

RESOLUTION NO. 2023-1104

RESOLUTION ADOPTING A BUDGET FOR THE  
HARRIS-GALVESTON SUBSIDENCE DISTRICT FOR THE PERIOD  
BEGINNING  
JANUARY 1, 2024, AND ENDING DECEMBER 31, 2024

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WHEREAS, Section 8801.063, Special District Local Laws Code, provides that the Board shall prepare and approve an annual budget; and

WHEREAS, the General Manager of the Subsidence District, after considering (a) the information submitted by the respective committees of the Subsidence District, (b) data developed by his investigation and research, and (c) all other relevant material made available to the Board, has accordingly formulated a budget for the Subsidence District; and

WHEREAS, the Finance Committee, duly appointed from the Board of Directors, has reviewed information relating to the financial needs of the Subsidence District and has recommended the proposed budget for adoption by the Board of Directors; and

WHEREAS, after consideration of the recommended budget and after further deliberation, the Board has agreed upon the budget, attached hereto as Exhibit A, to be designated the Harris-Galveston Subsidence District Budget.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HARRIS-GALVESTON SUBSIDENCE DISTRICT THAT:

1. The budget attached hereto as Exhibit A is hereby adopted as the Harris-Galveston Subsidence District Budget for the period beginning January 1, 2024, and ending December 31, 2024.
2. It is the intent of the Board that this budget represents an estimate of its

expenditures and that neither individual line items nor, in fact, the total is limiting on future Board actions.

3. The General Manager of the District is authorized to take any and all reasonable action necessary to implement this resolution.

AND IT IS SO ORDERED.

PASSED AND ADOPTED ON THIS 8<sup>TH</sup> DAY OF NOVEMBER, 2023.

HARRIS-GALVESTON SUBSIDENCE  
DISTRICT

BY:



Chairman

ATTEST:



Secretary



# **FISCAL YEAR 2024 BUDGET**

**Resolution 2023-1104**

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The Harris-Galveston Subsidence District was created in 1975 to provide reasonable groundwater regulation to address concerns related to groundwater use and subsidence. Since that time, the District has taken a reasonable and inclusive approach to groundwater regulation resulting in a dramatic reduction in subsidence rates within the District. Annually, the District prepares a budget for the upcoming fiscal year. The Fiscal Year 2024 Budget presented herein will provide for the expected operational needs required to fulfill the District's mission.

NOVEMBER 09, 2023



## VISION STATEMENT

The Harris-Galveston Subsidence District is the premier water management and subsidence authority in Texas. The District plays an integral role in regional water management strategies to insure the long-term viability of all water resources while protecting lives and property within the District from the impacts of subsidence.

## MISSION STATEMENT

The Harris-Galveston Subsidence District protects lives and property within the District from the impacts of future subsidence by providing reasonable groundwater regulation based on the best available science.

## STRATEGIC GOALS

Utilizing the District's mission and strategic vision, the following goals will be the focus of the District:

- Provide reasonable groundwater regulation in support of the District mission,
- Conduct research that enhances the understanding and effective management of the Upper Gulf Coast Aquifer System to minimize subsidence within the District,
- Educate the community on the importance of water resources, the occurrence of subsidence in the region, and promoting water conservation,
- Communicate effectively with regional water providers and stakeholders
- Develop a diverse, highly-motivated, customer service focused organization while maintaining fiscal stability.



# Harris - Galveston Subsidence District

## TRANSMITTAL MEMORANDUM

To: Board of Directors  
From: Michael J. Turco, General Manager  
Date: November 05, 2023  
Subject: 2024 Proposed Operating Budget

Enclosed please find the proposed operating budget for the 2024 fiscal year. The proposed budget will provide for the funding of the Harris-Galveston Subsidence District (HGSD) programs that support our mission to protect lives and property within the District from the impacts of water-level decline, aquifer compaction, and subsidence. The proposed draft 2024 budget was reviewed by the Finance Committee on three occasions in 2023, (July 31, September 14, and October 30) and presented as a workshop of the Board of Directors on October 11, 2023. The Finance Committee agreed unanimously to present this budget for consideration by the Board of Directors.

The Water Conservation Program (WCP) Fund will allow the District to consistently dedicate resources to effectively administer the WCP and identify effective methods to promote water conservation within the District. Revenue is generated in the WCP through the sponsorship of the program by other agencies, political subdivisions, other permittees, and the general public. WCP Fund estimated revenues are based on a conservative estimate of 35,000 sponsorships in the program. Estimated expenses, including the Gulf Coast Water Conservation Symposium and continuation of the grant program, associated with the WCP will be offset by \$1.34 million in estimated sponsor revenue resulting in an estimated end of year decrease in the WCP unrestricted fund balance to approximately \$2.7 million.

The Science and Research Fund (SRF) provides fundamental support to the District's regulatory plan by conducting scientific research that enhances the understanding and effective management of the Gulf Coast Aquifer System to prevent subsidence and ensure the long-term viability of all the water resources within the District. Multiple projects are expected in 2024 including the continuation of ongoing InSAR data analysis, focused research in alternative water availability, and the upgrade of the District subsidence monitoring network. Disincentive fee revenue will increase in 2024 as a result of the updated Disincentive Permit Fee to \$11.86 per thousand gallons as per Board Resolution 2016-994. The estimated end of year balance in the fund is expected to decrease to \$4.37 million.

