

AWARD WINNING



2023 - 2024 ANNUAL BUDGETS OPERATING & CAPITAL

Treated Water
Long-Range Water Supply
Water Reclamation
Non-Potable Water Reuse

Watershed Protection
Water Conservation
Household Hazardous Waste
Disposal

AWARDS & HONORS

FY 2022 - 2023

Government Finance Officers Association (GFOA)

Certificate of Achievement for Excellence in Financial Reporting FY 2020-2021

Distinguished Budget Presentation Award with Special Recognition FY 2022-2023

National Association of Clean Water Agencies (NACWA)

2023 Platinum Peak Performance Award

Doe Branch, Lakeview, Peninsula, & Riverbend Regional Water Reclamation Facilities

Water Environment Federation (WEF)

2023 William D. Hatfield Award

Jody Zabolio, Director of Operations & Water Resources

South Central Membrane Association (SCMA)

2023 Outstanding Plant Operator Award

Jeff Mlak, Senior Operator

Association of Metropolitan Water Agencies (AMWA)

2023 Gold Award for Exceptional Utility Performance

American Water Works Association - Texas Section (TAWWA)

Texas Water 2023 Watermark Award for Multimedia

Lake Ralph Hall: One Year Later

UPPER TRINITY REGIONAL WATER DISTRICT
900 N KEALY AVE.
LEWISVILLE, TX 75057

**UPPER TRINITY REGIONAL WATER DISTRICT
LEWISVILLE, TEXAS**

OPERATING AND CAPITAL BUDGETS

FISCAL YEAR 2023 - 2024

OCTOBER 1, 2023 – SEPTEMBER 30, 2024

Record Vote for Operating Budget

For: **19**
Against: **0**
Absent: **3**

Record Vote for Capital Budget

For: **19**
Against: **0**
Absent: **3**

**Adopted by the Board of Directors
September 7, 2023**

**UPPER TRINITY REGIONAL WATER DISTRICT
BOARD OF DIRECTORS
Fiscal Year 2023 – 2024**

**Clay M. Riggs, President – Flower Mound
Lyle Dresher, Vice President – Denton County At-Large
Greg Scott, Treasurer – Justin
Allen L. McCracken II, Secretary – Pilot Point**

**Troy Norton – Argyle
Brian Roberson – Aubrey
Del Knowler – Bartonville
Kimberly Brawner – Celina
Mark Pape – Copper Canyon
Glenn Barker – Corinth
Stephen Gay – Denton
(Vacant) – Denton County
Kevin Mercer – DCFWSD #7
Dave Nelson – Double Oak
Richard Lubke – Highland Village
Orlando Sanchez – Irving
Nate Winchester – Krum
Mike Fairfield – Lake Cities MUA
Kelly Rouse – Lewisville
Chris Boyd – Mustang SUD
Drew Corn – Northlake
Michael Anderson – Ponder
Frank Jaromin – Prosper
Alina Ciocan – Sanger**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Upper Trinity Regional Water District
Texas**

For the Fiscal Year Beginning

October 01, 2022

Christopher P. Morill

Executive Director

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READER'S GUIDE

Welcome to the Upper Trinity Regional Water District's (UTRWD's) FY 2024 Budget document. This document is intended to provide practical and pertinent information about the District's financial planning, policies, goals, and priorities for FY 2024, but also provides insight through FY 2028.

THIS BUDGET IS A POLICY DOCUMENT

It describes financial and operating policies, goals, and priorities for every fund and department of the District for the coming year and for our 5-year planning horizon for the District's largest operating system, the Regional Treated Water System. Our Mission Statement, Vision, and Goals as an organization are found in the Strategic Plan section, while the District's Financial Policies are described in the Budget Overview section.

THIS BUDGET IS A FINANCIAL PLAN

It describes the costs of the services provided by UTRWD and how they are funded. The Revenue Summary section presents projected revenues from the District's core business sectors that include Treated and Non-Potable water sales, Water Reclamation services, and Household Hazardous Waste Program. Additionally, interest and other revenues generated from these services are included. The Operating Fund Detail section provides revenues and expenditures by operating system (Fund). Long-term financial planning for the District's Regional Treated Water System is included under the Strategic Planning section of this document and is also presented to the District's Board of Directors. The Capital Improvement Program (for a 5-year planning period) is included in the CIP Funds section of this Budget document.

THIS BUDGET IS A MEANS OF COMMUNICATION

It is an easy-to-read document with summary information in charts and graphs that complement the details in the text. The Executive Summary, found in the Introduction section, presents an organizational and financial overview of the District for FY 2024. The Budget Overview presents summary information by revenue and expenditure category for the District on a "combined" basis and points out major changes between FY 2023 and FY 2024. An overall description of how the District's operating funds and associated internal reserve funds are structured is included in the Fund Summary section. The budget for each fund – one water fund, three wastewater funds, one non-potable water fund, one household hazardous waste fund, and three internal service funds (Administration, Information Services, and Maintenance), is described in the Operating Fund Detail section, while all outstanding debt and annual debt service amounts (by Fund) are shown in the Debt Summary section. The District's profile and history is included in the Introduction section, while supporting information on the District's member / customer base, service levels, and populations is included in the Statistical Information section of the Budget document.

THIS BUDGET IS AN OPERATIONS GUIDE

UTRWD's Budget document shows each Department's organization chart and budget overview, followed by a detailed budget which includes goals, performance benchmarks, and accomplishments for each. This information is shown in the Operating Fund Detail section, while this information for the District's Engineering Division is shown in the CIP Funds section of this budget document.



MEMORANDUM

TO: Board of Directors
FROM: Larry N. Patterson, Executive Director
DATE: September 7, 2023
SUBJECT: FY 2023 - 2024 PROPOSED BUDGETS

I respectfully submit the proposed Operating and Capital Budgets for the Fiscal Year beginning October 1, 2023, for your consideration. These proposed budgets will fund operations, keep our critically important capital improvement program moving forward, and position the District to respond to continued growth within our service area while also preparing for unprogrammed expenses through development of adequate reserve accounts.

Proposed Operating Budgets will allow the District to continue to provide the highest quality services in an efficient manner. Proposed Capital Improvements reflect the implementation of priority regional projects to meet on-going and future needs within the District's service area. Key projects are listed in the Executive Summary of the FY 2023 – 2024 Budget document.

With the Board's continued support and guidance, the staff and I look forward to another productive fiscal year of service to District members and customers.

EXECUTIVE SUMMARY

Staff is pleased to propose the FY 2023-2024 Budget for consideration by the Board of Directors. District staff continues to be committed to good fiscal stewardship, while protecting the environment and providing the highest level of performance for on-going District programs. Additionally, this budget complies with all relevant District financial policies.

The adopted operating budgets (unchanged from the proposed operating budgets) for the District's utility systems total \$88.94 million for the fiscal year, an overall increase of 12.98% compared to last year's adopted budget of \$78.72 million. The District continues to experience extraordinary growth and utilizes various reserves to offset rates when applicable. The adopted budget represents a practical approach to provide the highest quality service at a reasonable rate to its members and customers.

The adopted budget (unchanged from the proposed capital budget) for capital improvements is recommended to be \$375.68 million, a 35.91% increase from last year's budget of \$276.43 million. The Lake Ralph Hall project represents most of this increase due to expanded construction activities related to the Leon Hurse Dam, a new pump station and associated pipelines, as well as surrounding roads and bridges.

OPERATING BUDGETS

District management has worked diligently to manage and control costs -- and to minimize rate increases. Following are Staff recommendations for rate adjustments:

Regional Treated Water Service	6.10%
Northeast Regional Water Reclamation System	3.50%
Lakeview Regional Water Reclamation System	3.50%
Peninsula Water Reclamation Plant	0.00%
Administration	0.00%
Non-Potable Water System	0.11%
Household Hazardous Waste	30.69%

During the budget preparation process, all proposed expenditures were evaluated closely to control cost increases. Highlights for the adopted operating budgets include:

- A 2% Market Rate adjustment for all District position salaries / hourly rates.
- A merit raise range increase from 4% to 6% as a tool to decrease higher than normal turnover in District staff.
- Five additional positions (Full year funded) will be required to keep up with the increasing workload as the District continues to grow. The five requested positions are:
 - An Operations Manager (North Division) position to be allocated between the Regional Treated Water System (Harpool Plant), the Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants), and the Peninsula Water Reclamation Plant at 50%, 40%, and 10%, respectively, of position costs, to provide managerial support in the District's expanding northeast service area.
 - A Wastewater Operator II in the Lakeview Regional Water Reclamation System to provide operational support in anticipation of the expansion of the Plant's treatment capacity from 5.50 to 7.50 MGD over the next few years. For FY 2024 going forward, District

- operating staff previously shared between the Lakeview and Peninsula Plants will now be specifically assigned to each Plant.
- A Senior Wastewater Operator in the Northeast Regional Water System (Riverbend Plant) to provide additional support for operations due to the continued growth in wastewater flows in the northeast service area.
 - A Wastewater Operator II at the Peninsula Water Reclamation Plant to provide operational support for newly installed biosolids processing capabilities, increased flows from above average growth in the Peninsula Plant's service area (Mustang Special Utility District), and larger treatment capacity after completion of the Phase 3 expansion project (from 0.94 to 2.0 MGD).
 - A Preventative Maintenance Coordinator to provide additional support required to continue with the District's preventive maintenance program for the additional assets already added, and projected to be added, to the northeast service area operations activities going forward.
- The reclassification of five District positions:
 - An Executive Secretary (Allocated 100% to the Administration Fund) was reclassified to an Engineering Document Controls Specialist (Allocated 90% to the Engineering Fund and 10% to the Administration Fund).
 - A Human Resources / Purchasing Technician (Allocated 100% to the Administration Fund) was reclassified to a Laserfiche Project Technician (Allocated 100% to the Information Technology Fund).
 - A Senior Human Resources Analyst (Allocated 100% to the Administration Fund) was reclassified to a Human Resources Manager.
 - A Lake Ralph Hall (LRH) Capital Project Controls Analyst (Allocated 100% to the LRH project) was reclassified to a LRH Transmission Operator I.
 - A LRH Secretary was reclassified to a LRH Accounting Specialist.
 - Continued funding provided by Non-Bond Capital Reserve funds to purchase spare equipment and supplies to be kept in inventory rather than burdening System rates for the purchase of assets that may not actually be put into operation during the fiscal year period.
 - The adopted budget for the Regional Treated Water reflects a 7.65% cost increase for raw water from Dallas Water Utilities and the City of Denton. The adopted budget is based on anticipated water purchases from the various sources as follows:

<u>Source</u>	<u>Average Usage</u>
Dallas Water Utilities	21.94 MGD
Denton	5.48 MGD
Chapman Lake	10.50 MGD
Reuse	5.25 MGD

- Funding for specific, on-going programs for the Water System are recommended at the following levels:
 - Water Conservation efforts to provide an on-going, strong water conservation program at \$0.02 / 1,000 gallons, no change from FY 2023.
 - General planning for Future Water Resources at \$0.02 / 1,000 gallons, no change from FY 2023.
 - Watershed Protection Program at \$0.02 / 1,000 gallons, no change from FY 2023.
- Reserves are an important component of the District's core business:

