

# **FISCAL YEAR 2026 BUDGET**

**Resolution 2025-1134**

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The Harris-Galveston Subsidence District was created in 1975 to provide reasonable groundwater regulations to address concerns related to groundwater use and subsidence. Since then, the District has taken a reasonable and inclusive approach to groundwater regulation, resulting in a significant reduction in subsidence rates within the District. Annually, the District prepares a budget for the upcoming fiscal year. The Fiscal Year 2026 Budget presented herein will provide for the expected operational needs required to fulfill the District's mission to prevent subsidence in Harris and Galveston counties further.

NOVEMBER 12, 2025



## 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 ensure 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:

- Ensure the effective management of groundwater resources to prevent subsidence
- Identify and research subsidence-neutral water management strategies
- Increase the awareness of local, regional, and statewide water issues that impact the mission of the district across all scales and audiences.
- Engage and develop cooperation with local, state, and federal agencies.
- Develop and retain a community-focused team of employees.
- Maintain financial stability and transparency to maintain a consistent level of service to the community.



# Harris - Galveston Subsidence District

## TRANSMITTAL MEMORANDUM

To: Board of Directors  
From: Michael J. Turco, General Manager  
Date: November 12, 2025  
Subject: 2026 Proposed Operating Budget

Enclosed please find the proposed operating budget for the 2026 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 2026 budget was reviewed by the Finance Committee on September 3, 2025, where it was recommended unanimously to be heard by the Board of Directors at an open budget workshop held on October 08, 2025.

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 fund through the sponsorship of the program by other agencies, political subdivisions, other permittees, and the general public. The WCP fund estimated revenues are based on a conservative estimate of 27,500 sponsorships in the program. Estimated expenses, including the Gulf Coast Water Conservation Symposium, proposed special projects, and continuation of the grant program, associated with the WCP will be offset by \$1.13 million in estimated sponsor revenue, resulting in an estimated end of year decrease in the WCP unrestricted fund balance to approximately \$3.13 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 2026, including the continuation of ongoing InSAR data analysis, continued research in alternative water availability, the upgrade of the District subsidence monitoring network, and the addition of a full-time employee to support the research program. Disincentive fee revenue will increase in 2026 as a result of the updated Disincentive Permit Fee to \$12.52 per thousand gallons as per Board Resolution 2016-994. The estimated end of year balance in the fund is expected to decrease to \$4.84 million.

The proposed General Fund (GF) budget includes \$4.28 million in revenue and \$5.09 million in expenses resulting in a decrease in fund balance, before depreciation, of about \$0.26 million. There are no increases in fees associated with the General Fund. Proposed expenses include capital improvements, additional enforcement activity, and support for the day-to-day activities of the District. Overall, estimated increases in building operations and capital outlay are due to increased costs in software licensing and necessary capital improvements. Personnel expenses include a 2.5% cost-of-living adjustment and an update to group health insurance costs.

## WATER CONSERVATION PROGRAM FUND

The 2026 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" school program and other efforts within the program, including: the [smarteraboutwater.org](http://smarteraboutwater.org) online resource, the WaterMyYard program, and the water conservation grant program. The school program provides education to students in Harris and Galveston Counties on subjects including water conservation, hydrology, and subsidence. Sponsors will be invoiced \$40.00 (Table 4) for each sponsorship of the program, and, in return, a groundwater credit (referred to as a conservation credit or "B" credit) is issued to the sponsor in the amount of 84,000 gallons. Credits earned through this program can be used to offset the District Regulatory requirement of up to 30% of a permittee's total water demand.

The District has maintained and will continue, an open application process for Water Conservation grant applications in 2026. 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 promoting the efficient use of our water resources while leveraging available funding sources.