The proposed General Fund (GF) budget includes \$4.03 million in revenue and \$4.8 million in expenses resulting in a decrease in fund balance, before depreciation, of about \$0.46 million. There are no increases in fees associated with the General Fund. Proposed expenses include capital improvements, additional enforcement activity, and compilation of the regulatory plan review. Level personnel expenses when compared to 2023 are due to retirements and short term restructuring of staff duties, however it is expected that overall personnel expenses will rise in 2025 and out years due to increases in health insurance costs and salary market drivers in the Houston area.

# WATER CONSERVATION PROGRAM FUND

The 2024 Water Conservation Program (WCP) Fund budget represents the objectives and necessary resources to accomplish the District’s strategic mission to promote water conservation and conduct daily operations related to the District’s Water Conservation Program.

The primary objective of the WCP Fund is to provide for the effective administration of the “H2O Lab” elementary student education program and other efforts within the program including: the groundwater credit program, the WaterMyYard program, and the water conservation grant program. The education program provides education to 3rd through 6th grade students, in Harris and Galveston Counties on subjects including: water conservation, hydrology, and subsidence. Sponsors are invoiced \$38.00 (unchanged from 2023) for each sponsorship of the program, and, in return, a groundwater credit is issued to the sponsor in the amount of 84,000 gallons. Groundwater credits earned through this program can be used to offset the District Regulatory requirement of up to 30% of a permittees total water demand and expire 20 years from the date of issuance.

Continuing the progress made in 2020 and 2022, the District posted an open application for Water Conservation grant applications in the Fall of 2023. Grants are awarded based on specified criteria in the call for applications. With a mandatory leverage of at least 1:1, to date the program has resulted in the implementation of over one million dollars of water conservation projects across the District.

The District will continue to provide turn-key tools and information to local water providers and end users to inform citizens of best water management practices through the District website and the [www.smarteraboutwater.org](http://www.smarteraboutwater.org) web platform. District efforts will continue to focus on collaboration with local water authorities, municipal utility districts, and

cities to develop a unified approach to the promotion of water conservation while leveraging available resources.

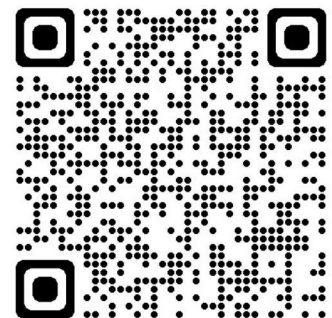
## REVENUE and EXPENSES

WCP estimated revenues are based on a conservative estimate of 35,000 program sponsorships. The 2023 WCP budget includes staff costs, operating expenses, contractual expenses, and an estimated commitment to grant program. Expenses include the cost of the elementary school education program curriculum and take-home lab kits (WCP Educational Curriculum), the availability of funds for the WCP grant program (WCP Water Conservation Grant Program), support of the District led Gulf Coast Water Conservation Symposium, and for the personnel expenses associated with the water conservation program (2 FTEs) (Table 1).

**Table 1.** 2024 Estimated Water Conservation Fund revenue and expenses assuming 35,000 students enrolled in program.

Budget Category	2024 Proposed Budget
WCP Income	1,330,000
WCP Interest	15,000
WCP Misc. Income	-
<b>TOTAL REVENUES</b>	<b>1,345,000</b>
WCP Educational Curriculum	1,015,000
WCP Office Supplies	4,000
WCP Public Information/Education	91,000
WCP Equipment	4,500
WCP Contracts	55,000
WCP Operating Supplies	1,000
WCP Maint. Of Vehicles	4,500
WCP Grant Program	200,000
Operating Transfer Out (GF payroll reimburse)	236,600
<b>TOTAL EXPENSES \$</b>	<b>1,611,600</b>
<b>NET INCOME \$</b>	<b>(266,600)</b>
ESTIMATED FUND BALANCE BOY	\$ 3,020,064
ESTIMATED FUND BALANCE EOY	\$ 2,753,464

Scan this QR Code to Learn More about the Water Conservation Program



## SCIENCE AND RESEARCH FUND

The Science and Research Fund was created in 2015 to purpose disincentive permit fee revenue for science and research needs in support of the District Regulatory Plan. The Science and Research Fund provides fundamental support to the District’s mandate to prevent subsidence by conducting research that enhances the understanding and effective management of the Upper Gulf Coast Aquifer System to understand water needs, to identify aquifer vulnerability, and to ensure the long-term viability of all the water resources within the District.

Beginning in 2023, the subsidence monitoring network began a systematic update from periodic measurements at our PAM sites to continuous measurements of land surface subsidence. The upgrade to the fully continuous network continues in 2024 and will continue through 2026.

Disincentive fee annual revenue can be highly variable from year to year. Estimated disincentive fee income for the 2024 fiscal year is \$760,000. The total net revenue including compromise and settlement disincentive fee revenue and interest on investments is

Scan this QR Code to learn more about the 2023-2027 Science and Research Plan



about \$1.00 million.