- Continue to contribute to the long-term reserve for future replacement of aging facilities (Capital Replacement Reserve) at \$0.12 / 1,000 gallons, a \$0.01 / 1,000-gallon increase from FY 2023, in the Regional Treated Water System, \$0.10 / 1,000 gallons in the Lakeview Regional Water Reclamation System, \$0.05 / 1,000 gallons in the Northeast Regional Water Reclamation System, \$0.05 / 1,000 gallons for the Peninsula Plant, and an annual deposit of \$29,475 in the Non-Potable Water System.
- Continue to contribute to the Non-Bond Reserves in the amount of \$200,000 for the Lakeview Regional Water Reclamation System, \$25,000 for the Non-Potable Water System, \$0.02 / 1,000 gallons in the Northeast Regional Water Reclamation System (a \$0.01 / 1,000-gallon increase from FY 2023), and \$0.05 / 1,000 gallons for the Peninsula Water Reclamation Plant (a \$0.03 / 1,000-gallon increase from FY 2023).
- Continue to contribute to the Raw Water Holding Pond Dredging Reserve at \$0.01 / 1,000 gallons (a \$0.005 / 1,000-gallon increase from FY 2023) to provide a funding source for required and periodic dredging activities for the removal of silt to increase raw water holding capacity at the District's water treatment plants.
- All System O&M Reserves are projected to be 100% funding by the end of FY 2024.
- For the Northeast Regional Water Reclamation System, the District has established an Excess Flow Surcharge of \$0.36 / 1,000 gallons to be imposed on entities that send more wastewater flows to the Riverbend or Doe Branch Plants than their contracted capacity allows. This surcharge will be charged on monthly flows. Additionally, all Excess Surcharge Revenue collected will be transferred monthly to the O&M Reserve of the Northeast Regional Water Reclamation System and will be available to offset the cost of mechanical / maintenance issues caused by overuse of System assets.
- The District's Household Hazardous Waste Program continues to provide an interim service until cities choose to host their own programs, generally through their solid waste providers.
 - The adopted budget for this program includes a \$45 increase to the City of Fort Worth's Landfill Disposal Fee on a per household / voucher basis to yield a new rate of \$95 each (\$50 previous Fort Worth rate + \$45 increase for FY 2024).
- Debt Service for FY 2024 includes:
 - Regional Treated Water System
 - A Variable Rate Financing (Direct Purchase Program) interest rate of 4.75% (compared to 2.75% projected for the adopted FY 2023 budget) is included that yields total interest and fees of approximately \$3.23 million.
 - Two planned conversions of outstanding Variable Rate Debt into Long-Term Debt of approximately \$35.00 million in late FY 2023 (decreased to \$30.00 million after the FY 2024 budget was adopted) and \$55.00 million mid-to-late FY 2024, reflecting debt service amounts of \$2.3 million and \$2.0 million, respectively.
 - Series 2015 Texas Water Development Board (TWDB) Board Participation Bonds issued for the Lake Ralph Hall project - - the annual debt service payment increases by \$93,855, representing a partial interest payment.
 - Series 2015 TWDB Deferred Interest Bonds issues for the Lake Ralph Hall project -- the annual debt service payment of \$1.56 million begins, representing principal and interest. Debt service on this issue has been deferred for the past eight years.
 - Series 2020 TWDB Board Participation Bonds issued for the Lake Ralph Hall project - - a three-year annual debt service payment of \$674,045 begins, representing a partial interest payment.

- Lakeview Regional Water Reclamation System
 - Series 2012 Refunding Bonds decreased by approximately \$453,000 from FY 2023 due to retiring the remaining portion of the Series 2001 State Revolving Fund Loan from the TWDB, originally issued for the second expansion of the treatment capacity at the Lakeview Plant from 3.5 to 5.0 MGD.
- Northeast Regional Water Reclamation System
 - Series 2016 TWDB “D” Fund Bonds issued for the third expansion of the Riverbend Plant from 2.0 to 4.0 MGD - - annual principal payment increases by \$123,035 from FY 2023. These bonds were structured with interest only payments (including capitalized interest) for the first six years, with principal payments increasing throughout the remaining term of the bonds.
 - Series 2017 TWDB “D” Fund Bonds issued to complete the third expansion of the Riverbend Plant - - annual payment increases by \$200,000. These bonds were structured with interest only payments (including capitalized interest) for the first five years, with principal payments increasing throughout the remaining term of the bonds.
- Peninsula Water Reclamation Plant
 - Series 2016 Revenue Bonds issued for the completion of UV Disinfection System improvements - - the annual debt service payment decreased by \$1,000 based on the repayment schedule for this issue.

CAPITAL IMPROVEMENT PROGRAMS

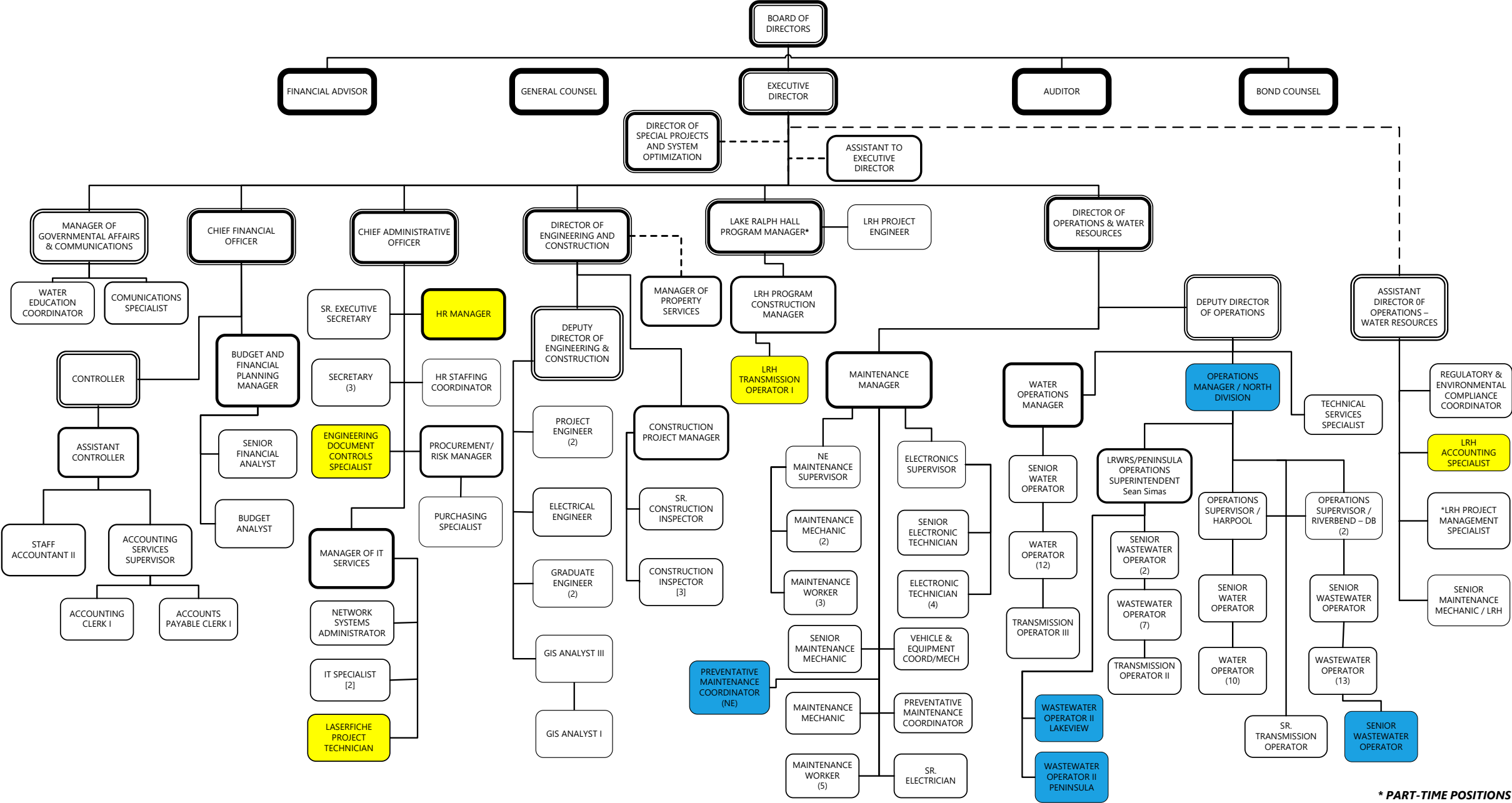
Key capital projects include:

- Southwest Pump Station, Phase 1 project consists of continued design / engineering and construction of a ground storage tank and pump station, to provide additional pumping and water pressure capacity for the western service area of the Regional Treated Water System.
- Lake Ralph Hall project will continue design / engineering, and construction activities of various segments of the lake and its supporting facilities (i.e., dam, pump station, raw water pipelines, mitigation, cultural resources, and support facilities).
- General Treatment and Pumping Improvements will include design / engineering and construction of multi-year projects to upgrade and improve components of the Regional Treated Water System such as modifying / installing additional pumps, completing electrical component upgrades, and optimizing the treatment process.
- Taylor Regional Water Treatment Plant (RWTP) Expansion, Phase 3 will include design / engineering and construction activities to expand the treatment capacity from 70.0 to 85.0 MGD.
- Harpool RWTP Phased Treatment Expansion, Phase 1 project includes expanded administration and maintenance facilities, increased raw water handling, improvements / expansion of membrane water treatment capabilities, a new diurnal pond, and construction of critical infrastructure improvements to provide for a phased-in treatment capacity expansion to 30.0 MGD by 2025.
- Harpool RWTP Phased Treatment Expansion, Phase 2 project includes design / engineering and construction for a new membrane complex, increased site and plant piping, advanced treatment equipment, a new finished-water pump station, a new clear-well, chemical and disinfection facilities, recovery pond, and other necessary improvements to expand the treatment capacity of the Plant from 30.0 to 60.0 MGD.
- Harpool RWTP Northeast Transmission Pipeline, Phases 1 and 2 includes design / engineering and easement acquisition activities for the construction of a 36-inch diameter treated water

transmission pipeline extending northeast from the Harpool RWTP to serve the Town of Celina, Artesia Community, and other customers.

- Harpool RWTP Northeast Transmission Pipeline, Phases 3 includes design / engineering and easement acquisition activities for the future construction of treated water transmission pipelines to extend water service to the Town of Aubrey and other surrounding members / customer entities.
- TxDOT / IH-35 Project will include engineering and construction activities to relocate District water pipelines due to the Texas Department of Transportation's IH-35 widening project from Milam Road in Denton, Texas north to Cowling Road in Sanger, Texas.
- Lakeview Plant Expansion, Phase 3 will continue with design / engineering and begin construction to expand the treatment capacity from 5.5 to 7.5 MGD.
- Doe Branch Plant Expansion, Phase 3 project will continue with design and engineering for the further expansion of the Plant's treatment capacity from 4.0 to 12.0 MGD due to the tremendous population growth in the northeast service area.
- Phase 1, Parallel Interceptor will continue design / engineering and begin construction of a parallel interceptor from approximately Fishtrap Road south to the Doe Branch Plant to provide additional capacity for the future increased treatment capacity upon completion of the Doe Branch Plant Phase 3 expansion from 4.0 to 12.0 MGD.
- Relocation / TxDOT U.S. Hwy 380 Project (Doe Branch Plant) will continue coordination activities with Texas Department of Transportation's U.S. Hwy 380 project to complete the relocation of the Doe Branch Plant's wastewater pipelines and related facilities due to roadway improvements.
- Peninsula WRP Expansion project will complete construction of facilities to expand treatment capacity from 0.94 to 2.0 MGD.

