

June 15, 2022

Jody Weaver, City Manager
City of Port Lavaca
202 North Virginia Street
Port Lavaca, Texas 77979

RE: GBRA Fiscal Year 2023 Work Plan and Budget - Port Lavaca WTP

A copy of the preliminary budget for the Port Lavaca Water Treatment Plant for the 2023 fiscal year is submitted herewith pursuant to Section 6 of the Water Supply Contract between Guadalupe-Blanco River Authority and the City of Port Lavaca, Texas.

The City's estimated payments, as shown in the Work Plan and Budget, are:

Raw Water Delivery Charges (Canal only)	\$108,530
Operating and Maintenance Expenses	1,182,509
Administrative and General Expenses	112,950
<u>Total Estimated City Payments</u>	<u>\$1,403,989</u>

The raw water charges above do not include the payment by the City for source water that GBRA delivers to the Plant for the City's use because that charge is billed directly by GBRA's Water Resource Division.

The Fiscal Year 2023 budget is \$117,043 or 6.6% more than the Fiscal Year 2022 budget.

Inquiries concerning the proposed budget may be directed to Stephanie Shelly at GBRA's Port Lavaca WTP (361) 552-9751 or David Harris at GBRA's Seguin office (830) 560-3929.

Sincerely,



Sandra Terry
Deputy CFO-Finance and Administration
Enclosure: (12 copies)

Copy to: GBRA - Kenneth Motl, Kevin Patteson, Darrell Nichols, Jonathan Stinson, David Harris, Mike Urrutia, Stephanie Shelly (2 copies)

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Guadalupe-Blanco River Authority
flowing solutions



PORT LAVACA WATER TREATMENT PLANT DIVISION

WORK PLAN AND BUDGET

Fiscal Year Ending August 31, 2023

Preliminary as submitted by
Guadalupe-Blanco River Authority
June 15, 2022

PORT LAVACA WATER TREATMENT PLANT DIVISION

WORK PLAN AND BUDGET

Fiscal Year Ending August 31, 2022

DIRECTORS

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Jonathan Stinson
Deputy General Manager
Tommy Hill
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David Harris
Executive Manager of Operations
Charlie Hickman
Executive Manager of Project Engineering & Development/C.E.
Randy Staats
Executive Manager of Finance/Chief Financial Officer
Vanessa Guerrero
Executive Manager of Administration
Nathan Pence
Executive Manager of Environmental Science
Joe Cole
General Counsel

Port Lavaca Water Treatment Plant Division

Operating Plan for Fiscal Year Ending 8/31/23

BACKGROUND

The GBRA Port Lavaca Water Treatment Plant (WTP) is a surface water treatment plant that supplies the City of Port Lavaca, the Calhoun County Rural Water Supply System, and the Port O'Connor Improvement District (POC ID) with treated drinking water for residential and commercial use. The City of Port Lavaca, the Rural Water System, and the POC ID have contracts with GBRA's Water Supply Division for water from Canyon Reservoir, run-of-river water rights, and from other sources available to GBRA. The non-potable water is delivered from the Guadalupe River through GBRA's Water Supply and Calhoun Canal Systems to the WTP where it is treated to the high standards of the State of Texas and the stringent and ever evolving requirements of the federal Safe Drinking Water Act. The WTP has a capacity of 6.08 million gallons per day.

This Work Plan and Budget describes the operations, maintenance and capital additions to be performed during the upcoming fiscal year. The objective is to provide a safe and dependable supply of treated water at reasonable cost and in compliance with all state and federal water quality standards. The clarity and pathogen reduction risk "log" measurement of the treated water produced by the WTP are significantly better than current federal standards and closely approach the ultimate objective of optimized treatment considered desirable by industry experts.

The WTP is managed by the Division Manager – Calhoun/Refugio Counties. Employees of the Division responsible for daily operating and maintenance activities include a Chief Operator, four shift Operators, and a Maintenance Chief. Administrative duties are performed by a Secretary assigned to this division and support received from the Seguin office. Several of these employees also work in the two other divisions of GBRA that are headquartered at GBRA's Port Lavaca office. Additional support is received from the Seguin office in the form of engineering and administrative functions.

REVENUE SOURCES AND TRENDS

Each wholesale customer receiving a drinking water supply from the GBRA Port Lavaca Water Treatment Plant pays a pro-rata share of the total operating expenses of the Plant. The FY 2023 revenue is budgeted at \$1,887,915 which is a \$117,043 or 6.6% increase over the previous year.