Expenses are not expected to exceed revenue in the Science and Research Fund in 2024. Total expenses are estimated to be \$959,000 with expenses in contractual services accounting for more than 85% of all expenses. Personnel expenses (0.5 FTE) are included in the Science and Research Fund in 2024. The estimated balance of the fund will be about \$4.37million at the end of 2024 (Table 2). The 5-year projection for the Science and Research Fund includes the completion of the monitoring network upgrade through 2027, additional science and research priorities determined as part of the regulatory plan update from 2024 -2026, and other science plan objectives describe in

**Table 2.** Estimated Science and Research Fund revenue and expenses, 2023—2027.

[BOY—Beginning of fiscal year; EOY—End of fiscal year]

Budget Category	Proposed 2024 Budget	Projected 2025 Budget	Projected 2026 Budget	Projected 2027 Budget	Projected 2028 Budget
Disincentive Fee Income (Permit)	\$ 760,000	\$ 800,000	\$ 840,000	\$ 880,000	\$ 920,000
Disincentive Fee Refunds (Permit)	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)
Interest	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Comp. & Settlement Disincentive Fee	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000	\$ 280,000
<b>Total Revenue</b>	<b>\$ 1,045,000</b>	<b>\$ 1,085,000</b>	<b>\$ 1,125,000</b>	<b>\$ 1,165,000</b>	<b>\$ 1,205,000</b>
Personnel Expenses	\$ 84,650	\$ 88,883	\$ 93,327	\$ 97,993	\$ 102,893
Board Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Office Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Info and Education	\$ -	\$ -	\$ -	\$ -	\$ -
Building Operations	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual Services	\$ 875,000	\$ 1,175,000	\$ 1,130,000	\$ 885,000	\$ 885,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenses</b>	<b>\$ 959,650</b>	<b>\$ 1,263,883</b>	<b>\$ 1,223,327</b>	<b>\$ 982,993</b>	<b>\$ 987,893</b>
<b>Total Net Income</b>	<b>\$ 85,350</b>	<b>\$ (178,883)</b>	<b>\$ (98,327)</b>	<b>\$ 182,007</b>	<b>\$ 217,107</b>
Science and Research Fund Balance (BOY)	\$ 4,288,189	\$ 4,373,539	\$ 4,194,656	\$ 4,096,330	\$ 4,278,337
Science and Research Fund Balance (EOY)	\$ 4,373,539	\$ 4,194,656	\$ 4,096,330	\$ 4,278,337	\$ 4,495,444

the District Science and Research plan published in 2023.

## GENERAL FUND

The General Fund provides for the day-to-day operations of the District. The District is not a taxing authority, rather, it receives all income in the General Fund through the issuance of permits based on groundwater allocation and administrative fees. This legislated funding mechanism is significantly impacted by the District’s legislative mandate to reduce groundwater withdrawal. Permit fee revenue is the primary component of the overall income to the District. The District’s approved regulatory plan calls for a 30 percent reduction of groundwater withdrawal by 2025 in Regulatory Area 3.

Over the course of the 2016 fiscal year, the District worked with many of the largest permittees in the District to develop a plan to increase permit fees in an incremental manner (Figure 2.) to insure the regulatory conversion did not inhibit the District’s ability to effectively regulate groundwater within the District. Following through on the proposed progression of incremental rate increases discussed in 2016, the Board of Directors, after a public hearing, increased the regular permit fee from \$24 to \$26 per million gallons of permitted groundwater in 2023. The 2024 budget presented here does not include any changes in the regular permit fee or other administrative fees associated with the General Fund.

The 2024 general fund budget includes \$4.03 million in revenue and \$4.82 million in expenses, a reduction of 4.44% and 6.28%, respectively when compared to the 2023 approved budget. The resulting net income before depreciation will decrease the general fund reserve balance by an estimated amount of \$0.46 million.

## REVENUES

General fund revenues (table 3) are derived primarily from the issuance of annual permit fees and application fees. Since 2023, the regular permit fee rate is \$26.00 per million gallons of allocated groundwater. Each permittee is required to pay an application fee for new wells to be permitted or to renew a previously permitted well. Emergency application fees are applied at the permittee’s request when emergency processing is required due to well failure, loss of access to water, or if a significant economic impact would occur as a result of the normal processing period which can extend to 90 days. Although there are no changes in the fees associated with the General Fund, the Disincentive Permit Fee will increase to \$11.86 per thousand gallons of groundwater used beginning January 1, 2024, as it is indexed to the City of Houston contract rate for treated water (board resolution 2016-994). All fees in 2023 and 2024 are listed in Table 4.

Enforcement of the District Rules and Regulatory Plan generate revenue annually. Any permittee in vio-

**Table 3.** Estimated general fund revenue by budget category, 2022-2023.

Budget Category	2023	2023	2024	\$ Variance 2023	% Variance 2023
	Approved Budget	Projected Year End Totals	Proposed Budget	Approved and 2024 Proposed Budget	Approved and 2024 Proposed Budget
Permit Fees	\$ 2,771,000	\$ 2,900,000	\$ 2,900,000	\$ 129,000	4.45%
Permit Fee Refunds	(39,000)	(30,000)	(30,000)	9,000	-30.00%
Application Fees	499,000	495,000	495,000	(4,000)	-0.81%
Interest	30,000	54,000	54,000	24,000	44.44%
Compromise and Settlement	169,000	120,000	120,000	(49,000)	-40.83%
FBSD Income	704,000	448,000	448,000	(256,000)	-57.14%
Legal Recovery Fees	40,000	32,500	33,000	(7,000)	-21.54%
Other Misc. Income	10,000	11,500	12,000	2,000	17.39%
<b>TOTAL REVENUES</b>	<b>\$ 4,184,000</b>	<b>\$ 4,031,000</b>	<b>\$ 4,032,000</b>	<b>\$ (152,000)</b>	<b>-3.77%</b>



