

BAYTOWN AREA WATER AUTHORITY (BAWA)

**ANNUAL PROGRAM OF SERVICES
2016-17**

ADOPTED BUDGET



BAYTOWN AREA WATER AUTHORITY BOARD OF DIRECTORS

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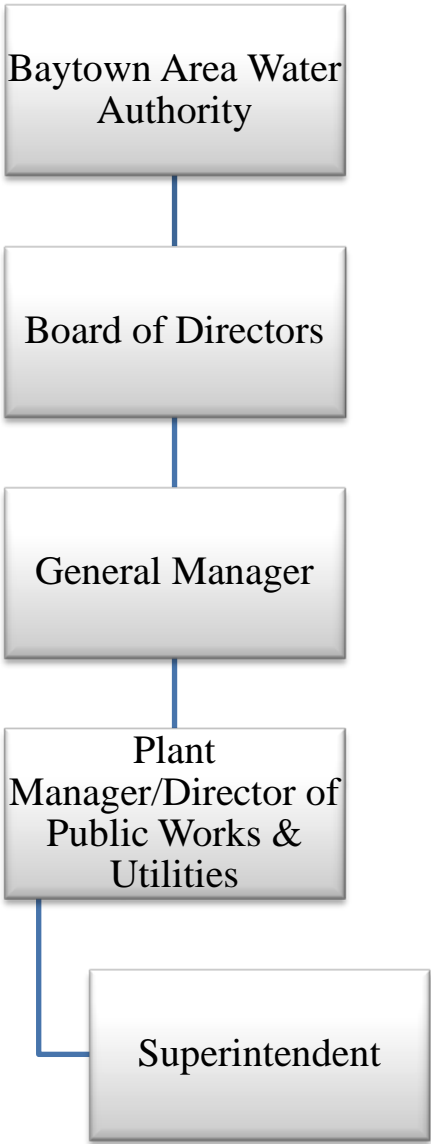
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BAYTOWN AREA WATER AUTHORITY (BAWA)

ORGANIZATION CHART



BAYTOWN AREA WATER AUTHORITY
MAJOR BUDGET ISSUES
FISCAL YEAR 2016-17

This fund accounts for the operations of the Baytown Area Water Authority (BAWA). BAWA is a water authority created by the Texas Legislature to supply water for the City of Baytown (City) and surrounding communities. BAWA services a total of eight customers with the City as the largest customer, generating approximately 88% of BAWA's annual sales. BAWA is a separate legal entity; however, it is considered a component unit of the City. Since it began operating, BAWA has not experienced shortages of its raw water supply to the plant or interruptions of service to its customers.

REVENUES

The 2016-17 adopted budget estimates sales of \$12,753,398 for an average of 12.25 million gallons per day (MGD). Fluctuations in rainfall amounts can significantly impact actual sales. Although the Utility Rate Study calls for a 3.5% increase, the existing rate structure will provide adequate funding to exceed both working capital and bonded debt coverage (1.25%) minimums. Therefore, no rate increase is included for the 2016-17 adopted budget. The existing rate structure of \$2.74 per 1,000 gallons for the City of Baytown and \$2.78 per 1,000 gallons for customers outside the city will remain the same.

EXPENDITURES

Total operating expenditures for the adopted 2016-17 budget are \$6,137,397 which is a decrease of \$138,978 from the 2015-16 budget. This budget includes two additional Water Plant Operators in anticipation for the BAWA East Water Treatment Plant and also includes a transfer of \$350,000 to the General Fund for an indirect cost allocation to reimburse the City for administrative services such as Human Resources, Fiscal Operations, Legal and Information Technology Services. Highlights of major operating changes are as follows:

• Increase in personnel services	\$ 192,689
• Decrease in supplies	(423,600)
• Increase in maintenance	22,700
• Increase in services	69,233
• Decrease in capital outlay	(46,600)
• Decrease in transfers out-capital improvements	(763,671)

Raw Water Supply Cost – BAWA purchases raw water from the City of Houston. The raw water supply contract with the City of Houston is in effect through the year 2040, and sets the maximum amount of raw water to be delivered to the BAWA plant at 20 MGD without penalties. The surcharge for water purchased over the 20 MGD is nominal at this time. BAWA received notice of a rate increase (1.4%) from \$0.6506 to \$0.6597 effective April 1, 2016. The annual rate adjustment is intended to help cover the City of Houston's cost increases that impact the provision of safe, clean drinking water and the collection and treatment of wastewater. This includes operational costs as well as the costs involved in repairing portions of the City of Houston system's aging infrastructure.

