

**Orange County Water Control
&
Improvement District No. 1**

**Budget
2025-2026**

Adopted – 05/19/2025



Orange County Water Control & Improvement District No. 1

MISSION STATEMENT

IT IS THE MISSION OF
ORANGE COUNTY WATER CONTROL &
IMPROVEMENT DISTRICT NO. 1

TO:

- PROVIDE A PLENTIFUL SUPPLY OF CLEAN WATER
- PROVIDE EFFICIENT DISPOSAL OF WASTE
- EXPAND SERVICES AS RESOURCES WILL ALLOW
- EXCEED ENVIRONMENTAL STANDARDS
- STRENGTHEN COMMITMENT FROM EMPLOYEES BY ATTENDING TO THEIR NEEDS AS REGARDS TO COMPENSATION; TRAINING; AND OPERATING EQUIPMENT
- WE ALSO PLEDGE COOPERATION WITH PUBLIC AND PRIVATE ENTITIES WHOSE GOALS COMPLEMENT OUR OWN



May 15, 2025

Board of Directors
Orange County Water Control &
Improvement District No. 1
460 E Bolivar
Vidor, Texas 77662

Gentlemen:

Presented for your consideration are the **2024/2025 Amended Budget Performance Analysis** and the **Proposed Fiscal Year 2025/2026 Operating Budget** for Orange County Water Control & Improvement District No. 1.

An amendment to the current year's budget was necessary to correct the predictions in revenues and expenditures for the 2024/2025 budget. When doing predictions for the Operating Budget, the District uses figures from the month with the lowest reading from the previous year's billing. The District's staff detected that the Budget was not attaining the targeted predictions and began to review the rates and billings used to predict revenues and expenditures for the 2024/2025 Budget. It was discovered that figures with the highest readings were used to make predictions for revenues and expenditures for the 2024/2025 Operating Budget making it unfeasible to meet the projections in the current fiscal year budget. Below is the 2024/2025 Annual Budget Performance Analysis as well as the proposed 2025/2026 Annual Operating Budget.

Fiscal Year 2024/2025 Annual Budget Performance Analysis

The 2024/2025 Fiscal Year ending June 30, 2025, is shaping up to be a successful one, financially. A comparison of the budgeted revenues and expenses to the actual revenues and expenses (results to March 31, 2024, plus projections to June 30, 2024) indicates that the District will net **approximately \$334,836 for the 2024/2025 fiscal year**. The actual revenue, projected to June 30, of \$5,973,213 will exceed the budgeted revenue of \$5,821,166 by \$152,047. Actual expenses, projected to June 30, of \$5,638,789 will come in under budgeted expenses of \$5,821,166 by \$182,789. The net result is an increase in financial position of \$334,836.

As of the March 31st projections, the District will experience cost overruns in only a few of the line-item categories. Below is an outline of the line items that were affected most by overruns in this budget:

1. **LPSS – Maintenance & Repair (Account #5133-B)** – The cost overrun for this line item is contributable to the age of the LPSS systems throughout the district. The 2025/2026 Budget has been increased by \$10,000 to account for anticipated repairs to LPSS systems in the upcoming fiscal year.

2. **Contracts – Office Maintenance (5137)** – The cost overrun to the Contracts line item is due to an increase in annual contracts needed to maintain the District's software in billing, Lead and Copper compliance, Notifications to the customers regarding billing due dates, boil water notices, etc., maintenance of office equipment, the SCADA system, the District website and many others.
3. **Postage – (Account 5155)** – The cost overrun to this line is due to the increase in postage during the fiscal year. Along with the monthly billing postage, the District is required to send out notices to its customers regarding the TTHM's quarterly until compliance is met, annual rate increase letters are also required along with any other mailings needed throughout the year.

In summation of the 2024/2025 Budget Performance Analysis, total expenditures are projected to come in less than budget predications by \$182,789 with revenue collecting projected to exceed budget predictions by \$152,047 for a projected excess of \$334,836.