**Table 4.** 2024 Harris-Galveston Subsidence District fee schedule.

Description	Units	2023	2024
New Well Application Fee <sup>4</sup>	per well	\$ 240.00	\$ 240.00
Emergency Well Application Fee	per well	\$ 500.00	\$ 500.00
Temporary Well Application Fee	per well	\$ 100.00	\$ 100.00
Renewal Well Application Fee	per well	\$ 60.00	\$ 60.00
Previously Permitted Well Application Fee	per well	\$ 85.00	\$ 85.00
Existing Active Well Application Fee <sup>4</sup>	per well	\$ 240.00	\$ 240.00
Amendment in Allocation Fee	per well	\$ 75.00	\$ 75.00
Rebate Application Fee (Fee and/or Credit)	per well	\$ 75.00	\$ 75.00
Regular Permit Fee Rate <sup>1</sup>	per million gallons	\$ 26.00	\$ 26.00
Agricultural Permit Fee Rate <sup>2</sup>	per million gallons	\$ 10.00	\$ 10.00
Disincentive Permit Fee Rate <sup>3</sup>	per thousand gallons	\$ 10.78	\$ 11.86
<sup>1</sup> The minimum regular permit fee is \$26 annually. <sup>2</sup> The minimum agricultural permit fee is \$10 annually. <sup>3</sup> The Disincentive Permit Fee rate is indexed to the City of Houston Rate for treated water (TU 91) (HGSD Resolution 2016-994). Information about the City of Houston water rates can be found at <a href="https://drive.google.com/file/d/1KDzAy2sfBybHldsOuG-Mib29FhpeLyUF/view">https://drive.google.com/file/d/1KDzAy2sfBybHldsOuG-Mib29FhpeLyUF/view</a> . <sup>4</sup> The term "New Well" is defined as an existing well not yet permitted by the District or a well not yet drilled (Resolution 96-605)			

lation of District Rules and/or the Regulatory Plan are subject to violation fees and may enter into the compromise and settlement process. Compromise and settlement revenue can be impacted by a multitude of factors and as such can exhibit variability from year to year. The 2024 budget assumes compromise and settlement revenue will be similar to the projected end of year income in 2023.

The District operates several inter-local agreements with nearby Districts. In place since 1989, the largest of these agreements is with the Fort Bend Subsidence District for operation and administrative services. In the 2016 fiscal year, due to changes in their rules and recent conversion requirements, additional staff were added and funded entirely by the Fort Bend Subsidence District. With the addition of the new staff, modifications to the interlocal agreement were made to redistribute the work load between staff solely dedicated to Fort Bend and District staff, resulting in fixed cost and actual cost components to the agreement.

Table 3 shows the distribution of revenue sources estimated for fiscal year 2024.

## EXPENSES

The 2024 General Fund budget represents the necessary recommendations to support the District’s strategic objectives and conduct daily operations. General Fund operating expenses for 2024 total about \$4.82 million, representing a 6.28% decrease from the 2023 approved budget (Table 5).

In 2024, about 56% of the estimated General Fund expenses are associated with employee salaries and benefits. Another 25% is directed for professional and technical contractual services. Contractual expenses include technical and legal services necessary for the operation of the District. Table 6 shows the expected contracts and expected capital expenses included in the 2023 budget. Specifically, capital improvements are included to replace and upgrade IT and administrative infrastructure (\$60,000) and replace field vehicles (\$105,000). It is expected that some of the regulatory plan review activities planned

**Table 6.** Estimated general fund expenses by budget category, 2023-2024.

Budget Category	2023	2023	2024	\$ Variance 2023	% Variance 2023
	Approved Budget	Projected Year End Totals	Proposed Budget	Approved and 2024 Proposed Budget	Approved and 2024 Proposed Budget
Personnel Expenses	\$ 2,817,620	\$ 2,464,965	\$ 2,734,400	\$ (83,220)	-2.95%
Board Expenses	139,200	136,533	149,000	9,800	7.04%
Office Expenses	364,600	339,086	359,000	(5,600)	-1.54%
Info and Education	79,500	72,474	81,000	1,500	1.89%
Building Operations	111,500	100,185	114,000	2,500	2.24%
Transportation Expenses	51,500	49,871	57,000	5,500	10.68%
Contractual Services	1,412,565	1,214,970	1,166,000	(246,565)	-17.46%
Capital Outlay	172,000	165,839	165,000	(7,000)	-4.07%
<b>TOTAL EXPENSES</b>	<b>\$ 5,148,485</b>	<b>\$ 4,543,923</b>	<b>\$ 4,825,400</b>	<b>\$ (323,085)</b>	<b>-6.28%</b>

to be completed in 2023 will extend into 2024. As has been done in the past, the regulatory plan review budget will be adjusted based on level of completion at the beginning of the fiscal year. Additionally, enforcement and litigation recovery has been reduced to \$100,000 for the 2024 fiscal year to continue the effort to clear the back log of enforcement cases that have been designated for litigation.