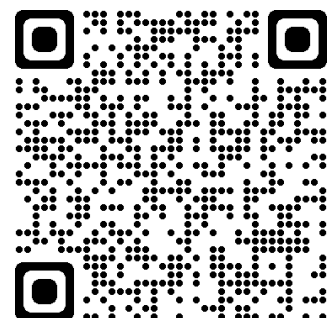
**Table 1.** 2026 Estimated Water Conservation Fund revenue and expenses assuming 27,500 students enrolled in

Budget Category	2026 Proposed Budget
WCP Income	1,100,000
WCP Interest	30,000
WCP Misc. Income	-
<b>TOTAL REVENUES</b>	<b>1,130,000</b>
WCP Educational Curriculum	852,500
WCP Office Supplies	4,000
WCP Public Information/Education	73,000
WCP Equipment	4,500
WCP Contracts	185,000
WCP Operating Supplies	1,000
WCP Maint. Of Vehicles	4,500
WCP Grant Program	200,000
WCP Vehicle (Capital)	75,000
Operating Transfer Out (GF payroll reimburse)	229,200
<b>TOTAL EXPENSES \$</b>	<b>1,628,700</b>
<b>NET INCOME \$</b>	<b>(498,700)</b>
ESTIMATED FUND BALANCE BOY	\$ 3,629,678
ESTIMATED FUND BALANCE EOY	\$ 3,130,978

## REVENUE and EXPENSES

WCP estimated revenues are based on a conservative estimate of 27,500 program sponsorships. The 2026 WCP budget includes staff costs, operating expenses, contractual expenses, and an estimated commitment to the grant program. Expenses include the cost of the 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 Gulf Coast Water Conservation Symposium, and the personnel expenses associated with the water conservation program (2 FTEs) (Table 1).

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



**Table 2.** Estimated Science and Research Fund revenue and expenses, 2026-2029.

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

Budget Category	Proposed 2026 Budget	Projected 2027 Budget	Projected 2028 Budget	Projected 2029 Budget	Projected 2030 Budget
Disincentive Fee Income (Permit)	\$ 821,500	\$ 846,200	\$ 871,600	\$ 897,800	\$ 924,800
Disincentive Fee Refunds (Permit)	\$ (76,900)	\$ (76,900)	\$ (76,900)	\$ (76,900)	\$ (76,900)
Interest	\$ 68,100	\$ 70,200	\$ 72,400	\$ 74,600	\$ 76,900
Comp. & Settlement Disincentive Fee	\$ 415,300	\$ 427,800	\$ 440,700	\$ 454,000	\$ 467,700
<b>Total Revenue</b>	<b>\$ 1,228,000</b>	<b>\$ 1,267,300</b>	<b>\$ 1,307,800</b>	<b>\$ 1,349,500</b>	<b>\$ 1,392,500</b>
Personnel Expenses	\$ 307,700	\$ 323,100	\$ 339,300	\$ 356,300	\$ 374,200
Contractual Services	\$ 1,525,000	\$ 1,500,000	\$ 1,335,000	\$ 935,000	\$ 1,335,000
<b>Total Expenses</b>	<b>\$ 1,832,700</b>	<b>\$ 1,823,100</b>	<b>\$ 1,674,300</b>	<b>\$ 1,291,300</b>	<b>\$ 1,709,200</b>
<b>Total Net Income</b>	<b>\$ (604,700)</b>	<b>\$ (555,800)</b>	<b>\$ (366,500)</b>	<b>\$ 58,200</b>	<b>\$ (316,700)</b>
Science and Research Fund Balance (BOY)	\$ 5,446,016	\$ 4,841,316	\$ 4,285,516	\$ 3,919,016	\$ 3,977,216
Science and Research Fund Balance (EOY)	\$ 4,841,316	\$ 4,285,516	\$ 3,919,016	\$ 3,977,216	\$ 3,660,516

## 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 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.

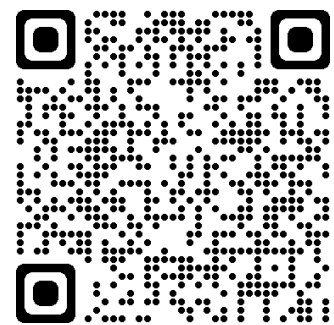
Beginning in 2023, the subsidence monitoring network began a systematic update from periodic measurements at our PAM sites to continuous measurements of land surface subsidence. The upgrade to the fully continuous network continues in 2026 and will continue through 2027.

Disincentive fee annual revenue can be highly variable from year to year. Estimated disincentive fee income for the 2026 fiscal year is \$821,500. The total net revenue including compromise and settlement disincentive fee revenue and interest on investments is estimated at about \$1.23 million.