BAYTOWN AREA WATER AUTHORITY
MAJOR BUDGET ISSUES
FISCAL YEAR 2016-17

Debt Service – The transfer to cover the debt service requirement for the adopted 2016-17 budget is \$2,423,392. New debt related to the BAWA East Water Treatment Plant construction of about \$16 million has also been included in this budget.

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program for BAWA is funded through the issuance of revenue bonds, grants, and revenue from operations.

- BAWA East Water Treatment Plant: Development of a six (6) million gallons per day (MGD) surface water treatment plant south of Interstate Highway (IH) 10 and west of SH 99 along the Coastal Water Authority (CWA) Barbers Hill Canal. The design will provide for the ability to expand the plant based on future water demands and allow the plant to convert to salt water treatment (desalinization) ensuring long term viability.
- BAWA Fritz Lanham Water Treatment Plant: Improvements to this facility include replacing the chemical bulk storage tanks, rehabilitating sedimentation basin 3, site paving, adding a liquid ammonia feed system, adding a liquid lime feed system and improvement of the post filtration chemical system.

WORKING CAPITAL

In order to maintain fiscal stability, governmental entities maintain a working capital balance to meet daily liquidity needs. Appropriate levels of working capital vary from entity to entity based on the relative impact of particular circumstances or financial conditions. Working capital is defined as current assets (e.g., cash, investments and accounts receivable) less current liabilities (e.g., accounts payable).

In the 2016-17 adopted budget, BAWA's working capital level at year end is projected to represent 187 days of operating expenditures; a contingency line item of \$75,000 is provided; plus we are able to transfer out \$4,680,000 to BAWA's Capital Improvement Project Fund (CIPF). The \$4,680,000 will be available for funding future capital projects, and to help downsize future borrowing requirements.

3070 BAYTOWN AREA WATER AUTHORITY – PROGRAM SUMMARY

Program Description

BAWA operates and maintains a 26 Million Gallon per Day (MGD) surface water treatment facility. It has a projected raw water flow of 12.25 MGD and projected finished water flow of 12.25 MGD for fiscal year 2015-16. BAWA currently serves 8 surrounding area customers, including the City of Baytown, which uses 87% of BAWA's production. Operations personnel ensure the facility's compliance with the Texas Commission on Environmental Quality's (TCEQ) Rules and Regulations for Public Water Supplies. BAWA provides its customers with high quality, safe drinking water and consistent water pressure for fire protection.

Major Goals

- Maintain water quality necessary to be classified as "Meeting Optimum Corrosion Control" by TCEQ.
- Maintain "Superior Public Water System" status.
- Maintain standards for the Texas Optimization Program - a voluntary program through TCEQ that promotes the optimization of surface water treatment plants, by identifying and addressing the various factors that limit performance in order to lower the risk of waterborne disease.
- Develop and maintain a staff of highly trained water professionals through continuing education classes and hands on training.

Major Objectives

- Produce 12.25 MGD of finished water.
- Maintain finished water turbidity (haze measurement) consistently < 0.1 NTU.
- Maintain compliance with all TCEQ and EPA regulations.

BAYTOWN AREA WATER AUTHORITY FUND 510
BUDGET SUMMARY BY FUND

	Actual 2014-15	Budget 2015-16	Estimated 2015-16	Adopted 2016-17
Revenues				
Sale of Water - Baytown	\$ 10,621,625	\$ 10,800,732	\$ 11,034,141	\$ 11,254,823
Sale of Water - Other	1,510,602	1,572,027	1,469,191	1,498,575
Interest Revenue	2,893	2,040	10,514	10,724
Miscellaneous	599	-	750	750
Transfer From W&S Fund & WWIS Fund	63,700	67,463	67,463	100,104
Total Revenues	<u>12,199,419</u>	<u>12,442,262</u>	<u>12,582,059</u>	<u>12,864,976</u>
Expenditures				
Personnel Services	925,531	1,258,130	1,185,620	1,450,819
Supplies	3,825,616	4,137,663	3,563,138	3,714,063
Maintenance	200,089	224,800	227,830	247,500
Services	710,816	655,782	628,988	725,015
Total Operating	<u>5,662,053</u>	<u>6,276,375</u>	<u>5,605,576</u>	<u>6,137,397</u>
Capital Outlay	54,297	136,600	133,342	90,000
Transfers Out - Debt Service	2,947,903	3,187,063	3,187,063	2,423,392
Transfers Out - Capital Improvement	4,000,000	4,680,000	4,680,000	4,680,000
Transfers Out - General Fund	350,000	350,000	350,000	350,000
Contingency	-	75,000	-	75,000
Total Expenditures	<u>13,014,252</u>	<u>14,705,038</u>	<u>13,955,981</u>	<u>13,755,789</u>
Excess (Deficit) Revenues				
Over Expenditures	(814,833)	(2,262,776)	(1,373,922)	(890,813)
GAAP to budget basis adjustment	(69,586)	-	-	-
Working Capital - Beginning	<u>6,293,679</u>	<u>5,409,260</u>	<u>5,409,260</u>	<u>4,035,338</u>
Working Capital - Ending	<u>\$ 5,409,260</u>	<u>\$ 3,146,484</u>	<u>\$ 4,035,338</u>	<u>\$ 3,144,525</u>
Days of Operating Expenditures	349	183	263	187