FY 2024 ADOPTED ORGANIZATIONAL CHART



* PART-TIME POSITIONS

SUMMARY OF AUTHORIZED POSITIONS

	2022 Adopted Budget	2023 Adopted Budget	2024 Adopted Budget		2022 Adopted Budget	2023 Adopted Budget	2024 Adopted Budget
Administration				Operations/Maintenance			
Executive Director	1	1	1	Director of Operations and Water Resources	1	1	1
Assistant to Executive Director	1	1	1	Deputy Director of Operations	0	0	1
Manager of Governmental Affairs and Communications	1	1	1	Assistant Director of Operations	1	1	0
Water Education Coordinator	1	1	1	Technical Services Specialist	1	1	1
Communication Specialist	0	1	1	Process Controls Analyst	1	0	0
Chief Administration Officer	0	0	1	Maintenance Manager	1	1	1
Assistant Director for Administration	1	1	0	Northeast Maintenance Supervisor	1	1	1
Senior Executive Secretary	1	1	1	Preventative Maintenance Coordinator	1	1	1
Executive Secretary	2	2	0	Preventative Maintenance Coordinator *	0	0	1
Secretary	2	2	3	Electronics Supervisor	0	1	1
HR Manager	0	0	1	Senior Electronic Technician	1	1	1
Senior HR Analyst	1	1	0	Electronic Technician II	1	1	2
HR Staffing Coordinator	1	1	1	Electronic Technician I	3	3	2
HR / Purchasing Technician	1	1	0	Senior Electrician	0	0	1
Engineering Documents Control Specialist	0	0	1	Vehicle & Equipment Coordinator / Mechanic	1	1	1
Procurement Supervisor	1	0	0	Senior Maintenance Mechanic	2	1	1
Procurement / Risk Manager	0	1	1	Maintenance Mechanic	4	3	3
Purchasing Specialist	1	1	1	Maintenance Worker II	2	4	4
Manager of IT Services	1	1	1	Maintenance Worker I	4	5	4
Network Systems Administrator	1	1	1	Total	25	26	27
IT Specialist	2	2	2				
Laserfiche Project Technician	0	0	1	Northeast Water/Wastewater Reclamation System			
Total	19	20	20	Operations Manager *	0	0	1
				Operations Supervisor	1	1	1
Business/Finance				Senior Water Operator	1	1	1
Chief Financial Officer	1	1	1	Water Operator III	4	3	4
Controller	1	1	1	Water Operator II	3	5	3
Assistant Controller	1	1	1	Water Operator I	2	2	3
Senior Accountant	1	0	0	Operations Supervisor	1	1	2
Staff Accountant II	0	1	1	Senior Wastewater Operator	1	1	1
Staff Accountant I	1	0	0	Senior Wastewater Operator *	0	0	1
Supervisor of Accounting Services	0	1	1	Wastewater Operator III	7	5	7
Accounting Clerk I	2	1	1	Wastewater Operator II	3	4	3
Account Payable Clerk	0	1	1	Wastewater Operator I	3	5	3
Budget and Financial Planning Manager	1	1	1	Senior Transmission Operator	0	1	1
Senior Financial Analyst	1	1	1	Transmission Operator II	1	0	0
Budget Analyst	1	1	1	Total	27	29	31
Total	10	10	10				
				Lakeview Regional Water Reclamation System / Peninsula Plant			
Engineering/Construction				LRWRS / Peninsula Operations Superintendent	1	1	1
Director of Engineering and Construction	1	1	1	Senior Wastewater Operator	2	2	2
Deputy Director of Engineering and Construction	0	0	1	Wastewater Operator III	2	3	4
Assistant Director of Engineering and Construction	1	1	0	Wastewater Operator II	3	3	3
Director of Special Projects and System Optimization	0	0	1	Wastewater Operator I	2	1	0
Senior Professional Engineer	1	1	0	Wastewater Operator II *	0	0	2
Project Engineer	1	1	2	Transmission Operator	1	1	1
Professional Engineer	2	1	0	Total	11	11	13
Electrical Engineer	1	1	1				
Graduate Engineer I / Graduate Engineer II	1	2	2	Regional Treated Water System			
GIS Analyst III	1	1	1	Water Operations Manager	1	1	1
GIS Analyst I	0	1	1	Senior Water Operator	1	1	1
Manager of Property Services	1	1	1	Water Operator III	8	7	8
Construction Project Manager	1	1	1	Water Operator II	4	4	3
Senior Construction Inspector	1	1	1	Water Operator I	0	1	1
Construction Inspector	2	3	3	Transmission Operator	1	0	0
Total	14	16	16	Transmission Operator III	0	1	1
				Total	15	15	15
Lake Ralph Hall							
Assistant Director of Operations - Water Resources	0	1	1				
Manager of Water Resources Program	1	0	0				
Regulatory and Environmental Compliance Coordinator	0	1	1				
Water Resource Specialist	1	0	0				
LRH Capital Project Controls Analyst	1	1	0				
LRH Project Management Specialist (CIP)	1	1	1				
Senior Maintenance Mechanic (LRH)	1	1	1				
Lake Ralph Hall (LRH) Program Manager	1	1	1				
LRH Project Engineer	0	1	1				
LRH Program Construction Manager (CIP)	1	1	1				
LRH Transmission Operator I	0	0	1				
LRH Project Assistant Construction Manager	1	0	0				
LRH Accounting Specialist	0	0	1				
LRH Project Secretary	1	1	0				
Total	9	9	9				
				Total Authorized Positions	130	136	141
				* Requested Positions (5)			

ORGANIZATIONAL PROFILE

The Upper Trinity Regional Water District (The District) was created in 1989 by the Texas Legislature as a conservation and reclamation district, to provide towns, cities and utilities with a sound, long-term water supply. The District is authorized to provide water, wastewater, reclaimed water (non-potable), storm water, and watershed protection and water conservation services -- all on a wholesale basis. The boundaries of the District include all of Denton County, plus limited portions of Collin and Dallas Counties.

The District provides service directly and indirectly to 33 entities (24 cities and towns, 1 utility authority, 2 water supply corporations, 3 fresh water supply districts, 1 utility district, 1 water control improvement district, and the County). The District is governed by a Board of Directors appointed by member entities and is considered by many to be a model regional agency. Each member appoints a director to the governing body and Denton County appoints two directors, one of which serves at-large. Currently, the Board is composed of 24 directors. Non-public utilities have contracts under which they are represented on the governing body by the at-large director. The Board of Directors set the policies of the District and establishes regional programs as needed by members and customers. Current services include treated (drinking) water, non-potable water, water reclamation (wastewater treatment), collection of household hazardous wastes, and other water conservation and watershed protection activities.

HISTORY

The genesis of the District was in 1986, when a group of cities and utilities in the Denton County area began to meet informally with the City of Dallas to plan for adequate water supply. Also, they began to address needs for regional cooperation on a variety of issues, including compliance with water, wastewater, and solid waste regulations. After the cities and utilities decided to initiate a regional plan, the Texas Water Development Board (TWDB) awarded a grant to help develop the plan.

By 1988, the plan was complete, and legislation was drafted to create an independent water district to serve the Denton County area. Visionary leaders believed a new, independent district with fresh ideas, could provide the services most needed by the growing cities of the region. Support from the cities was unanimous and the legislature passed the bill, with the governor signing it on June 16, 1989. In 1995, an amendment was approved by the Legislature to enable the City of Irving to become a member. On May 3, 2001, the Governor signed SB 835, a second amendment, to include watershed protection as an activity.

The District has a very clear mission; to provide utility services that its members and customers need, all without any power of taxation. The District is a governmental enterprise that provides utility service on a wholesale basis and derives 100% of its revenue from the sale of needed services.

TREATED WATER SUPPLY AND FACILITIES

A priority mission of the District is to ensure an adequate water supply for members and customers throughout its service area. The District provides treated (drinking) water services on a wholesale basis to 19 retail utilities which include 29 communities. These retail utilities (including municipalities and water districts) deliver drinking water to retail customers for residential, commercial, industrial, and municipal uses.

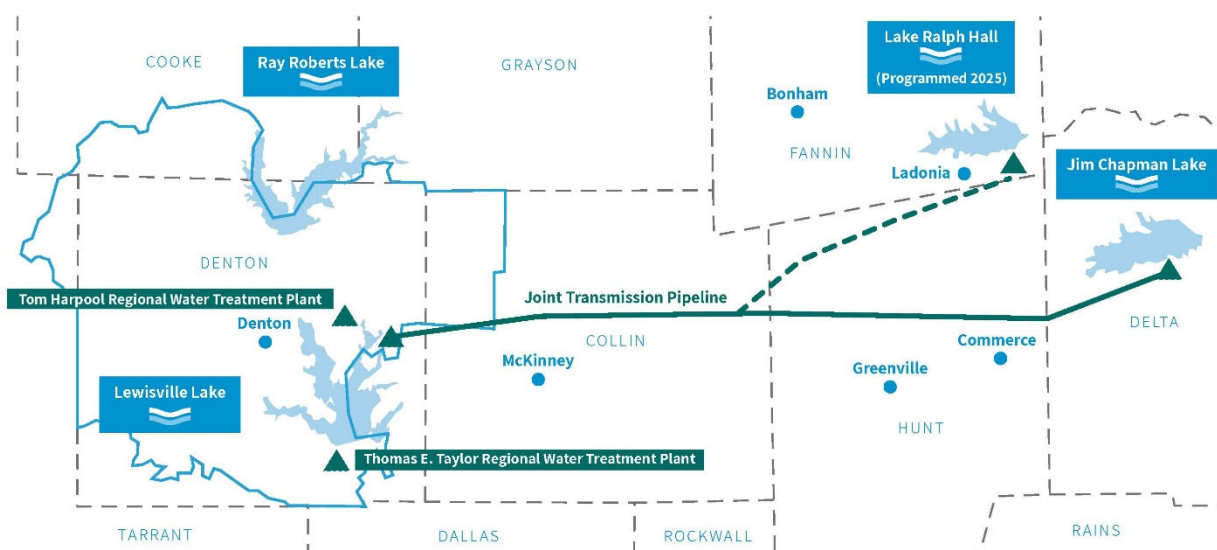
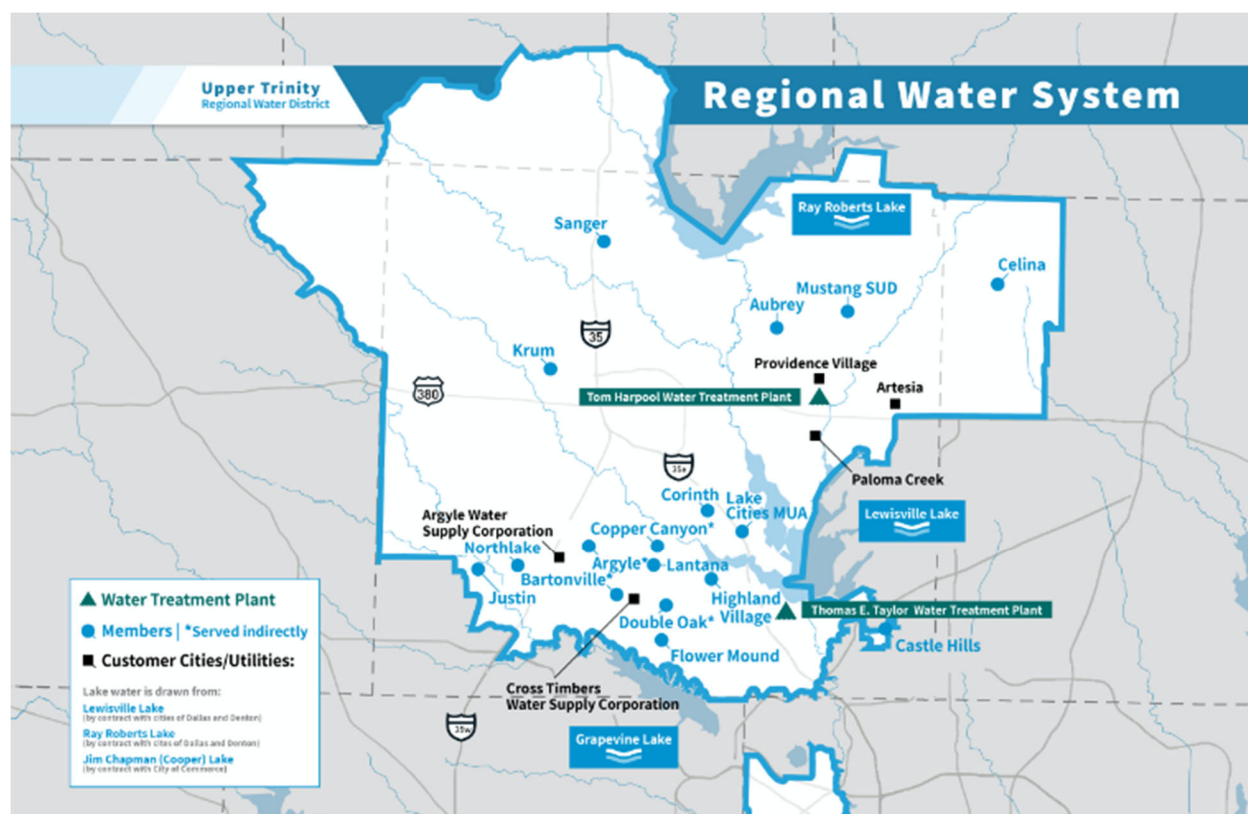
Using state-of-the-art technology and processes, the District prides itself in delivering high quality drinking water, while holding ourselves to higher water quality standards than what is traditionally required by state and federal regulations.