Fiscal Year 2025/2026 Annual Operating Budget

Revenues and Expenditures are forecast each budget year based on historical data and trends from previous years. The proposed budget of \$5,956,857 is based on anticipated billings and revenue collection for the upcoming Fiscal Year. The budget presented is a balanced budget meaning anticipated expenditures are based on operational needs and are not expected to exceed anticipated revenues. The projected Revenues/Expenditures equate to \$390 per capita/per year based on the District's population of 15,258. Highlights for the proposed FY 25/26 budget include the following:

RATES

- For the 2025/2026 fiscal year, customers will see a rate increase of \$.035 to the water and sewer rates across the board for in-district customers. Out-of-district customers will pay a rate increase of double that amount.

PERSONNEL

- In keeping with the District's mission statement to recognize the contributions and dedication that District employees give to their job and to the customers of the District, presented in this budget is a 3% COLA for all full-time employees. The 3% COLA increase is based on surveying the other governmental entities throughout our immediate area regarding an anticipated COLA increase for their employees during the upcoming budget year as well as observing the CPI-W (Consumer Price Index for Urban Wage Earners and Clerical Workers) indication that the cost of living has increased by 2.9% during the past year. Also, the cost of salaries budgeted for the 2025/2026 fiscal year includes overlapping salaries for both the outgoing and incoming General Manager as well as the outgoing and incoming Inflow & Infiltration Supervisor for a period of six months (½ of the fiscal year). This overlap is planned to facilitate a smooth leadership transition and allow for adequate training and knowledge transfer for both positions.

MAINTENANCE AND OPERATIONS

- **Account #5136 – Meters – Purchase of** – The budgeted amount of \$119,494 reflects costs to cover the replacement of expiring electronic meters. Most of the District's electronic meters were installed in 2005 and has a life expectancy of 15 to 20 years. The meters have done exceptionally well but this past year has shown an increase in the number of expiring meters and this trend will continue until all of the old electronic meters have been replaced.

CAPITAL OUTLAY

- **Account #5190 – Capital Outlay – Vehicles/Equipment** – Proposed in this budget is a cost of \$120,000 for the purchase of 1) \$41,000 for a new 60 KW 3 phase 120/240 volt generator with automatic transfer switch to replace the current generator (installed in 2008) for the Administrative and Field Offices; 2) \$13,910 is budgeted to reimburse the Water/Sewer Major Maintenance account for the purchase of a Forklift; 3) one vehicle for the water and sewer maintenance crew and/or for the sewer treatment plant crew at a cost of approximately \$38,000.

REVENUE NOTE

- **Account #6000 – Bond Principal** –\$1,100,000 is budgeted for Bond Principal payments due in August and February of each year.
- **Account #6001 – Bond Interest** - \$201,163 is budgeted for the Bond Interest payments due in August and February of each year.

TRANSFERS

- **Account #6015; #6016; & #6017** – Capital Projects Accounts – A total of \$66,700 is budgeted to be transferred in each of the Capital Projects during the 2025/2026 fiscal year. These accounts were created in an attempt to set funds aside for capital improvements throughout the District.

