

June 15, 2021

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

RE: GBRA Fiscal Year 2022 Work Plan and Budget - Port Lavaca WTP

A copy of the preliminary budget for the Port Lavaca Water Treatment Plant for the 2022 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)	\$123,808
Operating and Maintenance Expenses	1,008,242
<u>Administrative and General Expenses</u>	<u>109,389</u>
Total Estimated City Payments	\$1,241,439

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 2022 budget is \$30,533 or 1.8% more than the Fiscal Year 2021 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) 379-5822.

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, 2022

Submitted Per Contact Requirement
of June 15, 2021

PORT LAVACA WATER TREATMENT PLANT DIVISION

WORK PLAN AND BUDGET

Fiscal Year Ending August 31, 2022

DIRECTORS

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Darrell Nichols

Senior Deputy General Manager

Jonathan Stinson

Deputy General Manager

Tommy Hill

Senior Advisor to the General Manager

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 and Community Affairs

Port Lavaca Water Treatment Plant Division

Operating Plan for Fiscal Year Ending 8/31/22

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 2022 revenue is budgeted at \$1,770,872 which is a \$30,533 or 1.8% increase over the previous year.

Total treated water purchased by the City of Port Lavaca is forecast at 488.09 million gallons per year. The Port O'Connor ID will purchase an estimated 96.88 million gallons of treated water. The Calhoun County Rural Water Supply System will purchase an estimated 88.11 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 673.08 million gallons or an average of 1.844 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 22.5¢ 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 745.071 million gallons.

CAPITAL ADDITIONS AND OPERATING EXPENDITURES

Significant operating expenses for the upcoming Fiscal Year include \$112,080 for power and utilities. Alum, used as a coagulant, is budgeted at \$156,000. Potassium permanganate is used from time to time to control taste and odor and to further enhance palatability of the finished water. A major capital addition will be the South Basin Rehab project, which includes the sandblasting and painting of the center column, sludge rakes, catwalks, and the flocculators. Other capital additions include four new Filter Effluent Turbidimeters

with one new Controller and a new Lab Benchtop Turbidimeter. The total operating and maintenance expenditure budget for FY 2022 amounts to \$1,770,872.

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 2022 is \$0.

**Guadalupe-Blanco River Authority
Work Plan & Budget
Fiscal Year Ending August 31, 2022**

**060 - Port Lavaca WTP
Department ***

	FY 2021 BUDGET	FY 2022 BUDGET	FY 2022-2021 DIFFERENCE
OPERATING BUDGET			
OPERATING REVENUES			
Water Treatment			
41110	118,306	123,808	5,502
41111	989,555	1,008,242	18,687
41112	98,826	109,389	10,563
41115	21,607	22,613	1,006
41116	257,192	250,966	(6,226)
41117	24,870	26,436	1,566
41125	20,277	21,220	943
41126	190,871	187,983	(2,888)
41127	18,835	20,215	1,380
Total Water Treatment	<u>1,740,339</u>	<u>1,770,872</u>	<u>30,533</u>
Total Operating Revenue	<u>1,740,339</u>	<u>1,770,872</u>	<u>30,533</u>
OPERATING EXPENSES			
Salaries			
51101	400,022	420,264	20,242
51102	31,890	52,583	20,693
Total Salaries	<u>431,912</u>	<u>472,847</u>	<u>40,935</u>
Benefits			
51298	174,925	191,503	16,578
Total Benefits	<u>174,925</u>	<u>191,503</u>	<u>16,578</u>
Operating Supplies & Services			
52101	112,080	112,080	-
52102	6,000	-	(6,000)
52103	239,300	241,800	2,500
52110	960	960	-
52113	26,440	26,440	-
52114	2,400	2,400	-
52115	3,500	3,500	-

	FY 2021 BUDGET	FY 2022 BUDGET	FY 2022-2021 DIFFERENCE
52120 OPR-UNIFORMS	4,300	4,800	500
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	1,550	-
52145 OPR-CONTRACT LABOR	40,000	40,000	-
52150 OPR-WATER PURCHASES/DELIVERY	160,190	167,641	7,451
Total Operating Supplies & Services	624,184	628,635	4,451
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	4,000	-
Total Professional Services and Fees	16,055	16,055	-
Office Expenses			
52301 OPR-OFFICE SUPPLIES	4,600	4,600	-
52302 OPR-COMPUTER & SOFTWARE EXPENSE	2,650	5,950	3,300
52306 OPR-COMMUNICATIONS	7,600	10,200	2,600
52322 OPR-MEDIA EXPENSE	1,068	1,067	(1)
Total Office Expenses	15,918	21,817	5,899
Other Operating Expenses			
52403 OPR-OFFICE/BUILDING RENTAL	2,112	2,112	-
52420 OPR-INSURANCE EXPENSE	92,712	92,073	(639)
52430 OPR-MISC EXPENSE	9,550	9,550	-
Total Other Operating Expenses	104,374	103,735	(639)
SUBTOTAL OF OPERATIONAL EXPENSES	1,367,368	1,434,592	67,224
Maintenance and Repair Equipment			
53101 M&R-EQUIPMENT	87,236	109,000	21,764
53105 M&R-GENERATORS	-	6,000	6,000
53110 M&R-CONTROL SYSTEMS	6,480	6,480	-
53115 M&R-METERS	2,160	2,160	-
Total Maintenance and Repair Equipment	95,876	123,640	27,764
Structures			
53201 M&R-BUILDING	14,700	14,700	-
53202 M&R-CLEARWELLS	1,800	1,800	-
53205 M&R-PUMPS AND MOTORS	13,680	13,680	-

	FY 2021 BUDGET	FY 2022 BUDGET	FY 2022-2021 DIFFERENCE
53210 M&R-GATES AND VALVES	5,640	5,640	-
53238 M&R-FILTERS	85,964	8,000	(77,964)
Total Structures	121,784	43,820	(77,964)
Other Maintenance & Repairs			
53301 M&R-ROADS	100	100	-
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	12,780	-
SUBTOTAL OF M&R EXPENSES	230,440	180,240	(50,200)
Administrative & General			
54100 ADMINISTRATIVE & GENERAL	142,531	156,040	13,509
Total Administrative & General	142,531	156,040	13,509
TOTAL OPERATING AND M&R EXPENSES	1,740,339	1,770,872	30,533
Net Operating Income	-	-	-

DEBT SERVICE BUDGET

Capacity Charge Revenue			
41119 POC-DEBT SERVICE	35,081	17,542	(17,539)
41129 RW-DEBT SERVICE	26,207	13,104	(13,103)
Total Capacity Charge Revenue	61,288	30,646	(30,642)
Total Debt Revenue	61,288	30,646	(30,642)
Principal Payments Expense			
21105 LOAN-2008 CLEARWELL, Frost	58,760	30,284	(28,476)
Total Principal Payments Expense	58,760	30,284	(28,476)
Interest Expense			
57102 INT-CLEARWELL, Frost	2,528	362	(2,166)
Total Interest Expense	2,528	362	(2,166)
Total Debt Expense	61,288	30,646	(30,642)
Net Change in Debt Service Budget	-	-	-

Net Change in Fund Balance

FY 2021 BUDGET	FY 2022 BUDGET	FY 2022-2021 DIFFERENCE
<u>-</u>	<u>-</u>	<u>-</u>