LONG TERM WATER SUPPLY SOURCES

Because ground water (water from wells) is so limited in this region, the most reliable source of water today, and for the future, is surface water (water from lakes). Therefore, to provide a reliable, secure, and adequate water supply for this region, the District has developed a comprehensive and diversified portfolio of water supply sources.

The District's Diversified Water Portfolio
Lewisville Lake water (purchased from Dallas Water Utilities and the City of Denton)
Chapman (Cooper) Lake in northeast Texas
Reuse of water from water reclamation plants
Proposed Lake Ralph Hall in Fannin County
Possible additional water from Sulphur River Basin

Water from Chapman Lake is delivered through a pipeline owned and operated by the City of Irving. A portion of the District's flows from Chapman Lake is delivered to the Tom Harpool Regional Water Treatment Plant in northeast Denton County, and a portion is discharged into Lewisville Lake for use at the Thomas E. Taylor Regional Water Treatment Plant in Lewisville. The following map illustrates the District's current and future water supply sources.



To maintain adequate water supplies in the future, more water conservation and more reuse of existing supplies are part of the answer. However, additional water sources are absolutely critical. The District is constructing a new source of water in Fannin County - - Lake Ralph Hall. Additional sources are also being developed to be brought online to meet the long-term demand projections.

Lake Ralph Hall, a proposed new water supply lake along the North Sulphur River in Fannin County will provide a safe, reliable water source for the entities that depend on the District. It is the most feasible

and lowest cost source of new water available to the District and will be built in time to avoid a water shortfall.

REGIONAL TREATED WATER SYSTEM

The District constructed its first regional water treatment plant in Lewisville, Texas in 1997 -- the Regional Treated Water Plant -- designated as the Thomas E. Taylor Regional Water Treatment Plant in 2009. In order to meet the growing needs of its customers, the District completed the construction of its second water treatment plant in 2008 -- the Tom Harpool Regional Water Treatment Plant.

Thomas E. Taylor Regional Water Treatment Plant - This water treatment plant provides treated drinking water to communities and utilities in southern Denton County. Treating to its full 20 million gallon per day (MGD) capacity the first full year of operation, the plant was expanded to 70 MGD in 2001. The next phase of the expansion from 70 to 85 MGD is currently underway and is anticipated to be completed in FY 2027. The plant was planned with staged expansion capability to at least 300 MGD of treatment capacity as needed to provide for future growth within the District's service area. Plant features include:

- Ozone as a primary disinfectant resulting in improved destruction of bacteria and viruses, fewer chlorination by-products, and removal of taste and odor components from lake algae and blooms.
- Granular activated carbon is used in the filter beds to remove organic compounds, including pesticides and herbicides.
- Flocculation slows the mixing and coagulation of solid material without using electrical power.
- State-of-the-art computer systems are used to monitor transmission flows, elevations in storage facilities and customer demand levels.

Tom Harpool Regional Water Treatment Plant - The Tom Harpool Plant provides treated drinking water to communities and utilities in northeastern Denton County and western Collin County. The plant also provides redundancy for the Taylor Regional Water Treatment Plant in Lewisville. Employing the latest in membrane technology, this plant provides very high-quality drinking water. The Tom Harpool Plant currently has a capacity of 30 MGD and the expansion of administration and maintenance facilities, increased raw water handling, and treatment capability is ongoing. Construction to further expand from 30 to 60 MGD is anticipated to begin in FY 2024. The plant layout has been designed to accommodate future expansions when needed by the District's members and customers to a total capacity of approximately 240 MGD. Plant features include:

- Membrane filters that perform multiple functions - reduce turbidity, remove harmful pathogens, and reduce the amount of organic carbon in combination with the coagulant.
- A four million gallon clear well provides storage of finished water.
- A pump station to pump the treated water into the distribution system.

Transmission Facilities - The District's water transmission facilities include approximately 109.3 miles of pipelines transporting water to its members and customers, along with pump stations and water storage facilities. All of these facilities, and treatment plants, are a part of the District's

regional treated water system, and transport dependable, high quality drinking water to its members and customers.

Transmission Pipelines - The District has transmission pipelines that extend from Justin to Celina and from Flower Mound to Sanger.

Stone Hill Pump Station - Located in Flower Mound, the Stone Hill Pump Station includes two ground storage tanks and a pump station to deliver water to the District's customers in the western portion of its service area.

Temple Dane Pump Station – In 2000, the District partnered with Mustang Special Utility District to construct a joint pump station and a one million-gallon storage facility to provide drinking water to the District's customers in the northern portion of the service area

WATER RECLAMATION FACILITIES

LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

The District initiated wholesale water reclamation service to customers of the Lakeview Regional Water Reclamation System (LRWRS) in August 1996. When the service was initiated, the District assumed ownership and operational control of Lake Cities Municipal Utility Authority's (LCMUA) existing water reclamation plant with 1.0 mgd capacity and began treating all wastewater flows from LCMUA, plus a limited flow from the City of Corinth.

The LRWRS has been constructed in phases, with each phase being a group of project elements. A project element is a distinct physical part of the system to which costs are allocated for ratemaking purposes. Phase 1 of the project, which included the Corinth Pipeline and Joint Pipeline, was completed in the fall of 1996. The treatment plant portion was completed in September 1998 and increased the capacity to 3.5 mgd. Phase 2 of the project, which includes a pipeline to deliver flows from the City of Highland Village and a pipeline to deliver flows from additional LCMUA customers, was completed in October 1998. In 2003, LRWRS plant was expanded to 5.0 mgd and wholesale service was extended to six member entities: LCMUA, Corinth, Highland Village, Denton County Fresh Water Supply District #7, Double Oak and Bartonville. The District upgraded the plant's processing equipment and expanded its treatment capacity to 5.5 mgd in FY 2013. As the District has experienced with its other water reclamation plants, flows in the Lakeview Regional Water Reclamation System have reached the point where expansion of the treatment capacity of the Plant is necessary. Construction to expand the treatment capacity of the Lakeview Plant from 5.5 mgd to 7.5 mgd is projected to begin in FY 2024.

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM

In 2003, water reclamation service began in northeast Denton County serving six members and customers on a wholesale basis: Lincoln Park, Mustang Special Utility District and four Fresh Water Supply Districts (Denton County Fresh Water Supply District #9 later became The Town of Providence Village in 2010, while DCFWSD #10 later became Elm Ridge Water Control Improvement District in 2022). During FY 2015, the Town of Lincoln Park dissolved with Mustang Special Utility District acquiring their utility system and taking assignment of their water and water reclamation contracts. In FY 2018, Mustang SUD acquired a majority of DCFWSD #10's subscribed capacity at the Riverbend Plant (0.5265 mgd) and later acquired the City of Aubrey's 0.28 mgd subscribed capacity FY 2019. The District's Northeast Regional Water

Reclamation System consists of two regional water reclamation plants, a lift station and associated force mains, and a regional system of wastewater collection interceptors.

Riverbend Plant - Constructed in 2003 to serve the portion of northeastern Denton County generally north of U.S. Highway 380 and east of U.S. Highway 377. The plant consists of an influent lift station, biological treatment in sequencing batch reactors, filtration, and final ultraviolet disinfection. During FY 2013, the District completed improvements to this plant's treatment processes which included upgrades to the sludge holding tank to enhance the reliabilities and performance of the plant's solids management to facilitate a 2.0 mgd treatment capacity. Due to the rapid growth experienced in the northeast service area, the treatment capacity of the Riverbend Plant was expanded from 2.0 to 4.0 mgd and became operational in April 2019. Additional improvements to the Plant (and surrounding property) were completed in FY 2023.

East Side Lift Station - Constructed in 2003 on the Doe Branch Water Reclamation Plant property to serve developments in the Doe Branch service area. Prior to the Doe Branch plant becoming operational in November 2016, wastewater from this service area was pumped to the Riverbend Plant for treatment.

Doe Branch Plant - This water reclamation plant became operational in November 2016 and serves the cities of Celina and Prosper, as well as a portion of Elm Ridge WCID (formerly DCFWSD #10) and Mustang Special Utility District. Similar to the Riverbend Plant service area, the Doe Branch Plant service area has experienced tremendous population growth. An expansion of this Plant's treatment capacity from 2.0 to 4.0 mgd began in FY 2020 and became operational in FY 2022. Construction for a further expansion from the current capacity of 4.0 to 12.0 MGD is reflected in the District's FY 2024 adopted capital improvement program budget, however, the total capacity in this expansion is currently being negotiated by the Doe Branch Plant participants to a lower amount based on their more short-term needs. Construction on this expansion is anticipated to begin in FY 2024.

PENINSULA WATER RECLAMATION PLANT

Constructed and placed in service in 2003, the Peninsula Plant was initially a 0.325 MGD advanced treatment facility located between the cities of Oak Point and Cross Roads in Denton County, north of the Dallas / Fort Worth Metroplex. The Peninsula Plant discharges into the Cantrell Slough, and feeds directly into Lewisville Lake, which is a major source of drinking water for the North Texas area. As a result, the District ensures that the plant's effluent flows are of an exceptionally high quality.

The Peninsula campus was designed and constructed to blend in with the rural area in which it is located. Existing trees and the natural grades and vegetation were incorporated as much as possible. The Peninsula Plant receives wastewater primarily from residential homes and some retail commercial businesses. The plant currently provides water reclamation services for the Mustang Special Utility District. The City of Oak Point transferred its water reclamation Certificate of Convenience and Necessity (CCN) and assigned its water reclamation contract to the Mustang Special Utility District beginning in October 2015.

An expansion of the Peninsula Plant was completed in FY 2010 to increase its rated capacity to 0.94 mgd. The expansion also provided biological phosphorous removal (with chemical backup), a new headworks and biological odor control to better ensure that odors are not a nuisance to its neighbors. Due to

continued growth in the service area of this Plant, the District began design and engineering for the expansion of its treatment capacity to 2.0 mgd in January 2020. Construction for this expansion began in FY 2021, with additional treatment capacity available in September 2023.

NON-POTABLE (RECLAIMED WATER)

Believing that good stewardship of the water resource includes reuse, the District entered into a contract in 1995 with Denton County Fresh Water Supply District #1A to supply treated wastewater for golf course irrigation. Up to two million gallons per day (mgd) of treated effluent from the City of Lewisville wastewater treatment plant can be pumped to the Castle Hills golf course in Lewisville for irrigation. DCFWSD #1A was annexed by Lewisville in 2022.

The non-potable system consists of a pump station and a pipeline. The system provides both treated effluent and raw water service. Treated effluent is used for the irrigation of the golf course and other non-contact recreational areas. Raw water is used for the irrigation of parks and other contact recreational areas.



WATERSHED PROTECTION PROGRAM

Protecting Our Water Supply Right Where We Live!

The area around the local water supply lakes in Denton County are being transformed from a rural setting to urbanized communities. Population growth and development continues. In the public interest, it is urgent that the potential effect on water quality and the water supply for this region not be taken for granted.

