total \$8,081,191. These purchases can further be broken down as Contract Back-Up Water \$7,813,594 and Agriculture Water \$267,597.

3. Salaries, Wages & Employee Benefits – Staffing for FY2023 includes 30.15 Full Time Employees (FTE's) as follows:

- Canal Operations Staff- Utilizes 30.15 FTE's for a total cost of \$2,362,800, which is a 0.8 FTE increase from FY2022 due to the addition a Heavy Equipment Operator I and Maintenance Superintendent, offset by the elimination of the Aquatic Vegetation Control position.
- Discretionary and Non-Discretionary Benefits – Expenses for payroll taxes, group health insurance, TCDRS retirement and 401(k) retirement savings for the staff previously noted, totaling \$1,098,000.

4. Supplies, Materials & Utilities – Expenses for operating activities for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$937,500. Includes power costs in the amount of \$500,000 and gasoline and oil expense in the amount of \$275,000 for vehicles and equipment.
5. Maintenance, Repairs & Parts – Expenses for routine maintenance, building and grounds maintenance totaling \$542,000. Includes \$125,000 for reservoirs and canals, \$100,000 for repairs and maintenance-heavy equipment, \$55,000 for repairs and maintenance-vehicles, \$50,000 for meter maintenance and various other supplies required to maintain the Canals, which range in cost from \$10,000 - \$40,000 annually.
6. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$981,900. Included in the total is \$350,000 for contract mowing, \$275,000 for contract vegetation control, \$130,000 for expenses related to contract service operations and \$115,000 for the TCEQ Permitting.
7. Professional Fees- Expenses such as attorneys, engineers, etc., for a total of \$346,000. Legal Fees are projected to be \$96,000. Engineering fees are projected to be \$120,000 for non-capital related engineering and other professional services to support the Canal Operations. Consultant fees are projected to be \$100,000.
8. General & Administration Expenses – Expenses incurred by G&A staff and various other administrative expenses to support the Canal Operations for \$3,850,400. G&A Staff costs of \$3,450,200 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. Additionally, these expenses include Water Treatment Plant Overhead Charges of \$194,500, Insurance Expense of \$175,200 and Management Expense of \$13,000.
9. Special Projects & Agreements – Expenses totaling \$275,000 for Brooks Lake Contract. The Canal Operations has a contractual obligation with the City of Sugarland for the Brooks Lake project.
10. Capital Improvements – Costs totaling \$2,719,000. Major projects include:
 - Shannon Pumping Plant (\$1,000,000),
 - Excavators Replacement (\$810,000),
 - Second Lift Pump Set (\$400,000),

FY2023 Budget Notes – Galveston County WCID #12

1. Operating Revenues- Operating Revenues for FY2023 for are projected to total \$84,100, based on fees collected from Galveston County WCID #12.
2. Other Revenues – For FY2023 are other revenues are projected to total \$125,335 consisting of Bond Payment Revenue.
3. Supplies, Materials & Utilities – Expenses power costs in the amount of \$10,000.
4. Maintenance, Repairs & Parts – Expenses for routine pipe maintenance in the amount of \$24,000.
5. General & Administration Expenses – Expenses incurred by G&A staff, TMWTP Overhead Expenses and various other administrative expenses to support the Galveston County WCID #12 for \$50,100. G&A Staff costs of \$34,800 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. Additionally, these expenses include Water Treatment Plant Overhead Charges of \$15,300.
6. Other Uses – Bond payment of \$125,335 for the Bayshore Booster Pump Station, a \$1,100,000 project.

FY2023 Budget Notes – South Transmission System

1. Operating Revenues- Operating Revenues for FY2023 for are projected to total \$6,607,446, based on fees collected from customers.
2. Maintenance, Repairs & Parts – Expenses for routine maintenance, building and grounds maintenance for \$52,500. The largest singular expense in this category is \$50,000 for pipe maintenance.
3. General & Administration Expenses – TMWTP Overhead Expenses for \$89,100.
4. Capital Improvements are a total of \$9,975,000. Major projects include:
 - Hwy 3 – Hwy 146 Interface – Waterline relocation (\$7,700,000)
 - FM517 – 30" Water line relocation (\$800,000)
 - South Line – Interconnects Plugging (\$575,000)
 - Calder Meter Station – Site Improvements (\$625,000)
5. Other Sources – Bond proceeds of \$3,509,154 for debt that will be issued on behalf of the customers to fund the capital improvements.

FY2023 Budget Notes – Chocolate Bayou Operations

1. Operating Revenues – Operating Revenues for FY2023 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 \$3,926,763. Firm Contract customers pay \$448.26 per MG.
 - Interruptible Water Agreement Customers- Based on water use, the estimated revenue is \$1,679,007, of which all is derived from Irrigation Income. Interruptible Water Agreement Customers pay varying rates based on availability.
2. Raw Water Conveyance – Chocolate Bayou Operations contract water cost purchases from the Brazos River Authority and City of Alvin Effluent total \$991,570. These purchases can further be broken down as Contract Back-Up Water \$723,973 and Agriculture Water \$267,597.
3. Salaries, Wages & Employee Benefits – Staffing for FY2023 includes 13.05 Full Time Employees (FTE's) as follows:
 - Chocolate Bayou Operations Staff- Utilizes 13.25 FTE's for a total cost of \$1,094,00, which is a 0.2 FTE increase from FY2022 due to the addition of a Heavy Equipment Operator I.
 - Discretionary and Non-Discretionary Benefits – Expenses for payroll taxes, group health insurance, TCDRS retirement and 401(k) retirement savings for the staff previously noted, totaling \$515,100.
4. Supplies, Materials & Utilities – Expenses for operating activities for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$433,000. The single largest expense is power costs in the amount of \$300,000. Additionally, gasoline and oil expense in the amount of \$95,000 for vehicles and various other supplies ranging from \$500 - \$8,000 annually.
5. Maintenance, Repairs & Parts – Expenses for routine maintenance, building and grounds maintenance totaling \$402,000. Included in the total is \$200,000 for reservoirs and canals, \$50,000 for piping, \$50,000 for meter maintenance, \$25,000 for electrical and \$16,000 for ground maintenance.
6. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$336,500. Included in the total is \$150,000 for contract mowing, \$85,000 for expenses related to TCEQ Permitting and \$75,000 for contract vegetation control.
7. Professional Fees – Expenses such as attorneys, engineers, etc., for a total of \$50,000. Legal fees are projected to be \$25,000. Engineering fees are projected to be \$25,000 for non-capital related engineering and other professional services to support the Chocolate Bayou Operations.

8. General & Administration Expenses – Expenses incurred by G&A staff and various other administrative expenses to support the Chocolate Bayou Operations totaling \$1,440,600. G&A Staff costs of \$1,109,200 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. Additionally, the expenses include Water Treatment Plant Overhead Charges of \$104,400 and Insurance Expense of \$222,000.
9. Capital Improvements –Costs totaling \$343,000. Major projects include:
 - William J May Plant #1 P5 Pump Set for \$200,000, and
 - Two truck replacements totaling \$87,000.

FY2023 Budget Notes – Pearland Southeast Water Purification Plant (SEWPP)

1. Operating Revenues – Operating Revenues for FY2023 for SEWPP – Pearland Operations are projected to total \$1,898,902.
2. Raw Water Conveyance – SEWPP – Pearland Operations contract water cost purchases from the City of Houston, \$1,843,302.
3. General & Administrative Expenses – Expenses incurred by G&A staff to support the SEWPP – Pearland Operations totaling \$55,600. 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.

FY2023 Budget Notes – North Transmission System

1. Operating Revenues – Operating Revenues for FY2023 are projected to total \$90,500, based on anticipated fees collected.
2. General & Administration Expenses – Expenses incurred by G&A staff and various other administrative expenses to support the North Transmission System totaling \$65,500. G&A Staff costs (\$34,800) 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. Additionally, the expenses include Water Treatment Plant Overhead Charges (\$30,700).
3. Capital Improvements – Costs totaling \$25,000 for Customer Take-Point Texas City Golf.

FY2023 Budget Notes – Bayshore Transmission System

1. Operating Revenues – Operating Revenues for FY2023 are projected to total \$88,800, based on anticipated fees collected.
2. Maintenance, Repairs & Parts – Expenses for routine maintenance, building and grounds maintenance totaling \$34,500 for pipe maintenance.
3. General & Administration Expenses – Expenses incurred by G&A staff and various other administrative expenses to support the Bayshore Transmission System totaling \$54,300. G&A Staff costs of \$34,800 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. Additionally, the expenses include Water Treatment Plant Overhead Charges of \$19,500.

FY2023 Budget Notes – General & Administrative Fund

1. Operating Revenues – The G&A Fund does not have Operating Revenues.
2. Salaries, Wages & Employee Benefits – Staffing for FY2023 includes 33.75 Full Time Employees (FTE's) as follows:
 - General & Administrative utilizes 33.75 Full Time Employees (FTE's) for a total cost of \$3,434,900, which is a 1.0 FTE decrease from FY2022.
 - Discretionary and Non-Discretionary Benefits – Expenses for payroll taxes, group health insurance, TCDRS retirement and 401(k) retirement savings for the staff previously noted, totaling \$1,505,000.
3. Supplies, Materials, & Utilities – Expenses for operating activities for: office, employees, facilities, and equipment, in addition to electric, water, gas, telephone and other utilities, totaling \$1,363,470. Included in the expenses are IT software (\$767,200), IT Hardware (\$259,500), IT SCADA Misc. (\$166,500) and utilities \$86,270.
4. Maintenance, Repairs & Parts – Expenses for routine maintenance, building and grounds maintenance totaling \$69,000. Included in the total is \$66,000 for building and grounds maintenance.
5. Purchased & Contracted Services – Services purchased and contracted from third party providers totaling \$43,000. Service agreements of \$25,000, which are to include such expenses as copier leases, pest control and garbage collection, and \$12,000 for office décor.
6. Professional Fees – Expenses such as attorneys, consultants, auditing, etc., for a total of \$1,148,300. Included in the total are Water Resource Plan for \$570,000, IT Consultants totaling \$192,500, Legislative Consultants totaling \$150,300, Legal Counsel of \$150,000 and Audit Fees of \$65,000.

7. General & Administration Expenses – General operating costs for the G&A Fund totaling \$698,800. Included in the total are Insurance Expense of \$178,800, Directors' Expense of \$145,000, Management Expense of \$75,000, Dues and Subscriptions of \$65,000 and Safety Training of \$65,000

The Authority is proud of our legacy of developing the lowest rates of any mid to large water wholesaler in the state of Texas. Our continued focus on cost control has allowed us to sustain rate stabilization with yearly increases for the last 5 years that we significantly below the inflation level of the United States. We would like to thank our Board and our Customers for the continued support and collaborative environment we work in.

