

COASTAL WATER AUTHORITY

Minutes of Finance and Audit Committee 2025 Budget Workshop Meeting

October 9, 2024

The Finance and Audit Committee ("Committee") of Coastal Water Authority ("CWA") convened its Committee Budget Review Meeting, open to the public, at the CWA Conference Room, 1801 Main Street, Suite 800, Houston, Texas, with the following in attendance:

Committee Members

Thomas A. Reiser, Chairperson (*Absent*)
Tony L. Council, Director
Jon M. Sjolander, Director

Additional Board Members Present:

Daniel G. Huberty, Director
Joseph G. Soliz, Director
Giti Zarinkelk, Director

CWA Staff

Don Ripley
John Baldwin
David Miller
James Lewis
Seth Deutsch
Mary Caballero

BUDGET REVIEW – FISCAL YEAR 2025

With the exception of Directors Reiser and Walker, all Members of the Board were present thus constituting a quorum.

I. CALL TO ORDER

Director Council opened the meeting at 10:47 A.M. (The sign-in sheets for those in attendance at the special meeting are attached hereto.)

II. REVIEW OF THE PROPOSED 2025 OPERATING BUDGETS

A. Consolidated Coastal Water Authority Operating Budget

- 1) **Trinity River Water Conveyance Project**
- 2) **Lake Houston Facilities Project**
- 3) **Bayport Water System Funds**
- 4) **Red Bluff Water Treatment Plant Funds**
- 5) **Luce Bayou Water System Project**

Mr. Baldwin presented to the Board the CWA Consolidated 2025 Annual Budget for all five of CWA's Operating Budgets in draft form. Mr. Baldwin noted that the Trinity River Water Conveyance Project; the Lake Houston Facilities Project and the Luce Bayou System Project are City of Houston contracts. The Bayport Water System Project and Red Bluff Water Treatment Plant Project are contracts with CWA's other customers.

Mr. Baldwin stated the Reconciliation of 2024 Budget to 2025 Budget was the first item of discussion which included the roll up summary of all of five of CWA's operating budgets. The total for next year's 2025 budget on all five operating budgets totals \$52,274,087, an increase of about 8.8%.

Mr. Baldwin then presented the Board with a summary of each budget and discussed various account categories that were reflecting increases forecasted in 2025 such as the 3% "pool" for salary increases based on annual performance reviews. Increases in the Contract Labor and Equipment category for major repairs or replacements of critical equipment at the facilities in all five (5) operating budgets. There are also increases in the various electricity accounts due to increases in water demands along with some increases in energy delivery fees.


Mr. Baldwin stated that he would have the 2025 Budgets forwarded to the appropriate contact persons for their review and comments. The next step is to place the five 2025 Operating Budgets on the Board's Agenda for the November 13, 2024 Meeting for discussion and consideration of final approval by the Board. Mr. Baldwin recommended the motion as presented.

Motion authorizing Mr. Baldwin to make adjustments to the budgets as discussed and forward the draft 2025 Operating Budgets to the appropriate customers for their review and comments.

Motion made by Sjolander, Seconded by Director Zarinkelk. The Motion carried unanimously.

III. ADJOURNMENT

The meeting was adjourned at 11:33 A.M.



Joseph G. Soliz, Secretary-Treasurer