Total treated water purchased by the City of Port Lavaca is forecast at 477.10 million gallons per year. The Port O'Connor ID will purchase an estimated 98.90 million gallons of treated water. The Calhoun County Rural Water Supply System will purchase an estimated 80.98 million gallons of treated water, based on that Division's forecast of customer connections. The total treated water forecast by the WTP for all three wholesale customers therefore sums to 656.97 million gallons or an average of 1.799 million gallons per day. The raw source or feed water delivered to the WTP by the Calhoun Canal Division for all three customers for treatment to potable drinking quality will cost 20.5¢ per 1,000 gallons. Raw water received from the GBRA Canal Division for the three wholesale customers as metered at the WTP's intake will total an estimated 759.961 million gallons.

CAPITAL ADDITIONS AND OPERATING EXPENDITURES

Significant operating expenses for the upcoming Fiscal Year include \$138,979 for power and utilities. Alum, used as a coagulant, is budgeted at \$165,000. Potassium permanganate is used from time to time to control

taste and odor and to further enhance palatability of the finished water. The total operating and maintenance expenditure budget for FY 2023 amounts to \$1,887,915.

Employee training will continue in order to maintain technical competence and to enhance knowledge of pending rules and regulations pertaining to drinking water production and quality. Training will include courses to upgrade or maintain the required surface water treatment licenses issued by the State.

FUND BALANCE

The operating expenditures that are summarized in the following pages, will be provided by revenues from the City of Port Lavaca, the Calhoun County Rural Water Supply System, and the Port O'Connor ID. Port Lavaca Water Treatment Plant division is a contract operation therefore the net change in fund balance for FY 2023 is \$0.

**Guadalupe-Blanco River Authority
Work Plan & Budget
Fiscal Year Ending August 31, 2023**

**060 - Port Lavaca WTP
Department ***

	FY 2022 BUDGET	FY 2023 BUDGET	FY 2023-2022 DIFFERENCE
OPERATING BUDGET			
OPERATING REVENUES			
Water Treatment			
41110 PL-RAW WATER DELIVERY	123,808	108,530	(15,278)
41111 PL-PLANT O&M INCOME	1,008,242	1,182,509	174,267
41112 PL-PLANT A&G INCOME	109,389	112,950	3,561
41115 POC-RAW WATER PURCHASES	22,613	27,585	4,972
41116 POC-PLANT O&M INCOME	250,966	207,201	(43,765)
41117 POC-PLANT A&G INCOME	26,436	20,541	(5,895)
41125 RW-RAW WATER PURCHASE	21,220	19,659	(1,561)
41126 RW-WATER TREATMENT	187,983	190,550	2,567
41127 RW-PLANT A&G INCOME	20,215	18,390	(1,825)
Total Water Treatment	1,770,872	1,887,915	117,043
Total Operating Revenue	1,770,872	1,887,915	117,043
OPERATING EXPENSES			
Salaries			
51101 LBR-REGULAR WAGES	420,264	412,340	(7,924)
51102 LBR-OVERTIME	52,583	47,899	(4,684)
Total Salaries	472,847	460,239	(12,608)
Benefits			
51298 BEN-BENEFIT ALLOCATION	191,503	186,397	(5,106)
Total Benefits	191,503	186,397	(5,106)
Operating Supplies & Services			
52101 OPR-POWER & UTILITIES	112,080	138,979	26,899
52103 OPR-CHEMICALS	241,800	313,000	71,200
52110 OPR-SMALL TOOLS AND SUPPLIES	960	960	-
52113 OPR-LAB SUPPLIES	26,440	32,000	5,560
52114 OPR-LABORATORY SERVICES-GBRA	2,400	2,400	-
52115 OPR-LABORATORY SERVICES-OUTSOURCED	3,500	3,500	-
52120 OPR-UNIFORMS	4,800	4,800	-