GULF COAST WATER AUTHORITY
FISCAL YEAR 2022 - 2023 BUDGET

ADMINISTRATION (99)

Description	Approved FY 2022		Proposed FY 2023		Change	
		Budget		Budget	(\$)	(%)
SALARIES, WAGES & EMPLOYEE BENEFITS						
OFFICE MANAGEMENT LABOR	\$	2,087,800		2,008,500	\$ (79,300)	-3.80%
CAP PROJ - OFFICE MANAGEMENT LABOR		1,046,100		1,033,700	(12,400)	-1.19%
GIS - OFFICE MGMT LABOR		473,100		392,700	(80,400)	-16.99%
SALARIES AND WAGES		3,607,000		3,434,900	(172,100)	-4.77%
PAYROLL TAXES FICA		159,700		153,700	(6,000)	-3.76%
CAP PROJ - PAYROLL TAXES FICA		80,000		79,100	(900)	-1.13%
GIS - PR TAXES FICA		36,200		30,000	(6,200)	-17.13%
ADMIN-PAYROLL TAXES FICA		275,900		262,800	(13,100)	-4.75%
WORKERS COMP INSURANCE		1,800		1,800	-	0.00%
EMPLOYEE BENEFITS TC&DRS		204,100		191,100	(13,000)	-6.37%
CAP PROJ - TC&DRS		102,200		98,300	(3,900)	-3.82%
GIS - TCD&RS		46,200		37,400	(8,800)	-19.05%
ADMIN-EMPLOYEE BENEFITS TC&DRS		352,500		326,800	(25,700)	-7.29%
NON-DISCRETIONARY BENEFITS		630,200		591,400	(38,800)	-6.16%
HEALTH INSURANCE		359,000		366,700	7,700	2.14%
CAP PROJ - HEALTH INSURANCE		186,200		230,500	44,300	23.79%
GIS - HEALTH INSURANCE		126,300		115,400	(10,900)	-8.63%
ADMIN-EMPL BENEFIT HEALTH INS		671,500		712,600	41,100	6.12%
DENTAL INSURANCE		19,900		18,400	(1,500)	-7.54%
CAP PROJ - DENTAL INSURANCE		10,000		10,200	200	2.00%
GIS - DENTAL INSURANCE		5,800		5,200	(600)	-10.34%
ADMIN-EMPLOYEE BENEFITS DENTAL		35,700		33,800	(1,900)	-5.32%
VISION INSURANCE		4,000		3,500	(500)	-12.50%
CAP PROJ - VISION INSURANCE		2,000		2,000	-	0.00%
GIS - VISION INSURANCE		1,200		1,000	(200)	-16.67%
ADMIN-EMPLOYEE BENEFITS VISION		7,200		6,500	(700)	-9.72%
LIFE INSURANCE		17,000		13,500	(3,500)	-20.59%
CAP PROJ - LIFE INSURANCE		8,000		6,900	(1,100)	-13.75%
GIS - LIFE INSURANCE		3,900		3,000	(900)	-23.08%
ADMIN-EMPLOYEE BENEFITS LIFE INS		28,900		23,400	(5,500)	-19.03%
401 (K)		83,500		80,300	(3,200)	-3.83%
CAP PROJ - 401 (K)		41,800		41,300	(500)	-1.20%
GIS - 401 (K)		18,900		15,700	(3,200)	-16.93%
ADMIN-401 (K)		144,200		137,300	(6,900)	-4.79%
DISCRETIONARY BENEFITS		887,500		913,600	26,100	2.94%
SALARIES, WAGES & EMPLOYEE BENEFITS	\$	5,124,700	\$	4,939,900	\$ (184,800)	-3.61%
SUPPLIES, MATERIALS & UTILITIES						
GIS - INFORMATION TECHNOLOGY	\$	4,000	\$	4,000	\$ -	0.00%
INFORM TECH - OPS SOFTWARE		346,200		557,700	211,500	61.09%
INFORM TECH - SOFTWARE		177,000		209,500	32,500	18.36%
INFORM TECH - HARDWARE		313,900		259,500	(54,400)	-17.33%
INFORM TECH - SCADA MISC.		-		166,500	166,500	100.00%

GULF COAST WATER AUTHORITY
FISCAL YEAR 2022 - 2023 BUDGET

ADMINISTRATION (99)

Description	Approved FY 2022	Proposed FY 2023	Change	
	Budget	Budget	(\$)	(%)
JANITORIAL SERVICE & SUPPLIES	23,000	45,000	22,000	95.65%
STATIONERY & OFFICE SUPPLIES	30,000	30,000	-	0.00%
SAFETY EQUIPMENT	5,000	5,000	-	0.00%
<i>TOTAL SUPPLIES AND MATERIALS</i>	<i>899,100</i>	<i>1,277,200</i>	<i>378,100</i>	<i>42.05%</i>
TELECOMMUNICATIONS	61,500	69,270	7,770	12.63%
RADIO/COMMUNICATIONS	8,000	8,000	-	0.00%
HEAT,LIGHT,WATER	9,000	9,000	-	0.00%
<i>TOTAL UTILITIES</i>	<i>78,500</i>	<i>86,270</i>	<i>7,770</i>	<i>9.90%</i>
SUPPLIES, MATERIALS & UTILITIES	\$ 977,600	\$ 1,363,470	\$ 385,870	39.47%
MAINTENANCE, REPAIRS & PARTS				
GASOLINE & OIL EXPENSE	\$ 500	\$ 500	\$ -	0.00%
MAINT OFFICE BLDG & GROUNDS	66,000	66,000	-	0.00%
VEHICLE REPAIRS & MAINT	2,500	2,500	-	0.00%
MAINTENANCE, REPAIRS & PARTS	\$ 69,000	\$ 69,000	\$ -	0.00%
PURCHASED & CONTRACTED SERVICES				
SERVICE AGREEMENTS	\$ 25,000	\$ 25,000	\$ -	0.00%
CONTRACT SERVICES OPERATIONS	6,000	6,000	-	0.00%
OFFICE DÉCOR	12,000	12,000	-	0.00%
PURCHASED & CONTRACTED SERVICES	\$ 43,000	\$ 43,000	\$ -	0.00%
PROFESSIONAL FEES				
ENGINEERING	\$ 60,000	\$ -	\$ (60,000)	-100.00%
CONSULTANTS	20,500	20,500	-	0.00%
PLANNING - CONSULTANTS	1,025,000	570,000	(455,000)	-44.39%
INFORM TECH - CONSULTANTS	81,400	192,500	111,100	136.49%
LEGISLATIVE CONSULTANTS	150,300	150,300	-	0.00%
LEGAL EXPENSE	150,000	150,000	-	0.00%
AUDIT EXPENSE (OUTSIDE)	65,000	65,000	-	0.00%
PROFESSIONAL FEES	\$ 1,552,200	\$ 1,148,300	\$ (403,900)	-26.02%
GENERAL & ADMINISTRATIVE EXPENSES				
DIRECTOR'S EXPENSE	\$ 145,000	\$ 145,000	-	0.00%
MANAGEMENT EXPENSE	75,000	75,000	-	0.00%
GIS - MANAGEMENT EXPENSE	5,000	20,000	15,000	300.00%
HR - RECRUITMENT	8,500	2,000	(6,500)	-76.47%
HR - WELLNESS PROGRAM	3,000	7,500	4,500	150.00%
HR - EMPLOYEE TRAINING	2,500	5,000	2,500	100.00%
HR - EMPLOYEE RETENTION	7,000	7,500	500	7.14%
COMPANY EVENTS	25,000	50,000	25,000	100.00%
HR - EMPLOYMENT SERVICES	-	10,000	10,000	0.00%
INSURANCE EXPENSE	82,800	178,800	96,000	115.94%

GULF COAST WATER AUTHORITY
FISCAL YEAR 2022 - 2023 BUDGET

ADMINISTRATION (99)

Description	Approved FY 2022	Proposed FY 2023	Change	
	Budget	Budget	(\$)	(%)
SAFETY TRAINING-OSHA	50,000	50,000	-	0.00%
SAFETY TRAINING-MONTHLY	15,000	15,000	-	0.00%
ADMIN-TRAINING	20,000	20,000	-	0.00%
GIS -TRAINING	10,000	10,000	-	0.00%
INFORM TECH-TRAINING	17,500	17,500	-	0.00%
DUES/SUBSCRIPTIONS	65,000	65,000	-	0.00%
GIS - DUES/SUBSCRIPTIONS	5,000	5,000	-	0.00%
WATER CONSERVATION & PUBLIC EDUCATION	15,500	15,500	-	0.00%
GENERAL & ADMINISTRATIVE EXPENSES	\$ 551,800	\$ 698,800	\$ 147,000	26.64%
SPECIAL PROJECTS & AGREEMENTS				
INFORM TECH-PROJECTS	\$ 250,000	\$ -	\$ (250,000)	-100.00%
ADMIN-FURNITURE, FIXTURES & EQUIPMENT	550,000	-	(550,000)	-100.00%
ADMIN-BACK-UP GENERATOR	400,000	-	(400,000)	-100.00%
SPECIAL PROJECTS & AGREEMENTS	\$ 1,200,000	\$ -	\$ (1,200,000)	-100.00%
TOTAL EXPENSES EXCLUDING : CAPITAL	\$ 9,518,300	\$ 8,262,470	\$ (1,255,830)	-13.19%
CAPITAL IMPROVEMENTS				
CAPITAL	\$ 40,000	\$ -	\$ (40,000)	-100.00%
TOTAL CAPITAL IMPROVEMENTS	\$ 40,000	\$ -	\$ (40,000)	-100.00%
TOTAL EXPENSES	\$ 9,558,300	\$ 8,262,470	\$ (1,295,830)	-13.56%

GENERAL & ADMINISTRATIVE EXPENSES

ADMIN EXPENSES - Activity Based Ratio

G&A Expense Allocated to SEWPP-LC (04)	\$ (55,600)	\$ (55,600)	\$ -	0.00%
G&A Expense Allocated to WTP (06)	(1,420,500)	(1,415,900)	4,600	-0.32%
G&A Expense Allocated to Canal (08)	(3,461,400)	(3,450,200)	11,200	-0.32%
G&A Expense Allocated to WCID #12 (10)	(34,800)	(34,800)	-	0.00%
G&A Expense Allocated to Galveston (12)	(34,800)	-	34,800	-100.00%
G&A Expense Allocated to South Proj (14)	(34,800)	-	34,800	-100.00%
G&A Expense Allocated to Chocolate Bayou (21)	(1,112,800)	(1,109,200)	3,600	-0.32%
G&A Expense Allocated to SEWPP-Pearland (22)	(55,600)	(55,600)	-	0.00%
G&A Expense Allocated to Northline (23)	(34,800)	(34,800)	-	0.00%
G&A Expense Allocated to Bayshore (24)	(34,800)	(34,800)	-	0.00%
G&A Expense Allocated to TCR (25)	(795,900)	(793,300)	2,600	-0.33%
G&A Expense Allocated to TCI (26)	(1,282,500)	(1,278,300)	4,200	-0.33%
TOTAL G&A Expenses	(8,358,300)	(8,262,500)	95,800	-1.15%

ADMIN EXPENSES - Contract Quantity Based Ratio

G&A Special Projects Allocated to WTP (06)	(310,900)	-	310,900	-100.00%
G&A Special Projects Allocated to Canal (08)	(417,300)	-	417,300	-100.00%
G&A Special Projects Allocated to Chocolate Bayou (21)	(129,500)	-	129,500	-100.00%

GULF COAST WATER AUTHORITY
FISCAL YEAR 2022 - 2023 BUDGET

ADMINISTRATION (99)