Expenses are expected to exceed revenue in the Science and Research Fund in 2026. Total expenses are estimated to be \$1.83 million with expenses in contractual services accounting for about 83% of all ex-

penses. Personnel expenses (2.0 FTE) are included in the Science and Research Fund in 2026. The estimated balance of the fund is expected to be about \$4.84 million at the end of 2026 (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 review from 2025-2026, and other science plan objectives describe in the District Science and Research plan published in 2023.

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



## 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 impact-

ed 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 plan requires all permittees operating within an approved groundwater reduction plan (GRP) to in Regulatory Area 3 to reduce groundwater usage by 30 percent to no more than 40% of total water demand. Although it is likely that some GRP will utilize credits to account for delays in delivery of alternative water supplies, ultimately this will result in about 25% reduction permit fee revenue by 2030.

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 ensure the regulatory conversion did not inhibit the District’s ability to effectively regulate groundwater within the District. Although the 2026 budget does not include any changes in the regular permit fee or other administrative fees associated with the General Fund, it is expected that a fee increase will be proposed for the 2027 fiscal year (Table 7).

The 2026 general fund budget includes \$4.28 million in revenue and \$5.07 million in expenses, a decrease of 8.63% and 4.65%, respectively when compared to the 2025 approved budget. The resulting net income before depreciation will decrease the general fund reserve balance by an estimated amount of \$0.26 million as budgeted.

## 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 has been \$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 \$12.52 beginning January 1, 2026. All fees in 2025 and 2026 are listed in Table 4.

Enforcement of the District Rules and Regulatory Plan generate revenue annually. Any permittee in violation 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 2026 budget assumes compromise and settlement revenue will be similar to the projected end of year income in 2025.

The District operates several inter-local agreements with nearby Districts. In place since 1989, the largest

**Table 3.** Estimated General Fund revenue by budget category, 2025-2026.

Budget Category	2025 Approved Budget	2025 Projected Year End Totals	2026 Proposed Budget	\$ Variance 2025 Approved and 2026 Proposed Budget	% Variance 2025 Approved and 2026 Proposed Budget
Permit Fees	\$ 3,261,000	\$ 3,200,000	\$ 2,917,000	\$ (344,000)	-10.75%
Permit Fee Refunds	(40,000)	(35,000)	(40,000)	-	0.00%
Application Fees	545,000	515,000	515,000	(30,000)	-5.83%
Interest	129,000	114,000	120,000	(9,000)	-7.89%
Compromise and Settlement	162,000	130,000	130,000	(32,000)	-24.62%
FBSD Income	567,000	555,000	574,000	7,000	1.26%
Legal Recovery Fees	40,000	40,000	55,000	15,000	37.50%
Other Misc. Income	12,000	12,000	14,000	2,000	16.67%
<b>TOTAL REVENUES</b>	<b>\$ 4,676,000</b>	<b>\$ 4,531,000</b>	<b>\$ 4,285,000</b>	<b>\$ (391,000)</b>	<b>-8.63%</b>

**Table 4.** 2025-2026 Harris-Galveston Subsidence District fee schedule.

Description	Units	2025	2026
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
WCP Sponsorship Fee	per sponsorship	\$ 38.00	\$ 40.00
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	\$ 12.12	\$ 12.52
<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).			
<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).			

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 2026.

## EXPENSES

The 2026 General Fund budget represents the necessary recommendations to support the District's strategic objectives and conduct daily operations. General Fund operating expenses for 2026 total about \$5.09 million, representing a 4.65% decrease from the 2025 approved budget (Table 5).

In 2026, about 56% of the estimated General Fund expenses are associated with employee salaries and

benefits. Another 22% 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 contractual expenses included in the 2026 budget. Specifically, capital improvements are included to replace and upgrade IT and administrative infrastructure (\$105,000) and building improvements (\$45,000) including updating of the office workspace. Enforcement and litigation recovery expenses have been slightly increased 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 22%.

