



CITY OF HIGHLAND HAVEN

510 Highland Drive, Suite A
Highland Haven, Texas 78654
Telephone: 830-265-4366

AGENDA – BOARD OF ALDERMEN WORKSHOP – BUDGET FY 2027

DATE: May 19, 2026

TIME: 5:00 PM

PLACE: Highland Haven Community Center, 118 Blackbird, Highland Haven, TX 78654

1. Open Meeting and Establish Quorum/Roll Call – Mayor

Mayor Pro Tem Terry Nuss	<input type="checkbox"/> Present	<input type="checkbox"/> Absent
Aldersperson Don Hagans	<input type="checkbox"/> Present	<input type="checkbox"/> Absent
Aldersperson Bruce Robertson	<input type="checkbox"/> Present	<input type="checkbox"/> Absent
Aldersperson Lynn Smith	<input type="checkbox"/> Present	<input type="checkbox"/> Absent
Aldersperson Terry Smith	<input type="checkbox"/> Present	<input type="checkbox"/> Absent

2. Pledge of Allegiance

3. Recognize Visitors

4. Public Comment

(At this time, any person with business before the BOA not scheduled on the agenda may speak to the Board. No formal action can be taken on these items at this meeting. No discussion or deliberation can occur. Comments regarding specific agenda items should occur when the item is called.)

DISCUSSION / INFORMATION ITEMS

5. Discussion – FY 2027 Budget Planning Workshop

- a. Water Fund Line Items
- b. Capital Improvement Projects

Next Board of Aldermen Meetings:

- Regular Meeting: Tuesday, May 5, 2026 at 7:00 PM at Highland Haven Community Center
- Regular Meeting: Tuesday, June 2, 2026 at 7:00 PM at Highland Haven Community Center

Adjournment.

Posted: May 12, 2026

CERTIFICATION OF POSTING

I, SARAH COLLARD, CERTIFY THAT THE FOREGOING AGENDA HAS BEEN POSTED AT HIGHLAND HAVEN CITY HALL, 510 HIGHLAND DRIVE, SUITE A; HIGHLAND HAVEN, TX ON THE INDOOR AND OUTDOOR NOTICE BOARDS OF CITY HALL WHICH ARE ACCESSIBLE TO THE PUBLIC AT ALL TIMES AND THE CITY WEBSITE AT WWW.HIGHLANDHAVENTX.COM ON MAY 12, 2026, AND REMAINED SO POSTED FOR AT LEAST 3 BUSINESS DAYS PRECEDING THE SCHEDULED DATE OF SAID MEETING.

Sarah Collard

Sarah Collard, City Secretary



THIS MEETING SHALL BE CONDUCTED PURSUANT TO THE TEXAS GOVERNMENT CODE SECTION 551.001 ET SEQ. AT ANY TIME DURING THE MEETING THE BOARD RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION ON ANY OF THE POSTED AGENDA ITEMS IN ACCORDANCE WITH THE SECTIONS 551.071 (Advice of Counsel), 551.072 (Real Property), 551.073 (Gifts or Donations), 551.074 (Personnel), 551.076 (Security), 551.087 (Economic Development) and/or 418.183 (Homeland Security).



May 15, 2026

Subject: Item 5: Discussion on Water Fund Budget for FY27

To the City of Highland Haven Board of Aldermen,

Purpose of Discussion

The purpose of this workshop is to build on the City's established Water Fund structure and discuss next steps for long-term system planning. Specifically, this discussion is intended to:

- Provide context on how the City's water rates compare regionally
- Outline a structured approach to identifying and funding future capital improvements
- Present potential funding strategies for initial planning efforts
- Gather direction from the Board on how to proceed

This discussion is not focused on immediate capital decisions, but rather on establishing the process needed to responsibly prepare for future investments.

Regional Rate Context

To better understand the City's current position, staff reviewed water rates across comparable systems in the region, including municipalities, water supply corporations, MUDs, and private utilities.

At the City's base usage level (2,000 gallons per month), Highland Haven's rate is slightly higher than some larger systems but remains consistent with many smaller groundwater systems. This is particularly true when compared to utilities with similar characteristics, including:

- Smaller customer bases
- Groundwater supply systems
- Limited economies of scale

A key distinction is that many surrounding communities operate both water and sewer utilities. Sewer systems allow administrative, staffing, and billing costs to be shared across multiple services, often resulting in lower apparent water base rates.

Highland Haven does not provide sewer service and must recover all water system costs—operations, compliance, and administration—through its water rates alone.



Additionally, the City's rate structure is intentionally designed to recover fixed system costs through base charges rather than relying on water usage. This approach provides financial stability during periods of low demand or conservation, which is especially important given the City's groundwater permit constraints.

