

**COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM PROJECT
2026 ANNUAL BUDGET**

DRAFT

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
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2026 ANNUAL BUDGET

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COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
BUDGET SUMMARY
2026 ANNUAL BUDGET

<u>APPLICATION OF FUNDS</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTED</u>	<u>2026 BUDGET</u>
Expenditures (1)	\$2,438,930	\$2,337,500	\$2,824,420
Capital Outlay	3,418,044	218,920	4,217,800
Comparative Subtotal	5,856,974	2,556,420	7,042,220
Total Expenditures	5,856,974	2,556,420	7,042,220
Ending Fund Balances	1,648,183	4,635,137	1,643,876
Total Applications	7,505,157	7,191,557	8,686,096
<u>SOURCE OF FUNDS</u>			
Beginning Fund Balances	4,180,832	4,180,832	4,635,137
Investment Income	105,000	138,600	105,000
Subtotal Sources	4,285,832	4,319,432	4,740,137
Subtotal	4,285,832	4,319,432	4,740,137
System Revenue	<u>\$3,219,325</u>	<u>\$2,872,125</u>	<u>\$3,945,959</u>

(1) Includes assets purchased

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
FACTS AND ASSUMPTIONS
2026 ANNUAL BUDGET

FACTS

1. The 2026 budget is prepared on a cash basis.
2. Bayport Water System books and records consist of five funds, which are Operating Fund, Operating Reserve Fund, Special Projects Emergency Reserve, Revenue Fund and the Capital Improvement Fund.
3. The required fund balances have been reflected at minimum balances.
4. Bayport is charged with direct salary and costs as well as an allocation of certain general items based upon an overall payroll allocation of 10.0%.

ASSUMPTIONS

1. Salaries include funding the employee benefits of one field retiree.
2. Revenues assume timely payment of billings by Bayport customers.
3. The Operating Fund should be maintained at a \$400,000 balance and the Operating Reserve Fund should be maintained at a level equal to 3 months of the Operating Expense.

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
RECONCILIATION OF 2025 BUDGET TO 2026 BUDGET

	2025 Budget to 2026 Budget
2025 Budget	<u>\$2,438,930</u>
Field Salaries	(46,930)
Materials & Supplies	21,590
Contract Labor & Equipment	315,330
Utilities	(5,000)
Administrative Expense	(18,100)
General Operating Expenses	84,600
Engineering, Legal & Professional	<u>34,000</u>
Subtotal	<u>385,490</u>
2026 Budget	<u><u>\$2,824,420</u></u>

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
STATEMENT OF REVENUES AND EXPENDITURES
2026 ANNUAL BUDGET

	2025 BUDGET	2025 PROJECTED	2026 BUDGET
REVENUES			
Interest on Investments	\$105,000	\$138,600	\$105,000
Service Revenues	3,219,325	2,872,125	3,945,959
Total Revenue	<u>3,324,325</u>	<u>3,010,725</u>	<u>4,050,959</u>
EXPENDITURES			
Field Salaries	817,700	780,000	770,770
Materials & Supplies	265,780	255,000	287,370
Contract Labor & Equipment (1)	477,450	480,000	792,780
Utilities	65,800	59,500	60,800
Administrative Expenses	399,300	380,000	381,200
General Operating Expenses	317,900	298,000	402,500
Engineering, Legal & Professional	95,000	85,000	129,000
Subtotal	<u>2,438,930</u>	<u>2,337,500</u>	<u>2,824,420</u>
Construction Program	3,418,044	218,920	4,217,800
Capital Outlay	<u>3,418,044</u>	<u>218,920</u>	<u>4,217,800</u>
Total Expenditures	<u>5,856,974</u>	<u>2,556,420</u>	<u>7,042,220</u>

(1) Includes assets purchased.