CONCLUSION

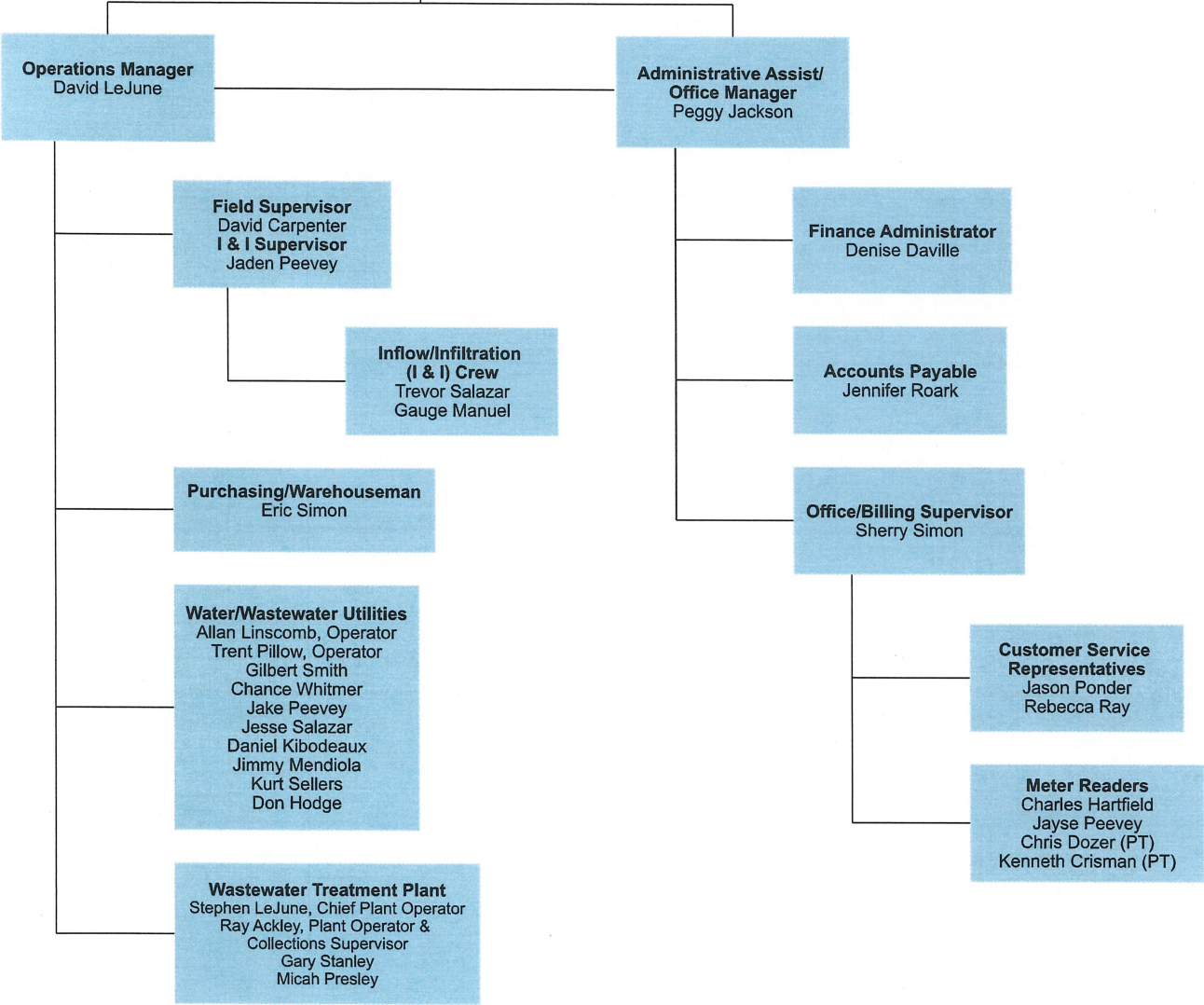
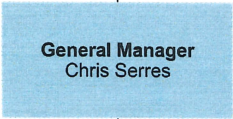
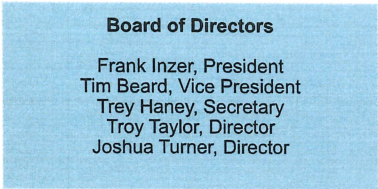
Using historical data to predict the Amended 2025/2026 Operating Budget, this proposed budget accurately represents the best forecast of revenues and expenses. More importantly, the 2025/2026 Proposed Budget demonstrates the commitment of the District's staff to continue following the guidance set forth by the Board of Directors to provide water and sewer services our community has grown to expect and also demonstrates the desire to strengthen commitment from its employees by attending their needs regarding compensation, training, and providing safe operating equipment.