When viewed in this broader context, Highland Haven's rates are generally consistent with regional norms and reflect the City's policy choice to prioritize stability and reliability.

A Structured Approach to Capital Planning

As the City looks ahead to potential system improvements, it is important to follow a clear and logical progression. Each step provides the information needed to make informed decisions at the next stage.

Step 1: Develop Engineered Project Plans

The first step in pursuing any significant infrastructure improvements is to engage a Professional Engineer (PE) with water system experience.

This effort would focus on:

- Evaluating current system conditions
- Identifying priority improvement projects
- Developing preliminary engineering reports
- Establishing planning-level cost estimates

These engineered plans are required for most state and federal funding programs and provide the foundation for all future decisions.

Estimated Cost (one-time):

\$30,000 – \$50,000

Step 2: Establish a Grant Strategy

Once projects are defined, the City can begin actively pursuing grant funding opportunities.

While staff could attempt to identify and apply for grants internally, this approach presents challenges:

- The City operates with approximately 3.5 staff members across all functions
- Grant identification and application is time-intensive and highly specialized
- Many programs require detailed documentation, coordination, and ongoing compliance



Additionally, many grant programs prioritize communities based on **Low-to-Moderate Income (LMI)** metrics.

LMI (Low-to-Moderate Income) is a federal and state benchmark used to prioritize funding. Communities with higher LMI populations are often more competitive for certain types of grants.

Because of this, Highland Haven may not qualify for some traditional funding programs, even when strong projects are identified.

At the same time, as a small and rural system, the City may be eligible for other programs that require active identification and pursuit.

For these reasons, many similarly sized communities engage a grant services firm to manage this process.

Typical Services Include:

- Identifying eligible grant opportunities
- Preparing and submitting applications
- Coordinating required documentation
- Managing post-award compliance

Estimated Cost (annual):

\$30,000 – \$60,000

Step 3: Evaluate Funding Needs

Only after engineering work is completed and grant opportunities are identified will the City have a clear understanding of:

- The total cost of proposed improvements
- The likelihood of grant participation
- The level of local funding required

At that point, the Board will be in a position to make fully informed funding decisions.

Funding Considerations

To initiate this process (engineering and grant development), the City must identify how to fund an estimated **\$60,000 – \$110,000** initial investment (this can be broken up over multiple years if needed).



The City currently has limited reliable funding sources for this type of work. The following options are available for Board consideration.

Option 1 – Base Rate Adjustments (Most Reliable)

The Water Fund's most stable revenue source is base rates.

A key planning metric:

Each \$1 increase in the monthly base rate generates approximately \$5,000 in annual revenue.

If the Board determines that engineering and grant preparation are essential to maintaining the water system, these costs could be funded through base rate adjustments in line with current financial policy.

Consideration:

- Depending on the approach, this could result in noticeable increases to monthly bills

Option 2 – Variable or Excess Revenues (Less Predictable)

The City could take a phased approach by using:

- Excess volumetric (usage-based) revenue
- Year-end surpluses

However, the current budget is intentionally built using conservative, low-usage assumptions to ensure stability. As a result:

- Available excess revenue is limited
- Funding levels may vary year to year
- Progress may be slower and less consistent

Option 3 – Future Property Revenue (Potential Opportunity)

The City has approved bonds to acquire the 8.36-acre property adjacent to the water system, which includes:

- Two existing wells
- RV and boat storage facilities

If acquired, the City intends to:

- Continue operating the facilities in alignment with City ordinances, or



- Explore partnership options with the Property Owners Association

If successful, this could create a dedicated revenue source to support water system improvements.

Considerations:

- Timing of acquisition remains uncertain
- Operational structure may require additional approvals
- Revenue levels are not yet guaranteed

Bringing It Together

The City is not facing an immediate system failure or funding crisis. However, this discussion represents the next logical step in maintaining a reliable, compliant, and well-planned water system.

The key question is not only *what projects to pursue*, but **how to begin the process of identifying and funding them in a responsible and sustainable way.**

Direction Requested from the Board

This workshop is intended to gather input and direction on:

- Whether to move forward with engineering and grant preparation efforts and how to add them into the current proposed budget
- The level of urgency associated with these efforts
- Preferred approaches to funding initial planning activities
- Whether to pursue a single strategy or a combination of options

Staff will use this direction to refine next steps and where applicable, add them to the proposed FY27 Water Fund Budget.

Sincerely,

Andy Adams

City Administrator

City of Highland Haven

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cityadministrator@highlandhaventx.com



City of Highland Haven

FY 2026–27 Water Fund Budget

Big Picture: What We're Trying to Do

The goal of the Water Fund budget is straightforward:

Ensure that the City can operate a safe, compliant, and reliable water system using stable, predictable revenue — regardless of how much water is used in a given year.