Overall budgeted personnel expenses will increase by about 2.57% in 2026 due to the offset between a 2.5% cost of living adjustment and additional contingency for performance based salary adjustment, pro-



**Table 5.** Estimated General Fund expenses by budget category, 2025-2026.

Budget Category	2025 Approved Budget	2025 Projected Year End Totals	2026 Proposed Budget	\$ Variance 2025 Approved and 2026 Proposed Budget	% Variance 2025 Approved and 2026 Proposed Budget
Personnel Expenses	\$ 2,806,950	\$ 2,567,955	\$ 2,879,050	\$ 72,100	2.57%
Board Expenses	175,900	173,998	171,000	(4,900)	-2.79%
Office Expenses	441,200	382,083	448,000	6,800	1.54%
Info and Education	83,500	85,107	97,000	13,500	16.17%
Building Operations	155,800	153,096	163,000	7,200	4.62%
Transportation Expenses	59,500	49,820	62,000	2,500	4.20%
Contractual Services	1,183,380	1,087,759	1,120,000	(63,380)	-5.36%
Capital Outlay	432,000	403,946	150,000	(282,000)	-65.28%
<b>TOTAL EXPENSES</b>	<b>\$ 5,338,230</b>	<b>\$ 4,903,762</b>	<b>\$ 5,090,050</b>	<b>\$ (248,180)</b>	<b>-4.65%</b>

motions, and other allowances for increased health care costs which are slightly offset by reclassification of positions and recent retirements. Budgeted labor expenses account for estimated health insurance costs and merit-based salary increases and performance based awards for District staff.

The 2026 District organizational structure can be found in Figure 1. Currently, the District fulfills all operational requirements with 25 FTEs. An internal review of classifications, level of service, and operational needs will be completed in 2026 as the level of service requirement in 2025 suggests that there may be need for additional administrative and communications staff in the future.

**GENERAL FUND FIVE-YEAR PROJECTION**

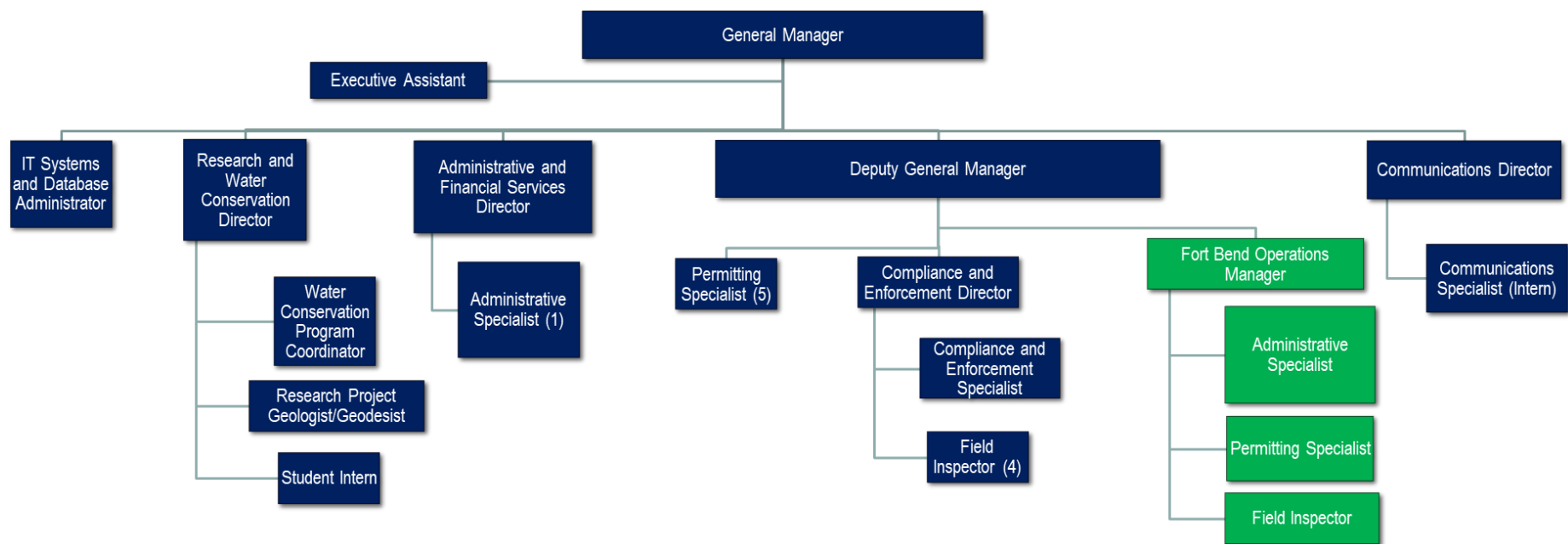
The 2026 General Fund budget assumes an initial operating reserve of about \$5.33 million. Two restricted accounts were established in 2017 to characterize known large future capital and regulatory projects: capital assets and improvements, and regulatory planning. The capital assets and improvements 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 was completed in 2025. The estimated unrestricted reserve balance in the general fund will be about \$5.1 million at the end of 2026. Overall, considering all funds, the District’s fund balance will reduce by about \$1.3 million to about \$13.1 million by the end of fiscal year 2026.

