

Private and Confidential



**The City of Port Lavaca
September 11, 2023**

Undine - Pt. Lavaca Treatment Plant 2023-2024 Budget

Undine Wholesale Supply LLC 2023 - 2024 Budget

	Total 2023 - 2024 Budget	Port Lavaca 2023 - 2024 Budget
GPD Committed	6,000,000	4,000,000
% of Total		66.67%
Projected Expenses		
Purchased Power	\$ 112,080	\$ 74,724
Chemicals	241,800	161,208
Contract Management Fees	910,956	607,334
Repairs & Maintenance	210,240	140,167
Testing	32,340	21,561
Bank Fees	2,340	1,560
Insurance	92,076	61,387
Telephone/Mission Units Monitoring	7,236	4,824
Property & Franchise Taxes	60,828	40,554
Other Operating Expenses	9,540	6,360
Administrative and General	404,232	269,501
Depreciation and amortization	181,226	120,823
Interest Expense - Debt	99,905	66,607
Income Taxes	84,600	56,400
Total Utility Operating Expenses	<u>\$ 2,449,399</u>	<u>\$ 1,633,012</u>
Revenue Requirement		<u>\$ 1,845,211</u>
Net Income		<u>\$ 212,199</u>
Margin		11.50%

Undine - Pt. Lavaca Treatment Plant 2023-2024 Budget

Undine Wholesale Supply LLC 2023 - 2024 Budget

	Port Lavaca 2022 - 2023 Budget	Port Lavaca 2023 - 2024 Budget	Increase
Projected Expenses			
Purchased Water	\$ -	\$ -	
Purchased Power	\$ 74,724	\$ 74,724	\$ -
Chemicals	161,208	161,208	-
Contract Management Fees	607,340	607,334	(6)
Repairs & Maintenance	120,166	140,167	20,001
Testing	21,561	21,561	-
Bank Fees	-	1,560	1,560
Insurance	61,385	61,387	2
Permitting and Other Regulatory	240	-	(240)
Telephone/Mission Units Monitoring	1,033	4,824	3,791
Property & Franchise Taxes	40,554	40,554	0
Other Operating Expenses	6,367	6,360	(7)
Administrative and General	242,417	269,501	27,084
Depreciation and amortization	61,385	120,823	59,438
Interest Expense - Debt	240	66,607	66,367
Income Taxes	50,050	56,400	6,350
Total Utility Operating Expenses	\$ 1,448,671	\$ 1,633,012	\$ 184,341
Margin	11.5%	11.5%	
Revenue Requirement	\$ 1,636,916	\$ 1,845,211	\$ 208,295
Net Income	\$ 188,245	\$ 212,199	
Margin	11.5000%	11.5000%	

- (1) Increase related to additional planned repair projects, particularly to clear out treatment beds
- (2) Increase related to overall Admin & General inflation. Port Lavaca ERC's used for allocation calculation remained unchanged from prior year (5,000) for the 2023-2024 Budget
- (3) Increase in depreciation for capital improvements at Water Treatment Plant
- (4) Increase in interest rate to 8.33%

Undine - Pt. Lavaca Treatment Plant 2023-2024 Budget

Summary-Budget Notes

- Budget was prepared by projecting 4-5 months actual expenses
- Increase in Repairs & Maintenance expense primarily related to planned repair projects, particularly to clear out treatment beds
- Increase in Administrative and General expense primarily related to overall inflation. City of Port Lavaca ERC's used for allocation calculation held unchanged from prior year (5,000) for 2023-2024
- Increase in Depreciation related to capital improvement projects
- Increase in Interest Expense related to the increase in interest rate to 8.3%

Undine - Pt. Lavaca Treatment Plant – Operations Overview

Summary-Operations Overview

- Completed change out and upgrade of the Main Meters to AMR Cellular read Meters
- 18” AMR Cellular read Main Meter will be installed in the next two weeks
- 100% Complete - Replaced GBRA’s SCADA System with Mission Communications
- 90% Complete - Upgraded and Repaired Existing Electrical Wiring Panels to improve reliability
- 60% Complete – Raw Water Pump Station line to opposite side of reservoir, pump expected delivery in 4 weeks
- New larger Generator on-site, scheduled to be installed soon
- Currently upgrading Clarifier Drives
- Evaluating alternatives for Elevated Storage
- Working on preliminary evaluations for the Filtered Water Transfer Pump Station