Highland Haven is a small city with a groundwater system that operates under strict regulatory limits and serves a population of 1,600 people within its service boundary. Because of that, the City has no room for error. Water use can vary significantly from year to year due to weather, drought, or conservation, but many of the base costs required to provide water do not change.

Starting two years ago, the City adopted a different approach to how water rates and budgets are built so that:

- Required system costs are paid with reliable revenue
- Conservation will not create financial shortfalls
- The City is not dependent on selling more water to remain financially stable
- Costs are allocated in a way that is understandable and fair

This budget continues that approach.

The Guiding Policy

At the core of the Water Fund is this policy:

All base costs required to maintain water availability, safety, and compliance, regardless of usage, shall be recovered through fixed base charges.

Usage-dependent costs shall be recovered through volumetric charges.

In simple terms:

- The cost of **having** a water system is paid first



- The cost of **using more water** is paid second

This policy protects the City and ratepayers from unexpected revenue gaps caused by low-usage years.

A Key Reality: Our Groundwater Permit

The City operates a groundwater system and is legally limited by the Central Texas Groundwater Conservation District in how much water it can pump each year.

- **Permitted maximum annually:** 82 acre-feet per year (about **26.7 million gallons**)

This is a hard ceiling that cannot be exceeded. If this permit level is exceeded, the Central Texas Groundwater Conservation District has the ability to penalize the City by fining us up to \$25,000 per day.

At the same time, the City must maintain the wells, treatment, testing, staffing, billing, and regulatory compliance **year-round**, even during periods of low demand. These obligations exist whether 10 million gallons or 20 million gallons are used.

That reality drives how the Water Fund budget is structured.

How Water System Costs Really Work

Water system costs do not occur all at once. They occur in **layers**, depending on *why* the system exists and *how* it is used. For clarity, the City groups water system costs into three categories.

Category 1: System Essentials — Before One Gallon Is Pumped

These are the costs of **having a legal, functioning water system**, regardless of how much water is used.

They exist because the City is required to provide water service, not because customers are using water.

These costs include:



- Wells, pumps, storage, and distribution infrastructure that must exist and be maintained
- State-licensed operator (TCEQ Requirement) who must be employed or contracted
- Water quality testing, monitoring, and reporting
- Billing, accounting, and revenue management
- Debt service and long-term obligations
- Ongoing compliance with state and federal requirements

Key Takeaway:

Before the City pumps a single gallon of water, it already incurs significant annual costs simply to operate a compliant water system.

Category 2: Base-Funded Permit — Everyday, Predictable Water Use

The second category includes costs that occur once the system is operating at the **basic, everyday level** the City knows it will reach each year.

This includes:

- Routine pump operation
- Baseline electricity and utilities
- Baseline chemical usage
- Routine maintenance and normal equipment wear

This level of use is predictable and stable. Because of that, these costs are funded through **monthly base fees**, which also include a small amount of water for each account.

Key Takeaway:

Base fees cover both the cost of maintaining the system and the cost of delivering basic, everyday water use.



Category 3: Volumetric Usage — Additional and Discretionary Water Use

The third category includes costs that occur **only when water use exceeds the base-funded level.**

These costs include:

- Additional electricity for increased pumping
- Additional chemical usage
- Increased maintenance and equipment wear
- Seasonal or discretionary water demand

These are not new types of costs — they are extensions of baseline costs triggered by higher demand. They are recovered through **volumetric (per-gallon) water rates** and only occur when additional water is actually used.

How Base Fees Work

This is the most important concept to understand.

The monthly base fee pays for the water system to exist — to keep the wells running, the water treated, the system tested, a state required licensed operator, and staff to administer and process bills. It also includes a small amount of water, so every account has access to basic, everyday needs. Water used beyond that amount is paid for separately.

Base fees are not simply a charge for water use. They are a charge for **availability, readiness, and compliance**, with a limited level of water included to reflect baseline system operation and the health, safety and welfare of the community.

How Base Fees Align with the Permit

Base fees fund approximately **12.8 million gallons (or 39 acre feet) per year** of water service — about **48% of the City's annual groundwater permit.**



This base-funded level aligns closely with conservative, low-usage conditions. It represents the portion of the system the City must always be prepared to operate, regardless of annual demand.

Base fees include a limited amount of water for each account:

- Highland Haven, Shady Acres and Nobles residential accounts: **2,000 gallons per month**
- Camp Champion: **250,000 gallons per month**

Together, base fees cover approximately:

12,816,000 gallons per year or 39 acre feet

That represents about **48% of the City's annual groundwater permit.**

Key Takeaway:

Base fees fund roughly half of the water system's permit — the portion the City must always be prepared to provide under conservative, low-usage conditions.