Description	Approved FY 2022 Budget	Proposed FY 2023 Budget	Change	
			(\$)	(%)
G&A Special Projects Allocated to TCR (25)	(7,300)	-	7,300	-100.00%
G&A Special Projects Allocated to TCI (26)	(335,000)	-	335,000	-100.00%
<i>TOTAL G&A Special Prjoects</i>	<i>(1,200,000)</i>	<i>-</i>	<i>1,200,000</i>	<i>-100.00%</i>
ALLOCATED GENERAL & ADMINISTRATIVE EXPENSES	\$ (9,558,300)	\$ (8,262,500)	\$ 1,295,800	-13.56%
NET CASH BASIS SOURCES (USES)	\$ -	\$ (30)	\$ (30)	

GULF COAST WATER AUTHORITY
FISCAL YEAR 2022 - 2023 BUDGET

CANAL OPERATIONS (08)

Description	Approved		Proposed		Change	
	FY 2022		FY 2023		(\$)	(%)
	Budget		Budget			
OPERATING REVENUES						
METERED WATER SALES	\$ 18,574,111	\$	20,598,096	\$	2,023,985	10.90%
IRRIGATION INCOME	677,616		595,695		(81,921)	-12.09%
TOTAL OPERATING REVENUES	\$ 19,251,727	\$	21,193,791	\$	1,942,064	10.09%
OTHER REVENUES						
OTHER INCOME	\$ 140,000	\$	140,000	\$	-	0.00%
INTEREST INCOME-GENERAL FUND	75,000		50,000		(25,000)	-33.33%
TOTAL OTHER REVENUES	\$ 215,000	\$	190,000	\$	(25,000)	-11.63%
TOTAL REVENUES	\$ 19,466,727	\$	21,383,791	\$	1,917,064	9.85%
RAW WATER CONVEYANCE						
CONTRACT WATER COST - BACK-UP WATER	\$ 7,418,249	\$	7,813,594	\$	395,345	5.33%
CONTRACT WATER COST - AGRICULTURE	161,076		267,597		106,521	66.13%
TOTAL RAW WATER CONVEYANCE	\$ 7,579,325	\$	8,081,191	\$	501,865	6.62%
SALARIES, WAGES & EMPLOYEE BENEFITS						
OPERATIONS - LABOR	\$ 305,200	\$	324,100	\$	18,900	6.19%
MAINTENANCE - LABOR	1,197,300		1,271,500		74,200	6.20%
OFFICE MANAGEMENT - LABOR	496,200		767,200		271,000	54.62%
SALARIES AND WAGES	1,998,700		2,362,800		364,100	18.22%
PAYROLL TAXES	152,900		156,000		3,100	2.03%
WORKERS COMPENSATION INSURANCE	17,400		18,900		1,500	8.62%
EMPLOYEE BENEFITS - TC&DRS	195,300		194,000		(1,300)	-0.67%
NON-DISCRETIONARY BENEFITS	365,600		368,900		3,300	0.90%
EMPLOYEE BENEFITS - HEALTH INS	490,600		599,700		109,100	22.24%
EMPLOYEE BENEFITS DENTAL	24,000		25,600		1,600	6.67%
EMPLOYEE BENEFITS VISION	5,300		5,100		(200)	-3.77%
EMPLOYEE BENEFITS - LIFE INS	17,000		17,100		100	0.59%
EMPLOYEE BENEFITS-401(K)	79,900		81,600		1,700	2.13%
DISCRETIONARY BENEFITS	616,800		729,100		112,300	18.21%
SALARIES, WAGES & EMPLOYEE BENEFITS	\$ 2,981,100	\$	3,460,800	\$	479,700	16.09%
SUPPLIES, MATERIALS & UTILITIES						
SUPPLIES OPERATIONS	\$ 7,500	\$	7,500	\$	-	0.00%
SHOP SUPPLIES	17,000		17,000		-	0.00%
MISCELLANEOUS CHEMICALS	75,000		15,000		(60,000)	-80.00%
JANITORIAL SERVICES & SUPPLIES	10,000		35,000		25,000	250.00%
STATIONERY & OFFICE SUPPLIES	9,000		9,000		-	0.00%

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

CANAL OPERATIONS (08)

Description	Approved FY 2022	Proposed FY 2023	Change	
	Budget	Budget	(\$)	(%)
SAFETY EQUIPMENT	25,000	25,000	-	0.00%
UNIFORMS	15,000	15,000	-	0.00%
GASOLINE & OIL EXPENSE	225,000	275,000	50,000	22.22%
<i>TOTAL SUPPLIES AND MATERIALS</i>	<i>383,500</i>	<i>398,500</i>	<i>15,000</i>	<i>3.91%</i>
POWER - ELECTRIC	500,000	500,000	-	0.00%
TELEPHONE	3,000	3,000	-	0.00%
HEAT, LIGHT & WATER	5,500	36,000	30,500	554.55%
<i>TOTAL UTILITIES</i>	<i>508,500</i>	<i>539,000</i>	<i>30,500</i>	<i>6.00%</i>
SUPPLIES, MATERIALS & UTILITIES	\$ 892,000	\$ 937,500	\$ 45,500	5.10%
MAINTENANCE, REPAIRS & PARTS				
RESERVOIRS & CANALS	\$ 125,000	\$ 125,000	\$ -	0.00%
BUILDINGS - MAINT	17,500	10,000	(7,500)	-42.86%
GROUND - MAINTENANCE	27,000	40,000	13,000	48.15%
VEHICLES - REPAIRS & MAINT	55,000	55,000	-	0.00%
EQUIPMENT - HEAVY	95,000	100,000	5,000	5.26%
EQUIPMENT - LIGHT	10,000	15,000	5,000	50.00%
MECHANICAL	10,000	10,000	-	0.00%
ELECTRICAL	20,000	30,000	10,000	50.00%
PUMP & MOTOR MAINTENANCE	10,000	10,000	-	0.00%
PIPING (DISTRIBUTION)	15,000	25,000	10,000	66.67%
INSTRUMENTATION	10,000	10,000	-	0.00%
METER MAINTENANCE	10,000	50,000	40,000	400.00%
RADIO/COMMUNICATIONS	32,000	32,000	-	0.00%
MAINT - TOOLS	30,000	30,000	-	0.00%
MAINTENANCE, REPAIRS & PARTS	\$ 466,500	\$ 542,000	\$ 75,500	16.18%
PURCHASED & CONTRACTED SERVICES				
TCEQ PERMITS	\$ 115,000	\$ 115,000	\$ -	0.00%
RIGHT OF WAY EASEMENT	25,000	25,000	-	0.00%
SERVICE AGREEMENTS	30,000	30,000	-	0.00%
SCADA MAINTENANCE AGREEMENTS	1,900	1,900	-	0.00%
CONTRACT SERVICE OPERATIONS	130,000	130,000	-	0.00%
CONTRACT VEGETATION CONTROL	-	275,000	275,000	0.00%
CONTRACT MOWING	350,000	375,000	25,000	7.14%
SAFETY SERVICES	30,000	30,000	-	0.00%
PURCHASED & CONTRACTED SERVICES	\$ 681,900	\$ 981,900	\$ 300,000	43.99%

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

CANAL OPERATIONS (08)

Description	Approved FY 2022 Budget	Proposed FY 2023 Budget	Change	
			(\$)	(%)
PROFESSIONAL FEES				
ENGINEERING	\$ 120,000	\$ 150,000	\$ 30,000	25.00%
LEGAL EXPENSE	96,000	96,000	-	0.00%
CONSULTANTS	-	100,000	100,000	0.00%
PROFESSIONAL FEES	\$ 216,000	\$ 346,000	\$ 130,000	60.19%
GENERAL & ADMINISTRATIVE EXPENSES				
ADMIN EXPENSES	\$ 3,461,400	\$ 3,450,200	\$ (11,200)	-0.32%
WTP OVERHEAD EXPENSES	167,700	194,500	26,800	15.98%
INSURANCE EXPENSE	69,600	175,200	105,600	151.72%
OFFICE EQUIPMENT	7,500	7,500	-	0.00%
TRAINING	5,000	10,000	5,000	100.00%
MANAGEMENT EXPENSE	13,000	13,000	-	0.00%
GENERAL & ADMINISTRATIVE EXPENSES	\$ 3,724,200	\$ 3,850,400	\$ 126,200	3.39%
SPECIAL PROJECTS & AGREEMENTS				
BROOKS LAKE CONTRACT	\$ 275,000	\$ 275,000	\$ -	0.00%
ADMIN - SPECIAL PROJECTS	417,300	-	(417,300)	-100.00%
SPECIAL PROJECTS & AGREEMENTS	\$ 692,300	\$ 275,000	\$ (417,300)	-60.28%
CONTRACT WATER COST - BACK-UP WATER	7,579,325	8,081,191	501,865	6.62%
O&M EXPENSES	9,654,000	10,393,600	739,600	7.66%
TOTAL EXPENSES EXCLUDING : CAPITAL	\$ 17,233,325	\$ 18,474,791	\$ 1,241,465	7.20%
CAPITAL IMPROVEMENTS				
CAPITAL	\$ 2,348,677	\$ 2,719,000	\$ 370,323	15.77%
TOTAL CAPITAL IMPROVEMENTS	\$ 2,348,677	\$ 2,719,000	\$ 370,323	15.77%
TOTAL EXPENSES	\$ 19,582,002	\$ 21,193,791	\$ 1,611,788	8.23%
OTHER SOURCES				
CASH APPLIED	\$ 330,375	\$ -	\$ (330,375)	-100.00%
TOTAL OTHER SOURCES	\$ 330,375	\$ -	\$ (330,375)	-100.00%
NET CASH BASIS SOURCES (USES)	\$ 215,100	\$ 190,000	\$ (25,100)	

GULF COAST WATER AUTHORITY
Fiscal Year 2022-2023 Capital Budget
CANAL OPERATIONS (08)

DESCRIPTION	AMOUNT
Shannon Pumping Plant	1,000,000.00
Excavator Replacement	405,000.00
Excavator Replacement	405,000.00
SL PS, P1 Pump Set	400,000.00
Impeller for Briscoe Plant	150,000.00
RC-WM-34 Main	150,000.00
Truck Replacement	50,000.00
Truck Replacement	48,000.00
Fence @ Sauer Building	40,000.00
Automate Texas City Connection	25,000.00
Briscoe Pump Station Lighting	16,000.00
Fence Replacement	15,000.00
Shredder Attachment Skid Steer	15,000.00
	\$ 2,719,000.00

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

TEXAS CITY RESERVOIR OPERATIONS (25)