The remaining categories, which include the Board of Directors, office supplies, building operation, transportation, and capital expenses comprise the remaining 19%.

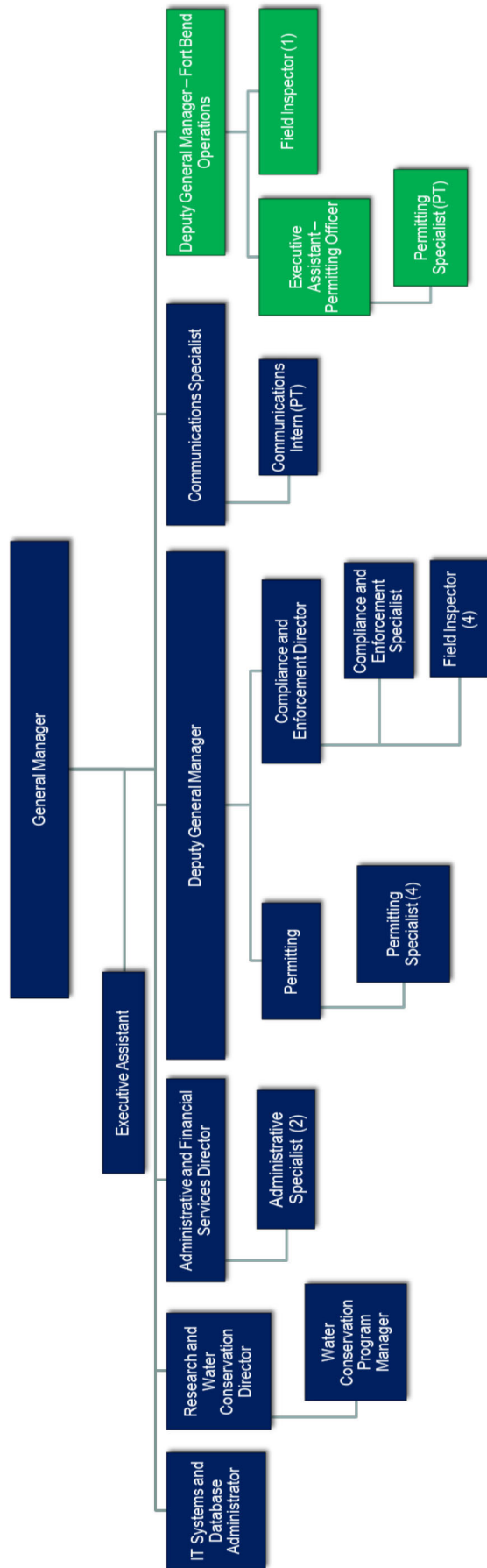
In the summer of 2022, the District began a project to conduct a salary assessment including benchmarking district salaries and positions in the current labor market. Salary benchmarking and market analysis was completed early in 2023. Overall budgeted personnel expenses are reduced (2.95%) in 2024 due to the offset between a 2.8% cost of living adjustment and additional contingency for performance based salary adjustment, promotions, and other allowances and the reduction in additional FTEs carried in 2023 for retirements. Labor expenses include estimated health insurance costs and resources to provide for merit-based salary increases and performance based awards

for District staff. The 2024 District organizational structure can be found in figure 1.

### GENERAL FUND FIVE-YEAR PROJECTION

The 2024 General Fund budget assumes an initial operating reserve of about \$5.3 million. Two restricted accounts were established in 2017 to characterize known large future capital and regulatory projects: capital assets and improvements, and regulatory planning. The capital assets and improvements account is utilized to replace fleet vehicles and replace or repair mechanical assets at the District office. The regulatory planning account identifies the estimated cost of the joint regulatory plan review which began in 2020 which is planned to be complete in 2023 or early in 2024. The estimated unrestricted reserve balance in the general fund will be about \$4.4 million at the end of 2024. Overall, considering all funds, the District’s fund balance will reduce by about \$0.65 million to about \$11.9 million by the end of fiscal year 2024.

The 5-year projection shown in Table 7, accounts for the permit fee increase in 2026 to \$28 per million in allocation to continue the incremental rise in the permit fee to offset the pending conversion of Regulator-



**Figure 1.** Organizational structure of the Harris-Galveston Subsidence District, April, 2022. Positions shaded green primarily assigned to interlocal with the Fort Bend Subsidence District.

**Table 6.** Estimated costs of contractual services and capital outlay in the 2024 fiscal year General Fund budget. Contractual services include federal cooperative agreements, professional services agreements, and fee for service engagements.