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
RECONCILIATION OF FUND ACTIVITY
2026 ANNUAL BUDGET

	REVENUE FUND	CAPITAL IMPROVEMENT FUND
Beginning Balance	\$0	\$2,987,664
Service Revenue	3,945,959	0
Interest Earnings	0	\$47,780
Transfer - Service	(3,945,959)	1,182,356
Expenses	0	0
Capital Outlay		(4,217,800)
Net Activity	0	(2,987,664)
Ending Balance	\$0	\$0

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
RECONCILIATION OF FUND ACTIVITY
2026 ANNUAL BUDGET

	OPERATING FUND	OPERATING RESERVE FUND	SPECIAL PROJECT EMERGENCY RESERVE FUND	TOTAL BAYPORT WATER SYSTEM FUND
Beginning Balance	\$400,000	\$609,733	\$637,740	\$4,635,137
Service Revenue	0	0	0	3,945,959
Interest Earnings	\$14,000	\$20,900	\$22,320	105,000
Transfer - Service	\$2,810,420	(46,817)	0	-
Expenses	(2,824,420)	0	0	(2,824,420)
Capital Outlay	0	0	0	(4,217,800)
Net Activity	0	(25,917)	22,320	(2,991,261)
Ending Balance	\$400,000	\$583,816	\$660,060	\$1,643,876

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
REVENUES AND BILLING RATES
2026 ANNUAL BUDGET

	<u>2025 BUDGET</u>	<u>2025 PROJECTED</u>	<u>2026 BUDGET</u>
Gallons (in thousands)	12,877,300	11,488,500	12,728,900
Rate/1000 gallons	\$0.25	\$0.25	\$0.31
Revenue	<u><u>\$3,219,325</u></u>	<u><u>\$2,872,125</u></u>	<u><u>\$3,945,959</u></u>

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
INVESTMENT AND OTHER INCOME
2026 ANNUAL BUDGET

INVESTMENT INCOME

Average Cash and Investments	\$3,000,000
Average Effective Interest Rate	3.50%
Total	<u><u>\$105,000</u></u>

OTHER INCOME

Bayport Water System does not anticipate any miscellaneous income.

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
SUMMARY OF GENERAL AND ADMINISTRATIVE EXPENDITURES
2026 ANNUAL BUDGET

<u>GENERAL AND ADMINISTRATIVE EXPENDITURES</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTED</u>	<u>2026 BUDGET</u>
ADMINISTRATIVE	\$399,300	\$380,000	\$381,200
GENERAL OPERATING (Insurance)	317,900	298,000	402,500
ENGINEERING, LEGAL & PROFESSIONAL	<u>95,000</u>	<u>85,000</u>	<u>129,000</u>
Total	<u>\$812,200</u>	<u>\$763,000</u>	<u>\$912,700</u>

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
ADMINISTRATIVE EXPENSES
2026 ANNUAL BUDGET

Administrative Salaries	\$130,000	(1)
Pension Plan Contribution (11.8% of total compensation)	106,291	
Payroll Taxes (7.65% of total compensation)	68,909	
Office Lease and Utilities	45,000	(1)
Office Supplies	4,000	(1)
Travel, Meetings and Parking	3,000	(1)
Directors Compensation	4,500	(1)
Printing and Reproduction	3,000	(1)
Telephone/ Data Maintenance	5,000	(1)
Vehicle: Gas & Maintenance	3,000	(1)
Payroll / Employee Processing Services	4,500	(1)
Miscellaneous	4,000	(1)
	<u>\$381,200</u>	

(1) Allocated based upon payroll estimate of 10.0%.

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
OFFICE SALARY ALLOCATION
2026 ANNUAL BUDGET

Executive Director

Finance Manager

HR Manager

Chief Accountant

Senior Accountant

Senior Accountant

Accountant

Payroll / Pension Coordinator

Executive Secretary

Base Office Salaries	<u>1,300,000</u>
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Office Allocation Factor (1)	<u>10.0%</u>
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Bayport Office Salaries	<u><u>\$130,000</u></u>
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(1) Based upon payroll estimate allocation

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
GENERAL OPERATING EXPENSES
2026 ANNUAL BUDGET

INSURANCE PREMIUM DESCRIPTION

Property Insurance	\$33,000	(1)	(6)
Texas Commercial Policy (General Liability)	2,500	(3)	(5)
Public Official & Employees Errors and Omissions	1,200	(3)	(5) (7)
Pension - Fidelity Bond	50	(3)	(4)
Pension - Fiduciary Responsibility	700	(3)	(5)
Medical Insurance	316,270	(3)	(7) (8)
Public Official Position (Director Fidelity)	100	(3)	(4)
Automobile Insurance	3,500	(3)	(5)
Workers Compensation	16,700	(3)	(6) (7)
Dental Insurance	10,500	(3)	(5) (7)
Vision Insurance	3,000	(3)	(5) (7)
Combined Group Life/Short & Long Term Disability	15,000	(3)	(5) (7)
	<u>\$402,520</u>		

- (1) Allocated based upon total insurable value of 4%.
- (3) Allocated based upon total payroll estimate of 10.0%.
- (4) Assumes no rate increase.
- (5) Assumes 5% rate increase.
- (6) Assumes 10% rate increase.
- (7) Assumes full employment.
- (8) Assumes 15% rate increase.

