



CONSOLIDATED ANNUAL OPERATING BUDGET



Red River at State Highway 37

Fiscal Year

2024 - 2025

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET FISCAL YEAR 2024–2025

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GOVERNING BODY

The Authority's governing body is composed of a nine-member Board of Directors, all of whom are appointed by the Governor and confirmed by the Senate. Each Director must be a legal voter, a property taxpayer, and a resident in the Authority's jurisdictional area. Each Director serves a six-year staggered term. The Directors are organized by a President, as appointed by the Governor, and they elect from their membership a Vice-President, Secretary-Treasurer, and Assistant Secretary in September of each year. The President also appoints from their membership, as confirmed by the Board, three Directors to serve with the President on the Executive Committee. The Executive Committee functions as a policy, administrative, and fiscal oversight committee for all agency related activities. Members are designated by the President to the following committees to provide oversight for Management: Asset Management/Customer Service, Finance, and Regulation/Governmental. The Board of Directors administers all affairs of the Authority through a Board-adopted Administrative Policy and Procedure Manual, and a Board-appointed chief executive officer in the position of General Manager.

RED RIVER AUTHORITY OF TEXAS BOARD OF DIRECTORS



Jerry Bob Daniel
President
Truscott



Conrad J. Masterson, Jr.
Vice-President
Cee Vee



Michael R. Sandefur
Secretary/Treasurer
Texarkana



Mary Lou Bradley
Assistant Secretary
Memphis



Stephen A. Thornhill
Director
Denison



Joe L. Ward
Director
Telephone



Jerry Dan Davis
Director
Wellington



Tonya D. Detten
Director
Panhandle

MANAGEMENT TEAM

Fabian A. Heaney, General Manager
Bryan D. Schaffner, Assistant General Manager
Danna P. Bales, Executive Assistant
Lana R. Hefton, Controller



Red River Authority of Texas

JERRY BOB DANIEL, President, Truscott
CONRAD J. MASTERSON, JR., Vice President, Cee Vee
MICHAEL R. SANDEFUR, Secretary-Treasurer, Texarkana
MARY LOU BRADLEY, Assistant Secretary, Memphis
JERRY DAN DAVIS, Wellington
TONYA D. DETTEN, Panhandle
STEPHEN A. THORNHILL, Denison
JOE L. WARD, Telephone

FABIAN A. HEANEY, General Manager
BRYAN D. SCHAFFNER, Assistant General Manager
DANNA P. BALES, Executive Assistant
LANA R. HEFTON, Controller

September 18, 2024

The Honorable President
and Members of the Board of Directors
Red River Authority of Texas

SUBJECT: FISCAL YEAR 2024-2025 PROPOSED CONSOLIDATED OPERATING BUDGET

Dear President Daniel and Members of the Board:

As required by Texas Water Code Chapter 49, Section 49.057, here is the Proposed Consolidated Annual Operating Budget for the Red River Authority of Texas, Fiscal Year 2024-2025. Each year, staff prepares the proposed budget for submittal to the Board of Directors for adoption. The Authority's budget process provides the Board an opportunity to consider and adopt the budget, which serves as the financial guide for the ensuing fiscal year. This Consolidated Annual Operating Budget covers the fiscal period beginning October 1, 2024 and ending September 30, 2025.

BUDGET PROCESS

The process for developing the proposed budget began in March of 2024. At that time, Key Leadership Staff met to discuss the budget process. Each Division was encouraged to prepare funding requests needed for operations, keeping in mind the strategic goals of the Authority. In August of 2024, the Controller provided a firm accounting through April 30, 2024, and extrapolated those numbers to provide a projected year-end balance. We utilized these projections, historical trends, and included requests from the Divisions, to arrive at the Proposed Consolidated Annual Operating Budget for Fiscal Year 2024-2025.

In addition to this Consolidated Annual Operating Budget, staff prepared a Capital Improvement Plan (CIP) that focuses on capital budgeting needs. Capital Improvements are defined as investments made to acquire or enhance a fixed asset with a value of \$5,000 or more. Examples are tangible equipment items, building replacement or addition projects, or large utility projects.

We first consulted the 2024 Asset Management Plan Update and began to prioritize projects for inclusion. The Division supervisors were then asked to include requests for capital improvements



and equipment they needed to be budgeted. These items were then divided into Long Term and Short Term CIP. The benchmark established for a request to be included in the Long Term CIP is that the total cost of the request is \$25,000 or more. Projects listed in the Long Term CIP may take multiple years to complete, which may require future financial decisions of the Board before they can be fully funded.

ACCOMPLISHMENTS

In FY 2023-2024, the Authority had many accomplishments. The Authority received a Bureau of Reclamation Grant, which allowed us to complete the conversion of the utility system to AMI meters. We secured new Federal funding (\$1.476 Million) for our Lockett and Carey Northfield Systems. We also secured Texas Water Development Board funding (\$2.464 Million) for our Lockett System. We are converting our accounting system to a new i3 Vertical platform. We have also successfully defended our rate increase in the PUC appeal process.

The Authority has requested additional money through Congressman Ronny Jackson's office for Federal appropriations in the amount of \$2.268 Million for FY 2025. The funds are earmarked for capital improvements in the Congressman's district for our Farmers Valley, Foard County, and Truscott-Gilliland water systems. We will track the request as it passes through the Federal budget process.

While the Authority has kept a near-full complement of staff during FY2023-2024, finding skilled employees continues to be very difficult. Applicants for open positions are few and are seldom qualified. We continue to try to bring Authority salaries to a market-competitive level, and this year's Budget request will help this significantly.

Utility Division

The Authority completed the Hinds-Wildcat System capital improvements to bring treated water from the City of Vernon to eliminate the nitrate issue. We expect the EPA Nitrate Enforcement order will be lifted for the Hinds Wildcat System; we are already in compliance with the nitrate maximum contaminant level 10 mg/L since receiving Vernon's water.

In the Preston Shores Water System, the Authority has achieved compliance with our total trihalomethane issue. We have optimized the operation of the plant and have reduced our operational evaluation level to below 0.080 mg/L. This will close the TCEQ enforcement for this issue. The SCADA project is under construction and we are in the bid process for a new tank and rehab work. Both of these projects were approved in last year's budget.

The RRA Board of Directors authorized the hiring of a construction crew in late 2022. This crew has been instrumental in the completion of the line relocation along Highway 82 in our Ringgold System, assisting in the installation of new AMI meters throughout the utility system, and are now working on the line replacement project in the Lockett Water System.



The Authority previously installed 1,350 Automated Metering Infrastructure (AMI) meters in several of our western systems with the assistance of prior Bureau of Reclamation (BOR) grants. We have now completed the remainder to the Utility (2,650 meters) with our third BOR grant of \$450,000. The AMI system is already showing benefits in reduced labor and driving hours, reduced data entry hours, and most importantly, reductions in water loss.