Water use above that level is recovered through volumetric charges.

Where the Money Comes From

Water Fund revenues are grouped based on reliability, just like costs.

City-Controlled Revenues (Base Charges)

Base charges are:

- Predictable
- Stable
- Known in advance
- Independent of weather or customer behavior

For FY 2026–27, base charges are projected at **\$323,350**, which aligns with essential and base-funded permit costs.



Operational / Variable Revenues

These revenues vary by activity and include:

- Volumetric water charges
- Tap fees (which are directly tied to their costs)
- Interest income
- Small miscellaneous revenues

These revenues are projected conservatively and are not relied upon to fund essential system operations.

Why This Structure Works

This approach intentionally aligns **cost type** with **revenue reliability**:

- Essential and baseline costs are funded with dependable base fees
- Variable costs are funded only when water is actually used
- Conservation will not create financial shortfalls
- Higher-use customers pay for the additional cost they create
- The system operates within its permitted limits

The City does not rely on selling more water to remain financially stable.

Bringing It All Together

The following tables illustrate how the Water Fund's revenues are aligned with the costs of operating and maintaining the system. Each table pairs a specific category of revenue with the expenses it is intended to support.

- **Base charges** are designed to recover the fixed, ongoing costs of the water system, such as debt service, staffing, contracted operations, and core administrative and compliance functions.



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- **Volumetric charges** are structured to offset costs that vary with water usage, including variable system operations, administrative support, and compliance activities tied to consumption levels.
- **Other revenues**, such as tap fees, miscellaneous income, and interest earnings, are used to offset corresponding one-time or incidental expenses.

Taken together, these tables demonstrate that projected revenues are structured to cover projected expenses across all categories, resulting in an overall positive balance between total revenues and total system costs.

Revenue-Base Fees: \$323,350		Expense-Base Costs: \$320,233	
Base Fees HH	\$222,500	Bond Expenses	\$107,090
Base Fees N/SA	\$72,950	Contract Operator	\$90,000
Base Fees CC	\$27,900	Staffing (Transfer to GF)	\$64,068
HH = Highland Haven		Maint. & Operations	\$34,000
N/SA = Nobles/Shady Acres		Compliance	\$16,400
CC = Camp Champion		Admin. & Office	\$8,675

Revenue-Volumetric Fees: \$46,550		Expense-Variable Usage: \$41,025	
Volumetric Fees HH	\$34,250	Maint. & Operations	\$35,575
Volumetric Fees N/SA	\$9,700	Admin. & Office	\$4,400
Volumetric Fees CC	\$2,600	Compliance	\$1,050

Revenue-Other Sources: \$11,200		Expense-Other: \$11,200	
Tap Fees	\$9,000	Tap Costs	\$9,000
Misc. Income	\$200	Misc. Costs	\$2,200
Interest Income	\$2,000		

Total Projected Revenues for Water System: **\$381,100**

Total Projected Expenses for Water System: **\$372,508**

Here is the key takeaway:

- Base fees pay for the water system to exist and provide basic service
- Volumetric charges apply only when water use increases



- Required costs are funded with reliable revenue
- Variable costs are matched with variable usage

This structure improves transparency, reduces risk, supports conservation, and protects the long-term health of the water system.

Final Thoughts

The FY 2026–27 Water Fund budget is designed to be:

- Conservative
- Understandable
- Stable under low-usage conditions
- Fair to both low- and high-use customers

Most importantly, it ensures Highland Haven can continue providing safe, reliable water service while complying with regulatory limits and protecting ratepayers from financial instability.