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
ENGINEERING, LEGAL AND PROFESSIONAL EXPENSES
2026 ANNUAL BUDGET

Engineering Services	\$75,000 (1)
Legal Services	15,000 (3)
Accounting & Auditing	10,000 (2)
Computer Support services	10,000 (2)
Website Development & Maintenance	4,000 (2)
Hardware, Software Upgrades and Maintenance	10,000 (2)
Miscellaneous Bank Fees	5,000 (3)
	<u>\$129,000</u>

(1) Based upon specific services

(2) Allocated based upon total payroll estimate of 10.0%.

(3) Based upon specific and allocated services

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
SUMMARY OF FIELD EXPENDITURES
2026 ANNUAL BUDGET

<u>FIELD EXPENDITURES</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTED</u>	<u>2026 BUDGET</u>
SALARIES	\$817,700	\$780,000	\$770,770
MATERIALS & SUPPLIES	265,780	255,000	287,370
CONTRACT LABOR AND EQUIPMENT	477,450	480,000	589,980
Purchased	0	0	202,800
Subtotal	<u>477,450</u>	<u>480,000</u>	<u>792,780</u>
UTILITIES	65,800	59,500	60,800
Total	<u><u>\$1,626,730</u></u>	<u><u>\$1,574,500</u></u>	<u><u>\$1,911,720</u></u>

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
FIELD EXPENDITURES BY LOCATION
2026 ANNUAL BUDGET

LOCATIONS	FIELD SALARIES	MATERIALS AND SUPPLIES	CONTRACT LABOR AND EQUIPMENT	UTILITIES	LOCATION TOTAL
Bayport Pump Station	\$389,300	\$140,973	\$714,302	\$60,800	\$1,305,375
Bayport Distribution System	381,473	146,398	78,475	0	606,346
	<u>\$770,773</u>	<u>\$287,371</u>	<u>\$792,777</u>	<u>\$60,800</u>	<u>\$1,911,721</u>

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
SUMMARY OF FIELD SALARIES BY LOCATION
2026 ANNUAL BUDGET

<u>LOCATION</u>	<u>BASE COMPENSATION</u>	<u>RETIREE PAY (1)</u>	<u>5% OVERTIME (2)</u>	<u>TOTAL</u>
Bayport Pump Station	\$361,238	\$10,000	\$18,062	\$389,300
Bayport Distribution System	363,308	0	18,165	381,473
	<u>\$724,546</u>	<u>\$10,000</u>	<u>\$36,227</u>	<u>\$770,773</u>

(1) Allows for employee benefit payments to retirees.

(2) Provides for minimum overtime.

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
ANALYSIS OF BASE FIELD SALARIES BY FUNCTION AND LOCATION
2026 ANNUAL BUDGET

<u>LOCATION AND FUNCTION</u>	<u># OF EMPLOYEES</u>	<u>MAN HOURS (4)</u>	<u>AVG. RATE PER HOUR</u>	<u>BASE SALARIES</u>
<u>MANAGEMENT (1)</u>				
Bayport Pump Station	0.22	458	\$85.19	\$38,983
Bayport Distribution System	0.22	458	85.19	38,983
Subtotal	0.44	915	85.19	77,966
<u>SUPERVISORY PERSONNEL (2)</u>				
Bayport Pump Station	0.70	1,456	73.69	107,293
Bayport Distribution System	0.55	1,144	73.69	84,301
Subtotal	1.25	2,600	73.69	191,594
<u>ALL OTHER PERSONNEL (3)</u>				
Bayport Pump Station	3.05	6,334	33.94	214,962
Bayport Distribution System	3.40	7,072	33.94	240,024
Subtotal	6.45	13,406	33.94	454,986
Total Base Salaries	8.14	16,921	\$42.82	\$724,546

- (1) Includes Manager of Operations, Manager of Security, Electrical Engineer, Senior Engineer, Construction Manager, and Chief Engineer.
- (2) Includes Superintendents, Master Electrician, Administrator OPM, Purchasing Agent, IT Manager, Projects Manager, Contracts Administrator, and Staff Engineer.
- (3) Includes Foremen, Electricians and Operators for construction, electrical, maintenance, and all routine operating functions.
- (4) Estimated number of employees at 2,080 hours per year.