The 5-year projection shown in Table 7, accounts for the permit fee increase in 2027 to \$28 per million in allocation to continue the incremental rise in the permit fee to offset the pending conversion of Regulatory Area 3 in 2026 which will result in a reduction in annual revenue.

Overall the District is on firm financial ground to successfully fulfill mission objectives in 2026 and the years that follow.





**Figure 1.** Organizational structure of the Harris-Galveston Subsidence District, November 2025. Positions shaded green primarily assigned to interlocal with the Fort Bend Subsidence District.

**Table 6.** Estimated costs of contractual services in the 2026 fiscal year General Fund budget. Contractual services include federal cooperative agreements, professional services agreements, and fee for service engagements.

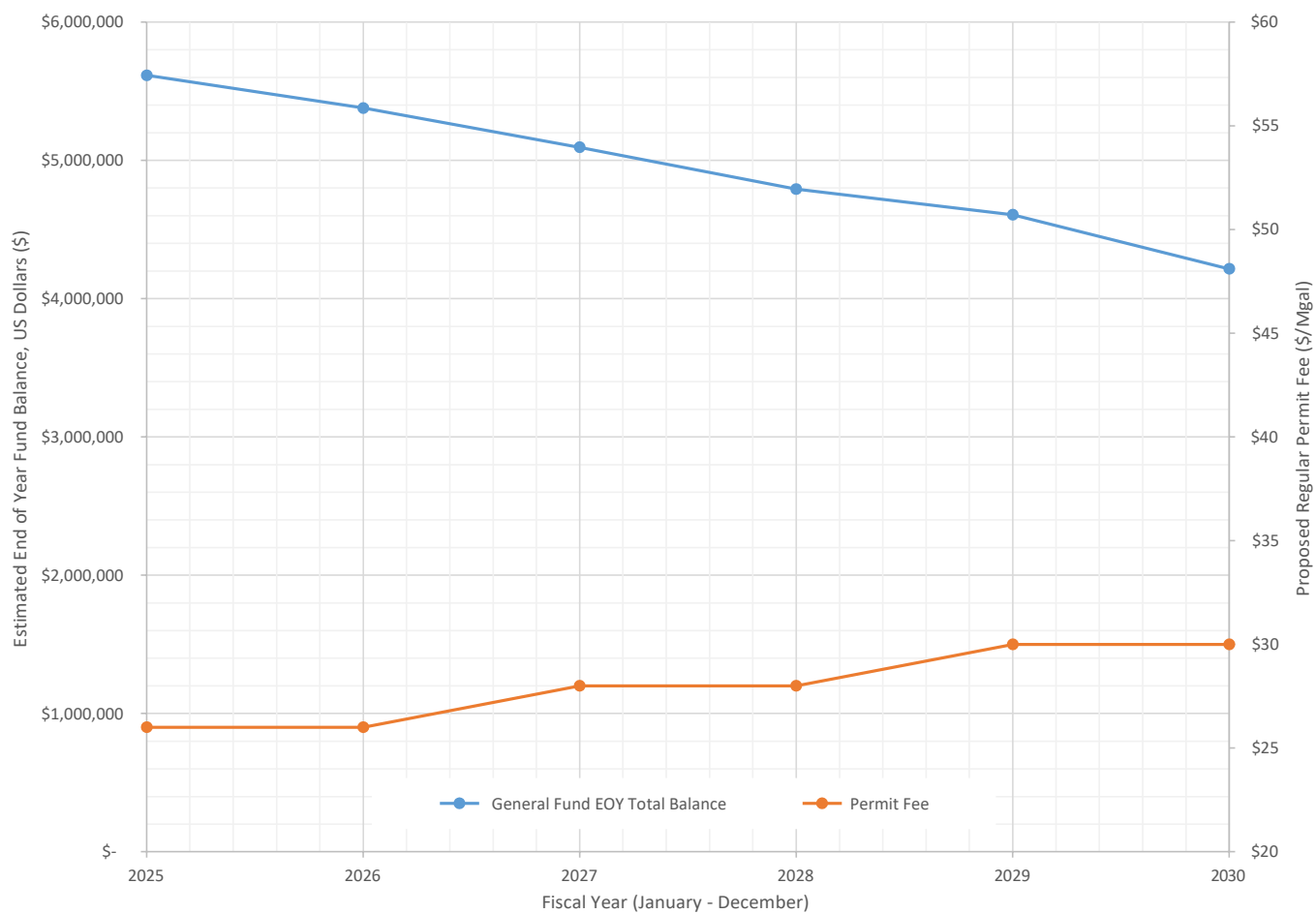
Account Name	Vendor	Task	FY	Budget Amount
Audit Expense	Whitley Penn	Annual Financial Audit Services	2026	\$ 26,250.00
USGS Cooperative Agreement	USGS	Data Collection, Dissemination, and Archival	2026	\$ 321,900.00
Legal Expense	Greg Ellis Esq.	District General Counsel - Retainer	2026	\$ 96,000.00
Legal Expense	Multiple Firms	General Legal Support (HR, Contested Case, Misc.)	2026	\$ 50,000.00
Legal Expense	Greg Ellis Esq.	Paralegal and Court Expenses	2026	\$ 135,000.00
Legal Expense	Greg Ellis Esq. (sub)	Enforcement and Litigation Recovery	2026	\$ 135,000.00
Consulting Services	Averitt/Wilson	Legislative Affairs	2026	\$ 96,000.00
Consulting Services	TBD	Technical Services	2026	\$ 100,000.00
Consulting Services	New Edge Consulting	Cityworks Implementation, Updates, and Revisions	2026	\$ 75,000.00
Management Services	TBD	General	2026	\$ 60,000.00
Hearing Examiner	Helen Truscott	Hearing Examiner Services	2026	\$ 24,480.00