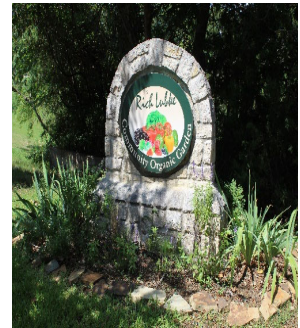


Communities in the local watersheds are knitted together by the many water ways that extend into and through neighborhoods. The District's coordinated program for Watershed Protection offers the opportunity to work with nearby communities on common strategies. Pursuing a shared vision about Watershed Protection allows communities to achieve better results. The District's goal is to preserve and safeguard the quality of water resources and quality of life - - right where we live.

On behalf of the communities in its service area, the District is coordinating a Watershed Protection Program for mutual benefit. Each community has a strategic opportunity to help preserve and protect natural features of the watershed, including creeks, flood plains, riparian zones, wetlands and greenbelts. Also, each citizen can become informed about their own watershed and can help protect water quality in everyday activities at home and at work. The regional Watershed Protection Program includes both education and outreach, including social media and digital advertisements, hands-on demonstration activities, and tours.

RICH LUBKE COMMUNITY ORGANIC GARDEN

The District expanded the concept of the Nancy Tam Water-Wise Demonstration Garden to include an organic community vegetable garden. The garden provides healthy vegetables and fruits for local food banks and promotes organic gardening practices that protect water quality- no harmful pesticides, fertilizers, or herbicides are required. Working with the Salvation Army, Wal-Mart, Knight-Light Charities, Inc., Christian Community Action, etc., the vegetable garden provides educational opportunities that promote the District's Watershed Protection Program. The garden currently has a total of 55 plots, growing healthy fruits and vegetables.



WATER CONSERVATION PROGRAM



To assure adequate water supplies for the future, conservation of existing resources must become a way of life - - for everyone. The District offers public outreach, programs and tours to educate about earth-friendly landscape techniques, irrigation practices and more efficient personal and business water usage. Additionally, as a demonstration for customer entities, the District developed and maintains the Nancy Tam Water-Wise Demonstration Garden to showcase the beauty and practicality of water-conserving landscape. This garden includes more than 100 varieties of plants

that are either native to Texas or are well adapted to the area. The District also hosts tours of the Taylor Water Treatment Plant for schools and other groups to teach the importance of water conservation and to explain how water is treated and distributed. District staff coordinate with local partners to host educational events, such as presentations and workshops, and staff are also available to make presentations to schools and other groups upon request.

The District promotes the importance of conservation through public awareness campaigns primarily focused on reducing outdoor watering. The District places public service announcements and advertisements on radio, television, digital billboards, social media and its website or by promoting newspaper articles and advertisements in newspapers with general circulation in the service area. The District provides messaging to its Customer utilities to use to promote a regional conservation message on their respective social media and websites.

In 2015, the District partnered with Texas A&M AgriLife to implement the 'Water My Yard' outdoor watering management program. The 'Water My Yard' website, WaterMyYard.org, allows residents to receive weekly lawn watering recommendations, which are given in minutes. Recommendations are based on data from three weather stations that the District installed in its service area, as well as the landscape's needs, to prevent unnecessary overwatering. 'Water My Yard' is a free service. To gain new subscribers, the District encourages its Customer utilities to promote 'Water My Yard' to their respective retail customers.

The District began a residential irrigation system evaluation program in 2017 that is promoted mainly through Customer cities and utilities. A typical evaluation includes identification of potential system leaks, diagnosis of equipment malfunctions, and recommendations for equipment upgrades and controller settings to enhance water efficiency. During the evaluation, education about good landscape watering practices and the use of earth-friendly materials is shared with the retail customer. Evaluations are paid

by Upper Trinity and are free for residents. The District has budgeted funds to complete about 400 evaluations each year.

UPPER TRINITY CONSERVATION TRUST (THE TRUST)

As a non-profit 501(c)(3), the Trust encourages the conservation, stewardship, and enjoyment of riparian lands along and near waterways. To protect scarce water resources for future generations, the Trust works with individual landowners, communities, and developers to preserve these special natural areas. The Trust leads a voluntary, non-regulatory approach to land conservancy and water quality protection. During the past several years, the Trust has focused on educating the various stakeholders about the importance of watershed protection and how the Trust can be a valuable and effective tool in protecting water quality in local streams and lakes.

The Denton County Greenbelt Plan, developed by the Trust, the District, and Denton County, is a great tool to identify potential riparian assets and greenbelt areas for preservation. The Plan prioritizes areas at risk of urbanization and identifies locations where land conservation and green infrastructure can promote water quality protection. Recommended strategies for voluntary implementation of the Plan were provided to municipalities, the development community, landowners, nonprofit organizations, and citizens. The Plan has been adopted by the Trust, the District, Denton County and several other area municipalities and utilities.



HOUSEHOLD HAZARDOUS WASTE PROGRAM



The District provides a Household Hazardous Waste Collection Program to communities that have contracted for participation. Communities host special collection events for their citizens to dispose of household hazardous waste, such as paint, cleaning compounds, insecticides, and herbicides, in a safe and environmentally responsible manner. Collection events, such as these, help keep pollutants out of community waterways, drinking water sources, and landfills.

A collection event is a shared responsibility between the District and the entity. The District brings its special mobile collection trailer to a scheduled event - - providing a convenient and safe way for residents to dispose of their hazardous wastes. The District transports and disposes of the hazardous waste collected at the special event through a contract with the City of Fort Worth. After each collection event, the community is billed based on the number of households participating in the event.

The District offers three different methods for individuals who wish to safely and responsibly dispose of Household Hazardous Waste (HHW).

- **Scheduled Event:** Household hazardous waste is delivered to a local collection event. Citizens of a participating community receive a notice of the date and time of the event.
- **Contract Voucher:** If a city participates in the District's program for collection of household hazardous waste, a resident of that city may pick up a voucher from the HHW coordinator for your city. When the voucher is used, the city will be billed.



- **Event / Fort Worth Voucher:** May be purchased by an individual directly from the District.

The District's program has been providing an interim service until cities are capable of hosting their own programs, generally through their solid waste providers. This initiative has been very successful in keeping pollution out of our watershed sources.

As a regional system for Denton and Collin Counties, the District provides vital services on a wholesale basis for cities, towns and utilities. By working together, our communities are able to achieve results and services on better terms and at lower costs than would otherwise be possible if each community acted alone.

The following chart reflects the District's services and the communities to which these services are provided.

UPPER TRINITY REGIONAL WATER DISTRICT

Entity Served	Treated Water	Water Reclamation	Household Haz. Waste	Other Services**
Argyle WSC				
Argyle*				
Aubrey				
Bartonville*				
Celina				
Copper Canyon*				
Corinth				
Cross Roads*				
Cross Timbers WSC				
Denton	***			
Denton County				
Denton County FWSD #7				
Denton County FWSD #8A				
Denton County FWSD #11A				
Double Oak*				
Elm Ridge WCID				
Flower Mound				
Hickory Creek*				
Highland Village				
Irving	***			
Justin				
Krugerville*				
Krum				
Lake Cities MUA				
Lake Dallas*				
Lewisville				
Mustang SUD				
Northlake				
Oak Point*				
Pilot Point				
Ponder				
Prosper				
Providence Village				
Sanger				
Shady Shores*				

* Indirect Customer: Receives retail water and/or water reclamation service from a wholesale member or customer of Upper Trinity

** Other Services include Non-Potable Water, Joint projects, Growth program

*** Participating jointly with Upper Trinity in a water project

BUDGET OVERVIEW

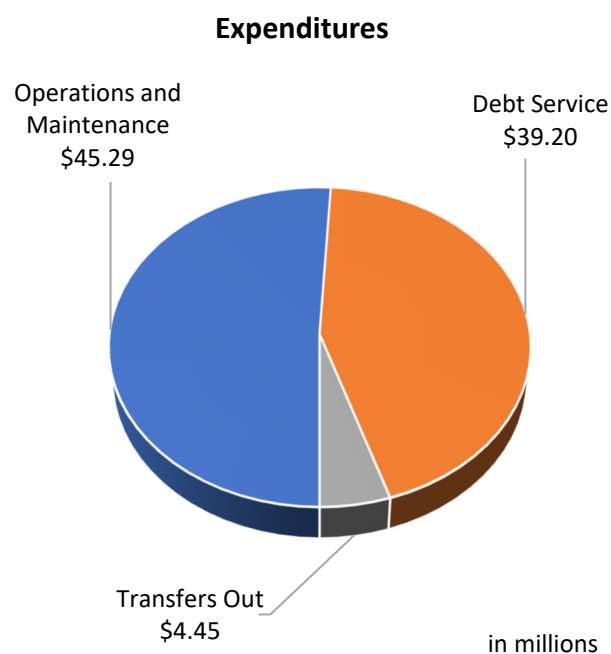
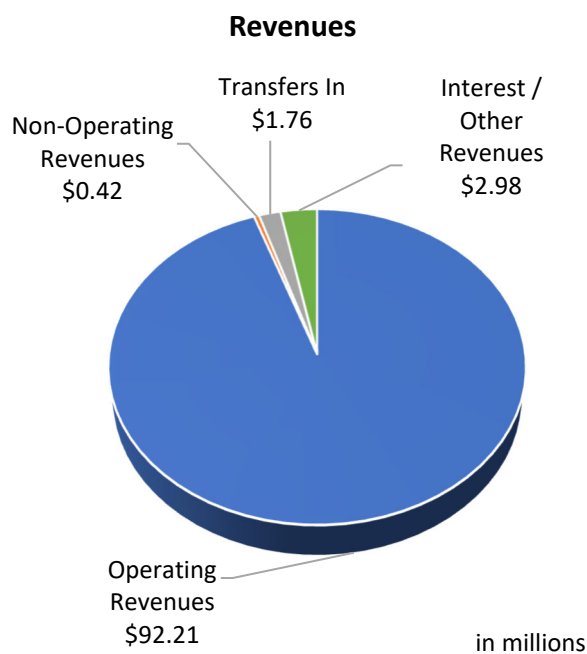
The adopted FY 2024 budget presents a comprehensive projection of Upper Trinity Regional Water District (UTRWD) operations from October 1, 2023 through September 30, 2024. This budget overview describes the key recommendations encompassing the FY 2024 budget.

The District functions as an Enterprise Fund that provides wholesale water and wastewater service to municipalities and special districts primarily in the southern Denton County area and presents an annual budget that is prepared on the Cash Basis method, whereby all transactions are recognized when cash changes hands. This differs from the method used to prepare the District's annual financial statements, which are reported under the Accrual method, whereby revenues are recognized when earned and expenses are recognized when incurred. There are also Internal Service funds (Administration, Information Technologies, and Maintenance) that support the District's four core businesses. These core businesses consist of:

- **Water System** – the Regional Treated Water System includes functions related to the development and provision of additional water resources, pumping of raw water from existing sources, treatment of raw water, and distribution of treated water to members / customers of the System. Additionally, this System provides funding (through a portion of its Volume Rate) for development of Future Water Sources, Watershed Protection outreach and educational programs, and promotion of Water Conservation initiatives.
- **Wastewater Systems** – the Lakeview and Northeast Regional Water Reclamation Systems and the Peninsula Water Reclamation Plant include functions related to the collection of wastewater flows from members / customers entities, treatment of wastewater flows, and pumping of treated effluent water (reuse) back into Lake Lewisville (a raw water source of UTRWD).
- **Non-Potable Water System** – includes functions related to providing treated effluent and raw water to one member of the UTRWD for irrigation and industrial purposes.
- **Household Hazardous Waste** – includes functions related to coordinating collection events with contracted communities in the UTRWD's service area and properly disposing of hazardous waste (paint, chemicals, e-waste, batteries, etc.) at a contracted landfill. This program is offered by UTRWD to ensure that such hazardous materials are disposed of properly and kept out of the District's watershed.