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
ANALYSIS OF MATERIALS AND SUPPLIES BY LOCATION
2026 ANNUAL BUDGET

LOCATION AND DESCRIPTION

BAYPORT PUMP STATION

Air Conditioning Repair Parts	\$2,376
Automotive / Equipment Repair Parts	6,000
Building / Grounds Maintenance	10,280
Electrical / Instrument	8,640
Herbicides / Insecticides	3,000
Mechanical, Plumbing, Valves, etc.	23,600
Miscellaneous Supplies	24,866
Office / Administrative	9,406
Oils and Lubricants	5,760
Road Base, Sand, Rock, Rip Rap, etc.	25,000
Power Tools, Hand Tools & Equip.	10,280
Tires & Batteries	4,000
Personal Protective Equipment	7,765
	<u>140,973</u>

BAYPORT DISTRIBUTION

Automotive / Equipment Repair Parts	6,000
Building / Grounds Maintenance	4,200
Diesel Fuel	15,557
Electrical / Instrument	5,760
Gasoline	12,301
Herbicides / Insecticides	10,000
Mechanical, Plumbing, Valves, etc.	27,920
Miscellaneous Supplies	15,495
Office / Administrative	2,000
Oils and Lubricants	7,200
Power Tools, Hand Tools & Equip.	18,200
Road Base, Sand, Rock, Rip Rap, etc.	7,000
Tires & Batteries	4,000
Welding Equip & Supplies	3,000
Personal Protective Equipment	7,765
	<u>146,398</u>

Total	<u>\$287,371</u>
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COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
ANALYSIS OF CONTRACT LABOR AND EQUIPMENT BY LOCATION
2026 ANNUAL BUDGET

LOCATION AND DESCRIPTION

BAYPORT PUMP STATION

Contract Labor (Welders, Divers, Tech Spt, Etc.)	60,000
Security: Contract Guards	\$209,200
Major Motor Repair, 1 each	70,000
Major Pump Repair, 1 each	80,000
4KV Remote Racking	20,000
4KV Breaker/Contactor Refurbishment	5,000
Load Test Overhead Cranes	4,000
Security: Fencing Repairs/Replacement	29,000
Training: Safety (1st Aid, CPR, AED, CSE, etc.)	13,000
Annual Service Contracts:	
Crane/Hoist Test/Certification	952
Pest Control Service	600
Substation, Relay Testing	8,000
Uniform Service	5,000
Generator Load Testing	880
Asset Management Software	1,690
Emergency Radio Subscription	945
PMIS	3,235
Purchase Equipment:	
Tractor	202,800
	<u>714,302</u>

BAYPORT DISTRIBUTION

Contract Labor (Welders, Divers, Tech Spt, Etc.)	25,000
Equipment Rental Services	10,000
Security: Fencing Repairs/Replacement	39,200
Annual Service Contracts:	
Asset Management Software	1,040
PMIS	3,235
	<u>78,475</u>

Total \$792,777

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
ANALYSIS OF UTILITIES BY LOCATION
2026 ANNUAL BUDGET

LOCATION	ELECTRICITY			ALL OTHER (3)	TOTAL
	KW HOURS	AVG. RATE PER HOUR (1)	AMOUNT (2)		
Bayport Pump Station	243,500	\$0.1881	\$45,800	\$15,000	\$60,800
	<u>243,500</u>	<u>\$0.1881</u>	<u>\$45,800</u>	<u>\$15,000</u>	<u>\$60,800</u>

- (1) Reflects rate accomplished through contract for Electricity beginning July, 2015
(2) Includes a 10% variance for electricity usage.
(3) Includes telephone, water and waste disposal services.

COASTAL WATER AUTHORITY
BAYPORT WATER SYSTEM FUNDS
CAPITAL OUTLAYS
2026 ANNUAL BUDGET

	BAYPORT CAPITAL IMPROVEMENT FUND
<u>Design for Building Upgrade/Improvements</u>	\$ 900,000
<u>Bayport CIP Phase 4 Construction</u>	3,317,800
Total Capital Outlays	<u>\$ 4,217,800</u>