**Table 7.** Projected revenue and expenses, 2026-2029.

Budget Category	2026	2027	2028	2029	2030
Permit Fees	\$ 2,877,000	\$ 2,760,706	\$ 2,793,225	\$ 3,033,937	\$ 2,874,932
Application Fees	\$ 515,000	\$ 516,533	\$ 506,437	\$ 513,242	\$ 512,803
Interest	\$ 120,000	\$ 147,246	\$ 152,053	\$ 134,825	\$ 138,531
Compromise and Settlement	\$ 130,000	\$ 126,657	\$ 118,539	\$ 126,299	\$ 125,374
FBSD Income	\$ 574,000	\$ 591,220	\$ 608,957	\$ 615,046	\$ 621,197
Legal Recovery Fees	\$ 55,000	\$ 61,020	\$ 61,856	\$ 54,469	\$ 58,086
Other Misc. Income	\$ 14,000	\$ 14,634	\$ 16,057	\$ 14,173	\$ 14,716
<b>TOTAL REVENUE</b>	<b>\$ 4,285,000</b>	<b>\$ 4,218,015</b>	<b>\$ 4,257,124</b>	<b>\$ 4,491,991</b>	<b>\$ 4,345,639</b>
Personnel Expenses	\$ 2,879,050	\$ 2,936,631	\$ 2,995,364	\$ 3,055,271	\$ 3,116,376
Board Expenses	\$ 171,000	\$ 171,000	\$ 171,000	\$ 171,000	\$ 171,000
Office Expenses	\$ 448,000	\$ 450,240	\$ 452,491	\$ 454,754	\$ 457,027
Info and Education	\$ 97,000	\$ 97,970	\$ 98,950	\$ 99,939	\$ 100,939
Building Operations	\$ 163,000	\$ 163,815	\$ 164,634	\$ 165,457	\$ 166,285
Transportation Expenses	\$ 62,000	\$ 62,620	\$ 63,246	\$ 63,879	\$ 64,517
Contractual Services	\$ 1,120,000	\$ 1,125,600	\$ 1,131,228	\$ 1,136,884	\$ 1,142,569
Capital Outlay	\$ 150,000	\$ 75,000	\$ 75,000	\$ 135,000	\$ 135,000
<b>TOTAL EXPENSES</b>	<b>\$ 5,090,050</b>	<b>\$ 5,082,876</b>	<b>\$ 5,151,913</b>	<b>\$ 5,282,184</b>	<b>\$ 5,353,713</b>
Transfer IN from other fund	\$ 536,900	\$ 558,591	\$ 569,763	\$ 581,158	\$ 592,781
<b>NET INCOME</b>	<b>\$ (268,150)</b>	<b>\$ (306,270)</b>	<b>\$ (325,027)</b>	<b>\$ (209,035)</b>	<b>\$ (415,293)</b>
<b>General Fund Balance at BOY</b>	<b>\$ 5,336,726</b>	<b>\$ 5,068,576</b>	<b>\$ 4,762,306</b>	<b>\$ 4,437,279</b>	<b>\$ 4,228,244</b>
<b>General Fund Balance at EOY</b>	<b>\$ 5,068,576</b>	<b>\$ 4,762,306</b>	<b>\$ 4,437,279</b>	<b>\$ 4,228,244</b>	<b>\$ 3,812,951</b>