The Authority also received a donation of 15 miles of 6-inch HDPE pipe and 5 miles of 4-inch HDPE pipe from Dow Chemical and Performance Pipe to replace lines in the Lockett Water System. The Utility Division acquired a coil pipe trailer for installation. Personnel has been trained on the pipe installation. Preliminary work on the line installation has begun and the installation should be completed in the upcoming fiscal year.

All State-required Emergency Preparedness Plans (29 systems) were completed and submitted to the Texas Commission on Environmental Quality (TCEQ) in February of 2022. The TCEQ accepted the remainder of the plans this year. Generator quick-connects are being installed at each facility as we make capital improvements. We will need to acquire a facility-installed generator for the Preston Shores Water System for compliance.

The Various Pump Station Improvements capital project was also completed this year. This project covered areas in the Estelline-Turkey, Tell Cee Vee, and Box Water Systems. New tanks were installed at Estelline and Airport Station. Also, the Box and Cee Vee pump stations and tanks were rehabilitated.

Environmental Services Division

The Environmental Services Division (ESD) Laboratory is fully staffed and is working toward decreasing the reporting time for analyses. The goal is to have a report to the customer within 10 days after receipt of the sample. The laboratory has completed installation of the new Laboratory Information Management System (LIMS) software.

For the 15th consecutive biennium, the Authority has contracted with the Texas Commission on Environmental Quality to administer the Clean Rivers Program (CRP) in the Red and Canadian River Basins. The FY24 Basin Summary Report for the Red and Canadian River Basins was approved by TCEQ. This will be due again in five years.

General Division

The Authority was again appointed by the Regional Water Planning Group – Area B to serve as the administrative agency and contract with the Texas Water Development for the sixth cycle of regional water planning (RWP) for Region B.

We continue to be sponsors for the Red River Chloride Control Project and the Red River Navigation Project. Our commitment for this fiscal year only requires funding for meetings and travel by Authority staff.



Communications Division

The Communications Division continues to provide increasing revenues each fiscal year. We recently upgraded the required FAA lighting on our towers to give them better visibility to air traffic. This was a modest increase in maintenance cost.

BUDGET HIGHLIGHTS

The Fiscal Year 2024-2025 Consolidated Annual Operating Budget reflects several changes from the prior year. The main variance comes from capital improvements. The Authority continues addressing the projects on the 2017 Bond Issuance. Procedure-wise, the budget continues to address the Board's desire to streamline the Authority's fund accounting and to correctly account for interfund transfers. For FY 2024-2025, the Authority is still relying on reserves. While the recent rate increase handled expenses, there is no overage to fund capital improvements and we must rely on reserves to fund these needs.

The Authority's total proposed operating budget expenditures for Fiscal Year 2024-2025 is \$10,586,905, which is an increase of \$1,334,371, or 14.4%, from the Fiscal Year 2023-2024 Adopted Consolidated Annual Operating Budget of \$9,252,534. The following three funds make up 99.9% of the Authority's total budget, with the Utility Division Fund representing 74.1%, the Environmental Services Division Fund representing 11%, and the General Division Fund representing 14.8%.

The Authority follows the salary groups classified in accordance with the Position Classification Plan (PCP) as provided by the State Auditor's Office (SAO). The SAO periodically analyzes the PCP and makes recommendations to the legislature for adoption. During the 88th Legislative Session, legislature made an increase of 5% to all classifications for the State's fiscal year 2025, with an additional stipulation that no employee would receive less than a \$3,000 increase. This change is for all state employees with some exceptions to positions not previously classified. The Authority's Policy follows the State recommended increases to the PCP upon availability of budgeted funds. This will require an increase in salaries of \$134,920 to implement the 5% proposed by the State, along with the 5% proposed for merit increases (\$95,506).

Many of the Long Term Capital projects are carry-overs from prior years. The inability to attract contractors to bid projects and the delays in material and equipment has affected the Authority's ability to get these projects started and completed in a timely manner. Inflation will make it even costlier. These factors continue to drive up the budget. However, with Federal and State grants coming in this year, we hope to make great progress in the Lockett and Carey Northfield Water Systems. We are also requesting additional funding this year for an internal SCADA initiative and selected line replacements to reduce water loss.



The Environmental Service Division (ESD) was hardest-hit by the COVID Pandemic due to the decline in oil and gas activity. For Fiscal Year 2024-2025, the ESD budget will be no net gain due to the economic forecast. The lab is looking at ways to expand analysis, customer base, and for ways to improve the customer service experience. One possibility is the addition of a fee-based courier service to bring samples to the lab. We do expect to gain additional customers this year, as it appears the Wichita County Environmental Microbiology lab will close. We are requesting a new lab analyzer for anions to meet the requirements for sampling in our systems, as well as our customer systems.

CONCLUSION

This Proposed Consolidated Operating Budget for Fiscal Year 2024-2025 provides a viable economic plan for the upcoming year. Funds are provided for projects and programs that maintain critical services and this budget addresses the 2020-2025 Strategic Plan goals. The Authority pledges to remain vigilant in maintaining water quality and gaining efficiencies in operations, as economic uncertainty continues.

The proposed budget funds all critical programs and the 2024-2025 CIP, but at a deficit. The budget is balanced with the use of reserves. This is a stop gap measure until additional funding can be obtained through Federal and State grant processes. The Authority will again need to review our current Utility Rates, and whether they are sufficient to meet ongoing operational needs and challenges.

Lastly, I would like to thank our staff, whose efforts went into the production of this budget.