3070 BAYTOWN AREA WATER AUTHORITY- SERVICE LEVEL BUDGET

Acct#	Acct Description	Actual 2014-15	Budget 2015-16	Estimated 2015-16	Adopted 2016-17
7100	Personnel Services				
71031	Contract Personnel BAWA	\$ 925,531	\$ 1,258,130	\$ 1,185,620	\$ 1,450,819
	Total Personnel Services	925,531	1,258,130	1,185,620	1,450,819
7200	Supplies				
72001	Office Supplies	3,216	2,900	2,900	3,100
72002	Postage Supplies	352	380	380	380
72007	Wearing Apparel	4,335	6,300	6,300	6,300
72016	Motor Vehicle Supplies	11,433	5,000	5,000	5,000
72021	Minor Tools	1,012	2,400	2,400	2,400
72022	Fuel For Generators	-	10,000	10,000	10,000
72026	Cleaning & Janitorial Sup	1,446	2,000	2,000	2,000
72031	Chemical Supplies	664,393	680,500	680,500	680,500
72032	Medical Supplies	635	700	700	700
72041	Educational Supplies	1,695	2,000	2,000	2,000
72051	Untreated Water Supplies	3,119,831	3,403,483	2,828,958	2,979,683
72055	Laboratory Supplies	17,268	22,000	22,000	22,000
	Total Supplies	3,825,616	4,137,663	3,563,138	3,714,063
7300	Maintenance				
73011	Buildings Maintenance	4,241	6,300	7,000	17,000
73027	Heat & Cool Sys Maint	959	5,500	5,500	5,500
73028	Electrical Maintenance	28,122	30,000	30,000	40,000
73041	Furniture/Fixtures Maint	188	1,000	1,330	3,000
73042	Machinery & Equip Maint	157,456	175,000	175,000	175,000
73043	Motor Vehicles Maint	9,124	7,000	9,000	7,000
	Total Maintenance	200,089	224,800	227,830	247,500
7400	Services				
74001	Communication	5,047	-	-	-
74002	Electric Service	512,176	532,674	505,880	526,115
74011	Equipment Rental	12,304	15,000	15,000	15,000
74021	Special Services	166,575	80,000	80,000	160,000
74022	Audits	6,890	13,150	13,150	13,500
74036	Advertising	626	500	500	500
74042	Education & Training	7,198	8,900	8,900	9,900
74241	Auto Collision	-	642	642	-
74271	Mobile Equipment	-	209	209	-
74272	Real & Personal Property	-	3,626	3,626	-
74277	Flood Insurance	-	966	966	-
74280	Bonds	-	115	115	-
	Total Services	710,816	655,782	628,988	725,015
	Total Operating	5,662,053	6,276,375	5,605,576	6,137,397
8000	Capital Outlay				
80001	Furniture & Equip <\$5000	54,297	-	-	-
82011	Building & Improvements	-	12,000	12,000	-
84042	Machinery & Equipment	-	71,000	71,000	90,000
84043	Motor Vehicles	-	53,600	50,342	-
	Total Capital Outlay	54,297	136,600	133,342	90,000