Sincerely,

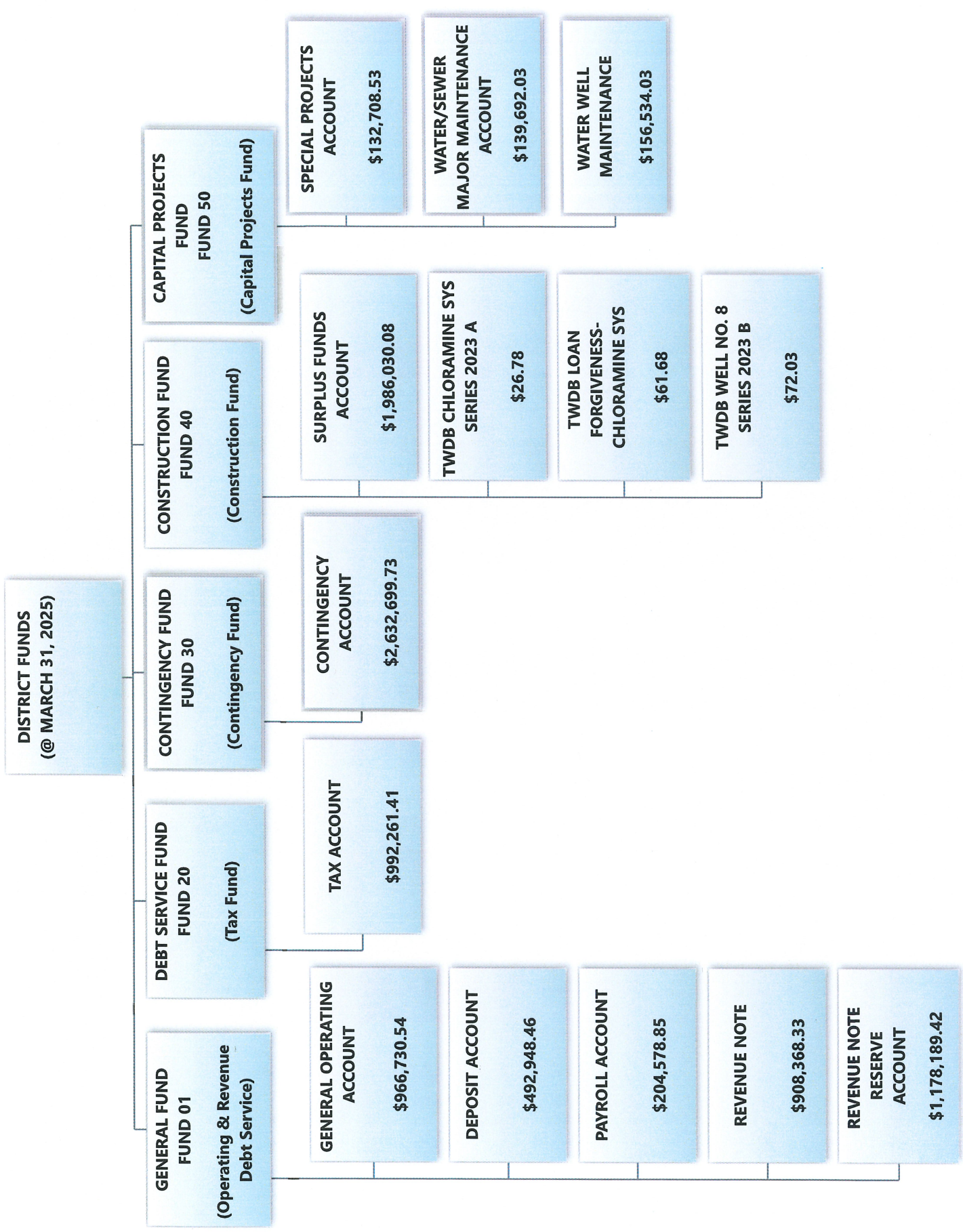
Chris Serres

Chris Serres
General Manager

ORGANIZATIONAL CHART



**DISTRICT
CHART OF FUNDS
WITH
ACCOUNT BALANCES
@
03/31/2025**



2025/2026
BUDGET
WITH
HISTORICAL DATA

REVENUES

REVENUES

REVENUES AND EXPENSES
ANNUAL COMPARISONS FYE 2022 - FYE 2025 WITH 2025-2026 BUDGET PREDICTIONS
(INCLUDES A \$.035 INCREASE TO RATES)