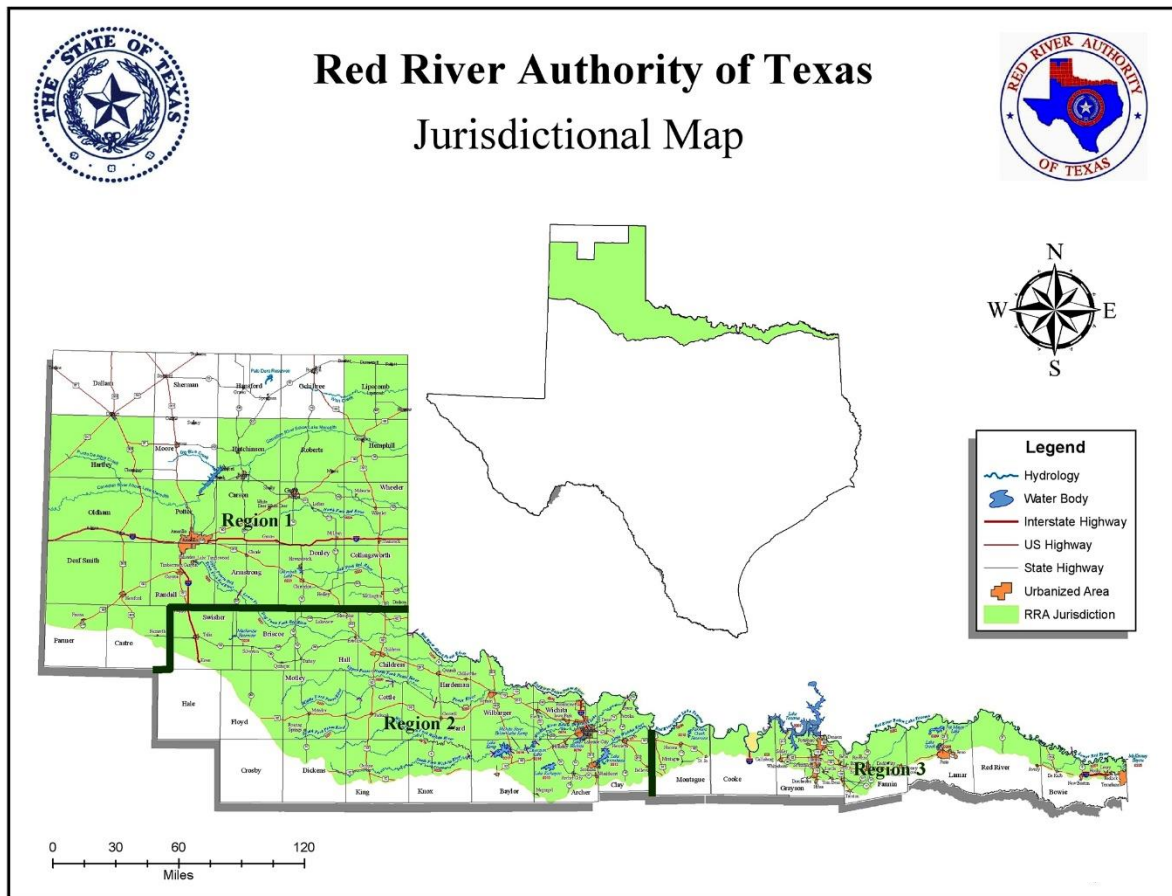
Respectfully submitted for your approval,

Fabian Heaney, General Manager



BACKGROUND

The Red River Authority of Texas (Authority) was created in 1959 by acts of the 56th Legislature as a conservation a reclamation district, a political subdivision of the state, a body politic and corporate under Article 8280-228 VATCS and Article XVI, Section 59 of the Texas Constitution. The Authority was charged by the legislature with the optimum development of the water resources within the Red River Basin in Texas for beneficial use by the public.



As the second longest river in the State of Texas, the Red River Basin includes all or parts of 43 counties across North Texas. The Red River is an interstate water body that originates in Curry County, New Mexico as Tierra Blanca Creek and flows across the Texas Panhandle carving the spectacular Palo Duro Canyon of the High Plains. It then leaves the Caprock Escarpment near the eastern boundary of Childress County, where the south bank of the river becomes the boundary between Texas and Oklahoma. It continues its southeasterly direction across Texas into southwestern Arkansas, then turns south into Louisiana, where it discharges into the Mississippi River near Simmesport, Louisiana.

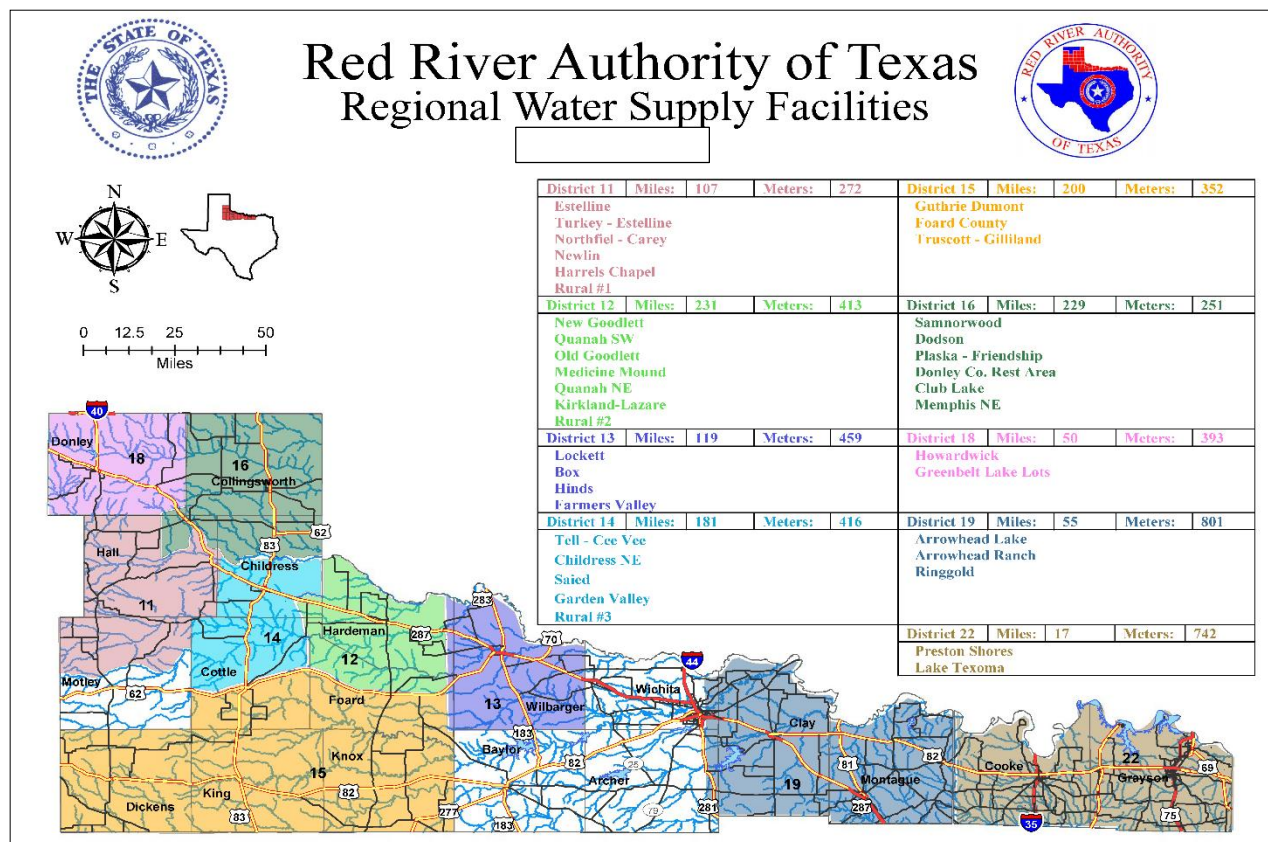


BASIS OF PRESENTATION

This Consolidated Annual Operating Budget provides a summarized description of combined revenues versus expenditures by Division for a comparison of the previous fiscal year operations to the ensuing fiscal year. It is based on actual and projected cash transactions and presented with the intent of providing an overall financial operating forecast of the Authority. The Authority's accounting system consists solely of six proprietary funds, which are further divided into two major enterprise funds, two minor enterprise funds, and two internal service funds.