Highland Haven Water Fund Operating		Adopted Budget FY 25-26	Projected Budget FY 25-26	Proposed Budget FY 26-27
Beginning Balance		\$ 149,353	\$ 149,353	\$ 149,353
9000 - Water Fund Revenues				
Charges for Services				
	9210 Water Sales Base Charges	\$ 322,272	\$ 322,272	\$ 323,350
9200	9210 Water Sales Volumetric Charges	\$ 46,562	\$ 46,562	\$ 46,550
	9220 Tap Fees	\$ 9,000	\$ 9,000	\$ 9,000
	9225 Contractor Repair Charges	\$ -	\$ -	\$ -
Total	Charges for Services	\$ 377,834	\$ 377,834	\$ 378,900
	Percentage of Total	27.39%	27.39%	87.31%
Miscellaneous Income				
9230	9231 Miscellaneous Income	\$ 200	\$ 200	\$ 200
Total	Miscellaneous Income	\$ 200	\$ 200	\$ 200
	Percentage of Total	0.01%	0.01%	0.05%
Interest & Income from Investments				
9250	9251 Interest Income	\$ 1,500	\$ 1,500	\$ 2,000
Total	Interest & Income from Investments	\$ 1,500	\$ 1,500	\$ 2,000
	Percentage of Total	0.11%	0.11%	0.46%
Rental Income				
	9510 Building Rental	\$ -	\$ -	\$ 5,000
9500	9520 RV/Covered Rentals	\$ -	\$ -	\$ 21,600
	9530 Boat Trailer Rentals	\$ -	\$ -	\$ 26,250
	9540 Miscellaneous Income	\$ -	\$ -	\$ -
Total	Charges for Services	\$ -	\$ -	\$ 52,850
	Percentage of Total	0.00%	0.00%	12.18%
Grant Funding				
9900	9910 Grant Funding	\$ -	\$ -	\$ -
Total	Grant Funding	\$ -	\$ -	\$ -
Other Financing Sources				
9950	9951 2025 GO Bond Proceeds	\$ 1,000,000	\$ 1,000,000	\$ -
Total	Other Financing Sources	\$ 1,000,000	\$ 1,000,000	\$ -
	Percentage of Total	72.49%	72.49%	0.00%
9000	Water Fund Revenue	\$ 1,379,534	\$ 1,379,534	\$ 433,950
62000 - Water Fund Expenses				
Bond Expenses				
62150	62151 Interest Expense (2019)	\$ 4,180	\$ 4,180	\$ 2,090
	62152 Bond Principal (2019)	\$ 105,000	\$ 105,000	\$ 105,000
Total	Bond Expenses	\$ 109,180	\$ 109,180	\$ 107,090
	Percentage of Total	7.91%	7.91%	27.08%
Administrative & Office				
	62201 Office Supplies	\$ 2,600	\$ 2,600	\$ 2,750
	62206 Software	\$ 2,550	\$ 2,550	\$ 2,500
	62207 Postage	\$ 4,200	\$ 4,200	\$ 4,250
62200	62208 Public Notice Publication	\$ 200	\$ 200	\$ 250
	62210 Travel Reimbursement	\$ 200	\$ 200	\$ 250
	62211 Schools & Training	\$ 500	\$ 500	\$ 500
	62212 Bank Fees	\$ 75	\$ 75	\$ 75
	62213 Food & Beverage	\$ 500	\$ 500	\$ 1,000
Total	Administrative & Office	\$ 10,825	\$ 10,825	\$ 11,575
	Percentage of Total	0.78%	0.78%	2.93%
Chemicals				
62350	62351 Chemicals	\$ 3,900	\$ 3,900	\$ 4,000
Total	Chemicals	\$ 3,900	\$ 3,900	\$ 4,000
	Percentage of Total	0.28%	0.28%	1.01%
Maintenance & Repair				
	62402 Repairs & Service Work	\$ 30,000	\$ 30,000	\$ 25,000
62400	62403 Buildings/Infrastructure	\$ 5,000	\$ 5,000	\$ 5,000
	62405 Material-pipe,pumps,meters	\$ 20,000	\$ 20,000	\$ 15,000
	62407 Generator Maint. & Repairs	\$ 8,500	\$ 8,500	\$ 10,000
Total	Maintenance & Repair	\$ 63,500	\$ 63,500	\$ 55,000
	Percentage of Total	4.60%	4.60%	13.91%
Professional Services				
	62502 Accounting/Audit Fees	\$ 8,250	\$ 8,250	\$ 12,000
	62503 Attorney Fees	\$ 1,100	\$ 1,100	\$ 1,250
62500	62511 Engineering Fees	\$ 1,100	\$ 1,100	\$ 1,250