Description	Approved		Proposed		Change	
	FY 2022		FY 2023		(\$)	(%)
	Budget		Budget			
OPERATING REVENUES						
METERED WATER SALES	\$ 13,332,990	\$	13,327,607	\$	(5,383)	-0.04%
TOTAL OPERATING REVENUES	\$ 13,332,990	\$	13,327,607	\$	(5,383)	-0.04%
OTHER REVENUES						
BOND PAYMENT REVENUE	\$ 1,243,779	\$	1,248,679	\$	4,900	0.39%
OTHER INCOME	2,000		-		(2,000)	-100.00%
INTEREST INCOME-GENERAL FUND	20,000		-		(20,000)	-100.00%
INTEREST INCOME-2016A&B TCR DEBT SERV	4,000		-		(4,000)	-100.00%
TOTAL OTHER REVENUES	\$ 1,269,779	\$	1,248,679	\$	(21,100)	-1.66%
TOTAL REVENUES	\$ 14,602,769	\$	14,576,286	\$	(26,483)	-0.18%
RAW WATER CONVEYANCE						
CONTRACT WATER COST	\$ 11,543,458	\$	12,177,207	\$	633,749	5.49%
TOTAL RAW WATER CONVEYANCE	\$ 11,543,458	\$	12,177,207	\$	633,749	5.49%
SUPPLIES, MATERIALS & UTILITIES						
SHOP SUPPLIES	\$ 2,000	\$	2,000	\$	-	0.00%
MISCELLANEOUS CHEMICALS	4,000		4,000		-	0.00%
PAINT & INSULATION	3,000		3,000		-	0.00%
<i>TOTAL SUPPLIES AND MATERIALS</i>	<i>9,000</i>		<i>9,000</i>		<i>-</i>	<i>0.00%</i>
POWER - ELECTRIC	11,000		11,000		-	0.00%
RADIO/COMMUNICATIONS	1,000		2,000		1,000	100.00%
<i>TOTAL UTILITIES</i>	<i>12,000</i>		<i>13,000</i>		<i>1,000</i>	<i>8.33%</i>
SUPPLIES, MATERIALS & UTILITIES	\$ 21,000	\$	22,000	\$	1,000	4.76%
MAINTENANCE, REPAIRS & PARTS						
RESERVOIRS & CANALS	\$ 40,000	\$	40,000	\$	-	0.00%
BUILDING - REPAIRS & MAINT	7,000		7,000		-	0.00%
GROUND - MAINTENANCE	4,000		4,000		-	0.00%
VEHICLES - REPAIRS & MAINT	4,000		4,000		-	0.00%
EQUIPMENT - LIGHT	4,000		4,000		-	0.00%
MECHANICAL	4,000		4,000		-	0.00%
INSTRUMENTATION	3,000		7,500		4,500	150.00%
MAINTENANCE - TOOLS	2,500		2,500		-	0.00%
MAINTENANCE, REPAIRS & PARTS	\$ 68,500	\$	73,000	\$	4,500	6.57%

GULF COAST WATER AUTHORITY
FISCAL YEAR 2022 - 2023 BUDGET

TEXAS CITY RESERVOIR OPERATIONS (25)

Description	Approved FY 2022 Budget	Proposed FY 2023 Budget	Change	
			(\$)	(%)
PURCHASED & CONTRACTED SERVICES				
SERVICE AGREEMENTS	\$ 3,000	\$ 3,000	\$ -	0.00%
CONTRACT SERVICE OPERATIONS	10,000	10,000	-	0.00%
CONTRACT MOWING	40,000	40,000	-	0.00%
SAFETY SERVICES	5,000	5,000	-	0.00%
PURCHASED & CONTRACTED SERVICES	\$ 58,000	\$ 58,000	\$ -	0.00%
GENERAL & ADMINISTRATIVE EXPENSES				
ADMIN EXPENSES	\$ 795,900	\$ 793,300	\$ (2,600)	-0.33%
WTP OVERHEAD EXPENSES	143,400	154,900	11,500	8.02%
INSURANCE EXPENSE	1,200	7,200	6,000	500.00%
GENERAL & ADMINISTRATIVE EXPENSES	\$ 940,500	\$ 955,400	\$ 14,900	1.58%
SPECIAL PROJECTS & AGREEMENTS				
ADMIN - SPECIAL PROJECTS	\$ 7,300	\$ -	\$ (7,300)	-100.00%
SPECIAL PROJECTS & AGREEMENTS	\$ 7,300	\$ -	\$ (7,300)	-100.00%
RAW WATER COST - CANAL	11,543,458	12,177,207	633,749	5.49%
O&M EXPENSES	1,095,300	1,108,400	13,100	1.20%
TOTAL EXPENSES EXCLUDING : CAPITAL	\$ 12,638,758	\$ 13,285,607	\$ 646,849	5.12%
CAPITAL IMPROVEMENTS				
CAPITAL	\$ 700,000	\$ 42,000	\$ (658,000)	-94.00%
TOTAL CAPITAL IMPROVEMENTS	\$ 700,000	\$ 42,000	\$ (658,000)	-94.00%
OTHER USES				
BONDS PAYABLE SERIES 2016A	\$ 480,000	\$ 495,000	\$ 15,000	3.13%
BONDS PAYABLE SERIES 2016B	575,000	595,000	20,000	3.48%
INTEREST EXPENSE BOND SERIES 2016A	66,599	56,135	(10,464)	-15.71%
INTEREST EXPENSE BOND SERIES 2016B	118,932	100,647	(18,285)	-15.37%
BOND HANDLING FEE (2016A&B)	1,080	1,080	-	0.00%
TOTAL OTHER USES	\$ 1,241,611	\$ 1,247,862	\$ 6,251	0.50%
TOTAL EXPENSES	\$ 14,580,369	\$ 14,575,469	\$ (4,900)	-0.03%

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

TEXAS CITY RESERVOIR OPERATIONS (25)

Description	Approved FY 2022 Budget	Proposed FY 2023 Budget	Change	
			(\$)	(%)
OTHER SOURCES				
CASH APPLIED	\$ 5,768		\$ (5,768)	-100.00%
TOTAL OTHER SOURCES	\$ 5,768	\$ -	\$ (5,768)	-100.00%
NET CASH BASIS SOURCES (USES)	\$ 28,168	\$ 817	\$ (27,351)	

GULF COAST WATER AUTHORITY
Fiscal Year 2022-2023 Capital Budget
TEXAS CITY RESERVOIR OPERATIONS (25)

DESCRIPTION	AMOUNT
Truck Replacement	42,000.00
	<u>\$ 42,000.00</u>

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

TEXAS CITY INDUSTRIAL OPERATIONS SYSTEM (26)

Description	Approved FY 2022 Budget	Proposed FY 2023 Budget	Change	
			(\$)	(%)
OPERATING REVENUES				
METERED WATER SALES	\$ 11,647,334	\$ 11,711,181	\$ 63,847	0.55%
TOTAL OPERATING REVENUES	\$ 11,647,334	\$ 11,711,181	\$ 63,847	0.55%
OTHER REVENUES				
BOND PAYMENT REVENUE	\$ 1,168,804	\$ 1,167,289	\$ (1,515)	-0.13%
OTHER INCOME	2,000		(2,000)	-100.00%
INTEREST INCOME-GENERAL FUND	50,000		(50,000)	-100.00%
INTEREST INCOME-2017 IPS DEBT SERV	1,000		(1,000)	-100.00%
INTEREST INCOME-RESERVE & CONT	20,000		(20,000)	-100.00%
TOTAL OTHER REVENUES	\$ 1,241,804	\$ 1,167,289	\$ (74,515)	-6.00%
TOTAL REVENUES	\$ 12,889,138	\$ 12,878,470	\$ (10,668)	-0.08%
RAW WATER CONVEYANCE				
CONTRACT WATER COST	\$ 7,533,000	\$ 7,530,381	\$ (2,619)	-0.03%
TOTAL RAW WATER CONVEYANCE	\$ 7,533,000	\$ 7,530,381	\$ (2,619)	-0.03%
SUPPLIES, MATERIALS & UTILITIES				
SHOP SUPPLIES	\$ 2,000	\$ 2,000	\$ -	0.00%
MISCELLANEOUS CHEMICALS	-	-	-	0.00%
PAINT & INSULATION	-	-	-	0.00%
JANITORIAL - SUPPLIES	1,500	1,500	-	0.00%
STATIONERY & OFFICE SUPPLIES	-	-	-	0.00%
SAFETY EQUIPMENT	1,000	1,000	-	0.00%
GASOLINE & OIL EXPENSE	-	-	-	0.00%
<i>TOTAL SUPPLIES AND MATERIALS</i>	<i>4,500</i>	<i>4,500</i>	<i>-</i>	<i>0.00%</i>
POWER - ELECTRIC	500,000	500,000	-	0.00%
TELEPHONE	-	-	-	0.00%
RADIO/COMMUNICATIONS	3,000	3,000	-	0.00%
<i>TOTAL UTILITIES</i>	<i>503,000</i>	<i>503,000</i>	<i>-</i>	<i>0.00%</i>
SUPPLIES, MATERIALS & UTILITIES	\$ 507,500	\$ 507,500	\$ -	0.00%
MAINTENANCE, REPAIRS & PARTS				
RESERVOIRS & CANALS	\$ 5,000	\$ 5,000	\$ -	0.00%
BUILDING - REPAIRS & MAINT	1,000	1,000	-	0.00%
GROUND - MAINTENANCE	4,500	5,000	500	11.11%
MECHANICAL	15,000	20,000	5,000	33.33%

GULF COAST WATER AUTHORITY
FISCAL YEAR 2022 - 2023 BUDGET

TEXAS CITY INDUSTRIAL OPERATIONS SYSTEM (26)

Description	Approved FY 2022 Budget	Proposed FY 2023 Budget	Change	
			(\$)	(%)
ELECTRICAL	5,000	5,000	-	0.00%
INSTRUMENTATION	5,000	20,000	15,000	300.00%
MAINTENANCE - TOOLS	4	-	(4)	-100.00%
MAINTENANCE, REPAIRS & PARTS	\$ 35,504	\$ 56,000	\$ 20,496	57.73%
PURCHASED & CONTRACTED SERVICES				
CONTRACT SERVICE OPERATIONS	\$ 5,000	\$ 5,000	-	0.00%
CONTRACT MOWING	9,000	9,000	-	0.00%
CONTRACT BACK-UP POWER	192,000	192,000	-	0.00%
PURCHASED & CONTRACTED SERVICES	\$ 206,000	\$ 206,000	\$ -	0.00%
GENERAL & ADMINISTRATIVE EXPENSES				
ADMIN EXPENSES	\$ 1,282,500	\$ 1,278,300	\$ (4,200)	-0.33%
WTP OVERHEAD EXPENSES	307,000	361,300	54,300	17.69%
INSURANCE EXPENSE	316,800	289,200	(27,600)	-8.71%
MANAGEMENT EXPENSE	3,000	2,500	(500)	-16.67%
SAFETY SERVICES	5,000	5,000	-	0.00%
GENERAL & ADMINISTRATIVE EXPENSES	\$ 1,914,300	\$ 1,936,300	\$ 22,000	1.15%
SPECIAL PROJECTS & AGREEMENTS				
ADMIN - SPECIAL PROJECTS	\$ 335,000	\$ -	\$ (335,000)	-100.00%
SPECIAL PROJECTS & AGREEMENTS	\$ 335,000	\$ -	\$ (335,000)	-100.00%
RAW WATER COST - TCR	7,533,000	7,530,381	(2,619)	-0.03%
O&M EXPENSES	2,998,304	2,705,800	(292,504)	-9.76%
TOTAL EXPENSES EXCLUDING : CAPITAL	\$ 10,531,304	\$ 10,236,181	\$ (295,123)	-2.80%
CAPITAL IMPROVEMENTS				
CAPITAL	\$ 1,381,220	\$ 1,475,000	\$ 93,780	6.79%
TOTAL CAPITAL IMPROVEMENTS	\$ 1,381,220	\$ 1,475,000	\$ (1,287,440)	\$ 0
OTHER USES				
BONDS PAYABLE	\$ 730,000	\$ 755,000	\$ 25,000	3.42%
INTEREST EXPENSE	440,209	412,542	(27,667)	-6.28%
TOTAL OTHER USES	\$ 1,170,209	\$ 1,167,542	\$ (2,667)	\$ (0)
TOTAL EXPENSES	\$ 13,082,732	\$ 12,878,722	\$ (1,585,230)	-1.56%