EXPENDITURES

ACCT #	EXPENSES	ACTUAL		2021-2022		ACTUAL		2022-2023		ACTUAL		2023-2024		2024-2025		2025-2026	
		2021-2022	BUDGET	2021-2022	BUDGET	2022-2023	BUDGET	2022-2023	BUDGET	2023-2024	BUDGET	2023-2024	BUDGET	2024-2025	BUDGET	2024-2025	BUDGET
5101	SALARIES AND WAGES	\$ 1,440,324	\$ 1,515,500	\$ 1,437,418	\$ 1,490,000	\$ 1,552,615	\$ 1,540,000	\$ 1,178,736	\$ 1,635,000	\$ 1,810,000							
5102	SALARIES AND WAGES - OVERTIME	\$ 77,116	\$ 135,000	\$ 78,914	\$ 135,000	\$ 86,730	\$ 80,000	\$ 63,968	\$ 86,000	\$ 90,000							
5104	EMPLOYEE RETIREMENT EXPENSE	\$ 110,425	\$ 113,500	\$ 132,270	\$ 128,000	\$ 154,258	\$ 150,000	\$ 123,712	\$ 165,000	\$ 180,000							
5105	HEALTH SAVINGS ACCOUNT (HAS)	\$ 8,961	\$ 15,000	\$ 7,434	\$ 12,000	\$ 6,643	\$ 8,000	\$ 9,430	\$ 15,000	\$ 15,000							
5107	HEALTH/LIFE INSURANCE	\$ 212,604	\$ 243,600	\$ 202,441	\$ 240,000	\$ 194,147	\$ 240,000	\$ 147,988	\$ 198,000	\$ 200,000							
5110	PAYROLL TAXES EXPENSE	\$ 116,100	\$ 120,000	\$ 115,883	\$ 120,000	\$ 125,410	\$ 120,000	\$ 94,190	\$ 126,000	\$ 140,000							
5113	TEXAS WORKFORCE COMM - UNEMI	\$ 4,477	\$ 5,000	\$ 266	\$ 5,000	\$ 3,175	\$ 5,000	\$ 680	\$ 2,000	\$ 4,000							
5114	WORKERS COMP PREMIUMS	\$ 38,710	\$ 35,000	\$ 34,803	\$ 49,000	\$ 36,457	\$ 50,000	\$ 31,937	\$ 43,000	\$ 56,200							
5116	LEGAL FEES	\$ 29,661	\$ 25,000	\$ 50,297	\$ 25,000	\$ 37,419	\$ 50,000	\$ 35,511	\$ 48,000	\$ 35,000							
5119	BUILDING SECURITY	\$ 1,875	\$ 2,000	\$ 9,681	\$ 2,000	\$ 10,021	\$ 10,000	\$ 13,588	\$ 20,000	\$ 20,000							
5120	LPSS REFUND ACCT	\$ 3,100	\$ 4,000	\$ -	\$ 4,000	\$ -	\$ 4,500	\$ -	\$ 4,500	\$ 4,500							
5121	SEWER TAP REFUND	\$ -	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ -	\$ 900	\$ 900							
5122	ENGINEERING FEES	\$ 31,755	\$ 16,000	\$ 20,937	\$ 20,000	\$ 16,801	\$ 25,000	\$ 21,398	\$ 30,000	\$ 30,000							