Account Name	Vendor	Task	FY	Budget Amount
Audit Expense	Whitley Penn	Annual Financial Audit Services	2024	\$ 22,000
USGS Cooperative Agreement	USGS	Data Collection, Dissemination, and Archival	2024	\$ 321,900
Legal Expense	Greg Ellis Esq.	District General Counsel - Retainer @ 8k/mo	2024	\$ 96,000
Legal Expense	Multiple	General Legal Support (HR, Contested Case, Misc.)	2024	\$ 50,000
Legal Expense	Greg Ellis Esq.	Paralegal and Court Expenses	2024	\$ 135,000
Legal Expense	Multiple	Enforcement and Litigation Recovery	2024	\$ 100,000
Consulting Services	Multiple	Legislative Affairs	2024	\$ 75,000
Consulting Services	TBD	Technical Services	2024	\$ 75,000
Consulting Services	TBD	GIS Systems Support	2024	\$ 25,000
Consulting Services	New Edge Consulting	Cityworks Implementation, Updates, and Revisions	2024	\$ 75,000
Consulting Services	FNI	Regulatory Plan Implementation	2024	\$ 75,000
Management Services	TBD	General	2024	\$ 60,000
Hearing Examiner	Helen Truscott	Hearing Examiner Services	2024	\$ 21,000
GPS Systems/Re-leveling	TBD	Installation and Equipment Costs for Monitoring Network	2024	\$ 35,000
IT Equipment (Cap)	TBD	Backup NAS Storage Device	2024	\$ 20,000
IT Equipment (Cap)	Lighthouse Video	Additional/Upgraded Security Cameras	2024	\$ 15,000
Office Equipment (Cap)	TBD	Letter Folding and Stuffing Machine	2024	\$ 25,000
Motor Vehicles (Cap)	TBD	3 Field Vehicles - Replacement of Current Vehicles	2024	\$ 105,000

ry Area 3 in 2025 which will result in an estimated 30% reduction in annual revenue.

The regulatory plan update project, which began in 2020 is planned to be concluded in 2023 but may extend into early 2024 with a total final cost within the initial budget of \$2.25 million across all funds. With the specification of the restricted accounts, the

large capital and regulatory efforts will deplete the restricted accounts while the unrestricted reserve balance will offset other operational needs.

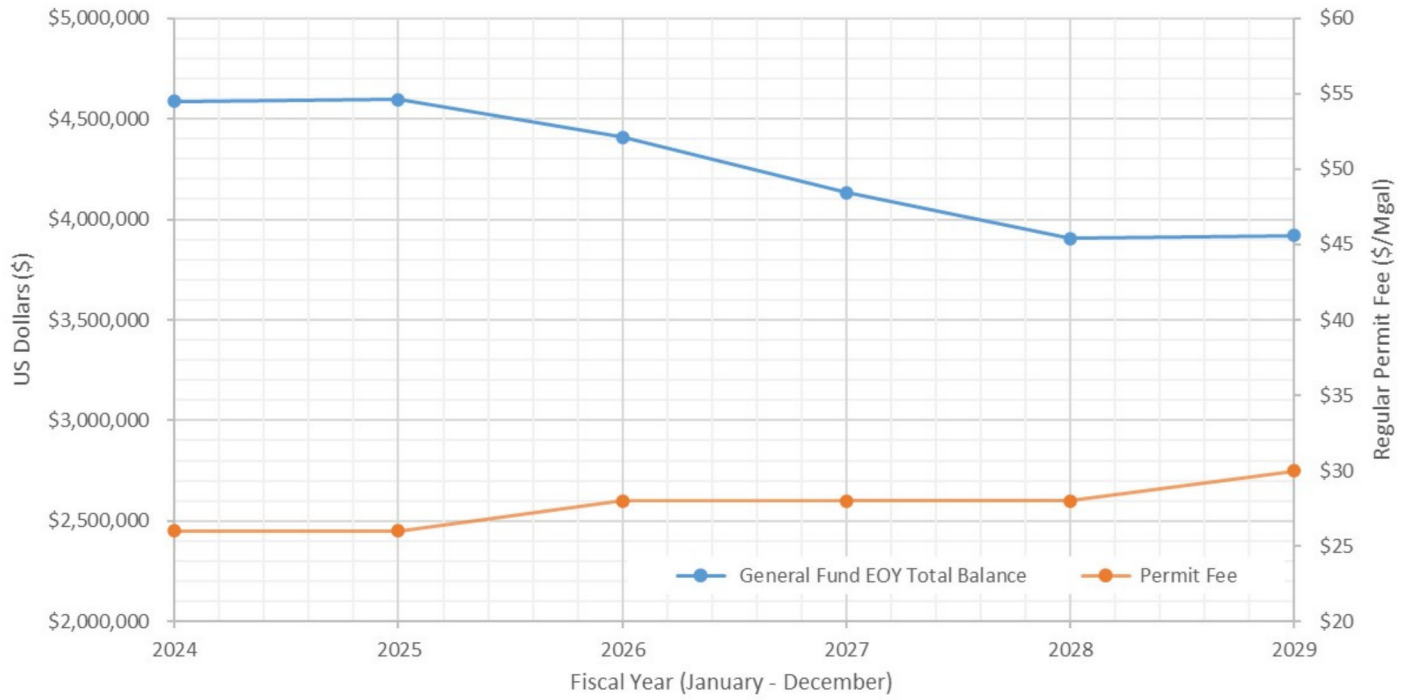
Overall the District is on firm financial ground to successfully fulfill mission objectives in 2024 and the years that follow.