3070 BAYTOWN AREA WATER AUTHORITY- SERVICE LEVEL BUDGET
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Acct#	Acct Description	Actual 2014-15	Budget 2015-16	Estimated 2015-16	Adopted 2016-17
9000	Other Financing Uses				
91511	To BAWA Debt Service	2,947,903	3,187,063	3,187,063	2,423,392
91518	To BAWA CIPF Fund	4,000,000	4,680,000	4,680,000	4,680,000
92101	Expense - General Fund	350,000	350,000	350,000	350,000
	Total Other Financing Uses	<u>7,297,903</u>	<u>8,217,063</u>	<u>8,217,063</u>	<u>7,453,392</u>
9900	Contingencies				
99001	Contingencies	-	75,000	-	75,000
	Total Contingencies	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
	TOTAL DEPARTMENT	<u>\$ 13,014,252</u>	<u>\$ 14,705,038</u>	<u>\$ 13,955,981</u>	<u>\$ 13,755,789</u>

BAWA - CAPITAL IMPROVEMENT PROGRAM FUND 518

BUDGET SUMMARY BY FUND

	Actual 2014-15	Carried- forward 2014-15	Adopted 2015-16	Budget 2015-16	Estimated 2015-16	Carried- forward 2015-16	Allocation 2016-17	Budget 2016-17
Revenues								
Transfer In from Operating Fund	\$ 4,000,000	\$ -	\$ 4,680,000	\$ 4,680,000	\$ 4,680,000		\$ 4,680,000	\$ 4,680,000
Interest Revenue	3,340	-	6,500	6,500	18,000		20,000	20,000
Total Revenues	4,003,340	-	4,686,500	4,686,500	4,698,000	-	4,700,000	4,700,000
Expenditures								
Thompson Rd Utility Relocation	-	46,382	-	46,382	-	46,382	-	46,382
BAWA East Plant Engineering	1,619,337	1,805,485	-	1,805,485	215,001	1,590,484	-	1,590,484
BAWA East Plant	286,701	279,686	-	431,366	431,366	-	-	-
SCADA System	363,971	597,835	650,000	1,247,835	353,901	893,934	-	893,934
Completed and closed projects	305,874	-	-	-	-	-	-	-
Chemical Feed System Improvements	54,026	410,974	-	675,974	317,066	358,908	-	358,908
Flocculation Ratings Study	-	-	-	30,000	30,000	-	-	-
High Service Pumps	-	48,000	5,500,000	5,548,000	47,670	5,500,330	-	5,500,330
Rehab Flocculation Basin	64,278	-	100,000	100,000	100,000	-	-	-
Rehab Sedimentation Basin	-	-	100,000	104,738	104,738	-	-	-
Transfer Pump and Motor	-	-	186,000	186,000	186,000	-	-	-
Chain & Flight for Basin Three	-	-	-	-	-	-	100,000	100,000
Chemical Systems - Replace Bulk Tank	-	-	-	-	-	-	1,100,000	1,100,000
LAS System Addition	-	-	-	-	-	-	480,000	480,000
Lime System Addition	-	-	-	-	-	-	390,000	390,000
Site Paving	-	-	-	-	-	-	300,000	300,000
Post Filtration Chemicals	-	-	-	-	-	-	144,000	144,000
New Capital Project Initiatives	-	790,406	709,594	1,048,582	-	1,048,582	-	1,048,582
Total Expenditures	2,839,534	3,978,768	7,245,594	11,224,362	1,785,742	9,438,620	2,514,000	11,952,620
Excess (Deficit) Revenues								
Over Expenditures	1,163,806	(3,978,768)	(2,559,094)	(6,537,862)	2,912,258	(9,438,620)	2,186,000	(7,252,620)
Working Capital - Beginning	6,775,699	7,939,505	3,960,737	7,939,505	7,939,505	10,851,763	1,413,143	\$ 10,851,763
Working Capital - Ending	\$ 7,939,505	\$ 3,960,737	\$ 1,401,643	\$ 1,401,643	\$ 10,851,763	\$ 1,413,143	\$ 3,599,143	\$ 3,599,143