5123	WATER TAP REFUND	\$ 775	\$ 700	\$ -	\$ 925	\$ 1,000	\$ 1,000	\$ 1,412	\$ 1,000	\$ 1,000							
5125	AUDIT EXPENSE	\$ 21,500	\$ 21,500	\$ 17,250	\$ 30,000	\$ 23,180	\$ 30,000	\$ 18,750	\$ 25,000	\$ 24,500							
5128	VEHICLE/EQUIPMENT - MAINT & RE	\$ 26,931	\$ 46,400	\$ 35,905	\$ 40,000	\$ 43,177	\$ 40,000	\$ 30,439	\$ 45,000	\$ 40,000							
5131-B	WELL #4	\$ 16,621	\$ 2,000	\$ 12,068	\$ 15,000	\$ 7,188	\$ 15,000	\$ 945	\$ 5,000	\$ 10,000							
5131-C	WELL #5	\$ 5,998	\$ 10,000	\$ 116,117	\$ 15,000	\$ 31,214	\$ 15,000	\$ 11,222	\$ 15,000	\$ 10,000							
5131-D	WELL #6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -							
5131-E	WATER DISTRIBUTION SYSTEM - UP	\$ 15,219	\$ 20,000	\$ 41,962	\$ 20,000	\$ 64,180	\$ 45,000	\$ 42,499	\$ 60,000	\$ 55,000							
5131-F	WELL #7	\$ 5,318	\$ 10,000	\$ 5,702	\$ 15,000	\$ 20,968	\$ 15,000	\$ 6,558	\$ 8,800	\$ 10,000							
5132-A	OAKLANE WW TP	\$ 52,302	\$ 20,000	\$ 30,242	\$ 65,000	\$ 32,488	\$ 65,000	\$ 114,726	\$ 155,000	\$ 135,000							
5132-G	WASTEWATER COLLECTION SYSTEM	\$ 110,002	\$ 100,000	\$ 92,396	\$ 125,000	\$ 166,752	\$ 250,000	\$ 49,956	\$ 66,000	\$ 70,000							
5133-A	LPSS - NEW INSTALLATIONS	\$ 80,603	\$ 60,000	\$ 94,005	\$ 75,000	\$ 93,532	\$ 90,000	\$ 48,290	\$ 65,000	\$ 65,000							
5133-B	LPSS - MAINTENANCE/REPAIRS	\$ 73,954	\$ 50,000	\$ 81,415	\$ 75,000	\$ 72,946	\$ 75,000	\$ 44,236	\$ 55,713	\$ 65,000							
5135	INFLOW AND INFILTRATION	\$ 42,332	\$ 20,000	\$ 19,548	\$ 30,000	\$ 27,987	\$ 30,000	\$ 23,538	\$ 32,000	\$ 50,000							
5136	METERS - PURCHASE OF	\$ 49,903	\$ 50,000	\$ 59,079	\$ 100,000	\$ 90,487	\$ 50,000	\$ 79,266	\$ 124,000	\$ 119,494							
5137	CONTRACTS - OFFICE MAINTENANCE	\$ 46,538	\$ 45,000	\$ 57,459	\$ 55,000	\$ 82,875	\$ 55,000	\$ 62,088	\$ 80,000	\$ 90,000							
5140	FUELS & LUBRICANTS	\$ 55,425	\$ 45,000	\$ 58,533	\$ 60,000	\$ 50,502	\$ 65,000	\$ 35,505	\$ 48,000	\$ 45,000							