		FY 2022 BUDGET	FY 2023 BUDGET	FY 2023-2022 DIFFERENCE
52121	OPR-SAFETY & EMERGENCY EXPENSE	4,000	4,000	-
52122	OPR-SECURITY EXPENSE	2,760	2,760	-
52124	OPR-EQUIPMENT EXPENSE	5,764	5,764	-
52125	OPR-VEHICLE EXPENSE	5,340	5,340	-
52126	OPR-FLEET LEASE EXPENSE	9,600	9,600	-
52133	OPR-SCADA	1,550	2,550	1,000
52145	OPR-CONTRACT LABOR	40,000	43,000	3,000
52150	OPR-WATER PURCHASES/DELIVERY	167,641	175,092	7,451
	Total Operating Supplies & Services	628,635	743,745	115,110
	Professional Services and Fees			
52205	OPR-PROFESSIONAL SERVICES-OTHER	6,000	6,000	-
52217	OPR-INSPECTION FEES	360	360	-
52222	OPR-MEMBERSHIPS & PUBLICATIONS	1,200	1,200	-
52223	OPR-LICENSE & TRAINING	4,495	4,495	-
52224	OPR-TRAVEL & MEETINGS	4,000	5,000	1,000
	Total Professional Services and Fees	16,055	17,055	1,000
	Office Expenses			
52301	OPR-OFFICE SUPPLIES	4,600	4,600	-
52302	OPR-COMPUTER & SOFTWARE EXPENSE	5,950	7,450	1,500
52306	OPR-COMMUNICATIONS	10,200	15,300	5,100
52322	OPR-MEDIA EXPENSE	1,067	-	(1,067)
	Total Office Expenses	21,817	27,350	5,533
	Other Operating Expenses			
52403	OPR-OFFICE/BUILDING RENTAL	2,112	-	(2,112)
52420	OPR-INSURANCE EXPENSE	92,073	92,400	327
52430	OPR-MISC EXPENSE	9,550	9,550	-
	Total Other Operating Expenses	103,735	101,950	(1,785)
	SUBTOTAL OF OPERATIONAL EXPENSES	1,434,592	1,536,736	102,144
	Maintenance and Repair Equipment			
53101	M&R-EQUIPMENT	109,000	120,800	11,800
53105	M&R-GENERATORS	6,000	9,000	3,000
53110	M&R-CONTROL SYSTEMS	6,480	8,000	1,520
53115	M&R-METERS	2,160	3,500	1,340
	Total Maintenance and Repair Equipment	123,640	141,300	17,660
	Structures			
53201	M&R-BUILDING	14,700	15,200	500
53202	M&R-CLEARWELLS	1,800	1,800	-
53205	M&R-PUMPS AND MOTORS	13,680	13,680	-
53210	M&R-GATES AND VALVES	5,640	5,640	-

		FY 2022 BUDGET	FY 2023 BUDGET	FY 2023-2022 DIFFERENCE
53238	M&R-FILTERS	8,000	8,000	-
	Total Structures	43,820	44,320	500
	Other Maintenance & Repairs			
53301	M&R-ROADS	100	1,000	900
53310	M&R-GROUNDS/ROW	1,200	1,200	-
53320	M&R-PONDS AND LAGOONS	8,000	8,000	-
53399	M&R-MISC EXPENSE	3,480	3,480	-
	Total Other Maintenance & Repairs	12,780	13,680	900
	SUBTOTAL OF M&R EXPENSES	180,240	199,300	19,060
	Administrative & General			
54100	ADMINISTRATIVE & GENERAL	156,040	151,879	(4,161)
	Total Administrative & General	156,040	151,879	(4,161)
	TOTAL OPERATING AND M&R EXPENSES	1,770,872	1,887,915	117,043
	Net Operating Income	-	-	-

DEBT SERVICE BUDGET

	Capacity Charge Revenue			
41119	POC-DEBT SERVICE	17,542	-	(17,542)
41129	RW-DEBT SERVICE	13,104	-	(13,104)
	Total Capacity Charge Revenue	30,646	-	(30,646)
	Total Debt Revenue	30,646	-	(30,646)
	Principal Payments Expense			
21105	LOAN-2008 CLEARWELL, Frost	30,284	-	(30,284)
	Total Principal Payments Expense	30,284	-	(30,284)
	Interest Expense			
57102	INT-CLEARWELL, Frost	362	-	(362)
	Total Interest Expense	362	-	(362)
	Total Debt Expense	30,646	-	(30,646)
	Net Change in Debt Service Budget	-	-	-

	FY 2022 BUDGET	FY 2023 BUDGET	FY 2023-2022 DIFFERENCE
Net Change in Fund Balance	-	-	-