**Table 7.** Projected revenue and expenses, 2024-2028.

<b>Budget Category</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Permit Fees	\$ 2,870,000	\$ 2,866,370	\$ 2,749,687	\$ 2,789,417	\$ 2,749,687
Application Fees	\$ 495,000	\$ 499,892	\$ 502,697	\$ 498,147	\$ 498,934
Interest	\$ 54,000	\$ 44,143	\$ 47,434	\$ 49,894	\$ 48,868
Compromise and Settlement	\$ 120,000	\$ 121,200	\$ 121,806	\$ 122,415	\$ 123,027
FBSD Income	\$ 448,000	\$ 452,480	\$ 457,005	\$ 461,575	\$ 466,191
Legal Recovery Fees	\$ 33,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Other Misc. Income	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
<b>TOTAL REVENUE</b>	<b>\$ 4,032,000</b>	<b>\$ 4,036,085</b>	<b>\$ 3,930,628</b>	<b>\$ 3,973,448</b>	<b>\$ 3,938,706</b>
Personnel Expenses	\$ 2,734,400	\$ 2,789,088	\$ 2,844,870	\$ 2,901,767	\$ 2,959,802
Board Expenses	\$ 149,000	\$ 149,000	\$ 149,000	\$ 149,000	\$ 149,000
Office Expenses	\$ 359,000	\$ 360,795	\$ 362,599	\$ 364,412	\$ 366,234
Info and Education	\$ 81,000	\$ 81,810	\$ 82,628	\$ 83,454	\$ 84,289
Building Operations	\$ 114,000	\$ 115,140	\$ 116,291	\$ 117,454	\$ 118,629
Transportation Expenses	\$ 57,000	\$ 57,570	\$ 58,146	\$ 58,727	\$ 59,314
Contractual Services	\$ 1,166,000	\$ 764,806	\$ 805,037	\$ 885,286	\$ 825,000
Capital Outlay	\$ 165,000	\$ 40,000	\$ 40,400	\$ 40,804	\$ 41,212
<b>TOTAL EXPENSES</b>	<b>\$ 4,825,400</b>	<b>\$ 4,358,209</b>	<b>\$ 4,458,971</b>	<b>\$ 4,600,904</b>	<b>\$ 4,603,481</b>
Transfer IN from other fund	\$ 321,927	\$ 331,585	\$ 341,533	\$ 351,779	\$ 362,332
<b>NET INCOME</b>	<b>\$ (471,473)</b>	<b>\$ 9,461</b>	<b>\$ (186,811)</b>	<b>\$ (275,678)</b>	<b>\$ (302,443)</b>
<b>General Fund Balance at BOY</b>	<b>\$ 5,331,766</b>	<b>\$ 4,860,293</b>	<b>\$ 4,869,754</b>	<b>\$ 4,682,944</b>	<b>\$ 4,407,266</b>
<b>General Fund Balance at EOY</b>	<b>\$ 4,860,293</b>	<b>\$ 4,869,754</b>	<b>\$ 4,682,944</b>	<b>\$ 4,407,266</b>	<b>\$ 4,104,823</b>

**Table 9.** Proposed 2024 General, Water Conservation, and Science and Research fund budgets.

	<b>General Fund</b>	<b>Water Conservation Fund</b>	<b>Science and Research Fund</b>
<b>Revenues</b>			
Permit Fees, net	\$ 2,870,000	\$ -	\$ -
Disincentive Fees, net	-	-	730,000
Application Fees, net	495,000	-	-
C&S Fees	120,000	-	-
C&S Disincentive Fees	-	-	280,000
Interlocal Agreement	448,000	-	-
Water Conservation Program	-	1,345,000	-
Interest	54,000	-	35,000
Legal Recovery Fees	33,000	-	-
Other Misc. Income	12,000	-	-
<b>Total Revenues</b>	<b>\$ 4,032,000</b>	<b>\$ 1,345,000</b>	<b>\$ 1,045,000</b>
<b>Expenses</b>			
Personnel	\$ 2,734,400	\$ 237,000	\$ 85,000
Board of Directors	149,000	-	-
Office Supplies	359,000	5,000	-
Information and Education	81,000	91,000	-
Building Operations	114,000	4,500	-
Transportation	57,000	4,500	-
Contractual Services	1,166,000	55,000	875,000
Contractual Services - Elem. School Prg.	-	1,015,000	-
WCP Grant Program	-	200,000	-
Capital Outlay	165,000	-	-
<b>Total Expenses</b>	<b>\$ 4,825,400</b>	<b>\$ 1,612,000</b>	<b>\$ 960,000</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (793,400)</b>	<b>\$ (267,000)</b>	<b>\$ 85,000</b>
Transfer OUT to other fund	-	237,000	84,650
Transfer IN from other fund	321,927	-	-
<b>Fund Balances - BOY</b>	<b>\$ 5,331,766</b>	<b>\$ 3,020,064</b>	<b>\$ 4,288,189</b>
<b>Fund Balances - EOY</b>	<b>\$ 4,860,293</b>	<b>\$ 2,753,064</b>	<b>\$ 4,373,189</b>
<b>Total Change in Fund Balance</b>	<b>\$ (471,473)</b>	<b>\$ (267,000)</b>	<b>\$ 85,000</b>



**Figure 2.** Projected end of year (EOY) balance of General and regular permit fee, 2024-2029.

# APPENDIX

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**Appendix 1.** Budgeted labor costs by account, 2023-2024.