GULF COAST WATER AUTHORITY
FISCAL YEAR 2022 - 2023 BUDGET

TEXAS CITY INDUSTRIAL OPERATIONS SYSTEM (26)

Description	Approved FY 2022 Budget	Proposed FY 2023 Budget	Change	
			(\$)	(%)
OTHER SOURCES				
CASH APPLIED	\$ 265,186		\$ (265,186)	-100.00%
TOTAL OTHER SOURCES	\$ 265,186	\$ -	\$ (265,186)	-100.00%
NET CASH BASIS SOURCES (USES)	\$ 71,592	\$ (253)	\$ 1,309,376	

GULF COAST WATER AUTHORITY
Fiscal Year 2022-2023 Capital Budget
TEXAS CITY INDUSTRIAL OPERATIONS SYSTEM (26)

DESCRIPTION	AMOUNT
Ind Raw Water Line - Segment Access Pool	1,000,000.00
Industrial Raw Water Line - Inspections	150,000.00
IPS HVAC	150,000.00
IPS Pump Slot 2	150,000.00
Industrial Pumping Station High Yard Maintenance	25,000.00
	<u>\$ 1,475,000.00</u>

GULF COAST WATER AUTHORITY
FISCAL YEAR 2022 - 2023 BUDGET

THOMAS S. MACKEY WATER TREATMENT PLANT (06)

Description	Approved FY 2022 Budget	Proposed FY 2023 Budget	Change	
			(\$)	(%)
OPERATING REVENUES				
METERED WATER SALES	\$ 17,555,659	\$ 19,124,795	\$ 1,569,136	8.94%
NEW WATER SALES	\$ -	\$ 22,120,000	\$ 22,120,000	100.00%
TOTAL OPERATING REVENUES	\$ 17,555,659	\$ 41,244,795	\$ 23,689,136	134.94%
OTHER REVENUES				
OTHER INCOME	\$ 1,000	\$ -	\$ (1,000)	-100.00%
INTEREST INCOME-GENERAL FUND	25,000	-	(25,000)	0.00%
TOTAL OTHER REVENUES	\$ 26,000	\$ -	\$ (26,000)	-100.00%
TOTAL REVENUES	\$ 17,581,659	\$ 41,244,795	\$ 23,663,136	134.59%
RAW WATER CONVEYANCE				
RAW WATER COST - TCR	\$ 6,905,760	\$ 6,907,945	\$ 2,185	0.03%
TOTAL RAW WATER CONVEYANCE	\$ 6,905,760	\$ 6,907,945	\$ 2,185	0.03%
SALARIES, WAGES & EMPLOYEE BENEFITS				
OPERATIONS - LABOR	\$ 1,013,400	\$ 1,106,800	\$ 93,400	9.22%
MAINTENANCE - LABOR	690,800	790,900	100,100	14.49%
OFFICE MANAGEMENT - LABOR	262,700	279,000	16,300	6.20%
SALARIES AND WAGES	1,966,900	2,176,700	209,800	10.67%
PAYROLL TAXES	150,500	166,500	16,000	10.63%
WORKERS COMPENSATION INSURANCE	19,700	19,500	(200)	-1.02%
EMPLOYEE BENEFITS - TC&DRS	192,200	207,100	14,900	7.75%
NON-DISCRETIONARY BENEFITS	362,400	393,100	30,700	8.47%
EMPLOYEE BENEFITS - HEALTH INS	524,600	619,700	95,100	18.13%
EMPLOYEE BENEFITS DENTAL	25,300	27,600	2,300	9.09%
EMPLOYEE BENEFITS VISION	5,100	5,200	100	1.96%
EMPLOYEE BENEFITS - LIFE INS	16,200	15,000	(1,200)	-7.41%
EMPLOYEE BENEFITS-401(K)	78,700	87,100	8,400	10.67%
DISCRETIONARY BENEFITS	649,900	754,600	104,700	16.11%
SALARIES, WAGES & EMPLOYEE BENEFITS	\$ 2,979,200	\$ 3,324,400	\$ 345,200	11.59%
SUPPLIES, MATERIALS & UTILITIES				
SUPPLIES OPERATIONS	\$ 10,000	\$ 10,000	\$ -	0.00%
SHOP SUPPLIES	6,000	6,000	-	0.00%
LAB SUPPLIES	75,000	75,000	-	0.00%
JANITORIAL - SUPPLIES	15,000	35,000	20,000	133.33%
STATIONERY & OFFICE SUPPLIES	7,000	7,000	-	0.00%
SAFETY EQUIPMENT	15,000	25,000	10,000	66.67%

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

THOMAS S. MACKEY WATER TREATMENT PLANT (06)

Description	Approved FY 2022	Proposed FY 2023	Change	
	Budget	Budget	(\$)	(%)
UNIFORMS	12,000	12,000	-	0.00%
GASOLINE & OIL EXPENSE	25,000	50,000	25,000	100.00%
<i>TOTAL SUPPLIES AND MATERIALS</i>	<i>165,000</i>	<i>220,000</i>	<i>55,000</i>	<i>33.33%</i>
PHOSPHATE	110,000	256,000	146,000	132.73%
CHLORINE	140,000	350,000	210,000	150.00%
CATIONIC POLYMER	368,900	450,000	81,100	21.98%
POWDERED ACTIVATED CARBON	260,000	400,000	140,000	53.85%
FILTER MEDIA	30,000	30,000	-	0.00%
FLUORIDE	40,000	40,000	-	0.00%
AMMONIA	100,000	110,000	10,000	10.00%
MISCELLANEOUS CHEMICALS	5,000	5,000	-	0.00%
COPPER SULFATE	250,000	330,000	80,000	32.00%
FERRIC SULFATE	260,000	280,000	20,000	7.69%
SODIUM CHLORITE	260,000	300,000	40,000	15.38%
<i>TOTAL CHEMICALS</i>	<i>1,823,900</i>	<i>2,551,000</i>	<i>727,100</i>	<i>39.87%</i>
POWER - ELECTRIC	800,000	750,000	(50,000)	-6.25%
RADIO/COMMUNICATIONS	15,000	15,000	-	0.00%
HEAT, LIGHT & WATER	1,500	1,500	-	0.00%
<i>TOTAL UTILITIES</i>	<i>816,500</i>	<i>766,500</i>	<i>(50,000)</i>	<i>-6.12%</i>
SUPPLIES, MATERIALS & UTILITIES	\$ 2,805,400	\$ 3,537,500	\$ 732,100	26.10%
MAINTENANCE, REPAIRS & PARTS				
BUILDINGS - MAINTENANCE	\$ 10,000	\$ 15,000	\$ 5,000	50.00%
GROUND - MAINTENANCE	13,000	20,000	7,000	53.85%
VEHICLES - REPAIRS & MAINT	10,000	10,000	-	0.00%
EQUIPMENT - LIGHT - REPAIRS & MECHANICAL	7,500	5,000	(2,500)	-33.33%
ELECTRICAL	120,000	120,000	-	0.00%
PIPING (DISTRIBUTION)	7,000	10,000	3,000	42.86%
INSTRUMENTATION	80,000	80,000	-	0.00%
INSTRUMENTS	20,000	20,000	-	0.00%
PAINT & INSULATION	10,000	10,000	-	0.00%
ROAD REPAIRS	2,500	5,000	2,500	100.00%
MAINT - TOOLS	20,000	20,000	-	0.00%
RENTAL - EQUIPMENT	6,000	20,000	14,000	233.33%
MAINTENANCE, REPAIRS & PARTS	\$ 426,000	\$ 455,000	\$ 29,000	6.81%
PURCHASED & CONTRACTED SERVICES				
TCEQ ASSESSMENT	\$ 1,000	\$ 1,000	\$ -	0.00%
CONTRACT BACK-UP POWER	96,000	96,000	-	0.00%
SERVICE AGREEMENTS	40,000	40,000	-	0.00%
SCADA MAINTENANCE AGREEMENTS	177,500	355,500	178,000	100.28%
LAB SERVICE AGREEMENTS	30,000	30,000	-	0.00%
CONTRACT SERVICE OPERATIONS	35,000	35,000	-	0.00%

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

THOMAS S. MACKEY WATER TREATMENT PLANT (06)

Description	Approved FY 2022 Budget	Proposed FY 2023 Budget	Change	
			(\$)	(%)
CONTRACT MOWING	50,000	60,000	10,000	20.00%
SEDIMENT REMOVAL	270,000	300,000	30,000	11.11%
SAFETY SERVICES	15,000	15,000	-	0.00%
PURCHASED & CONTRACTED SERVICES	\$ 714,500	\$ 932,500	\$ 218,000	30.51%
GENERAL & ADMINISTRATIVE EXPENSES				
ADMIN EXPENSES	\$ 1,420,500	\$ 1,415,900	\$ (4,600)	-0.32%
INSURANCE EXPENSE	183,600	349,200	165,600	90.20%
OFFICE EQUIPMENT	6,000	25,000	19,000	316.67%
WATER CONSERVATION & PUBLIC EDUCATION	40,000	40,000	-	0.00%
DUES/SUBSCRIPTIONS	5,000	5,000	-	0.00%
TRAINING	15,000	15,000	-	0.00%
MANAGEMENT EXPENSE	15,000	15,000	-	0.00%
GENERAL & ADMINISTRATIVE EXPENSES	\$ 1,685,100	\$ 1,865,100	\$ 180,000	10.68%
SPECIAL PROJECTS & AGREEMENTS				
ADMIN - SPECIAL PROJECTS	\$ 310,900	\$ -	\$ (310,900)	-100.00%
SPECIAL PROJECTS & AGREEMENTS	\$ 310,900	\$ -	\$ (310,900)	-100.00%
RAW WATER COST - TCR	6,905,760	6,907,945	2,185	0.03%
O&M EXPENSES	8,921,100	10,114,500	1,193,400	13.38%
TOTAL EXPENSES EXCLUDING : CAPITAL	\$ 15,826,860	\$ 17,022,445	\$ 1,195,585	7.55%
CAPITAL IMPROVEMENTS				
CAPITAL	\$ 2,826,220	\$ 3,073,550	\$ 247,330	8.75%
TOTAL CAPITAL IMPROVEMENTS	\$ 2,826,220	\$ 3,073,550	\$ (2,578,890)	8.75%
TOTAL EXPENSES	\$ 18,653,080	\$ 20,095,995	\$ (1,383,305)	7.74%
OTHER SOURCES				
CASH APPLIED	\$ 246,120	\$ -	\$ (246,120)	-100.00%
INTERFUND TRANSFERS	851,300	971,200	119,900	14.08%
TOTAL OTHER SOURCES	\$ 1,097,420	\$ 971,200	\$ (126,220)	-11.50%
NET CASH BASIS SOURCES (USES)	\$ 25,999	\$ 22,120,000	\$ 24,920,221	