**Table 8.** Proposed 2026 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	\$ 2,877,000	\$ -	\$ -
Disincentive Fees, net	-	-	744,600
Application Fees, net	515,000	-	-
C&S Fees	130,000	-	-
C&S Disincentive Fees	-	-	415,300
Interlocal Agreement	574,000	-	-
Water Conservation Program	-	1,130,000	-
Interest	120,000	-	68,100
Legal Recovery Fees	55,000	-	-
Other Misc. Income	14,000	-	-
<b>Total Revenues</b>	<b>\$ 4,285,000</b>	<b>\$ 1,130,000</b>	<b>\$ 1,228,000</b>
<b>Expenses</b>			
Personnel	\$ 2,879,050	\$ 229,200	\$ 308,000
Board of Directors	171,000	-	-
Office Supplies	448,000	5,000	-
Information and Education	97,000	73,000	-
Building Operations	163,000	4,500	-
Transportation	62,000	4,500	-
Contractual Services	1,120,000	185,000	1,525,000
Contractual Services - Elem. School Prg.	-	852,500	-
WCP Grant Program	-	200,000	-
Capital Outlay	150,000	75,000	-
<b>Total Expenses</b>	<b>\$ 5,090,050</b>	<b>\$ 1,628,700</b>	<b>\$ 1,833,000</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (805,050)</b>	<b>\$ (498,700)</b>	<b>\$ (605,000)</b>
Transfer OUT to other fund	-	229,200	307,700
Transfer IN from other fund	536,900	-	-
<b>Fund Balances - BOY</b>	<b>\$ 5,336,726</b>	<b>\$ 3,629,678</b>	<b>\$ 5,446,016</b>
<b>Fund Balances - EOY</b>	<b>\$ 5,068,576</b>	<b>\$ 3,130,978</b>	<b>\$ 4,841,016</b>
<b>Total Change in Fund Balance</b>	<b>\$ (268,150)</b>	<b>\$ (498,700)</b>	<b>\$ (605,000)</b>



**Figure 2.** Projected end of year (EOY) balance of General Fund and the regular permit fee, 2026-2030.

# APPENDIX

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**Appendix 1.** Budgeted labor costs by account, 2025-2026.

Object Class No.	Description	2025	2026	Variance
		Approved Budget	Proposed Budget	
511	Employee Salary and Allowances	\$ 2,085,000	\$ 2,085,000	\$ -
512	Group Health Insurance - District Contribution	\$ 280,550	\$ 360,150	\$ 79,600
513	Employee Retirement	\$ 312,800	\$ 312,800	\$ -
514	Group Life Insurance	\$ 15,000	\$ 14,200	\$ (800)
515	Disability Insurance	\$ 11,000	\$ 10,400	\$ (600)
516	Medicare - Employer	\$ 29,400	\$ 28,000	\$ (1,400)
517	Workers Compensation	\$ 18,000	\$ 16,700	\$ (1,300)
518	Retirement Health Savings	\$ 55,200	\$ 51,800	\$ (3,400)