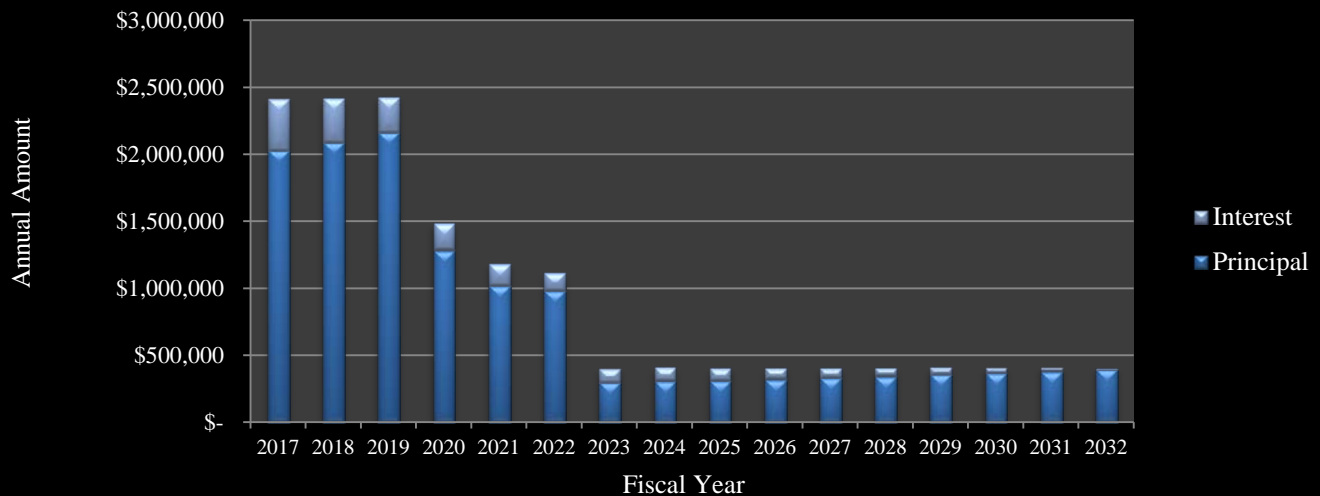
**BAYTOWN AREA WATER AUTHORITY REVENUE BONDS
LONG TERM DEBT AMORITIZATION SCHEDULES**

Revenue Bonds	Amount of Issue	Principal Outstanding Oct. 1, 2016	Principal & Interest Requirements for 2016-17			Principal Outstanding Sept. 30, 2017
			Principal	Interest	Total	
Series 2006	\$ 9,975,000	\$ 4,160,000	\$ 655,000	\$ 118,980	\$ 773,980	\$ 3,505,000
Series 2007	6,505,000	2,600,000	835,000	108,412	943,412	1,765,000
Series 2012	8,315,000	6,265,000	540,000	166,000	706,000	5,725,000
		<u>\$ 13,025,000</u>	<u>\$ 2,030,000</u>	<u>\$ 393,392</u>	<u>\$ 2,423,392</u>	<u>\$ 10,995,000</u>

**Combined BAWA Debt, All Series
Debt Requirements to Maturity**

Fiscal Year	Principal 5/01	Total Interest	Total Requirement
2017	\$ 2,030,000	\$ 393,392	\$ 2,423,392
2018	2,090,000	331,180	2,421,180
2019	2,165,000	264,518	2,429,518
2020	1,290,000	195,060	1,485,060
2021	1,025,000	162,870	1,187,870
2022	985,000	135,756	1,120,756
2023	300,000	108,394	408,394
2024	310,000	100,894	410,894
2025	315,000	92,368	407,368
2026	325,000	82,918	407,918
2027	335,000	73,168	408,168
2028	345,000	62,700	407,700
2029	360,000	51,488	411,488
2030	370,000	39,788	409,788
2031	385,000	27,300	412,300
2032	395,000	13,826	408,826
Total	<u>\$ 13,025,000</u>	<u>\$ 2,135,620</u>	<u>\$ 15,160,620</u>