GULF COAST WATER AUTHORITY
Fiscal Year 2022-2023 Capital Budget
THOMAS S. MACKEY WATER TREATMENT PLANT (06)

DESCRIPTION	AMOUNT
MACKEY ALTERNATE PROJECT	903,550.00
Clarifier #3 Rehabilitation	500,000.00
Sedimentation Basin #1 Rehab	350,000.00
North Line Flow Meter	300,000.00
WTP Clearwell P552 Pump Set	300,000.00
SCADA HARDWARE	250,000.00
Low Lift Pump Set	200,000.00
Truck Purchase	42,000.00
Truck Replacement	42,000.00
GS-01 Safety Railing	40,000.00
GS-02 Safety Railing	34,000.00
Pipe Gallery Panel Replacement	30,000.00
Fire Hydrant Install	20,000.00
Fire Hydrant Install	20,000.00
Clarifier #3 Flow Meter	15,000.00
Clarifier #4 Flow Meter	15,000.00
BWP-701 Replacement	6,000.00
BWP-702 Replacement	6,000.00
	<u>\$ 3,073,550.00</u>

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

GALVESTON COUNTY WCID #12 (10)

Description	Approved FY 2022 Budget	Proposed FY 2023 Budget	Budget Variance	% Change
OPERATING REVENUES				
METERED WATER SALES	\$ 82,600	\$ 84,100	\$ 1,500	1.82%
TOTAL OPERATING REVENUES	\$ 82,600	\$ 84,100	\$ 1,500	1.82%
OTHER REVENUES				
BOND PAYMENT REVENUE	\$ 122,601	\$ 125,335	\$ 2,734	2.23%
INTEREST INCOME DEBT SERVICE	500		(500)	-100.00%
TOTAL OTHER REVENUES	\$ 123,101	\$ 125,335	\$ 2,234	1.81%
TOTAL REVENUES	\$ 205,701	\$ 209,435	\$ 3,734	1.82%
SUPPLIES, MATERIALS & UTILITIES				
POWER - ELECTRIC	\$ 10,000	\$ 10,000	\$ -	0.00%
RADIO/COMMUNICATIONS	-	-	-	0.00%
SUPPLIES, MATERIALS & UTILITIES	\$ 10,000	\$ 10,000	\$ -	0.00%
MAINTENANCE, REPAIRS & PARTS				
PIPE - MAINTENANCE	\$ 24,000	\$ 24,000	\$ -	0.00%
MAINTENANCE, REPAIRS & PARTS	24,000	24,000	-	0.00%
GENERAL & ADMINISTRATIVE EXPENSES				
ADMIN EXPENSES	\$ 34,800	\$ 34,800	\$ -	0.00%
WTP OVERHEAD EXPENSES	13,800	15,300	1,500	10.87%
GENERAL & ADMINISTRATIVE EXPENSES	\$ 48,600	\$ 50,100	\$ 1,500	3.09%
TOTAL O&M EXPENSES	\$ 82,600	\$ 84,100	\$ 1,500	1.82%
OTHER USES				
BONDS PAYABLE	\$ 80,000	\$ 85,000	\$ 5,000	6.25%
INTEREST EXPENSE	41,535	38,695	(2,840)	-6.84%
BOND HANDLING FEE	1,640	1,640	-	0.00%
TOTAL OTHER USES	123,175	125,335	2,160	1.75%
TOTAL EXPENSES	\$ 205,775	\$ 209,435	\$ 3,660	1.78%
NET CASH BASIS SOURCES (USES)	\$ (74)	\$ -	\$ 74	

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

SOUTH TRANSMISSION SYSTEM (14)

Description	Approved		Proposed		Change	
	FY 2022		FY 2023		(\$)	(%)
	Budget		Budget			
OPERATING REVENUES						
METERED WATER SALES	\$ 122,690	\$	6,607,446	\$	6,484,756	5285.48%
TOTAL OPERATING REVENUES	\$ 122,690	\$	6,607,446	\$	6,484,756	5285.48%
OTHER REVENUES						
BOND PAYMENT REVENUE	\$ 285,895	\$	-	\$	(285,895)	-100.00%
INTEREST INCOME REVENUE FUND	1,000		-		(1,000)	-100.00%
INTEREST INCOME RESERVE	3,000		-		(3,000)	-100.00%
INTEREST INCOME INT & SINKING	500		-		(500)	-100.00%
TOTAL OTHER REVENUES	\$ 290,395	\$	-	\$	(290,395)	-100.00%
TOTAL REVENUES	\$ 413,085	\$	6,607,446	\$	6,194,361	1499.54%
MAINTENANCE, REPAIRS & PARTS						
GROUNDS - MAINTENANCE	\$ 1,290	\$	2,500	\$	1,210	93.80%
PIPE - MAINTENANCE	50,000		50,000		-	0.00%
MAINTENANCE, REPAIRS & PARTS	\$ 51,290	\$	52,500	\$	1,210	2.36%
GENERAL & ADMINISTRATIVE EXPENSES						
ADMIN EXPENSES	\$ 34,800	\$	-	\$	(34,800)	-100.00%
WTP OVERHEAD EXPENSES	36,600		89,100		52,500	143.44%
GENERAL & ADMINISTRATIVE EXPENSES	\$ 71,400	\$	89,100	\$	17,700	24.79%
TOTAL O&M EXPENSES	\$ 122,690	\$	141,600	\$	18,910	15.41%
CAPITAL IMPROVEMENTS						
CAPITAL	\$ -	\$	9,975,000	\$	9,975,000	100.00%
TOTAL CAPITAL IMPROVEMENTS	\$ -	\$	9,975,000	\$	9,975,000	100.00%
OTHER USES						
BONDS PAYABLE	\$ 2,370,000	\$	-	\$	(2,370,000)	-100.00%
BONDS PAYABLE	365,000		-		(365,000)	-100.00%
INTEREST EXPENSE-1998A	118,500		-		(118,500)	-100.00%

GULF COAST WATER AUTHORITY
FISCAL YEAR 2022 - 2023 BUDGET

SOUTH TRANSMISSION SYSTEM (14)

Description	Approved FY 2022 Budget	Proposed FY 2023 Budget	Change	
			(\$)	(%)
INTEREST EXPENSE-1998B	14,600	-	(14,600)	-100.00%
BOND HANDLING FEE	6,080	-	(6,080)	-100.00%
TOTAL OTHER USES	\$ 2,874,180	\$ -	\$ (2,874,180)	-100.00%
TOTAL EXPENSES	\$ 2,996,870	\$ 10,116,600	\$ 7,119,730	237.57%
OTHER SOURCES				
RESTRICTED FUNDS	\$ 2,593,845		\$ (2,593,845)	-100.00%
BOND PROCEEDS	-	3,509,154	3,509,154	0.00%
TOTAL OTHER SOURCES	\$ 2,593,845	\$ 3,509,154	\$ 915,309	35.29%
NET CASH BASIS SOURCES (USES)	\$ 10,060	\$ -	\$ (10,060)	

GULF COAST WATER AUTHORITY
Fiscal Year 2022-2023 Capital Budget
South Transmission System (Fund 14)

DESCRIPTION	AMOUNT
Customer Takepoint - Location TBD	75,000.00
South Line - Interconnects Plugging	575,000.00
Calder Meter Station - Site Improvements	625,000.00
Hwy 3 - Hwy 146 Interface - Waterline relocation	7,700,000.00
Inspection of the South Line	200,000.00
FM517 - 30" Water line relocation	800,000.00
	<u>\$ 9,975,000.00</u>

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

NORTH TRANSMISSION SYSTEM (23)

Description	Approved	Proposed	Change	
	FY 2022	FY 2023		
	Budget	Budget	(\$)	(%)
OPERATING REVENUES				
METERED WATER SALES	\$ 61,400	\$ 90,500	\$ 29,100	47.39%
TOTAL OPERATING REVENUES	\$ 61,400	\$ 90,500	\$ 29,100	47.39%
TOTAL REVENUES	\$ 61,400	\$ 90,500	\$ 29,100	47.39%
GENERAL & ADMINISTRATIVE EXPENSES				
ADMIN EXPENSES	\$ 34,800	\$ 34,800	\$ -	0.00%
WTP OVERHEAD EXPENSES	26,600	30,700	4,100	15.41%
GENERAL & ADMINISTRATIVE EXPENSES	\$ 61,400	\$ 65,500	\$ 4,100	6.68%
TOTAL O&M EXPENSES	\$ 61,400	\$ 65,500	\$ 4,100	6.68%
CAPITAL IMPROVEMENTS				
CAPITAL	\$ 100,000	\$ 25,000	\$ (75,000)	-75.00%
TOTAL CAPITAL IMPROVEMENTS	\$ 100,000	\$ 25,000	\$ (75,000)	-75.00%
TOTAL EXPENSES	\$ 161,400	\$ 90,500	\$ (70,900)	-43.93%
OTHER SOURCES				
CASH APPLIED	\$ 100,000	\$ -	\$ (100,000)	-100.00%
TOTAL OTHER SOURCES	\$ 100,000	\$ -	\$ (100,000)	-100.00%
NET CASH BASIS SOURCES (USES)	\$ -	\$ -	\$ -	

GULF COAST WATER AUTHORITY
Fiscal Year 2022-2023 Capital Budget
NORTH TRANSMISSION SYSTEM (23)

DESCRIPTION	AMOUNT
Customer Takepoint TC Golf	25,000.00
	<u>\$ 25,000.00</u>

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

BAYSHORE TRANSMISSION SYSTEM (24)

Description	Approved		Proposed		Change	
	FY 2022		FY 2023			
	Budget		Budget		(\$)	(%)
OPERATING REVENUES						
METERED WATER SALES	\$	86,700	\$	88,800	\$	2,100
TOTAL OPERATING REVENUES	\$	86,700	\$	88,800	\$	2,100
TOTAL REVENUES	\$	86,700	\$	88,800	\$	2,100
MAINTENANCE, REPAIRS & PARTS						
PIPE - MAINTENANCE	\$	34,500	\$	34,500	\$	-
MAINTENANCE, REPAIRS & PARTS	\$	34,500	\$	34,500	\$	-
GENERAL & ADMINISTRATIVE EXPENSES						
ADMIN EXPENSES	\$	34,800	\$	34,800	\$	-
WTP OVERHEAD EXPENSES		17,400		19,500		2,100
GENERAL & ADMINISTRATIVE EXPENSES	\$	52,200	\$	54,300	\$	2,100
TOTAL O&M EXPENSES	\$	86,700	\$	88,800	\$	2,100
CAPITAL IMPROVEMENTS						
CAPITAL	\$	75,000	\$	-	\$	(75,000)
TOTAL CAPITAL IMPROVEMENTS	\$	75,000	\$	-	\$	(75,000)
TOTAL EXPENSES	\$	161,700	\$	88,800	\$	(72,900)
OTHER SOURCES						
CASH APPLIED	\$	75,000	\$	-	\$	(75,000)
TOTAL OTHER SOURCES	\$	75,000	\$	-	\$	(75,000)
NET CASH BASIS SOURCES (USES)	\$	-	\$	-	\$	-