UTRWD's FY 2024 Operating budget, adopted by its Board of Directors on September 7, 2023, totals \$88,938,825, an overall increase of 13.0% from the 2023 budget total of \$78,718,385. A District-wide summary of FY 2024 revenue requirements (expenses), as well as the sources of funding to meet these requirements (revenues), is provided in the following table (next page). FY 2023 data is also provided for comparison purposes.

Operating Systems	\$ in Millions				
	FY 2023 Budget	FY 2024 Budget	\$ Change	% Change	
Revenues					
Operating Revenues	\$ 81.16	\$ 92.21	\$ 11.05	13.6%	
Non-Operating Revenues	0.49	0.42	(0.07)	(14.3%)	
Transfers In					
Internal Reserve Funds	2.39	1.44	(0.95)	(39.7%)	
Other Systems	0.22	0.32	0.10	45.5%	
Interest / Other Revenues	0.61	2.98	2.37	388.5%	
Total	\$ 84.87	\$ 97.37	\$ 12.50	14.7%	
Expenditures					
Operations and Maintenance	\$ 42.92	\$ 45.29	\$ 2.37	5.5%	
Debt Service and Related Expenses	31.97	39.20	7.23	22.6%	
Transfers Out					
Internal Reserve Funds	3.53	4.07	0.54	15.3%	
Other Systems	0.30	0.38	0.08	26.7%	
Total	\$ 78.72	\$ 88.94	\$ 10.22	13.0%	
Increase / (Decrease) to Fund Balance	\$ 6.15	\$ 8.43	\$ 2.28	37.1%	



OPERATING REVENUES

FY 2024 District operating revenues reflect a 13.6% increase from FY 2023 due to the combination of increases to rates and charges established for each core business (Operating System), as well as projected increases to treated and non-potable water and wastewater flows. Operating revenues consist of those rates and charges established by the District for each System's contracted capacity (fixed charge), as well

as treated / non-potable water and wastewater flows (variable rate). Additionally, these revenues include debt services payments from System participants for jointly and individually owned facilities (pipelines, lift stations, etc.), interest charges for an interfund loan (interim finance charges), fees for Administration and Planning (Administration Fund), and charges for Household Hazardous Waste.

The following table represents District-wide Operating Revenues for FY 2023 and FY 2024:

Operating Revenues	\$ in Millions				
	FY 2023 Budget	FY 2024 Budget	\$ Change	% Change	
Demand Revenues	\$ 41.74	\$ 47.51	\$ 5.77	13.8%	
Fixed O&M Revenues	7.45	8.41	0.96	12.9%	
Volume Revenues	19.61	22.90	3.29	16.8%	
Treatment / Transportation Revenues	5.21	6.59	1.38	26.5%	
Capital Charges (w/Interim Finance Charges)					
Joint and Individual Facilities	6.91	6.45	(0.46)	(6.7%)	
Interim Finance Charges	0.05	0.16	0.11	220.0%	
Administrative and Planning Fees	0.17	0.17	-	0.0%	
Charges for Household Hazardous Waste	0.02	0.02	-	0.0%	
Total	\$ 81.16	\$ 92.21	\$ 11.05	13.6%	

NON-OPERATING REVENUES

District Non-Operating Revenues consist of revenues (reimbursements for previously financed facilities, rental revenues, etc.) that are not from delivery of core business services. This category of revenue is projected to decrease by 14.3% (approximately \$40,000) from FY 2023 largely due to no longer having tenants leasing land around the ongoing Lake Ralph Hall project, since this land is now activity under construction. Additionally, there was a decrease in leasing revenue of approximately \$7,650 due to a current lessee at the District's 802 N. Kealy Street building moving to a smaller office, while District Engineering / Construction personnel were transferred from the 900 N. Kealy Street building to the 802 N. Kealy Street building in FY 2023.

The following table represents District-wide Non-Operating Revenues for FY 2023 and FY 2024:

Non-Operating Revenues	\$ in Millions				
	FY 2023 Budget	FY 2024 Budget	\$ Change	% Change	
Contract Revenues	\$ 0.27	\$ 0.27	\$ -	0.0%	
Rental Revenues	0.14	0.09	(0.05)	(35.7%)	
Shared Debt Payments	0.08	0.06	(0.02)	(25.0%)	
Total	\$ 0.49	\$ 0.42	\$ (0.07)	(14.3%)	

TRANSFERS IN

FY 2024 District Transfers In from Internal Reserve Funds consist of uses of funds previously contributed to various reserve funds or from internal working capital to offset an operating expense in lieu of a rate requirement. This category of revenue is projected to decrease by 32.6% from FY 2023 primarily due to the completion of a raw water holding pond dredging project (Regional Treated Water System - Harpool

Plant) in FY 2023 that was funded with a transfer in from the Raw Water Holding Pond Dredging Reserve of \$1.60 million. This project was completed under budget (\$500,000) which is included in the FY 2023 estimated budget.

With the increase in interest rates over the past year, interest earnings on the District's Texas Water Development Board (TWDB) Board Participation funds that are in escrow have grown sufficiently enough to be used as a supplemental funding source for the District's interest payments on those outstanding TWDB debt issued for the Lake Ralph Hall project. For FY 2024, there is a transfer in from the RTWS Board Participation Construction Cash Reserve to offset the FY 2024 total debt service due for the outstanding Series 2015, Series 2019, and Series 2020 TWDB Board Participation loans.

Additionally, there was a \$425,000 decrease from FY 2023 adopted budget (Northeast Regional Water Reclamation System) for a transfer from the Non-Bond Capital Reserve that was initially required as rate stabilization. However, this transfer was not necessary for FY 2024. In fact, since FY 2023 wastewater flows in the Northeast Regional Water Reclamation System (NERWRS) exceeded the projected amount, treatment revenues exceeded projections making this transfer for rate stabilization unnecessary for FY 2023. There was also a \$237,640 decrease from FY 2023 of Vehicle / Equipment Replacement Reserve funds used to purchase a new crane truck for the Maintenance Division. Finally, due to the completion of the Peninsula Water Reclamation Plant Expansion, Phase 3 at the end of FY 2023, it is no longer necessary to transfer funding (electricity expense reimbursement) from the Peninsula Plant to the Lakeview Regional Water Reclamation Plant to process wet biosolid materials utilizing the centrifuge at the Lakeview Plant. The adopted FY 2023 projected transfer amount was \$7,105 and is not needed in FY 2024 because of the installation of biosolids equipment during the treatment capacity expansion (from 0.94 to 2.0 MGD) project at the Peninsula Plant.

FY 2024 District Transfers In from Other Systems consist of loan payments from other System participants for prior year funding of capital projects by Regional Treated Water System's internal reserve funds, transfer of customer rate surcharge revenue from the RTWS and NERWRS to the Administration Fund, as well as reimbursements for internal uses of services between Operating Systems.

The following table represents District-wide Transfers In for FY 2023 and FY 2024:

Transfers In	\$ in Millions			
	FY 2023 Budget	FY 2024 Budget	\$ Change	% Change
From Internal Reserve Funds				
Non-Bond Capital Reserve	\$ 0.42	\$ -	\$ (0.42)	(100.0%)
Board Participation Construction Cash Reserve	-	1.31	1.31	N/A
Raw Water Holding Pond Dredging Reserve	1.60	-	(1.60)	(100.0%)
Series 2000-A Bonds Reserve	0.12	0.12	-	0.0%
Vehicle / Equipment Replacement Reserve	0.24	-	(0.24)	(100.0%)
Working Capital	0.01	0.01	-	0.0%
From Other Systems				
Customer Rate Surcharge Revenue	0.16	0.16	-	0.0%
Loan Payments / Debt Service Payments	0.05	0.16	0.11	220.0%
Sludge Processing Payment	0.01	-	(0.01)	(100.0%)
Total	\$ 2.61	\$ 1.76	\$ (0.85)	(32.6%)

INTEREST AND OTHER REVENUES

FY 2024 Interest and Other Revenues consist of revenue earned from investment of operating funds (Interest) and Other Revenues, such as credit card and energy conservation rebates, and auction proceeds. This category of revenue is projected to increase 388.5% from FY 2023 due to the continued increase in interest rates during FY 2023 (and projected to continue increasing through FY 2024), as well as increases to District credit card rebates projected for FY 2024.

The following table represents District-wide Interest and Other Revenue for FY 2023 and FY 2024:

Interest and Other Revenues	\$ in Millions			
	FY 2023 Budget	FY 2024 Budget	\$ Change	% Change
Interest Revenue	\$ 0.54	\$ 2.91	\$ 2.37	438.9%
Other Revenues	0.07	0.07	-	0.0%
Total	\$ 0.61	\$ 2.98	\$ 2.37	388.5%

For additional information regarding the District's revenues, refer to the "Revenue Summary" section of this budget document.

OPERATIONS AND MAINTENANCE (O&M) BUDGET HIGHLIGHTS

The FY 2024 O&M budget totals \$45.29 million. This is an increase of \$2.37 million, or 5.5%, compared to \$42.92 million in FY 2023. The table below summarizes the primary drivers for the change in the O&M budget from FY 2023 to FY 2024:

	\$ in Millions
FY 2023 O&M Budget	\$ 42.92
Personnel Services	\$ 1.12
Plant & Equipment Maintenance	(1.30)
Raw Water Purchases	1.55
Chemicals	0.83
Electricity	0.54
Other O&M Changes (Net)	(0.37)
Net Increase in O&M	<u>\$ 2.37</u>
FY 2024 O&M Budget	<u>\$ 45.29</u>

The District's Personnel Services expense is projected to increase \$1.12 million for FY 2024 (8.7%), which includes a 6.0% increase for merit raises and promotions (increased from 4.0% in prior years), along with a 2.0% market rate adjustment for all District staff salaries / hourly costs to help curb employee turnover. In addition, a full year of expense is included for five new positions in Operations and Maintenance. These consist of an Operations Manager - North Division (allocated between the Regional Treated Water System, the Northeast Regional Water Reclamation System, and the Peninsula Water Reclamation Plant), a Wastewater Operator II for the Lakeview Regional Water Reclamation System, a Senior Wastewater

Operator for the Northeast Regional Water Reclamation System – Riverbend Plant, a Wastewater Operator II for the Peninsula Water Reclamation Plant, and a Preventative Maintenance Coordinator for the Maintenance Division. Including these five new positions, the FY 2024 adopted budget provides funding for 141 total authorized positions. Additionally, there is no increase projected for the District's health insurance plan for FY 2024.

With the completion of the dredging project at the Harpool Plant (Regional Treated Water System) in FY 2023, Plant and Equipment Maintenance expense District-wide decreased \$1.30 million (-46.3%) for FY 2024. To provide funding for future dredging projects removing accumulated silt in the District's raw water holding ponds, District staff established a Raw Water Holding Pond Dredging Reserve at Mid-Year 2022. For FY 2024, a contribution rate of \$0.01 / 1,000 gallons of treated water sold will be set aside in this reserve to offset the future costs associated with these periodic expenditures to avoid large rate fluctuations. Excluding this one project, overall Plant and Equipment Maintenance expense increased by approximately \$0.30 million for FY 2024.

Projected FY 2024 projected Raw Water Purchase expense resulted in a \$1.55 million (15.3%) increase from FY 2023. This overall increase is a result of a 7.7% rate increase from Dallas Water Utilities (DWU), as well as a rate increase from the City of Denton for their raw water, which is 85.0% of the DWU rate on a 1,000-gallon basis. For FY 2024, Dallas raw water makes up roughly 50.8%, with Denton raw water representing 12.2%, of the Regional Treated Water System's (RTWS) raw water portfolio. The quantity-mix of these raw water sources also determine the overall cost to the Regional Treated Water System that determines the proposed Volume rate necessary to recoup the System's variable costs for the fiscal year.

The long-term goal of the District is to reduce its dependence on Dallas Water Utilities as a source for raw water. This was one of the strongest motivators for the District to construct Lake Ralph Hall, located in Fannin County, which is projected to store up to 180,000 acre-feet of water and expected to become available for use by the District in FY 2026. Additionally, District staff are continually working to develop other raw water sources in the northeast Texas and southern Oklahoma regions as part of its long-term water resource planning activities.