Combined BAWA Debt, All Series Debt Requirements to Maturity



**BAYTOWN AREA WATER AUTHORITY REVENUE BONDS
DETAIL DEBT AMORTIZATION SCHEDULES**

Revenue Bonds		Funding: BAWA-WWIS					\$ 9,975,000	
Series 2006		Date of Issue - June 14, 2006					Term - 20 Years	
Fiscal Year	Interest Rate	Principal Due 5/01	Interest Due 11/01	Interest Due 5/01	Total Interest	Annual Requirement	Principal Outstanding	
2007	2.25%	\$ 595,000	\$ 2,115	\$ 51,400	\$ 53,515	\$ 648,515	\$ 9,380,000	
2008	2.25%	530,000	77,040	107,112	184,152	714,152	8,850,000	
2009	2.30%	540,000	103,045	107,542	210,587	750,587	8,310,000	
2010	2.30%	550,000	104,650	111,509	216,159	766,159	7,760,000	
2011	2.35%	565,000	105,184	105,184	210,368	775,368	7,195,000	
2012	2.40%	580,000	98,545	98,545	197,090	777,090	6,615,000	
2013	2.50%	590,000	91,585	91,585	183,170	773,170	6,025,000	
2014	2.60%	605,000	84,210	84,210	168,420	773,420	5,420,000	
2015	2.65%	620,000	76,345	76,345	152,690	772,690	4,800,000	
2016	2.70%	640,000	68,130	68,130	136,260	776,260	4,160,000	
2017	2.75%	655,000	59,490	59,490	118,980	773,980	3,505,000	
2018	2.80%	675,000	50,484	50,484	100,968	775,968	2,830,000	
2019	2.85%	695,000	41,034	41,034	82,068	777,068	2,135,000	
2020	2.90%	710,000	31,130	31,130	62,260	772,260	1,425,000	
2021	2.90%	735,000	20,835	20,835	41,670	776,670	690,000	
2022	2.95%	690,000	10,178	10,178	20,356	710,356	-	
		\$ 9,975,000	\$ 1,024,000	\$ 1,114,713	\$ 2,138,713	\$ 12,113,713		

Call Option: Bonds maturing on 05/01/2017 to 05/01/2022 callable in whole or in part inversely on any date beginning 05/01/2016 @ par.

Revenue Bonds		Funding: BAWA					\$ 6,505,000	
Series 2007		Date of Issue - February 1, 2007					Term - 13 Years	
Fiscal Year	Interest Rate	Principal Due 5/01	Interest Due 11/01	Interest Due 5/01	Total Interest	Annual Requirement	Principal Outstanding	
2007		\$ -	\$ -	\$ 66,153	\$ 66,153	\$ 66,153	\$ 6,505,000	
2008	4.00%	40,000	132,306	132,306	264,612	304,612	6,465,000	
2009	4.00%	40,000	131,506	131,506	263,012	303,012	6,425,000	
2010	4.00%	45,000	130,706	130,706	261,412	306,412	6,380,000	
2011	4.00%	45,000	129,806	129,806	259,612	304,612	6,335,000	
2012	4.00%	695,000	128,906	128,906	257,812	952,812	5,640,000	
2013	4.00%	715,000	115,006	115,006	230,012	945,012	4,925,000	
2014	4.00%	745,000	100,706	100,706	201,412	946,412	4,180,000	
2015	4.00%	775,000	85,806	85,806	171,612	946,612	3,405,000	
2016	4.00%	805,000	70,306	70,306	140,612	945,612	2,600,000	
2017	4.00%	835,000	54,206	54,206	108,412	943,412	1,765,000	
2018	4.25%	865,000	37,506	37,506	75,012	940,012	900,000	
2019	4.25%	900,000	19,125	19,125	38,250	938,250	-	
		\$ 6,505,000	\$ 1,135,891	\$ 1,202,044	\$ 2,337,935	\$ 8,842,935		

Call Option: Bonds maturing on 05/01/2016 to 05/01/2019 callable in whole or in part on any date beginning 05/01/2015 @ par.

**BAYTOWN AREA WATER AUTHORITY REVENUE BONDS
DETAIL DEBT AMORTIZATION SCHEDULES**

Revenue Bonds		Funding: BAWA					\$ 8,315,000	
Series 2012		Issue Date - March 29, 2012					Term-20 Yrs	
Fiscal Year	Interest Rate	Principal Due 5/01	Interest Due 11/01	Interest Due 5/01	Total Interest	Annual Requirement	Principal Outstanding	
2013	2.00%	\$ 485,000	\$ 123,050	\$ 103,500	\$ 226,550	\$ 711,550	\$ 7,830,000	
2014	2.00%	510,000	98,650	98,650	197,300	707,300	7,320,000	
2015	2.00%	520,000	93,550	93,550	187,100	707,100	6,800,000	
2016	2.00%	535,000	88,350	88,350	176,700	711,700	6,265,000	
2017	2.00%	540,000	83,000	83,000	166,000	706,000	5,725,000	
2018	2.00%	550,000	77,600	77,600	155,200	705,200	5,175,000	
2019	2.00%	570,000	72,100	72,100	144,200	714,200	4,605,000	
2020	2.00%	580,000	66,400	66,400	132,800	712,800	4,025,000	
2021	2.00%	290,000	60,600	60,600	121,200	411,200	3,735,000	
2022	2.38%	295,000	57,700	57,700	115,400	410,400	3,440,000	
2023	2.50%	300,000	54,197	54,197	108,394	408,394	3,140,000	
2024	2.75%	310,000	50,447	50,447	100,894	410,894	2,830,000	
2025	3.00%	315,000	46,184	46,184	92,368	407,368	2,515,000	
2026	3.00%	325,000	41,459	41,459	82,918	407,918	2,190,000	
2027	3.13%	335,000	36,584	36,584	73,168	408,168	1,855,000	
2028	3.25%	345,000	31,350	31,350	62,700	407,700	1,510,000	
2029	3.25%	360,000	25,744	25,744	51,488	411,488	1,150,000	
2030	3.38%	370,000	19,894	19,894	39,788	409,788	780,000	
2031	3.50%	385,000	13,650	13,650	27,300	412,300	395,000	
2032	3.50%	395,000	6,913	6,913	13,826	408,826	-	
		<u>\$ 8,315,000</u>	<u>\$ 1,147,422</u>	<u>\$ 1,127,872</u>	<u>\$ 2,275,294</u>	<u>\$ 10,590,294</u>		