**Appendix 2.** Non-personnel budgeted expenses by account, 2025-2026.

Account	Description	2025		2026	
		Approved Budget		Proposed Budget	Variance
521	Member Per Diem	\$ 62,500	\$	65,500	\$ 3,000
522	Member Travel Expense	\$ 19,300	\$	19,300	\$ -
523	Officer and Director Liability	\$ 8,000	\$	8,000	\$ -
524	Member Retirement	\$ 9,500	\$	10,000	\$ 500
525	Medicare - Board Members	\$ 1,100	\$	1,100	\$ -
529	Other Board Expenditures	\$ 75,500	\$	67,000	\$ (8,500)
531	Office Supplies	\$ 18,000	\$	18,000	\$ -
532	Mail and Postage	\$ 36,500	\$	40,000	\$ 3,500
533	IT Equipment (non-cap)	\$ 35,000	\$	36,500	\$ 1,500
534	IT Software	\$ 130,200	\$	131,700	\$ 1,500
535	Telephone	\$ 51,000	\$	51,000	\$ -
536	Legal Notice	\$ 90,000	\$	90,000	\$ -
537	Surety Bonds	\$ 500	\$	500	\$ -
538	Rental of Equipment	\$ 48,000	\$	48,000	\$ -
539	Miscellaneous Supplies and Equipment	\$ 32,000	\$	32,000	\$ -
541	Membership Dues and Subscriptions	\$ 20,000	\$	25,500	\$ 5,500
542	Conferences and meetings	\$ 19,000	\$	24,000	\$ 5,000
543	Employee Travel Expense	\$ 32,000	\$	34,500	\$ 2,500
547	Employee Training	\$ 12,500	\$	12,500	\$ -
551	Utilities	\$ 45,500	\$	45,500	\$ -
552	Insurance	\$ 17,000	\$	20,000	\$ 3,000
553	Janitorial Services	\$ 16,000	\$	16,000	\$ -
554	Building Maintenance	\$ 56,000	\$	60,000	\$ 4,000
555	Grounds Maintenance	\$ 21,300	\$	21,300	\$ -
561	Operating Supplies	\$ 17,000	\$	17,000	\$ -
562	Maintenance of Vehicles	\$ 10,000	\$	10,000	\$ -
563	Tolls, Parking	\$ 8,500	\$	8,500	\$ -
564	Insurance of Vehicles	\$ 10,000	\$	11,000	\$ 1,000
565	Mileage Allowance	\$ 14,000	\$	15,000	\$ 1,000
571	Audit Expense	\$ 25,000	\$	26,250	\$ 1,250
572	USGS Cooperative Agreement	\$ 321,900	\$	321,900	\$ -
573	Legal Expense	\$ 406,000	\$	416,000	\$ 10,000
574	Consulting Expense	\$ 346,000	\$	271,000	\$ (75,000)
575	Management Services	\$ 60,000	\$	60,000	\$ -
576	Hearing Examiner	\$ 24,480	\$	24,480	\$ -
577	GPS Systems/Releveling	\$ -	\$	-	\$ -
591	Office Equipment (Cap)	\$ -	\$	-	\$ -
592	IT Equipment (Cap)	\$ 105,000	\$	105,000	\$ -
593	Motor Vehicles (Cap)	\$ 80,000	\$	-	\$ (80,000)
594	GPS Equipment (Cap)	\$ -	\$	-	\$ -
596	Building Improvements	\$ 247,000	\$	45,000	\$ (202,000)

**Appendix 3.** Non-personnel budgeted expenses by budget category, 2025-2026.

<b>Account Category</b>	<b>Description</b>	<b>Approved 2025 Budget</b>	<b>Proposed 2026 Budget</b>	<b>Variance</b>
52	Board Expenses	\$ 175,900	\$ 170,900	\$ (5,000)
53	Office Expenses	\$ 441,200	\$ 447,700	\$ 6,500
54	Info and Education	\$ 83,500	\$ 96,500	\$ 13,000
55	Building Operations	\$ 155,800	\$ 162,800	\$ 7,000
56	Transportation Expenses	\$ 59,500	\$ 61,500	\$ 2,000
57	Contractual Services	\$ 1,183,380	\$ 1,119,630	\$ (63,750)
59	Capital Outlay	\$ 432,000	\$ 150,000	\$ (282,000)