District operations (water and wastewater) utilize a wide variety, as well as a large quantity, of chemicals in the production of treated water and for the treatment of wastewater. In FY 2023, the District continued to experience multiple, double-digit percentage cost increases from its water and wastewater treatment chemical vendors due to market pressures for oil and petroleum related products, although not to the extent as incurred in FY 2022. With updated bids received from a majority of the District's chemical vendors in June 2023, the overall FY 2024 chemical budget for all District operations reflects a \$0.83 million increase. This amount includes an increase of approximately \$0.64 million (19.2%) for water treatment operations alone. When analyzing this increase on a cost per 1,000 gallons of flows (water and wastewater), this reflects an approximate 10.0% cost increase from FY 2023 or \$0.07 per 1,000 gallons.

Although the District has a long-term electricity contract with a provider for certain segments of the Regional Treated Water System (Raw Water Intake Structure and Taylor Water Treatment Plant) and the Lakeview Regional Water Reclamation Plant to provide a fixed kilowatt hour rate through May 2026, the FY 2024 budget includes increases to electricity rates for the District's other facilities that are not under a long-term contract. During FY 2022 and 2023, the District's electricity costs for the Harpool Plant (Regional Treated Water System), the Northeast Regional Treated Water System (Riverbend and Doe

Branch Plants), and the Peninsula Plant experienced double-digit percentage increases due to rising fuel costs for electric providers. The per-kilowatt hour rate between October 2021 and August 2022 reflected an average increase of 40.0%. Throughout FY 2023, electricity costs from this provider began to decrease as energy market prices began to return to a more normal cost. For FY 2024, projected electricity costs for the District's water and wastewater plants reflect a total cost increase of approximately \$0.83 million or 12.8% over adopted FY 2023 costs, due mainly to a projected 12.5% increase in water and wastewater flows for FY 2024 compared to adopted FY 2023.

Each year, 95.0% of the Administration Fund's expenses are allocated to the District operating and capital improvement budgets, while 5.0% of the total expenses are held within this fund. For FY 2024, to more closely budget the allocation of the 95.0% of the Administration Fund's expenses between operating budgets and capital budgets with actual results from prior years, 35.0% of this 95.0% amount is applied to all operating budgets (based proportionately on direct operating expenses between the operating systems / funds), while 65.0% of this 95.0% amount is allocated to the District's capital budgets. This will result in less Administration Fund expense being allocated to operating budgets than in prior years to better align these allocated expenses with prior year actual results.

For additional information on the District's operating budget, refer to the Operating Fund Detail section of this budget document.

DEBT SERVICE AND RELATED EXPENSES

Each of the District's core businesses have outstanding bond debt issues that were previously issued to construct necessary plant and pipeline infrastructure. Since the District is supported through rates and charges / fees revenues, each Operating System's revenues are pledged separately for the repayment of each System's debt issues. Total FY 2024 Debt Service for the District is \$39.20 million, an increase of \$7.23 million (22.6%) from FY 2023.

A summary of the FY 2024 UTRWD debt service requirements (by type of funding), as well as total variable rate financing expense (interest and associated fees) are provided in the following table.

Debt Service and Related Expenses	\$ in Millions				
	FY 2023 Budget	FY 2024 Budget	\$ Change	% Change	
Senior Lien Debt Expense					
Revenue / Refunding Bonds	\$ 24.86	\$ 28.73	\$ 3.87	15.6%	
TWDB "D" Funds	1.64	1.96	0.32	19.5%	
Subsidized Interest Bonds	2.14	2.14	-	0.0%	
SWIRFT Deferred Bonds	-	1.56	1.56	N/A	
Total Senior Lien Debt Expense	\$ 28.64	\$ 34.39	\$ 5.75	20.1%	
Junior Lien Debt Expense					
Board Participation Bonds	\$ 0.55	\$ 1.31	\$ 0.76	138.2%	
State Participation Bonds	0.22	0.22	-	0.0%	
Variable Rate Financing Expense	2.51	3.23	0.72	28.7%	
Total Junior Lien Debt Expense	\$ 3.28	\$ 4.76	\$ 1.48	45.1%	
Fiscal Agent Fees	\$ 0.05	\$ 0.05	-	0.0%	
Total	\$ 31.97	\$ 39.20	\$ 7.23	22.6%	

Revenue Bond debt service increased \$3.87 million (15.6%) from FY 2023 due to converting \$90.00 million (preliminarily \$35.00 million toward the end of FY 2023 and \$55.00 million by mid-FY 2024) of outstanding Variable Rate Debt into long-term debt. (After the FY 2024 budget was approved by the District's Board of Directors, it was determined that only \$30.00 million of outstanding Variable Rate Debt was to be converted to long-term debt.) Texas Water Development Board (TWDB) "D" Fund Bonds debt service increased approximately \$0.32 million (19.5%) due to scheduled principal payment increases. TWDB Water Implementation Revenue Fund (SWIRFT) Bonds debt service increased by \$1.56 million representing the first principal and interest payment due for these bonds that were issued in 2015 and deferred for eight years. The largest increase is the result of increasing market interest rates for the District's Direct Purchase Program (variable rate financing). The FY 2023 budget reflected a variable rate financing interest rate of 2.75%. However, with increases through FY 2023, the projected interest rate for variable rate financing for FY 2024 is 4.75%.

For additional information on the District's debt issues, refer to the Debt Summary section of this budget document.

TRANSFERS OUT

The Board of Directors continues to be diligent in funding the District's various Internal Reserve Funds. Each of the District's core businesses have internal reserve funds into which contributions are made from operating revenues (rates) to fund various programs, replacement of vehicles / equipment and District infrastructure, deposits of loan payments for prior year loans, and deposits from excess working capital. Additionally, funds are occasionally transferred out of these reserve funds to the operating systems in lieu of a rate requirement (Transfers In).

The following table represents District-wide Transfers Out for FY 2023 and FY 2024:

Transfers Out	\$ in Millions			
	FY 2023 Budget	FY 2024 Budget	\$ Change	% Change
To Internal Reserve Funds				
O&M Reserve	\$ 0.24	\$ 0.18	\$ (0.06)	(25.0%)
Capital Replacement Reserve	1.82	2.16	0.34	18.7%
Watershed Protection Reserve	0.28	0.30	0.02	7.1%
Water Conservation Reserve	0.28	0.30	0.02	7.1%
Future Water Reserve	0.28	0.30	0.02	7.1%
Non-Bond Capital Reserve	0.32	0.46	0.14	43.8%
Raw Water Holding Pond Dredging Reserve	0.10	0.15	0.05	50.0%
Plant Permitting Reserve	0.03	0.04	0.01	33.3%
Vehicle and Equipment Replacement Rsrv.	0.19	0.18	(0.01)	(5.3%)
To Other Systems				
Administration (Customer Rate Surcharge)	0.16	0.16	-	0.0%
Internal Loans / Shared Debt Service Payments	0.13	0.22	0.09	69.2%
Total	\$ 3.83	\$ 4.45	\$ 0.62	16.2%

Contributions to District O&M Reserve Funds from FY 2023 to FY 2024 decreased by \$0.06 million (-25.0%) due to making additional deposits to this reserve from excess working capital at mid-year 2023. The

District has five Operating Systems (Funds) that each utilize an O&M Reserve Fund. This reserve is required to have a balance equal to 25.0% each Systems' total operating expenses (excluding debt service and certain contributions to other reserve funds). Funds previously deposited to this reserve can be drawn upon (with Board authorization) to offset certain one-time and / or emergency expenses during the fiscal year or planned for an upcoming fiscal year.

The following information reflects the FY 2024 contribution amounts (by Operating System), as well as the funding percentage level, of the District's O&M Reserve Funds:

Operating System (Fund)	Contribution Amount	Funding Level
Regional Treated Water System	\$0.03 million	100.0%
Lakeview Regional Treated Water System	\$0.00 million	100.0%
Northeast Regional Treated Water System	\$0.04 million	100.0%
Peninsula Water Reclamation Plant	\$0.11 million	100.0%
Non-Potable Water System	\$0.00 million	100.0%

For additional information on the District's Transfers-Out to Internal Reserve Funds, refer to the Other Funds section of this budget document.

RATE CHANGES BY OPERATING SYSTEM

REGIONAL TREATED WATER SYSTEM

The following rates and charges are established to keep the overall blended rate increase for the Regional Treated Water System at 6.1% for FY 2024:

- The Volume Rate adopted for members is \$1.49 / 1,000 gallons (a 6.4% increase from the FY 2023 rate of \$1.40 / 1,000 gallons) and for customers is \$1.60 / 1,000 gallons (a 6.7% increase from the FY 2023 rate of \$1.50 / 1,000 gallons).
- The Demand Charge increased to \$500,155 per MGD of contracted system capacity, a 5.9% increase over the FY 2023 charge of \$472,195 per MGD.
- The Flat Rate / Temporary Service Rate adopted by the Board is \$5.47 / 1,000 gallons, representing a 6.2% increase from the prior year rate of \$5.15 / 1,000 gallons.

FY 2024 total expenditures for the Regional Treated Water System reflect an overall increase of 14.3% (\$8.50 million) from the prior year total. This is due to a 19.2% cost increase (\$0.64 million) projected for chemicals used in the water treatment process, a 15.8% cost increase (\$1.52 million) for Dallas and Denton raw water, and a 13.3% cost increase (\$0.35 million) for electricity. These expenditures are recovered through the Volume Rate. Debt Service expense, recovered through the Demand Charge, is projected to increase 29.6% (\$7.4 million) from the FY 2023 total due to rising interest rates for on-going use of the Direct Purchase Program and additional bonds issued to convert outstanding variable rate financing to long-term debt.

LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

The following rates and charges (Treatment Rate and Fixed O&M Charge only) are adopted to reflect an overall average rate increase of 3.5% for FY 2024:

- The adopted Treatment Rate is \$1.35 / 1,000 gallons (a 3.8% increase from the FY 2023 rate of \$1.30 / 1,000 gallons).

- The adopted Fixed O&M Charge is \$458,180 per MGD of contracted system capacity, representing a 3.1% increase from the FY 2023 charge of \$444,275 per MGD.
- Capital Charges for Joint / Individual Facilities are assessed to recover debt service costs associated with capital facilities for each individual system participant. The FY 2024 capital charges are based on the allocated debt service requirement for each entity's individual pipeline(s), as well as their portion of joint debt used to construct common-to-all facilities.

FY 2024 total expenditures for the Lakeview Regional Water Reclamation System reflect an overall decrease of 3.4% (\$0.23 million), due to a 10.7% projected increase (\$0.09 million) for Personnel Services expense from the addition of a new Wastewater Operator position (full-year funded), a 7.2% increase (\$0.04 million) for Biosolids Disposal services after projecting a 7.0% rate increase from the disposal vendor for FY 2024, and a 26.6% increase (\$0.06 million) for chemicals used in the wastewater treatment process.

Why are the FY 2024 rates for the Lakeview Regional Water Reclamation System increasing for FY 2024, while the total expenses projected for FY 2024 are decreasing? This is because there was a \$0.05 million decrease in debt service from the payoff of the Series 2012 refunding bonds in FY 2023. Debt Service expense is recovered through the Charges for Joint and Individual Facilities payments from Plant participants and is not recovered rates and charges. Capital Charges for Joint and Individual Facilities revenue reflects a \$0.08 million decrease from FY 2023. This decrease is based on the actual debt service decrease and the increase in Interest Revenue used to offset the FY 2024 debt service payments. When excluding the decrease in debt service for FY 2024, operating expenses recovered through rates and charges actually increased by \$0.2 million.