REVENUES AND EXPENSES
ANNUAL COMPARISONS FYE 2022 - FYE 2025 WITH 2025-2026 BUDGET PREDICTIONS
(INCLUDES A \$.035 INCREASE TO RATES)

ACCT #	EXPENSES	ACTUAL		2021-2022		2022-2023		2023-2024		2024-2025		2025-2026	
		2021-2022	BUDGET	2021-2022	BUDGET	2022-2023	BUDGET	2023-2024	BUDGET	2024-2025	BUDGET	2025-2026	BUDGET
5141	BUILDING/SHOP MAINTENANCE	\$ 32,505	\$ 30,000	\$ 44,723	\$ 40,000	\$ 35,098	\$ 40,000	\$ 40,000	\$ 40,000	\$ 19,116	\$ 30,000	\$ 25,000	\$ 25,000
5143	CHEMICALS - WATER	\$ 33,157	\$ 25,000	\$ 30,693	\$ 40,000	\$ 37,795	\$ 40,000	\$ 40,000	\$ 40,000	\$ 24,143	\$ 35,000	\$ 35,000	\$ 35,000
5144	CHEMICALS-SEWER	\$ 5,994	\$ 8,000	\$ 11,138	\$ 8,000	\$ 11,138	\$ 8,000	\$ 10,000	\$ 10,000	\$ 8,910	\$ 15,000	\$ 15,000	\$ 15,000
5149	LAB EXPENSE	\$ 38,121	\$ 40,000	\$ 43,251	\$ 40,000	\$ 46,052	\$ 40,000	\$ 45,000	\$ 45,000	\$ 34,480	\$ 50,000	\$ 50,000	\$ 50,000
5152	OFFICE EXPENSE - GENERAL	\$ 27,159	\$ 25,300	\$ 31,099	\$ 30,000	\$ 34,126	\$ 30,000	\$ 30,000	\$ 30,000	\$ 23,793	\$ 35,000	\$ 30,000	\$ 30,000
5153	BANK CHARGES AND ADJUSTMENTS	\$ 9,689	\$ 7,500	\$ 4,290	\$ 10,000	\$ 2,638	\$ 10,000	\$ 10,000	\$ 10,000	\$ 1,297	\$ 5,000	\$ 5,000	\$ 5,000
5155	POSTAGE	\$ 28,738	\$ 30,000	\$ 34,474	\$ 30,000	\$ 39,699	\$ 30,000	\$ 35,000	\$ 35,000	\$ 39,519	\$ 50,000	\$ 40,000	\$ 40,000
5158	PRINTING AND LEGAL NOTICES	\$ 13,073	\$ 12,000	\$ 10,684	\$ 15,000	\$ 8,092	\$ 15,000	\$ 15,000	\$ 15,000	\$ 6,109	\$ 15,000	\$ 15,000	\$ 15,000
5160	CREDIT BALANCE - CLEARING ACCOL	\$ -	\$ 1,000	\$ 326	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	\$ 1,000
5161	SURETY BONDS	\$ 900	\$ 1,000	\$ 742	\$ 1,000	\$ 800	\$ 1,000	\$ 1,000	\$ 1,000	\$ 471	\$ 1,000	\$ 1,000	\$ 1,000
5163	CASUAL LABOR	\$ 23,186	\$ 20,000	\$ 20,413	\$ 30,000	\$ 18,175	\$ 30,000	\$ 30,000	\$ 30,000	\$ 13,759	\$ 20,000	\$ 25,000	\$ 25,000
5164	TELEPHONE/COMMUNICATIONS	\$ 32,679	\$ 37,000	\$ 40,822	\$ 35,000	\$ 43,415	\$ 35,000	\$ 40,000	\$ 40,000	\$ 34,948	\$ 48,000	\$ 45,000	\$ 45,000
5165	TRAVEL/TRAINING	\$ 15,517	\$ 5,000	\$ 11,396	\$ 10,000	\$ 13,072	\$ 10,000	\$ 10,000	\$ 10,000	\$ 7,035	\$ 10,000	\$ 10,000	\$ 10,000
5166	DUES/SUBSCRIPTIONS	\$ 10,595	\$ 12,000	\$ 17,315	\$ 14,000	\$ 15,810	\$ 14,000	\$ 15,000	\$ 15,000	\$ 17,904	\$ 25,000	\$ 20,000	\$ 20,000
5167	UTILITIES	\$ 294,401	\$ 230,000	\$ 321,008	\$ 250,000	\$ 280,954	\$ 250,000	\$ 344,000	\$ 344,000	\$ 206,942	\$ 270,000	\$ 290,000	\$ 290,000