Call Option: Bonds maturing on 05/01/2023 to 05/01/2032 callable in whole or in part on any date beginning 05/01/2022 @ par.

**CITY OF HOUSTON
UNTREATED WATER RATES**

Effective Month/Year	Rate
04/81	.22142
02/83	.24157
10/86	.25123
10/87	.28022
01/88	.26591 FIRST 150 MGD/PER 1,000, .26113 NEXT 150 MGD
08/88	.28426 FIRST 300 MGD/PER 1,000, .27915 NEXT 300 MGD
07/89	.29344 FIRST 300 MGD/PER 1,000, .28817 NEXT 300 MGD
08/90	.31178 FIRST 300 MGD/PER 1,000, .30618 NEXT 300 MGD
02/92	.31820 FIRST 300 MGD/PER 1,000, .31249 NEXT 300 MGD
10/93	.32907 FIRST 300 MGD/PER 1,000, .32316 NEXT 300 MGD
10/94	.37192 (GRACE UP TO 13.1 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 11.9)
06/04	.385 (GRACE UP TO 13.1 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 11.9)
04/05	.398 (GRACE UP TO 17.38 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 15.8)
04/06	.4123 (GRACE UP TO 17.38 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 15.8)
04/07	.4238 (GRACE UP TO 17.38 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 15.8)
04/08	.4314 (GRACE UP TO 17.38 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 15.8)
04/09	.4533 (GRACE UP TO 17.38 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 15.8)
04/10	.4546 (GRACE UP TO 17.38 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 15.8)
06/10	.5647 (GRACE UP TO 17.38 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 15.8)
04/11	.5754 (GRACE UP TO 17.38 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 15.8)
04/12	.59439 (GRACE UP TO 17.38 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 15.8)
04/13	.61580 (GRACE UP TO 17.38 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 15.8)
04/14	.6232 (GRACE UP TO 17.38 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 15.8)
04/15	.6506 (GRACE UP TO 17.38 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 15.8)
04/16	.6597 (GRACE UP TO 17.38 MGD. IF WE GO OVER, THEN 5% ADDED TO ANYTHING OVER 15.8)

TREATED WATER RATES

Year	City Rate/1,000 gallons	Other Rate/1,000 Gallons	Increase-City	Increase-Other	Comments
1981	\$0.97	\$0.97			
1985 - 1987	\$0.97	\$1.00	\$0.00	\$0.03	
1988 - 1992	\$1.07	\$1.10	\$0.10	\$0.10	Result of rising operating cost. (Raw water rates up 25%)
1993 - 1998	\$1.18	\$1.21	\$0.11	\$0.11	Result of increase in raw water rates.
1999 - 2006	\$1.26	\$1.29	\$0.08	\$0.08	Funding for plant expansion debt
2006-2007	\$1.39	\$1.42	\$0.13	\$0.13	Funding for new water line debt and City of Houston rate increase.
2007-2008	\$1.46	\$1.49	\$0.07	\$0.07	Funding for new water line debt and City of Houston rate increase.
2008-2009	\$1.55	\$1.58	\$0.09	\$0.09	Funding for new water line debt, other operating increases and City of Houston rate increase.
2009-2010	\$1.71	\$1.74	\$0.16	\$0.16	Funding for new water line debt, other operating increases and City of Houston rate increase.
2010-2011	\$1.96	\$1.99	\$0.25	\$0.25	Funding for new water line debt, other operating increases and City of Houston rate increase.
2011-2012	\$2.15	\$2.18	\$0.19	\$0.19	Funding for new water line debt, other operating increases and City of Houston rate increase.
2012-2013	\$2.35	\$2.39	\$0.20	\$0.21	Funding for new water line debt, other operating increases and City of Houston rate increase.
2013-2014	\$2.53	\$2.57	\$0.18	\$0.18	Funding for new water line debt, other operating increases and City of Houston rate increase.
2014-2015	\$2.61	\$2.65	\$0.08	\$0.08	Funding for new water line debt, other operating increases and City of Houston rate increase.
2015-2016	\$2.74	\$2.78	\$0.13	\$0.13	Funding for new water line debt, other operating increases and City of Houston rate increase.
2016-2017	\$2.74	\$2.78	\$0.00	\$0.00	Funding for new water line debt, other operating increases and City of Houston rate increase.