MAJOR ENTERPRISE FUNDS identify the total direct and indirect costs to provide a service, including the sources and amount of revenue that support that service for which a fee is charged. Direct costs generally consist of personnel services, expenses and capital expenditures, which are budgeted and accounted for in each enterprise fund. Indirect costs are expenditures budgeted and accounted for in the internal services funds on behalf of the enterprise funds. Examples of indirect costs are central costs such as accounting, collections, and legal fees. The two major enterprise funds are the **Utility Division Fund** and the **Environmental Services Division Fund**.

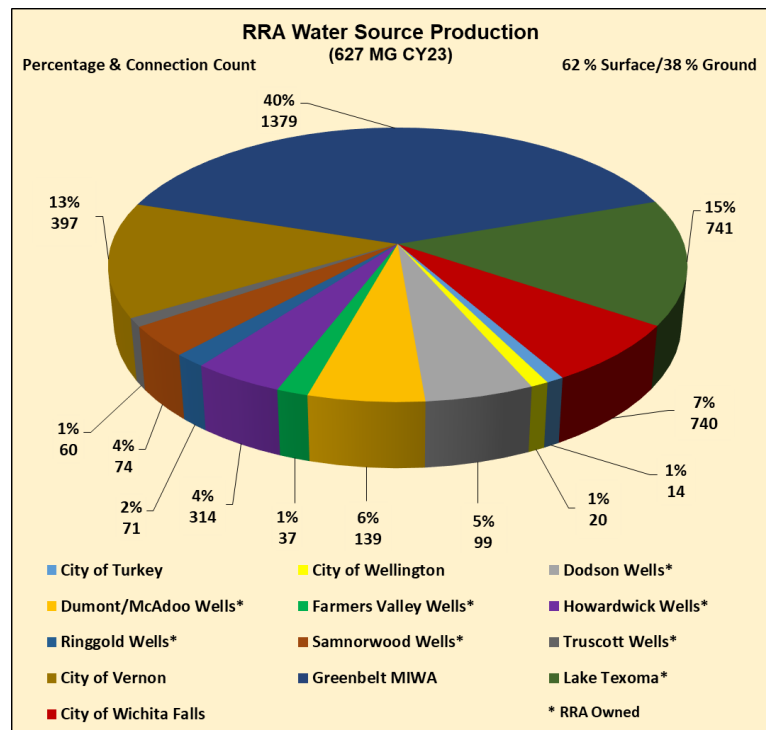
Utility Division Fund: The Utility Division consists of 31 individual rural water supply systems, which serve approximately 10,000 people over a 15-county geographical area.



BASIS OF PRESENTATION, CONTINUED

In addition to the water systems, the Utility Division operates two individual wastewater treatment plants and three wastewater collection systems serving approximately 400 people located within the service area.

The Utility Division utilizes water for distribution to its water systems from two basic sources: surface water (lakes) and groundwater (wells). Raw water, treated water, or a combination of both is utilized by the Authority to serve its customers. The water is either produced by the Authority, or purchased from other sources. Surface water is currently taken and treated from one reservoir, Lake Texoma in Grayson County. Groundwater is produced from various formations through Authority-owned or leased water



supply well fields, where it is treated and distributed to customers. Formations include the Ogallala Aquifer in Dickens, Donley, and Collingsworth Counties, the Brazos River Alluvium Aquifer in Dickens County, the Seymour Aquifer in Knox, Hardeman and Wilbarger Counties, and the Cross Timbers Aquifer in Montague County. The graph displays the water source production for all of the Authority's water systems.

Revenues for the Utility Division are generated from an all-systems-wide user rate. The rate is set by the Board of Directors on a cash basis, utilizing the system's financial position to determine the revenue needed to recover the actual operating costs, debt services, and targeted return on investment (ROI).

Water Revenue Bonds were issued in June 2017 for capital improvements in the Utility Division, and according to the bond ordinance, adequate user fees and charges are to be levied to pay all operating costs and retire the bonded indebtedness. The fees and charges for services provided through the Utility Division are recorded as revenue.



BASIS OF PRESENTATION, CONTINUED

Environmental Services Division Fund: The Environmental Services Division's (ESD) principal purpose is to investigate, control, and abate any possible sources of pollution found to be contaminating the receiving waters of the Red River or its tributaries.

Additionally, the ESD conducts periodic investigations to establish the best resource management practices and controls to maintain and improve the quality of the water resources for the beneficial use of the public, and respond to complaints from the public concerning possible contamination of the environment.

The ESD also operates an Environmental Services Laboratory under the National Environmental Laboratory Accreditation Program, as administered by the Texas Commission on Environmental Quality, to provide scientifically defensible analytical data to its clients. In addition to providing chemical and bacteriological analysis of water, wastewater, and soil in support of the Authority's environmental services and utility activities, the Environmental Services Laboratory provides analytical services to other federal and state agencies, cities, industries, and individuals throughout the Red River Basin in Texas and Oklahoma.

Operating funds for the Environmental Services Laboratory are provided through charges for services and analytical fees, as adopted annually by the Board of Directors.

MINOR ENTERPRISE FUNDS: Minor Enterprise Funds only generate revenue when the fund is utilized. The two minor enterprise funds are the **Direct Financing Arrangements Fund** and the **Red River Industrial Development Authority Fund**.

Direct Financing Arrangements Fund: In performing Direct Financing Arrangements, the Authority acts as an agent or intermediary for obtaining tax-exempt financing of water, wastewater, or pollution control facilities for third parties. The Authority does not operate or maintain these facilities, and only receives fees at the time of issuance of bonded indebtedness. Management fees are received on an annual basis for assistance in handling the arrangements, which constitute a receivable to the Authority. When these fees are received, they are recorded as revenue. The bonds are regarded as debts and responsibilities of third parties on whose behalf they were issued. Since the debt is the sole obligation of the entity to which bonds were issued, the transaction is excluded from the Authority's financial statements, except for the contract receivable due the Authority.



BASIS OF PRESENTATION, CONTINUED

Red River Industrial Development Authority (RRIDA) Fund: The RRIDA was authorized by the Board of Directors in July 1979 under the terms of the Texas Development Corporation Act of 1979. The Red River Industrial Development Authority is a separate entity of the Red River Authority of Texas and is authorized to act on behalf of the Authority for the specific purpose of promoting economic development of commercial, industrial, and manufacturing enterprises for public welfare within the geographical confines of the Red River Basin in Texas.

INTERNAL SERVICE FUNDS: Internal Service Funds provide goods and services to the Enterprise Funds and each other. The two Internal Service Funds are the **General Services Division** and **Communications Division**.

General Services Division: The General Services Division is designated to function as the chief executive branch of the Authority and is directed to carry out the policies sanctioned by the Board of Directors to achieve the purpose for which the Authority was created. It provides administration, planning, engineering, data processing, billing, accounting, human resources, and information management internally to other Divisions and externally to outside entities.

Communications Division: The principal purpose of the Communications Division is to provide all Authority personnel with the necessary means of obtaining voice contact with the main office and each other during the course of conducting various business activities, and for safety purposes.