	62512	Lab Fees	\$ 4,400	\$ 4,400	\$ 4,250
	62513	Contract Operator	\$ 90,000	\$ 90,000	\$ 90,000
Total		Professional Services	\$ 104,850	\$ 104,850	\$ 108,750
		Percentage of Total	7.60%	7.60%	27.50%
		Utilities			
62600	62601	Electric	\$ 8,000	\$ 8,000	\$ 8,000
	62604	Telephone	\$ 1,000	\$ 1,000	\$ 1,000
	62605	Answering Service	\$ -	\$ -	\$ -
Total		Utilities	\$ 9,000	\$ 9,000	\$ 9,000
		Percentage of Total	0.65%	0.65%	2.28%
		Services & Charges			
	62705	Contract Mowing Expense	\$ 1,650	\$ 1,650	\$ 1,650
	62712	Tap Installation	\$ 3,100	\$ 3,100	\$ 3,100
62700	62713	Storage Facilities	\$ 5,450	\$ 5,450	\$ 6,000
	62714	Johnson East Well Water Usage	\$ 500	\$ 500	\$ -
	62715	TCEQ	\$ 1,100	\$ 1,100	\$ 1,250
	62720	Other	\$ -	\$ -	\$ -
	62750	New Property Infrastructure	\$ -	\$ -	\$ 8,750
	62751	New Property Landscaping	\$ -	\$ -	\$ 3,250
	62752	New Property Maintenance	\$ -	\$ -	\$ 6,000
	62753	New Property Administration	\$ -	\$ -	\$ 5,000
Total		Services & Charges	\$ 11,800	\$ 11,800	\$ 35,000
		Percentage of Total	0.86%	0.86%	8.85%
		Membership Fees/Dues			
62800	62806	TRWA Membership	\$ 575	\$ 575	\$ 600
	62807	AWWA	\$ 425	\$ 425	\$ 425
Total		Membership Fees/Dues	\$ 1,000	\$ 1,000	\$ 1,025
		Percentage of Total	0.07%	0.07%	0.26%
		Capital Projects			
	62901	Water Tank Project	\$ -	\$ -	\$ -
62900	62905	Bond Issuance Cost	\$ 75,000	\$ 75,000	\$ -
	62906	Land Acquisition	\$ 750,000	\$ 750,000	\$ -
	62907	Water Infrastructure Impr.	\$ 175,000	\$ 175,000	\$ -
Total		Capital Projects	\$ 1,000,000	\$ 1,000,000	\$ -
		Percentage of Total	72.49%	72.49%	0.00%
62000		Water Fund Expenses	\$ 1,314,055	\$ 1,314,055	\$ 331,439.50
76000 - Interfund Transfers					
		Transfers In			
76010	76010	Transfers in from General Fund	\$ -	\$ -	\$ -
	76010	Transfers in From Solid Waste	\$ -	\$ -	\$ -
	76010	Other Transfers in	\$ -	\$ -	\$ -
Total		Transfers In	\$ -	\$ -	\$ -
		Transfers Out			
	76020-1	Transfers To General Fund	\$ 65,479	\$ 65,479	\$ 64,068
76020	76020-2	Transfers to Water Fund	\$ -	\$ -	\$ -
	76020-3	Transfers to Solid Waste Fund	\$ -	\$ -	\$ -
	76020-4	Transfers to GF CIP	\$ -	\$ -	\$ -
	76020-5	Transfers to HHWS CIP	\$ -	\$ -	\$ -
Total		Transfers Out	\$ 65,479	\$ 65,479	\$ 64,068
		Percentage of Total	4.75%	4.75%	16.20%
Total Revenues and Transfers In			\$ 1,379,534	\$ 1,379,534	\$ 433,950
Total Expenses and Transfers Out			\$ 1,379,534	\$ 1,379,534	\$ 395,508
Balance: Total Revenues and Transfers in Minus Total Expenses and Transfers out			\$ -	\$ -	\$ 38,442
Total Revenues, Transfers In Plus Beginning Balance			\$ 1,528,887	\$ 1,528,887	\$ 583,303
Ending Balance			\$ 149,353	\$ 149,353	\$ 187,796
30% Ending Balance			\$ 113,860		\$ (181,348)
50% Ending Balance			\$ 189,767		\$ (302,246)

9200 - Charges for Services		
<u>Amount</u>		
9210 Water Sales		Notes
1 Base Charges Highland Haven	\$ 222,500.00	314 Connections, \$59 per month
2 Base Charges Nobles/Shady Acres	\$ 72,950.00	95 Connections, \$64 per month
3 Base Charges Camp Champion	\$ 27,900.00	1 Connection, \$2250 per month
4 Volumetric Charges HH	\$ 34,250.00	Low End Volumetric Usage
5 Volumetric Charges Nob/SA	\$ 9,700.00	Low End Volumetric Usage
6 Volumetric Charges CC	\$ 2,600.00	Low End Volumetric Usage
Total	\$ 369,900.00	
9220 Tap Fees		
1 Tapp Fees	\$ 9,000.00	1-2 New Taps Annually
Total	\$ 9,000.00	
Total 9200	\$ 378,900.00	

9230 Miscellaneous Income		
<u>Amount</u>		
9231 Miscellaneous Income		Notes
1 Miscellaneous Income	\$ 200.00	Invoiced Repairs, Scrap Salvage, Misc.
Total	\$ 200.00	
Total 9230	\$ 200.00	

9250 - Interest and Income from Investments		
<u>VAR</u>		
9251 Interest Income		Notes
1 Interest Income from TexPool	\$ 2,000.00	Interest from Tex Pool Water Account
Total	\$ 2,000.00	
Total 9250	\$ 2,000.00	