IMPORTANT NOTICE

NOTIFICATION OF WATER RATE ADJUSTMENT

Effective April 1, 2016, water and sewer rates are adjusting upward by 1.4%. The City of Houston's Code of Ordinances provides that water and sewer rates be adjusted each year in April. These new rates will appear on your April 2016 billing which you will receive in May. This rate adjustment is based on a combination of the 2015 Houston Regional Consumer Price Index (CPI) of -0.2% plus the City of Houston's population increase, 1.6% according to the United States Census Bureau.

NEW RATES AND CHARGES

Classification	Rate
Contract Treated Water	P x \$2.882 plus (P-M) x \$0.715* Airgap P x \$3.517 plus (P-M) x \$0.715* Non-Airgap
Untreated Water Rates where there is no contract	
First 10,000,000 gallons	\$1.6504 per 1,000 gallons
Next 10,000,000 gallons	\$1.4830 per 1,000 gallons
Next 30,000,000 gallons	\$1.3986 per 1,000 gallons
Next 100,000,000 gallons	\$1.3142 per 1,000 gallons
Excess of 150,000,000 gallons	\$1.2720 per 1,000 gallons
Untreated Water Rates under written contracts	\$0.6597 per 1,000 gallons

- * P = Total water delivery during the month in thousand gallons, except if the minimum monthly specified in the customer's contract is greater than P, P shall equal M.
M = Minimum monthly amount of water specified in the customer's contract expressed in units of one thousand gallons.

For further information, please:

- Refer to the Rates and Prices or the Billing and Payment section of your contract
- Visit: <http://www.houstontx.gov/codes/> (Sections 47-61 and 47-84 et seq.)

Please contact Maria Carrillo at Utility Customer Service at (832) 395-6220 if you have specific questions about your bill.

RESOLUTION NO. 2016-13

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BAYTOWN AREA WATER AUTHORITY ADOPTING A BUDGET FOR THE ENSUING FISCAL YEAR, BEGINNING OCTOBER 1, 2016, AND ENDING SEPTEMBER 30, 2017; MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, the General Manager of the Baytown Area Water Authority (“BWA”) has submitted to BWA’s Board of Directors a budget estimate of the revenues of BWA and the expense of conducting the affairs thereof for the ensuing fiscal year, beginning October 1, 2016, and ending September 30, 2017; and

WHEREAS, the Board of Directors of BWA (the “Board”) received the General Manager's estimate and held a public hearing thereon; and

WHEREAS, after full and final consideration of the information contained in the proposed budget and the input received at the public hearing, it is the opinion of the Board that the budget attached hereto should be approved and adopted; NOW THEREFORE

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BAYTOWN AREA WATER AUTHORITY:

Section 1: That the Board of Directors of the Baytown Area Water Authority hereby adopts the budget, which is attached hereto as Exhibit “A” and incorporated herein for all intents and purposes for BWA’s 2016-17 fiscal year.

Section 2: This resolution shall take effect immediately from and after its passage by the Board of Directors of the Baytown Area Water Authority.

INTRODUCED, READ and PASSED, by the affirmative vote of the Board of Directors of the Baytown Area Water Authority this the 17th day of August, 2016.


BRENDA BRADLEY SMITH, President

ATTEST:


LETICIA BRYSCH, Assistant Secretary



APPROVED AS TO FORM:


IGNACIO RAMIREZ, SR., General Counsel