

#### **Item 4 – Presentation of Draft FY 2024 District Operating/Capital Budgets**

The FY 2024 District Operating Budget differs slightly from FY 2023. The budgets for both FY 2023 & FY 2024 have increased over previous years primarily due to increased work load associated with future mitigation of Simsboro water wells.

The need for increased hydrogeological work is evident. We have transitioned from GW Consultants (John Seifert) to Advanced Groundwater Solutions (James Beach) and lowered the expected budgeted amount for FY 2024. The legal line item differs from years past. The standard fee of \$60,000 covers 20 hours/month and is no longer unlimited. Any hours beyond twenty will be billed at \$275/hour.

Other budgeted line items affected by future well mitigation include continuing to budget two (2) part-time employees for both field data collection and data input. Fuel and maintenance of vehicles are also affected line items.

The most significant budgeting change is a request for the Board to fund a social media campaign associated with the Texas Water Foundation. Branded as “Texas Runs on Water”, the District has been offered the opportunity to use branded material locally (Brazos Valley Runs on Water) to spread the water conservation and preservation message through social and broadcast media using KBTX as the platform. Please review the slide presentation uploaded to the File Browser containing our comments to familiarize yourself with the objectives of the campaign.

A rule change adopted September 14, 2023 allows the District to set export fees independent of water production fees. Currently, our enabling act allows for a maximum of \$0.17/1000 gallons to be charged for the combination of water production and export fees. The newly adopted rule allows the District to set an export fee up to \$.20/1000 gallons and additionally charge water production fees based on the parameters stated in the District enabling act. Setting the export fee to the maximum of \$0.20/1000 gallons would result in an increase of \$0.07675/1000 gallons exported.

Two (2) line items have been revised (increased) since the October 12, 2023 board meeting. Field Services was increased by \$3,700 to accommodate TerraFlex software and Trimble geo-device support and the purchase and installation one (1) continuous water level monitoring device. Depreciation was increased \$9,800 reflecting depreciation on a second new District truck. All other budget line items remained the same as presented on October 12<sup>th</sup>.

The draft FY 2024 Operating Budget has been uploaded into a separate File Browser folder for your review prior to the meeting. This agenda item is for presentation and discussion only. No action will be taken on approval of the budget until November 9, 2023.