Additionally, the Communications Division provides a means to alert the key management personnel within the Utility Division of any malfunctions of facilities within their service area.

Revenue for the Communications Division derives primarily from contract leasing of communication facilities from various outside entities.



METHOD OF BUDGET PREPARATION

The operating budget is prepared using a comparison analysis of each fund's fiscal operating experience with respect to audited financial data. Seven months of actual data is extrapolated into the future to produce the projected final third of the fiscal year. In addition, the actual preceding twelve-month data is reviewed to identify any trends not recognized by the extrapolation. The resulting twelve month estimated actual is then adjusted to reduce or add line-item revenues or expenditures expected to occur during the new budget model, thereby providing the budgeted forecast for the ensuing fiscal year. Care is taken to address seasonal entries, anomalies and one-time only entries in extrapolating the remaining five months of the year. The budget is expected to fall within a ten percent variance of the actual fiscal operations.

The operating budget does not reflect possible income from bond issuance fees or grants awarded, as these are never a certainty. The fees and grants are recorded in the current year once they have been received, and the increase in annual maintenance fees in the Direct Financing Arrangements Fund are budgeted for the next fiscal year.



CAPITAL EXPENDITURES FOR FISCAL YEAR 2024-2025

Long Term Capital Expenditures

Several systems within the Utility Division are proposed to receive capital funding for component repair and replacement of identified infrastructure during the ensuing year. Long Term capital funding is financed through a \$15,000,000 bond issued in June 2017, grants, and Authority reserves. The affected systems include:

System	Long Term Capital Expenditures	Estimated Cost
VS	• SCADA Additions in various systems	100,000
113	• LA Tucker and Nimmo Pump Station Improvements (TWDB)	596,000
300	• Lockett New Pump Station, Elevated Tower, and Improvements	1,678,000
300	• Lockett Install 20 miles of 4" & 6" water line HDPE	400,000
300	• Lockett Install 6.5 miles of 8" water line HDPE/SDR (TWDB)	1,600,000
520	• Truscott Gilliland New Pump Station and Tank Improvements	750,000
600	• Lutie Pump Station Improvements	150,000
722	• Preston Shores, Generator, and Station Improvements	248,000
722	• Preston Shores New Tank, Tank Rehab, and Demolition	700,000
901	• Arrowhead Replace Package Sewer Plant (TWDB)	610,000
902	• Ringgold Well Field - Drill New Well (TWDB)	340,000
902	• Ringgold Pump Station, Pressure Tank, and GST Rehab.	300,000
Sub Total		\$ 7,472,000
Less Federal Grant		\$ -1,476,000
Grand Total		\$ 5,996,000



CAPITAL EXPENDITURES FOR FISCAL YEAR 2024-2025, CONTINUED

Short Term Capital Expenditures by Division

Short Term capital funding is proposed to be funded with current year revenues. Short Term capital projects or items are depreciated over their useful life.

Utility Division

VS	• Additional Meter Readers for Harmony System	42,000
VS	• Harrells Chappel Line Work, Pumps & Piping, and Station Work	45,000
300	• Land Purchase Lockett	20,000
410	• Airport Booster Piping and Station Work	25,000
901	• Arrowhead Awning, Lab Building Work, and Wet well cover	20,000
901	• Arrowhead Vault for Henrietta Bridge Line	10,000
	• Tractor with Brush Hog and Box Blade	26,000
	• Childress Yard Office Space	20,000
	• 3 Replacement ¾ Ton Vehicles and peripherals (\$64K each)	192,000
	• 1 Replacement 1 Ton Vehicle and peripherals	80,000
	• AMI Master meters for system(s) replacement	96,000
Sub Total		\$ 576,000

Environmental Services Division

	• Oil & Grease Pump, pH Probe & Meter, and Autosampler Apparatus	8,000
	• Thermo-Fisher Ion Chromatograph for Anion Analyses	45,000
Sub Total		\$ 53,000



CAPITAL EXPENDITURES FOR FISCAL YEAR 2024-2025, CONTINUED

Short Term Capital Expenditures by Division, continued

General Division

- | | |
|--------------------------------------------------|--------|
| • IT Web Server, Backup Server, New Web Software | 20,000 |
| • Annual Software Agreements | 12,000 |
| • Ovarro TConnect Software | 6,000 |
| • Computers, Printer, and Monitors | 18,000 |

Sub Total \$ 56,000

Grand Total \$ 685,000



CONCLUSION

This Consolidated Annual Operating Budget provides a summarized projected Fiscal Year 2024-2025 revenues versus expenditures by Division. It also provides a comparison to the actual previous fiscal year revenues versus expenditures. It is based on actual and projected cash transactions and presented with the intent of providing an overall financial operating forecast of the Authority.

Using the FY 2023-2024 budgeted numbers, the proposed Fiscal Year 2024-2025 Consolidated Annual Operating Budget reflects an overall increase in projected revenues of \$1.06 million or 10.9 percent. Additionally, there is an overall projected increase in combined expenditures in the amount of \$1,334,371 or 14.4 percent, due to increased costs from depreciation, property insurance, personnel services, and supply cost.

Please refer to the attached supporting schedules for detailed representation of projected revenues and expenditures on a per-fund basis for conformity to reporting, in accordance with Generally Accepted Accounting Principles for governmental units.

Staff has continued to address the Board's directives for transparency and accountability. We have tried to provide additional information, and have utilized percentages to highlight trends and patterns in the data. All of these efforts are made to make the information more readily available and understandable for our customers. I appreciate the support and guidance that the Finance Committee has provided both to me and staff as we developed this year's budget. I look forward to working with them in future years.

Lana R. Hefton
Controller

Date



SUPPORTING SCHEDULES

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET FISCAL YEAR 2024-2025

Schedule of Combined Divisions

	FY 2023-2024 Budgeted	FY 2023-2024 Current YTD	FY 2023-2024 Projected EOY	FY 2024-2025 Budgeted
Revenues:				
General Services Division	\$ 330,098	\$ 180,243	\$ 308,988	\$ 402,060
Environmental Services Division	1,239,177	698,249	1,196,998	1,158,486
Communications Division	123,847	35,656	61,125	153,231
Utility Division	7,983,202	4,649,379	7,970,363	9,024,263
Total Revenues	9,676,324	5,563,527	9,537,474	10,738,041
Expenses:				
General Services Division	1,343,767	757,894	1,299,247	1,567,848
Environmental Services Division	1,057,167	628,200	1,076,914	1,154,838
Communications Division	8,472	12,604	21,606	15,589
Utility Division	6,843,128	3,826,185	6,559,174	7,848,631
Total Expenses	9,252,534	5,224,883	8,956,942	10,586,905
Excess or (deficit)	\$ 423,790	\$ 338,644	\$ 580,532	\$ 151,136