9500 - Rental Income		
<u>VAR</u>		
9510 Building Rentals		Notes
1 Building Rental Fees	\$ 5,000.00	Rental of Storage Building
Total	\$ 5,000.00	
9520 RV/Covered Rentals		Notes
1 Power Covered Rental Fees	\$ 12,000.00	\$1500 per space, per year (8 spaces)
2 No Power Covered Rental Fees	\$ 9,600.00	\$800 per space, per year (12 spaces)
Total	\$ 21,600.00	
9530 Boat Trailer Rentals		
1 Boat Trailer Rental Fees	\$ 26,250.00	\$350 per space, per year (75 spaces)
Total	\$ 26,250.00	
9540 Miscellaneous Income		
1 Misc. Income	\$ -	Late fees, deposit forfeitures, misc.
Total	\$ -	
Total 9500	\$ 52,850.00	

9900 - Grant Funding		
<u>VAR</u>		
9910 Grant Funding		Notes
1 Grant Funding	\$ -	Any income from Grants
Total	\$ -	
Total 9900	\$ -	

9950 - Other Funding Sources		
<u>VAR</u>		
9951 2025 GO Bond Proceeds		Notes
1 Ad Valorem Taxes	\$ -	Funds received from 2025 GO Bonds
Total	\$ -	
Total 9950	\$ -	

62150 - Bond Expenses			
62151 Interest Expense (2019)			Notes
	1 March Interest Payment	\$ 1,044.75	First Interest Payment
	2 August Interest Payment	\$ 1,044.75	Second Interest Payment
	Total	\$ 2,089.50	
62152 Bond Principal (2019)			
	1 Computer Replacement	\$ 105,000.00	Principal Payment
	Total	\$ 105,000.00	
	Total 62150	\$	107,089.50

62200 - Administrative and Office			
62201 Office Supplies			Notes
	1 Billing Cards	\$ 1,600.00	\$400 Quarterly
	2 Pens, Pencils, Notepads, Etc.	\$ 400.00	As needed
	3 Cleaning Supplies	\$ 400.00	As needed
	4 Paper Goods	\$ 350.00	As needed
	Total	\$ 2,750.00	
62206 Software			
	1 RVS Software	\$ 2,000.00	Software that tracks usage and sends out bills
	2 Misc. Software for Water	\$ 500.00	Like Adobe
	Total	\$ 2,500.00	
62207 Postage			
	1 Postage for Bills	\$ 4,000.00	Prepaid with USPS, \$1,000 quarterly
	2 Postage	\$ 250.00	For late bills, letters, etc.
	Total	\$ 4,250.00	
62208 Public Notice Publication			
	1 Public Notice Costs	\$ 250.00	For any required public notice postings
	Total	\$ 250.00	
62210 Travel Reimbursement			
	1 Mileage Reimbursement	\$ 250.00	Mileage Reimbursement as needed for staff travel
	Total	\$ 250.00	
62211 Schools & Training			
	1 RVS Training	\$ 500.00	Training for RVS Software
	Total	\$ 500.00	
62212 Bank Fees			
	1 Bank Fees for GF Accounts	\$ 75.00	Bank fees associated with Water Fund
	Total	\$ 75.00	
62213 Food & Beverage			
	1 Town Hall Gatherings	\$ 900.00	Food/Drink for Town Hall events
	2 Misc. Food & Beverage	\$ 100.00	Misc. food/drink costs
	Total	\$ 1,000.00	
	Total 62200	\$	11,575.00

62350 - Chemicals			
62351 Chemicals			Notes
	1 Chlorine	\$ 4,000.00	Chlorine for water treatment, \$1,000 quarterly
	Total	\$ 4,000.00	
	Total 62350	\$	4,000.00

62400 - Maintenance & Repair			
62402 Repairs & Service Work			Notes
	1 AJ Management Repairs	\$ 10,800.00	\$150 per hr, six hours per month budgeted
	2 Well Repairs/Service	\$ 4,200.00	Labor costs for any well repairs or service
	3 3rd Party Repairs/Service	\$ 10,000.00	Labor costs for any 3rd party water repair
	Total	\$ 25,000.00	
62403 Buildings/Infrastructure			
	1 Building updates at Water Plant	\$ 4,000.00	Lighting, insulation, etc.
	2 Updates to Storage Unit Rental	\$ 1,000.00	Storage racks, lighting, insulation, etc.
	Total	\$ 5,000.00	
62405 Material-pipe, pump, meters			
	1 Water Meters & Materials	\$ 4,000.00	\$1,000 quarterly (2-5 new meters)
	2 Pipe and Service Line Materials	\$ 5,000.00	\$1,250 quarterly for new pipe as needed
	3 Pump and Pump related material:	\$ 4,000.00	New pumps, motors or controls/electrical
	4 Valves, fittings and misc. materiæ	\$ 2,000.00	Misc. valves, fittings, saddles, clamps, gaskets, etc.
	Total	\$ 15,000.00	
62407 Generator Maint. & Repairs			
	1 Annual PM	\$ 2,000.00	Big annual performative maintenance
	2 Other 3 quarter PMs	\$ 3,000.00	Performative maintenance for other 3 quarters
	3 Generator materials/supplies	\$ 5,000.00	For replacment parts, repairs, etc for Generator
	Total	\$ 10,000.00	
	Total 62400	\$	55,000.00