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

JULIFF/CHOCOLATE BAYOU OPERATIONS (21)

Description	Approved FY 2022		Proposed FY 2023		Change	
	Budget		Budget		(\$)	(%)
OPERATING REVENUES						
METERED WATER SALES	\$	3,461,214	\$	3,926,763	\$ 465,549	13.45%
IRRIGATION INCOME		2,473,946		1,679,007	(794,939)	-32.13%
TOTAL OPERATING REVENUES	\$	5,935,160	\$	5,605,770	\$ (329,390)	-5.55%
OTHER REVENUES						
INTEREST INCOME-GENERAL	\$	15,000	\$	-	\$ (15,000)	-100.00%
INTEREST INCOME-CONSTRUCTION		500		-	(500)	-100.00%
TOTAL OTHER REVENUES	\$	15,500	\$	-	\$ (15,500)	-100.00%
TOTAL REVENUES	\$	5,950,660	\$	5,605,770	\$ (344,890)	-5.80%
RAW WATER CONVEYANCE						
CONTRACT WATER COST - BACK-UP WATER	\$	691,424	\$	723,973	\$ 32,549	4.71%
CONTRACT WATER COST - AGRICULTURE		484,473		267,597	(216,876)	-44.77%
TOTAL RAW WATER CONVEYANCE	\$	1,175,897	\$	991,570	\$ (184,326)	-15.68%
SALARIES, WAGES & EMPLOYEE BENEFITS						
OPERATIONS	\$	271,000	\$	286,000	\$ 15,000	5.54%
MAINTENANCE		394,700		418,600	23,900	6.06%
OFFICE MANAGEMENT		263,300		389,400	126,100	47.89%
<i>SALARIES AND WAGES</i>		<i>929,000</i>		<i>1,094,000</i>	<i>165,000</i>	<i>17.76%</i>
PAYROLL TAXES		71,100		83,700	12,600	17.72%
WORKERS COMPENSATION INSURANCE		7,700		8,000	300	3.90%
EMPLOYEE BENEFITS - TC&DRS		90,800		104,100	13,300	14.65%
<i>NON-DISCRETIONARY BENEFITS</i>		<i>169,600</i>		<i>195,800</i>	<i>26,200</i>	<i>15.45%</i>
EMPLOYEE BENEFITS - HEALTH INS		225,900		254,600	28,700	12.70%
EMPLOYEE BENEFITS DENTAL		11,000		10,800	(200)	-1.82%
EMPLOYEE BENEFITS VISION		3,100		2,200	(900)	-29.03%
EMPLOYEE BENEFITS - LIFE INS		7,800		7,900	100	1.28%
EMPLOYEE BENEFITS-401(K)		37,200		43,800	6,600	17.74%
<i>DISCRETIONARY BENEFITS</i>		<i>285,000</i>		<i>319,300</i>	<i>34,300</i>	<i>12.04%</i>
SALARIES, WAGES & EMPLOYEE BENEFITS	\$	1,383,600	\$	1,609,100	\$ 225,500	16.30%

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

JULIFF/CHOCOLATE BAYOU OPERATIONS (21)

Description	Approved FY 2022 Budget	Proposed FY 2023 Budget	Change	
			(\$)	(%)
SUPPLIES, MATERIALS & UTILITIES				
SUPPLIES OPERATIONS	\$ 3,000	\$ 8,000	\$ 5,000	166.67%
SHOP SUPPLIES	3,000	3,000	-	0.00%
MISCELLANEOUS CHEMICALS	3,000	3,000	-	0.00%
JANITORIAL SERVICES & SUPPLIES	7,500	7,500	-	0.00%
STATIONERY & OFFICE SUPPLIES	1,000	500	(500)	-50.00%
SAFETY EQUIPMENT	6,000	6,000	-	0.00%
UNIFORMS	2,500	2,500	-	0.00%
GASOLINE & OIL EXPENSE	95,000	95,000	-	0.00%
TOTAL SUPPLIES AND MATERIALS	121,000	125,500	4,500	3.72%
POWER - ELECTRIC	290,000	300,000	10,000	3.45%
RADIO/COMMUNICATIONS	10,000	7,500	(2,500)	-25.00%
TOTAL UTILITIES	300,000	307,500	7,500	2.50%
SUPPLIES, MATERIALS & UTILITIES	\$ 421,000	\$ 433,000	\$ 12,000	2.85%
MAINTENANCE, REPAIRS & PARTS				
RESERVOIRS & CANALS	\$ 200,000	\$ 200,000	\$ -	0.00%
BUILDINGS - MAINT	6,000	6,000	-	0.00%
MAINT - OFFICE BLDG & GROUNDS	4,000	4,000	-	0.00%
GROUNDS - MAINTENANCE	16,000	16,000	-	0.00%
VEHICLES - REPAIRS & MAINT	7,500	7,500	-	0.00%
EQUIPMENT - HEAVY	3,000	10,000	7,000	233.33%
EQUIPMENT - LIGHT	8,500	8,500	-	0.00%
MECHANICAL	15,000	15,000	-	0.00%
ELECTRICAL	25,000	25,000	-	0.00%
PUMP & MOTOR MAINTENANCE	5,000	5,000	-	0.00%
PIPING (DISTRIBUTION)	25,000	50,000	25,000	100.00%
INSTRUMENTATION	3,000	2,000	(1,000)	-33.33%
METER MAINTENANCE	15,000	50,000	35,000	233.33%
MAINT - TOOLS	3,000	3,000	-	0.00%
MAINTENANCE, REPAIRS & PARTS	\$ 336,000	\$ 402,000	\$ 66,000	19.64%
PURCHASED & CONTRACTED SERVICES				
TCEQ PERMITS	\$ 85,000	\$ 85,000	\$ -	0.00%
SERVICE AGREEMENTS	9,000	9,000	-	0.00%
CONTRACT SERVICE OPERATIONS	7,500	7,500	-	0.00%
CONTRACT VEGETATION CONTROL	-	75,000	75,000	0.00%

GULF COAST WATER AUTHORITY
FISCAL YEAR 2022 - 2023 BUDGET

JULIFF/CHOCOLATE BAYOU OPERATIONS (21)

Description	Approved FY 2022	Proposed FY 2023	Change	
	Budget	Budget	(\$)	(%)
CONTRACT MOWING	150,000	150,000	-	0.00%
SAFETY SERVICES	10,000	10,000	-	0.00%
PURCHASED & CONTRACTED SERVICES	\$ 261,500	\$ 336,500	\$ 75,000	28.68%
PROFESSIONAL FEES				
ENGINEERING	\$ 25,000	\$ 25,000	\$ -	0.00%
LEGAL EXPENSE	50,000	25,000	(25,000)	-50.00%
PROFESSIONAL FEES	\$ 75,000	\$ 50,000	\$ (25,000)	-33.33%
GENERAL & ADMINISTRATIVE EXPENSES				
ADMIN EXPENSES	\$ 1,112,800	\$ 1,109,200	\$ (3,600)	-0.32%
WTP OVERHEAD EXPENSES	92,300	104,400	12,100	13.11%
INSURANCE EXPENSE	138,000	222,000	84,000	60.87%
OFFICE EQUIPMENT	2,000	2,000	-	0.00%
MANAGEMENT EXPENSE	3,000	3,000	-	0.00%
GENERAL & ADMINISTRATIVE EXPENSES	\$ 1,348,100	\$ 1,440,600	\$ 92,500	6.86%
SPECIAL PROJECTS & AGREEMENTS				
ADMIN - SPECIAL PROJECTS	\$ 129,500	-	(129,500)	-100.00%
SPECIAL PROJECTS & AGREEMENTS	\$ 129,500	\$ -	\$ (129,500)	-100.00%
RAW WATER COST - CANAL	1,175,897	991,570	(184,326)	-15.68%
O&M EXPENSES	3,954,700	4,271,200	316,500	8.00%
TOTAL EXPENSES EXCLUDING : CAPITAL	\$ 5,130,597	\$ 5,262,770	\$ 132,174	2.58%
CAPITAL IMPROVEMENTS				
CAPITAL CHOCOLATE BAYOU	\$ 957,013	\$ 343,000	(614,013)	-64.16%
TOTAL CAPITAL IMPROVEMENTS	\$ 957,013	\$ 343,000	\$ (614,013)	-64.16%
TOTAL EXPENSES	\$ 6,087,610	\$ 5,605,770	\$ (481,839)	-7.92%
OTHER SOURCES				
CASH APPLIED	\$ 152,550	-	(152,550)	-100.00%
TOTAL OTHER SOURCES	\$ 152,550	\$ -	\$ (152,550)	-100.00%
NET CASH BASIS SOURCES (USES)	\$ 15,600	\$ -	\$ (15,600)	

GULF COAST WATER AUTHORITY
Fiscal Year 2022-2023 Capital Budget
JULIFF/CHOCOLATE BAYOU OPERATIONS (21)

DESCRIPTION	AMOUNT
WJM P5 Pump Set	200,000.00
Truck Replacement	45,000.00
Truck Replacement	42,000.00
Fence Replacement	25,000.00
May Pump Station Service Repair	17,000.00
May Pump Station Lighting	14,000.00
	\$ 343,000.00

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

LEAGUE CITY SOUTHEAST WATER PURIFICATION PLANT (04)

Description	Approved		Proposed		Change	
	FY 2022	Budget	FY 2023	Budget	(\$)	(%)
OPERATING REVENUES						
METERED WATER SALES	\$	3,839,069	\$	3,587,590	\$ (251,479)	-6.55%
SOUTHEAST TRANS LINE REVENUE		6,085,505		1,206,950	(4,878,555)	-80.17%
RAW WATER RESERVATION REVENUE		620,500		657,000	36,500	5.88%
TOTAL OPERATING REVENUES	\$	10,545,074	\$	5,451,540	\$ (5,093,534)	-48.30%
TOTAL REVENUES	\$	10,545,074	\$	5,451,540	\$ (5,093,534)	-48.30%
RAW WATER CONVEYANCE						
RAW WATER COST - HOUSTON	\$	3,783,469	\$	3,531,990	\$ (251,479)	-6.65%
RAW WATER RESERVATION FEE		620,500		657,000	36,500	5.88%
SOUTHEAST TRANS LINE FEE		6,085,505		1,206,950	(4,878,555)	-80.17%
TOTAL RAW WATER CONVEYANCE	\$	10,489,474	\$	5,395,940	\$ (5,093,534)	-48.56%
GENERAL & ADMINISTRATIVE EXPENSES						
ADMIN EXPENSES	\$	55,600	\$	55,600	\$ -	0.00%
GENERAL & ADMINISTRATIVE EXPENSES	\$	55,600	\$	55,600	\$ -	0.00%
RAW WATER COST - HOUSTON		10,489,474		5,395,940	(5,093,534)	-48.56%
O&M EXPENSES		55,600		55,600	-	0.00%
TOTAL EXPENSES	\$	10,545,074	\$	5,451,540	\$ (5,093,534)	-48.30%
NET CASH BASIS SOURCES (USES)	\$	-	\$	-	\$ -	