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET FISCAL YEAR 2024-2025

Schedule of Combined Divisions

	FY 2023-2024 Budgeted	FY 2023-2024 Current YTD	FY 2023-2024 Projected EOY	FY 2024-2025 Budgeted
Operating revenues:				
Water and sewer sales	\$ 7,255,981	\$ 4,218,093	\$ 7,231,017	\$ 8,402,357
Charges for materials and services	1,224,365	433,641	743,385	935,743
Administrative fee income	51,408	26,199	44,912	-
Grant Revenue	-	-	-	-
Other income	674,946	487,063	834,964	999,940
Total operating revenues:	9,206,700	5,164,996	8,854,279	10,338,041
Operating expenses:				
Water purchases	1,497,700	775,923	1,330,153	1,523,454
Personnel services	3,221,124	1,802,152	3,089,403	4,017,285
Administrative costs	285,886	152,249	260,998	273,806
Utilities, supplies and maintenance	1,780,370	1,108,085	1,899,574	2,038,994
Insurance	135,645	141,510	242,589	148,139
Automobile and travel	502,484	249,832	428,283	503,204
Professional and directors fees	253,399	123,373	211,497	290,114
Research expense	-	-	-	-
Bad debt	28,074	35,256	60,440	54,965
Total operating expenses:	7,704,682	4,388,380	7,522,937	8,849,960
Operating income (loss) before deprec.	1,502,018	776,616	1,331,342	1,488,081
Depreciation	(1,059,841)	(551,920)	(946,149)	(1,263,900)
Operating income (loss)	442,177	224,696	385,193	224,181
Non-operating revenues (expenses):				
Interest income	469,624	396,731	680,109.63	400,000
Gain on sale of assets	-	1,800	3,086	-
Interest expense	(488,011)	(284,583)	(487,857)	(473,045)
Allocated Administrative Fees	-	-	-	-
	(18,387)	113,948	195,339	(73,045)
Income (loss) before operating transfers	423,790	338,644	580,532	151,136
Operating transfers in (out)	-	-	-	-
Net income (loss)	\$ 423,790	\$ 338,644	\$ 580,532	\$ 151,136

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET FISCAL YEAR 2024-2025

Schedule of Combined Divisions

GENERAL SERVICES DIVISION 011

	FY 2023-2024 Budgeted	FY 2023-2024 Current YTD	FY 2023-2024 Projected EOY	FY 2024-2025 Budgeted	Percent Change
Operating revenues:					
Water and sewer sales	-	-	-	-	0.00%
Charges for materials and services	-	-	-	-	0.00%
Administrative fee income	-	-	-	-	0.00%
Grant Revenue	-	-	-	-	0.00%
Other income (RWPG)	130,000	235	403	208,098	60.08%
Total operating revenues:	130,000	235	403	208,098	
Operating expenses:					
Water purchases	-	-	-	-	0.00%
Personnel services	846,950	521,550	894,086	974,321	15.04%
Administrative costs	55,327	26,385	45,231	48,929	-11.56%
Utilities, supplies and maintenance	163,236	75,909	130,130	173,006	5.99%
Insurance	9,602	19,247	32,995	27,539	186.81%
Automobile and travel	15,927	7,395	12,677	16,344	2.62%
Professional and directors fees	209,225	84,043	144,074	289,708	38.47%
Research expense	-	-	-	-	0.00%
Bad debt	-	-	-	-	0.00%
Total operating expenses:	1,300,267	734,529	1,259,193	1,529,848	
Operating income (loss) before deprec.	(1,170,267)	(734,294)	(1,258,790)	(1,321,750)	
Depreciation	(43,500)	(23,365)	(40,054)	(38,000)	-12.64%
Operating income (loss)	(1,213,767)	(757,659)	(1,298,844)	(1,359,750)	
Non-operating revenues (expenses):					
Interest income	200,098	180,008	308,585	193,962	-3.07%
Gain on sale of assets	-	-	-	-	0.00%
Interest expense	-	-	-	-	0.00%
Allocated Administrative Fees	-	-	-	-	0.00%
	200,098	180,008	308,585	193,962	
Income (loss) before operating transfers	(1,013,669)	(577,651)	(990,259)	(1,165,787)	
Operating transfers in (out)	-	-	-	-	
Net income (loss)	(1,013,669)	(577,651)	(990,259)	(1,165,787)	15.01%
IT Web Server, Backup Server, New Web Software				20,000	
Annual Software Agreements				12,000	
Ovarro TConnect Software				6,000	
Computers, Printer, and Monitors				18,000	
Subtotal:				56,000	
Net Income less budget line items:				(1,221,787)	

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET FISCAL YEAR 2024-2025

Schedule of Combined Divisions

ENVIRONMENTAL SERVICES DIVISION 079

	FY 2023-2024 Budgeted	FY 2023-2024 Current YTD	FY 2023-2024 Projected EOY	FY 2024-2025 Budgeted	Percent Change
Operating revenues:					
Water and sewer sales	-	-	-	-	0.00%
Charges for materials and services	846,587	425,461	729,361	805,000	-4.91%
Administrative fee income	642	277	475	-	-100.00%
Grant Revenue	-	-	-	-	0.00%
Other income (CRP)	391,948	272,280	466,766	350,448	-10.59%
Total operating revenues:	1,239,177	698,018	1,196,603	1,155,448	
Operating expenses:					
Water purchases	-	-	-	-	0.00%
Personnel services	469,083	246,269	422,176	506,758	8.03%
Administrative costs	23,672	12,450	21,342	22,689	-4.15%
Utilities, supplies and maintenance	472,431	301,934	517,601	559,992	18.53%
Insurance	7,657	9,633	16,514	20,147	100.00%
Automobile and travel	18,713	8,226	14,101	20,845	11.39%
Professional and directors fees	43,066	39,330	67,423	407	100.00%
Research expense	-	-	-	-	0.00%
Bad debt	-	-	-	-	0.00%
Total operating expenses:	1,034,622	617,841	1,059,157	1,130,838	
Operating income (loss) before deprec.	204,555	80,177	137,446	24,610	
Depreciation	(22,545)	(10,359)	(17,758)	(24,000)	6.45%
Operating income (loss)	182,010	69,818	119,688	610	
Non-operating revenues (expenses):					
Interest income	-	230	395	3,038	0.00%
Gain on sale of assets	-	-	-	-	0.00%
Interest expense	-	-	-	-	0.00%
Allocated Administrative Fees	-	-	-	-	0.00%
	-	230	395	3,038	
Income (loss) before other revenues	182,010	70,049	120,083	3,649	
Grant revenue for asset purchases	-	-	-	-	
Net income (loss)	182,010	70,049	120,083	3,649	-98.00%
Oil & Grease Pump, pH Probe & Meter, and Autosampler Apparatus				8,000	
Thermo-Fisher Ion Chromatograph for Anion Analyses				45,000	
Subtotal:				53,000	
Net Income less budget line items:				(49,351)	