Object Class No.	Description	2023	2024	Variance
		Approved Budget	Proposed Budget	
511	Employee Salary and Allowances	\$ 2,051,410	\$ 1,985,000	\$ (66,410)
512	Group Health Insurance - District Contribution	\$ 337,180	\$ 330,300	\$ (6,880)
513	Employee Retirement	\$ 301,250	\$ 297,800	\$ (3,450)
514	Group Life Insurance	\$ 10,730	\$ 14,100	\$ 3,370
515	Disability Insurance	\$ 8,760	\$ 10,200	\$ 1,440
516	Medicare - Employer	\$ 30,250	\$ 27,700	\$ (2,550)
517	Workers Compensation	\$ 20,040	\$ 16,800	\$ (3,240)
518	Retirement Health Savings	\$ 58,000	\$ 52,500	\$ (5,500)

**NOTE:** Employee Salary and Allowances includes cost of living adjustments, performance based salary adjustments, promotions, and allowances.

**Appendix 2.** Non-personnel budgeted expenses by account, 2023-2024.

Account	Description	2023	2024	Variance
		Approved Budget	Proposed Budget	
521	Member Per Diem	\$ 57,500	\$ 62,500	\$ 5,000
522	Member Travel Expense	\$ 17,500	\$ 19,300	\$ 1,800
523	Officer and Director Liability	\$ 8,000	\$ 8,000	\$ -
524	Member Retirement	\$ 8,700	\$ 9,500	\$ 800
525	Medicare - Board Members	\$ 1,000	\$ 1,100	\$ 100
529	Other Board Expenditures	\$ 46,500	\$ 48,500	\$ 2,000
531	Office Supplies	\$ 18,000	\$ 18,000	\$ -
532	Mail and Postage	\$ 33,000	\$ 33,000	\$ -
533	IT Equipment (non-cap)	\$ 40,000	\$ 30,000	\$ (10,000)
534	IT Software	\$ 82,600	\$ 83,975	\$ 1,375
535	Telephone	\$ 50,000	\$ 51,000	\$ 1,000
536	Legal Notice	\$ 90,000	\$ 90,000	\$ -
537	Surety Bonds	\$ 500	\$ 500	\$ -
538	Rental of Equipment	\$ 38,000	\$ 40,000	\$ 2,000
539	Miscellaneous Supplies and Equipment	\$ 12,500	\$ 12,500	\$ -
541	Membership Dues and Subscriptions	\$ 15,000	\$ 17,000	\$ 2,000
542	Conferences and meetings	\$ 19,000	\$ 19,000	\$ -
543	Employee Travel Expense	\$ 32,000	\$ 32,000	\$ -
547	Employee Training	\$ 13,500	\$ 12,500	\$ (1,000)
551	Utilities	\$ 35,000	\$ 35,000	\$ -
552	Insurance	\$ 15,500	\$ 15,500	\$ -
553	Janitorial Services	\$ 14,000	\$ 16,000	\$ 2,000
554	Building Maintenance	\$ 40,500	\$ 41,000	\$ 500
555	Grounds Maintenance	\$ 6,500	\$ 6,500	\$ -
561	Operating Supplies	\$ 17,000	\$ 17,000	\$ -
562	Maintenance of Vehicles	\$ 8,000	\$ 10,000	\$ 2,000
563	Tolls, Parking	\$ 8,500	\$ 8,500	\$ -
564	Insurance of Vehicles	\$ 7,000	\$ 7,000	\$ -
565	Mileage Allowance	\$ 11,000	\$ 14,000	\$ 3,000
571	Audit Expense	\$ 20,000	\$ 22,000	\$ 2,000
572	USGS Cooperative Agreement	\$ 338,000	\$ 321,900	\$ (16,100)
573	Legal Expense	\$ 431,000	\$ 381,000	\$ (50,000)
574	Consulting Expense	\$ 523,665	\$ 325,000	\$ (198,665)
575	Management Services	\$ 60,000	\$ 60,000	\$ -
576	Hearing Examiner	\$ 21,000	\$ 21,000	\$ -
577	GPS Systems/Releveling	\$ 35,000	\$ 35,000	\$ -
591	Office Equipment (Cap)	\$ -	\$ 25,000	\$ 25,000
592	IT Equipment (Cap)	\$ 55,000	\$ 35,000	\$ (20,000)
593	Motor Vehicles (Cap)	\$ -	\$ 105,000	\$ 105,000
594	GPS Equipment (Cap)	\$ -	\$ -	\$ -
596	Building Improvements	\$ 102,000	\$ -	\$ (102,000)

**Appendix 3.** Non-personnel budgeted expenses by budget category, 2023-2024.

<b>Account Category</b>	<b>Description</b>	<b>Approved 2023 Budget</b>	<b>Proposed 2024 Budget</b>	<b>Variance</b>
52	Board Expenses	\$ 139,200	\$ 148,900	\$ 9,700
53	Office Expenses	\$ 364,600	\$ 358,975	\$ (5,625)
54	Info and Education	\$ 79,500	\$ 80,500	\$ 1,000
55	Building Operations	\$ 111,500	\$ 114,000	\$ 2,500
56	Transportation Expenses	\$ 51,500	\$ 56,500	\$ 5,000
57	Contractural Services	\$ 1,412,565	\$ 1,165,900	\$ (246,665)
59	Capital Outlay	\$ 172,000	\$ 165,000	\$ (7,000)