GULF COAST WATER AUTHORITY

FISCAL YEAR 2022 - 2023 BUDGET

PEARLAND SOUTHEAST WATER PURIFICATION PLANT (22)

Description	Approved		Proposed		Change	
	FY 2022		FY 2023		(\$)	(%)
	Budget		Budget			
OPERATING REVENUES						
METERED WATER SALES	\$ 2,070,591	\$	1,898,902	\$	(171,689)	-8.29%
TOTAL OPERATING REVENUES	\$ 2,070,591	\$	1,898,902	\$	(171,689)	-8.29%
OTHER REVENUES						
INTEREST INCOME-GENERAL	\$ 300	\$	-	\$	(300)	-100.00%
TOTAL OTHER REVENUES	\$ 300	\$	-	\$	(300)	-100.00%
TOTAL REVENUES	\$ 2,070,891	\$	1,898,902	\$	(171,989)	-8.31%
RAW WATER CONVEYANCE						
RAW WATER COST - HOUSTON	\$ 2,014,991	\$	1,843,302	\$	(171,689)	-8.52%
TOTAL RAW WATER CONVEYANCE	\$ 2,014,991	\$	1,843,302	\$	(171,689)	-8.52%
GENERAL & ADMINISTRATIVE EXPENSES						
ADMIN EXPENSES	\$ 55,600	\$	55,600	\$	-	0.00%
GENERAL & ADMINISTRATIVE EXPENSES	\$ 55,600	\$	55,600	\$	-	0.00%
RAW WATER COST - CANAL	2,014,991		1,843,302		(171,689)	-8.52%
O&M EXPENSES	55,600		55,600		-	0.00%
TOTAL EXPENSES	\$ 2,070,591	\$	1,898,902	\$	(171,689)	-8.29%
NET CASH BASIS SOURCES (USES)	\$ 300	\$	-	\$	(300)	

GULF COAST WATER AUTHORITY
FISCAL YEAR 2021 - 2022 BUDGET

CAPITAL IMPROVEMENT FUND (30)

Description	Approved FY 2022 Budget	Proposed FY 2023 Budget	Change	
			(\$)	(%)
OPERATING REVENUES				
OPTION SALES-CANAL GROUP	\$ 594,782	\$ 54,071	\$ (540,711)	-90.91%
TOTAL OPERATING REVENUES	\$ 594,782	\$ 54,071	\$ (540,711)	-90.91%
TOTAL REVENUES	\$ 594,782	\$ 54,071	\$ (540,711)	-90.91%
CAPITAL IMPROVEMENTS				
CAPITAL	\$ 594,782	\$ 54,071	\$ (540,711)	-90.91%
TOTAL CAPITAL IMPROVEMENTS	\$ 594,782	\$ 54,071	\$ (540,711)	-90.91%
TOTAL EXPENSES	\$ 594,782	\$ 54,071	\$ (540,711)	-90.91%
NET CASH BASIS SOURCES (USES)	\$ -	\$ -	\$ -	

GULF COAST WATER AUTHORITY
Fiscal Year 2022-2023 Capital Budget
CAPITAL IMPROVEMENT FUND (30)

DESCRIPTION	AMOUNT
I Canal Improvements	54,071.00
	<u>\$ 54,071.00</u>



EXHIBIT A 2023 WATER RATES

CUSTOMER BASE	STORED WATER	O&M	CAPITAL	BOND *	POWER	TOTAL COST OF SERVICE
Canal System - A & B and Chocolate Bayou						
<i>A & B System</i>	\$ 100.47	\$ 141.26	\$ 34.44	\$ -	\$ -	\$ 276.17
<i>Pecan Grove</i>	315.91	141.26	34.44	-	-	491.61
<i>Juliff System</i>	82.65	326.46	39.16	-	-	448.26
Texas City Reservoir						
<i>Ashland/Topaz/Industrial Customer Group</i>	\$ 276.18	\$ 25.14	\$ 0.95	\$ 30.16	\$ -	\$ 332.43
<i>Thomas Mackey Water Treatment Plant</i>	276.18	25.14	0.95	26.30	-	328.57
Texas City Industrial						
<i>Industrial Customer Group</i>	\$ 332.43	\$ 97.38	\$ 65.11	\$ 51.55	\$ 30.61	\$ 577.07
<i>Texas City</i>	332.43	97.38	65.11	-	-	494.92
Thomas Mackey Water Treatment Plant						
<i>TMWTP Customer Group</i>	\$ 328.57	\$ 945.66	\$ 146.19	\$ -	\$ -	\$ 1,420.43
Option Water						
<i>Missouri City/Sugar Land</i>	\$ 99.79	\$ -	\$ 53.20	\$ -	\$ -	\$ 152.99
<i>Pearland</i>	-	-	-	-	-	-

INTERRUPTIBLE WATER	RATE
<i>Silvercreek Community Association</i>	\$ 351.41
<i>Sugar Creek Country Club</i>	429.30
<i>Mainland Concrete</i>	276.18
<i>First Colony Community Services (Fluor)</i>	268.77
<i>First Colony Commons</i>	276.18
<i>Riverbend Country Club</i>	274.89
<i>Diamond K</i>	276.18
<i>Mag Creek Country Club</i>	274.89
<i>Texas City Golf Course</i>	276.18

AGRICULTURE WATER	(\$/AF)	(\$/MG)
<i>Agriculture Water</i>	\$ 63.01	\$ 193.39

SPOT RAW WATER (TRUCKED)

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

CAPITAL RECOVERY FEE **	(\$/MG)
<i>Canal</i>	\$ 875,000
<i>Industrial</i>	\$ 1,600,000
<i>Potable</i>	\$ 2,800,000

**Applicable only to acquisition of new contract quantity under water contracts.

All rates are calculated in \$/MG, unless otherwise noted.



Gulf Coast Water Authority

SUPPLEMENT TO EXHIBIT A 2023 WATER RATES

RAW WATER CONVEYANCE

CUSTOMER BASE	CONTRACT QUANTITY	
	(MGD)	(\$/MG)
CANAL SYSTEM A & B		
<i>Texas City Reservoir Operations</i>	120.7990	\$ 276.17
<i>Ascend Performance Materials</i>	17.8660	276.17
<i>Ft. Bend WCID#2</i>	10.5000	276.17
<i>Missouri City</i>	20.0000	276.17
<i>Pecan Grove</i>	2.3524	491.61
<i>Sugar Land</i>	10.0000	276.17
<i>Pearland</i>	0.0000	-
<i>Underground Storage</i>	1.6000	276.17
CHOCOLATE BAYOU		
<i>INEOS</i>	24.0000	\$ 448.26
OPTION WATER		
<i>Sugar Land</i>	10.0000	\$ 152.99
<i>Missouri City</i>	5.0000	152.99
INTERRUPTIBLE WATER		
<i>Silvercreek Community Association</i>	0.0000	\$ 351.41
<i>Sugar Creek Country Club</i>	0.2098	429.30
<i>Mainland Concrete</i>	0.0329	276.18
<i>First Colony Community Services (Fluor)</i>	0.0803	268.77
<i>First Colony Commons</i>	0.0384	276.18
<i>Riverbend Country Club</i>	0.1370	274.89
<i>Diamond K</i>	0.0580	276.18
<i>Mag Creek Country Club</i>	0.4930	274.89
<i>Texas City Golf Course</i>	0.1096	276.18
AGRICULTURE WATER		
<i>Agriculture Water</i>	(\$/AF) 63.01	(\$/MG) 193.39

SPOT RAW WATER-(TRUCKED)

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



Gulf Coast Water Authority

**SUPPLEMENT TO EXHIBIT A
2023 WATER RATES**

TEXAS CITY RESERVOIR (TCR)

CUSTOMER BASE	(MGD)	RAW WATER CONVEYANCE (\$/MG)	O & M (\$/MG)	CAPITAL (\$/MG)	BOND *	AVERAGE COST BASED ON CONTRACT QUANTITIES (\$/MG)
		(\$/MG)	(\$/MG)	(\$/MG)	(\$/MG)	(\$/MG)
<i>Industrial Division</i>	62.0620	\$ 276.18	\$ 25.14	\$ 0.95	\$ 30.16	\$ 332.43
<i>Ashland</i>	1.0000	276.18	25.14	0.95	30.16	332.43
<i>Topaz</i>	0.1370	276.18	25.14	0.95	30.16	332.43
<i>Thomas Mackey Water Treatment Plant</i>	57.6000	276.18	25.14	0.95	26.30	328.57

* 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
2023 WATER RATES**

TEXAS CITY INDUSTRIAL (TCI)

CUSTOMER BASE		CONTRACT QUANTITY				ESTIMATED USAGE POWER *	AVERAGE COST
		RAW WATER CONVEYANCE (\$/MG)	O & M (\$/MG)	CAPITAL (\$/MG)	BOND (\$/MG)		
	(MGD)					(\$/MG)	(\$/MG)
Dow	12.3910	\$ 332.43	\$ 97.38	\$ 65.11	\$ 51.55	\$ 30.61	\$ 567.26
Eastman	8.5420	332.43	97.38	65.11	51.55	30.61	549.78
Valero	6.5100	332.43	97.38	65.11	51.55	30.61	563.65
Blanchard Refining Company	34.6000	332.43	97.38	65.11	51.55	30.61	568.54
Texas City (Highway 146)	0.0190	332.43	97.38	65.11	-	-	501.28

* Power based on Actual Usage September 21 to March 22.



Gulf Coast Water Authority

**SUPPLEMENT TO EXHIBIT A
2023 WATER RATES**

THOMAS MACKEY WATER TREATMENT PLANT

CUSTOMER BASE	RESERVE CAPACITY			FY21 ACTUAL METERED WATER		COST BASED ON FY2021 ACTUAL MGD (\$/MG)	COST BASED ON CONTRACT QUANTITY (\$/MG)
	(MGD)	RAW WATER CONVEYANCY (\$/MG)	CAPITAL (\$/MG)	(MGD)	O & M (\$/MG)		
Texas City	11.5050	328.57	146.19	6.1807	945.66	1,829.41	982.79
La Marque	4.0270	328.57	146.19	2.9841	945.66	1,586.35	1,175.52
WCID #1	4.1650	328.57	146.19	2.2189	945.66	1,836.84	978.56
Bacliff	1.1900	328.57	146.19	0.5946	945.66	1,895.77	947.31
Bayview	0.3880	328.57	146.19	0.1129	945.66	2,577.27	749.94
WCID #12	3.0870	328.57	146.19	0.6916	945.66	3,064.85	686.62
San Leon	1.7850	328.57	146.19	0.5472	945.66	2,494.24	764.69
League City	5.5440	328.57	146.19	0.9562	945.66	3,698.21	637.88
Galveston	20.9900	328.57	146.19	10.5529	945.66	1,889.98	950.21
Hitchcock	2.0000	328.57	146.19	0.7661	945.66	2,185.06	837.01
WCID #8	1.6590	328.57	146.19	0.4944	945.66	2,538.94	756.56
MUD #12	0.4500	328.57	146.19	0.1953	945.66	2,039.60	885.18
FWSD #6	0.8100	328.57	146.19	0.1947	945.66	2,921.26	702.02