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET FISCAL YEAR 2024-2025

Schedule of Combined Divisions

COMMUNICATIONS DIVISION 081

	FY 2023-2024 Budgeted	FY 2023-2024 Current YTD	FY 2023-2024 Projected EOY	FY 2024-2025 Budgeted	Percent Change
Operating revenues:					
Water and sewer sales	-	-	-	-	0.00%
Charges for materials and services	94,668	3,960	6,789	119,243	25.96%
Administrative fee income	-	-	-	-	0.00%
Grant Revenue	-	-	-	-	0.00%
Other income	-	-	-	-	0.00%
Total operating revenues:	94,668	3,960	6,789	119,243	
Operating expenses:					
Water purchases	-	-	-	-	0.00%
Personnel services	-	-	-	-	0.00%
Administrative costs	-	154	264	-	0.00%
Utilities, supplies and maintenance	6,108	10,738	18,407	13,452	120.24%
Insurance	518	790	1,354	237	100.00%
Automobile and travel	-	-	-	-	0.00%
Professional and directors fees	-	-	-	-	0.00%
Research expense	-	-	-	-	0.00%
Bad debt	-	-	-	-	0.00%
Total operating expenses:	6,626	11,681	20,025	13,689	
Operating income (loss) before deprec.	88,042	(7,721)	(13,236)	105,554	
Depreciation	(1,846)	(923)	(1,582)	(1,900)	2.93%
Operating income (loss)	86,196	(8,644)	(14,818)	103,654	
Non-operating revenues (expenses):					
Interest income	29,179	31,696	54,337	33,987	16.48%
Gain on sale of assets	-	-	-	-	0.00%
Interest expense	-	-	-	-	0.00%
Allocated Administrative Fees	-	-	-	-	0.00%
	29,179	31,696	54,337	33,987	
Income (loss) before operating transfers	115,375	23,053	39,519	137,642	
Operating transfers in (out)	-	-	-	-	
Net income (loss)	115,375	23,053	39,519	137,642	19.30%

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET FISCAL YEAR 2024-2025

Schedule of Combined Divisions

UTILITY DIVISION 11-22

	FY 2023-2024 Budgeted	FY 2023-2024 Current YTD	FY 2023-2024 Projected EOY	FY 2024-2025 Budgeted	Percent Change
Operating revenues:					
Water and sewer sales	7,255,981	4,218,093	7,231,017	8,402,357	15.80%
Charges for materials and services	283,110	4,221	7,235	11,500	-95.94%
Administrative fee income (Late Fees)	50,766	25,921	44,437	-	-100.00%
Grant Revenue	-	-	-	-	0.00%
Other income	152,998	214,548	367,796	441,394	188.50%
Total operating revenues:	7,742,855	4,462,783	7,650,485	8,855,252	
Operating expenses:					
Water purchases	1,497,700	775,923	1,330,153	1,523,454	1.72%
Personnel services	1,905,091	1,034,332	1,773,141	2,536,206	33.13%
Administrative costs	206,887	113,261	194,161	202,187	-2.27%
Utilities, supplies and maintenance	1,138,595	719,504	1,233,436	1,292,543	13.52%
Insurance	117,868	111,841	191,727	100,216	100.00%
Automobile and travel	467,844	234,211	401,505	466,014	-0.39%
Professional and directors fees	1,108	-	-	-	100.00%
Research expense	-	-	-	-	0.00%
Bad debt	28,074	35,256	60,440	54,965	95.79%
Total operating expenses:	5,363,167	3,024,328	5,184,562	6,175,586	
Operating income (loss) before deprec.	2,379,688	1,438,455	2,465,922	2,679,666	
Depreciation	(991,950)	(517,274)	(886,755)	(1,200,000)	20.97%
Operating income (loss)	1,387,738	921,181	1,579,167	1,479,666	
Non-operating revenues (expenses):					
Interest income	240,347	184,796	316,793	169,012	-29.68%
Gain on sale of assets	-	1,800	3,086	-	0.00%
Interest expense	(488,011)	(284,583)	(487,857)	(473,045)	-3.07%
Allocated Administrative Fees	-	-	-	-	0.00%
	(247,664)	(97,987)	(167,978)	(304,033)	
Income (loss) before operating transfers	1,140,074	823,194	1,411,189	1,175,633	
Transfers	-	-	-	-	
Loss on Abandonment	-	-	-	-	
Net income (loss)	1,140,074	823,194	1,411,189	1,175,633	3.12%
				Additional Meter Readers for Harmony System	42,000
				Harrells Chappel Line Work, Pumps & Piping, and Station Work	45,000
				Land Purchase Lockett	20,000
				Airport Booster Piping and Station Work	25,000
				Arrowhead Awning, Lab Building Work, and Wet well cover	20,000
				Arrowhead Vault for Henrietta Bridge Line	10,000
				Tractor with Brush Hog and Box Blade	26,000
				Childress Yard Office Space	20,000
				3 Replacement ¾ Ton Vehicles and peripherals (\$64K each)	192,000
				1 Replacement 1 Ton Vehicle and peripherals	80,000
				Subtotal:	480,000
				Net Income less budget line items:	695,633



RED RIVER AUTHORITY OF TEXAS

Utility Division

Rate Schedule

Effective October 1, 2024



TREATED WATER AND SEWER RATES

Residential Water*

RESIDENTIAL RATES							
Minimum Monthly Charge is \$103.00 and includes 2,000 gallons							
Meter Size: 5/8" Base							
GALLONAGE CHARGE:							
TIER	VOLUME				CHARGE		
Tier 1	2,001	to	10,000	gals.	\$	7.00	/1000 gals.
Tier 2	10,001	to	20,000	gals.	\$	9.00	/1000 gals.
Tier 3	20,001	to	30,000	gals.	\$	11.00	/1000 gals.
Tier 4	30,001	to	50,000	gals.	\$	13.00	/1000 gals.
Tier 5	50,001	to	Infinity	gals.	\$	15.00	/1000 gals.

Commercial Water*

COMMERCIAL RATES							
Minimum Monthly Charge is \$114.50 and includes Zero gallons							
Meter Size: 3/4" Base Equivalency See Equivalency Table for Other Size Charges							
GALLONAGE CHARGE:							
TIER	VOLUME				CHARGE		
Tier 1	ZERO	to	2,000	gals.	\$	8.00	/1000 gals.
Tier 2	2,001	to	10,000	gals.	\$	9.00	/1000 gals.
Tier 3	10,001	to	20,000	gals.	\$	11.00	/1000 gals.
Tier 4	20,001	to	30,000	gals.	\$	13.00	/1000 gals.
Tier 5	30,001	to	50,000	gals.	\$	15.00	/1000 gals.
Tier 6	50,001	to	Infinity	gals.	\$	17.00	/1000 gals.



Sewer*

Monthly Rate: \$59.75 (only for those with sewer services)

*A late fee in the amount of 10% of the monthly account statement will be assessed against an account for the statement not being paid in full by 5:00 PM on the 16th day after issuance, subject to rule.