5170	ELECTION EXPENSE	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ 5,000
5171	GARBAGE PICKUP	\$ 1,447	\$ 3,000	\$ 1,643	\$ 2,500	\$ 1,574	\$ 2,500	\$ 2,500	\$ 2,500	\$ 1,244	\$ 1,700	\$ 2,000	\$ 2,000
5172	TCEQ - PAYMENTS OTHER THAN PER	\$ -	\$ 3,500	\$ -	\$ 3,000	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	\$ 3,000	\$ 3,000	\$ 3,000
5173	BAD DEBT EXPENSE	\$ 58,633	\$ 33,000	\$ 30,558	\$ 33,000	\$ 32,350	\$ 33,000	\$ 33,000	\$ 33,000	\$ 30,832	\$ 31,000	\$ 33,000	\$ 33,000
5174	SLUDGE DISPOSAL FEE	\$ 41,266	\$ 30,000	\$ 27,594	\$ 42,000	\$ 47,097	\$ 30,000	\$ 30,000	\$ 30,000	\$ 36,581	\$ 50,000	\$ 45,000	\$ 45,000
5175	RAILROAD EASEMENTS	\$ 3,719	\$ 2,000	\$ 4,008	\$ 3,500	\$ 4,138	\$ 3,500	\$ 4,000	\$ 4,000	\$ 2,865	\$ 3,000	\$ 5,000	\$ 5,000
5176	EMPLOYEE UNIFORM EXPENSE	\$ 14,597	\$ 16,000	\$ 15,158	\$ 14,000	\$ 16,591	\$ 14,000	\$ 15,000	\$ 15,000	\$ 12,676	\$ 17,000	\$ 15,000	\$ 15,000
5177	INSURANCE - LIABILITY/PROPERTY	\$ 78,294	\$ 90,000	\$ 87,695	\$ 90,000	\$ 97,772	\$ 90,000	\$ 95,880	\$ 95,880	\$ 111,251	\$ 150,000	\$ 125,000	\$ 125,000
5179	CAPITAL OUTLAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5181	TOOLS (SMALL)/OTHER EQUIPMENT	\$ 18,953	\$ 25,000	\$ 19,069	\$ 25,000	\$ 17,707	\$ 25,000	\$ 25,000	\$ 25,000	\$ 10,326	\$ 15,000	\$ 15,000	\$ 15,000
5184	OFFICE EQUIPMENT & SOFTWARE	\$ 30,137	\$ 25,000	\$ 25,193	\$ 25,000	\$ 29,300	\$ 25,000	\$ 25,000	\$ 25,000	\$ 20,136	\$ 30,000	\$ 30,000	\$ 30,000
5186	FURNITURE AND FIXTURES	\$ 3,576	\$ 5,000	\$ 1,203	\$ 5,000	\$ 2,699	\$ 5,000	\$ 5,000	\$ 5,000	\$ 2,571	\$ 5,000	\$ 3,000	\$ 3,000
5187	LAND & RIGHT OF WAY	\$ -	\$ 2,000	\$ 11,333	\$ 2,000	\$ -	\$ 2,000	\$ 30,000	\$ 30,000	\$ -	\$ 15,000	\$ 15,000	\$ 15,000
5190	CAPITAL OUTLAY - VEHICLES/EQUIP	\$ 20,935	\$ 194,067	\$ 151,945	\$ 160,000	\$ 120,064	\$ 160,000	\$ 120,000	\$ 120,000	\$ 141,332	\$ 152,000	\$ 120,000	\$ 120,000
5196	DRUG TESTING	\$ 85	\$ 200	\$ 120	\$ 200	\$ 40	\$ 200	\$ 200	\$ 200	\$ -	\$ 200	\$ 200	\$ 200
5197	BOND HANDLING FEES	\$ 800	\$ 1,000	\$ 400	\$ 1,305	\$ -	\$ 1,305	\$ 1,500	\$ 1,500	\$ 800	\$ 800	\$ 800	\$ 800
6000	BOND PRINCIPAL	\$ -	\$ 815,000	\$ 815,000	\$ 815,000	\$ 835,000	\$ 815,000	\$ 894,550	\$ 894,550	\$ 1,080,000	\$ 1,080,000	\$ 1,100,000	\$ 1,100,000

REVENUES AND EXPENSES

[illegible]