62500 - Professional Services			
62502 Accounting/Audit Fees			Notes
	1 Annual Audit	\$ 7,500.00	General Fund portion of Annual Audit
	2 Accounting Fees	\$ 4,500.00	\$375 Monthly 3rd Party Accounting Cost
	Total	\$ 12,000.00	
62503 Attorney Fees			
	1 Legal Opinions	\$ 450.00	As needed for water
	2 Monthly Meetings	\$ 450.00	As needed for water
	3 Appearances	\$ 350.00	As needed for water
	Total	\$ 1,250.00	
62511 Engineering Fees			
	1 Engineering as needed	\$ 1,250.00	3rd Party Engineering Firm as needed
	Total	\$ 1,250.00	
62512 Lab Fees			
	1 Lab fees	\$ 4,250.00	Water sent off to be tested in lab (state required)
	Total	\$ 4,250.00	
62513 Contract Operator			
	1 AJ Management	\$ 90,000.00	Licensed Operator \$7,500 monthly (state required)
	Total	\$ 90,000.00	
	Total 62500	\$	108,750.00

62600 - Utilities			
62601 Electric			Notes
	1 Water Plant PEC	\$ 5,050.00	\$150 Monthly
	2 Well # 2 PEC	\$ 2,200.00	As needed
	3 Well # 5 PEC	\$ 750.00	As needed
	Total	\$ 8,000.00	
62604 Telephone			
	1 Sensaphone	\$ 1,000.00	Monitor System for Water System
	Total	\$ 1,000.00	
	Total 62600	\$	9,000.00

62700 - Services & Charges			
62705 Contract Mowing Expense			Notes
	1 Mowing of Lot 409	\$ 1,650.00	12 mowings, \$137.50 per mow
	Total	\$ 1,650.00	
62712 Tap Installation			
	1 Tap Installation Materials	\$ 3,100.00	New tap materials and supplies (1-2 new taps)
	Total	\$ 3,100.00	
62713 Storage Facilities			
	1 Storage Unit - Small	\$ 650.00	Annual Cost to POA
	2 Storage Unit - Large	\$ 5,350.00	Annual Cost to POA
	Total	\$ 6,000.00	
62714 Johnson East Well Water Usage			
	1 Royalty Agreement for Well 5	\$ -	If owned by City, should no longer need
	Total	\$ -	
62715 TCEQ			
	1 TCEQ Annual Cost	\$ 1,000.00	Annual fee to TCEQ
	2 TCEQ Other Costs	\$ 250.00	Other fees as needed for TCEQ
	Total	\$ 1,250.00	
62750 New Property Infrastructure			
	1 Fencing	\$ 6,000.00	Annual Subscription for staff and elected officials
	2 Base Material	\$ 1,500.00	Annual Subscription for building permits
	3 Building	\$ 1,250.00	Monthly subscription for staff
	Total	\$ 8,750.00	
62751 New Property Landscaping			
	1 Landscaping	\$ 3,250.00	Landscape Materials for new property
	Total	\$ 3,250.00	
62752 New Property Maintenance			
	1 Mowing	\$ 5,400.00	12 Mowings at \$450 per mow
	2 Cleanup	\$ 600.00	Clean and Remove any debris on property
	Total	\$ 6,000.00	
62753 New Property Administration			
	1 Administrative & Office	\$ 5,000.00	Supplies needed to manage new property/rentals
	Total	\$ 5,000.00	
	Total 62700	\$	35,000.00

62800 - Memberships			
62806 TRWA			Notes
	1 Membership Fee TRWA	\$ 600.00	Texas Rural Water Assoc., Annual Fee
	Total	\$ 600.00	
62807 AWWA			
	1 Membership Fee AWWA	\$ 425.00	American Water Works Annual Fee
	Total	\$ 425.00	
	Total 62800	\$	1,025.00

62900 - Capital Projects			
62999 Capital Reserve			Notes
	1 Available for Capital Projects	\$ 38,442.42	Difference between Revenue and Expense for CP
	Total	\$ 38,442.42	
	Total 62900	\$	38,442.42