The rates are based on all treated water and sewer systems combined within the Utility Division in order to maintain adequate bond coverage ratios. The rates are designed to provide the revenues needed to recover the cost of operating and pay the debt service, and are from the 2022 Utility Division Rate Study.

OTHER RATES

Raw, Wholesale, and Transient water rates, and commercial and industrial sewer rates are designed to provide the revenues needed to recover the costs of acquiring water rights, and ongoing participation in the operation and maintenance of reservoirs, well fields, sewer plants, or other related infrastructure.

These rates are negotiated individually on a contractual basis as permitted by the General Manager.

COMMERCIAL METER EQUIVALENCY TABLE

The Red River Authority of Texas (the Authority) assesses a base availability charge on all accounts. The availability charge is calculated using the AWWA factor based table (Table 1), with the equivalency of the Authority's commercial ¾" meter. The ¾ Factor will multiplied by the base monthly account charge of \$114.50 to arrive at the equivalent monthly charge for that size meter.

Table 1

Meter Size	AWWA (capacity)	Factor Based on ¾	Base Charge
¾ inch (or 5/8)	30	1.00	\$114.50
1 inch	50	1.67	\$191.25
1-1/2 inch	100	3.33	\$381.30
2 inch	160	5.33	\$610.30
3 inch	300	10.00	\$1,445.00
4 inch	500	16.67	\$1,909.00
6 inch	1,000	33.33	\$3,817.00





RED RIVER AUTHORITY OF TEXAS

Utility Division

Schedule of Fees and Charges

Effective October 1, 2024



Base Charges (Contract)

Backhoe	(per hour, 2 hours min)	\$150.00
Tractor	(per hour, 2 hours min)	60.00
Technician Time*	(per hour, 2 hours min)	45.00
Travel Time*	(per hour, 2 hours min)	45.00
Welder, Mower, or ATV	(per hour, 2 hours min)	50.00
1/2 Ton Truck	(per mile)	1.10
3/4 Ton Truck	(per mile)	1.62
1 Ton Truck	(per mile)	2.11
T370 Truck & Trailer	(per mile)	3.24

* All after-business-hours' time will be assessed at a rate of cost plus 50%.

* All contracted work will be assessed with a 15% contingency

Residential Tap Fees

Water Short Tap	Less than 10 feet from main	\$1,893.00
Sewer Short Tap (gravity)	Less than 10 feet from main	568.00
Sewer Short Tap (pressure)	Less than 10 feet from main	2,500.00

Commercial Tap Fees

Short Tap	Less than 10 feet from main	\$1,919.00
Sewer Short Tap	Less than 10 feet from main	568.00
Sewer Short Tap (pressure)	Less than 10 feet from main	2,500.00

Miscellaneous Fees and Charges

Residential Connect (any new contract)	\$335.00
Commercial Connect (any new contract)	450.00
Residential Reconnect	100.00
Commercial Reconnect	200.00
Return Check Charge	25.00
Water or Sewer Service Charge/Call per hour (includes meter data log)	45.00
Meter Accuracy Test (send out other than on-site test)	100.00
Customer Service Valve	60.00
Customer Service Inspection Fee	75.00
Automated Meter Replacement (customer damage)	275.00
Meter Box Replacement	150.00
Transient Meter Fee (fire hydrant meter)	500.00

* All subcontracted work will be assessed a rate of cost plus 20%.





RED RIVER AUTHORITY OF TEXAS

Environmental Services Laboratory

Price List

Effective October 1, 2024



General Chemical Analyses

Alkalinity, Total	\$37.00
Ammonia, Nitrogen	\$37.00
BOD ₅	\$51.00
CBOD ₅	\$51.00
COD	\$47.00
Chloride	\$39.00
Chlorophyll- <i>a</i> / Pheophytin*	\$51.00
Conductivity	\$28.00
Nitrate	\$39.00
Nitrate+Nitrite	\$89.00
Nitrite	\$39.00
Oil & Grease	\$110.00
pH	\$18.00
Phosphorus, Total	\$48.00
Phosphorus Low-Level, Total	\$89.00
Sulfate	\$39.00
Temperature*	\$18.00
Total Dissolved Solids (TDS)	\$37.00
Total Kjeldahl Nitrogen (TKN)	\$89.00
Total Suspended Solids, (TSS / MLSS)	\$37.00
Volatile Suspended Solids, (VSS / MLVSS)	\$37.00
Turbidity	\$26.00

* Not available for NELAP accreditation through the Texas Commission on Environmental Quality (TCEQ)

Microbiological Analyses

Coliform, Total (P/A - Colilert)	\$21.00
<i>E. coli</i> (IDEXX-MPN)	\$37.00
<i>Enterococcus</i> (IDEXX MPN)	\$37.00

Auto-Sampling Services

Equipment Rental (per day)	\$55.00
Labor (per hour)	\$55.00
Mileage	\$0.67

Miscellaneous Fees

Sample Filtration	\$16.00
Calculation Fee	\$75.00
Field Monitoring or Courier	Quote
Fax	\$1.50
Copy Fee (black & white)	\$0.12/page
Shipping Handling Fee	\$5/customer shipment

Additional analyses not listed above are available for testing by quote.
All subcontracted tests will be charged at a rate of analytical test charge plus 20%.
Customer pays all subcontracted shipping, environmental fees, and cost differential from quote.
When available, after-hours services will be assessed at a rate of \$55.00/hour
for the technician in addition to the cost of analysis.

3000 Hammon Road, Wichita Falls, Texas 76310

Phone Number: (940) 723-1717 Fax Number: (940) 723-6529 Emergency Number: (940) 636-8024





RED RIVER AUTHORITY OF TEXAS



HOLIDAY SCHEDULE AND REGULARLY SCHEDULED BOARD MEETINGS FOR FISCAL YEAR 2024-2025

The Red River Authority of Texas will be Closed for these Observed Holidays:

Columbus Day	–	Monday, October 14, 2024
Thanksgiving	–	Thursday, November 28, 2024
Day After Thanksgiving	–	Friday, November 29, 2024
Christmas Eve (Observed)	–	Tuesday, December 24, 2024
Christmas Day	–	Wednesday, December 25, 2024
New Year's Day	–	Wednesday, January 1, 2025
Martin Luther King, Jr. Day	–	Monday, January 20, 2025
Presidents Day		Monday, February 17, 2025
Good Friday	–	Friday, April 18, 2025
Memorial Day	–	Monday, May 26, 2025
Juneteenth		Thursday, June 19, 2025
Independence Day	–	Friday, July 4, 2025
Labor Day	–	Monday, September 1, 2025

Regularly Scheduled Board of Directors Meeting Dates

January 14, 2025 – Executive Committee Meeting
January 15, 2025 – Board of Directors Meeting
April 16, 2025 – Board of Directors Meeting
July 16, 2025 – Board of Directors Meeting
September 17, 2025 – Board of Directors Meeting