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM – RIVERBEND AND DOE BRANCH PLANTS

The following rates and charges (Treatment Rate and Fixed O&M Charge only) are adopted to reflect an overall average rate increase of 3.5% for FY 2024:

- The adopted Treatment Rate for members is \$1.44 / 1,000 gallons (a 3.6% increase from the FY 2023 rate of \$1.39 / 1,000 gallons).
- The adopted Fixed O&M Charge is \$620,000 per MGD of contracted system capacity, representing a 3.3% increase from the FY 2023 charge of \$600,000 per MGD.
- Capital Charges for Joint / Individual facilities are assessed to recover debt service costs associated with capital facilities for each customer. The FY 2024 capital charges are based on the allocated debt service requirement for each entity's individual pipeline(s), as well as their portion of joint debt used to construction common-to-all facilities.

FY 2024 total expenditures for the Northeast Regional Water Reclamation System reflect an overall increase of 10.8% (\$1.15 million), due to a 20.0% increase (\$0.34 million) for Personnel Services expenses that includes a full year of funding for a new Senior Wastewater Operator position and 40.0% of a new Operations Manager (North Division) position, a 29.2% increase (\$0.17 million) for Biosolids Disposal services after projecting an approximate 7.0% rate increase from the disposal vendor for FY 2024 combined with a 40.4% increase in projected wastewater flows for FY 2024, and a 37.5% increase (\$0.10 million) for chemicals used in the wastewater treatment process combined with a 40.8% increase in projected flows. Due to the tremendous growth in wastewater flows in the Northeast Regional Water Reclamation System, a large amount of maintenance and repair expenses were incurred in FY 2023. With

the increase in wear and tear on the Northeast System's equipment, the Plant and Equipment Maintenance budget was increased from the FY 2023 adopted budget by 55.4% (\$0.14 million) for continued repair needs.

PENINSULA WATER RECLAMATION PLANT

The following rates and charges (Treatment Rate and Fixed O&M Charge only) are adopted to reflect a 0.00% overall average rate change from FY 2023:

- The adopted Treatment Rate for members is \$1.65 / 1,000 gallons, representing a 5.7% decrease from the FY 2023 rate of \$1.75 / 1,000 gallons.
- The adopted Fixed O&M Charge of \$702,200 per MGD of contracted system capacity, representing a 3.2% increase from the FY 2023 charge of \$680,250 per MGD.
- Capital Charges for Joint facilities are assessed to recover debt service costs associated with capital facilities for Mustang Special Utility District (the only participant of the Peninsula Plant). The FY 2024 capital charge is based on the debt service requirement for the 2016 Revenue Bonds issued for the completion of the UV Disinfection System Improvement project.

FY 2024 total expenditures for the Peninsula Water Reclamation Plant reflect an overall increase of 58.1% (\$0.76 million), due to a 70.3% increase (\$0.24 million) to Personnel Services expense for a new Wastewater Operator II (full-year funded) and 10.0% of a new Operations Manager (North Division) position (full-year funded) for FY 2024. With the recent expansion of the Peninsula Plant's treatment capacity (completed at the end of FY 2023), it was necessary to add a new position to provide operational support for the newly installed biosolids processing equipment and increased flows projected for FY 2024. Electricity expenses are projected to increase 67.2% due to the need to run a centrifuge for biosolids processing at the Peninsula Plant for the first time, thus increasing the demand for electricity at the Peninsula Plant. Biosolids Disposal expenses represent the hauling of processed (dewatered) sludge byproducts from the Plant to a landfill and reflects a 125.8% (\$0.11 million) increase from FY 2023. Projected wastewater flows are projected to increase 41.1% from FY 2023 and this cost increase includes an assumed rate increase from the vendor of approximately 7.0% for these services in FY 2024. Chemical expenses are projected to increase 49.1% (\$0.03 million) for FY 2024 due to the utilization of polymer for the biosolids process. In addition, with the treatment capacity having doubled with the completion of the recent expansion, the Peninsula Plant's share of the Maintenance Division's budget will increase by 95.6% (\$0.12 million).

ADMINISTRATION FUND

By Contract, each Member and Contract Utility pays for administration and planning costs of the District, generally according to population. The FY 2024 adopted per capita rate for populations up to 5,000 remains at \$0.435 per capita. For populations with 5,001 to 25,000, the rate remains at \$0.244 per capita. The final population category for over 25,000 remains at a rate of \$0.096 per capita. These administrative fees are unchanged from FY 2023 and have not increased since FY 2019 mainly due to the continued increase in population in the District's service areas over the past five years.

95.0% of the annual Administration Fund budget is allocated proportionately to the District's Operating and Capital Improvement Program budgets based on total operating and maintenance (O&M) expenses per System. 35.0% of the 95.0% allocation total is then budgeted to the District's Operating Systems, while the remaining 65.0% of this total is allocated to the Capital Improvement Program budget. As

previously discussed, this allocation between operating and capital improvement budgets will more accurately resemble the allocation percentage from actual results in prior years.

While the Information Technology Division is part of the Administration Fund, its budget is shown separately for tracking purposes. However, its total expenses are then allocated 100.0% back to the Administration Fund for further allocation (95.0%) to the District's operating and capital improvement program budgets.

The FY 2024 Administration budget includes a transfer of \$100,000 from the Regional Treated Water System and \$60,000 from the Northeast Regional Water Reclamation System that is generated from the Customer Rate surcharge to offset administration services provided to non-members (customers) of these two systems. Other Revenues include rebates received from the District's procurement card (credit card) program. In addition, Rental revenue captures income from the rental property at 802 N. Kealy and is reallocated to operating funds to offset total allocated debt for the purchase of the building.

Total FY 2024 expenditures (before allocation to Operating Funds and CIP) reflect an overall 9.3% (\$0.56 million) increase from the adopted FY 2023 budget and includes a 4.3% (\$0.14 million) decrease to Personnel Service expense due to reclassifying a Human Resources / Purchasing Technician position to a Laserfiche Technician (funded in the Information Technology Fund) and an Executive Secretary to an Engineering Document Control Specialist (allocated 90.0% in the Engineering Fund and 10.0% in the Administration Fund). Additionally, Other Outside Services expense reflects a 552.2% (\$0.11 million) increase due to funding a compensation study for the District in FY 2024. Conference, Travel, and Training expenses reflect a 91.4% increase (\$0.08 million) due to District staffs' participation in professional organization conferences, as well as management's focus on ensuring that proper training is provided to its workforce. These items, along with the 22.9% (\$0.36 million) increase in the Information Technology budget for FY 2024, represent most of the approximate \$0.56 million increase for the Administration budget.

NON-POTABLE WATER SYSTEM

The following rates and charges are established that reflect an overall average rate impact at 0.11% for FY 2024:

- The adopted Treated Effluent Water Rate is \$0.51 / 1,000 gallons (this remains unchanged from the FY 2023 rate).
- The adopted Raw Water Rate is \$1.18 / 1,000 gallons (a 5.4% increase from the FY 2023 rate of \$1.12 / 1,000 gallons).
- The adopted Demand Charge of \$125,000 per MGD of contracted system capacity and is unchanged from FY 2023.

FY 2024 total expenditures for the Non-Potable Water System reflect an overall decrease of 2.0% (\$3,790) from FY 2023. Projected Treated Effluent and Raw Water flows were kept at the same level as in FY 2023 because of lower than projected usage by this System's sole participant, City of Lewisville – Castle Hills Community. Additionally, there was a 7.7% rate increase from Dallas Water Utilities for Raw Water and a very slight decrease for Treated Effluent Water for FY 2024. Treated Effluent Water expense reflects a 1.3% (\$785) decrease from FY 2023, while Raw Water expense reflects a \$285 increase due. The largest expense decrease is from the allocated Administration Fund (including Information Technology) expenses of \$5,585 (-40.9%).

HOUSEHOLD HAZARDOUS WASTE FUND

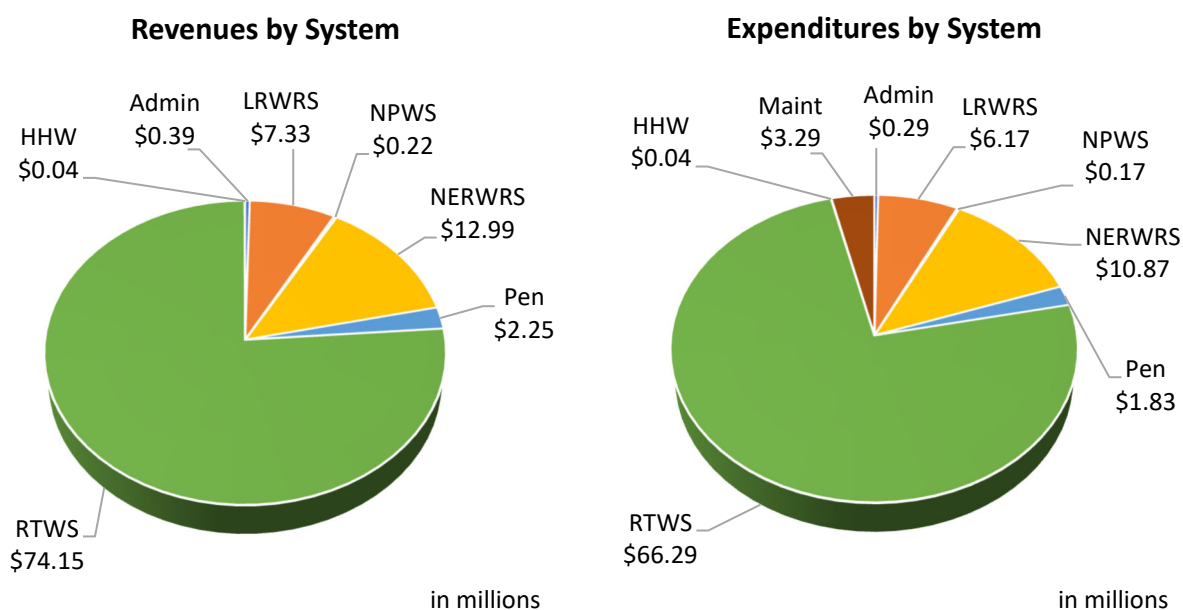
The FY 2024 adopted Collection and Disposal rate of \$132.00 per household and the individual voucher rate of \$110.00 per household, represent an increase of 30.7% and 46.7%, respectively. These increases were based on a \$45.00 increase (90.0%) from the City of Fort Worth for their Landfill Disposal Fee that the District is required to pay for the disposal of household hazardous waste materials per household participating in an event or for each single voucher sold by the District. The District's program has been providing this service on an interim basis until cities begin hosting their own programs, generally through their solid waste providers. This initiative has been very successful in keeping pollution out of our watershed sources.

MAINTENANCE FUND

This fund is allocated to operating funds as follows and is based on work order distribution: Regional Treated Water System – 46.0%, Lakeview Water Reclamation System – 15.5%, Northeast Water Reclamation System – Riverbend and Doe Branch Plants – 28.5%, Peninsula Water Reclamation Plant – 7.5%, Non-Potable Water System – 0.5%, and Administration – 2.0%.

FY 2024 total expenditures reflect a 4.3% (\$0.14 million) increase over the prior year's adopted budget. Personnel Services expenses reflect an 8.5% (\$0.22 million) increase due to including a full year of cost for a new Preventative Maintenance Coordinator position for the northeast service area. Vehicle expense reflects a 56.6% (\$0.13 million) increase due to reflecting a full year of vehicle lease expense compared to FY 2023. Due to the purchase of a new crane truck for the northeast service area in FY 2023 of \$0.22 million, Equipment and Furniture greater than or equal to \$5,000 expenses reflect a 94.8% (\$0.21 million) decrease from FY 2023.

The following graph reflects each fund's impact related to the District's total operating budget by business segment:



CAPITAL IMPROVEMENT PROGRAM (CIP) HIGHLIGHTS

The FY 2024 Capital Improvement Program totals \$375,683,620, an overall increase of 35.9% from the FY 2023 budget total of \$276,425,925. The planned projects include:

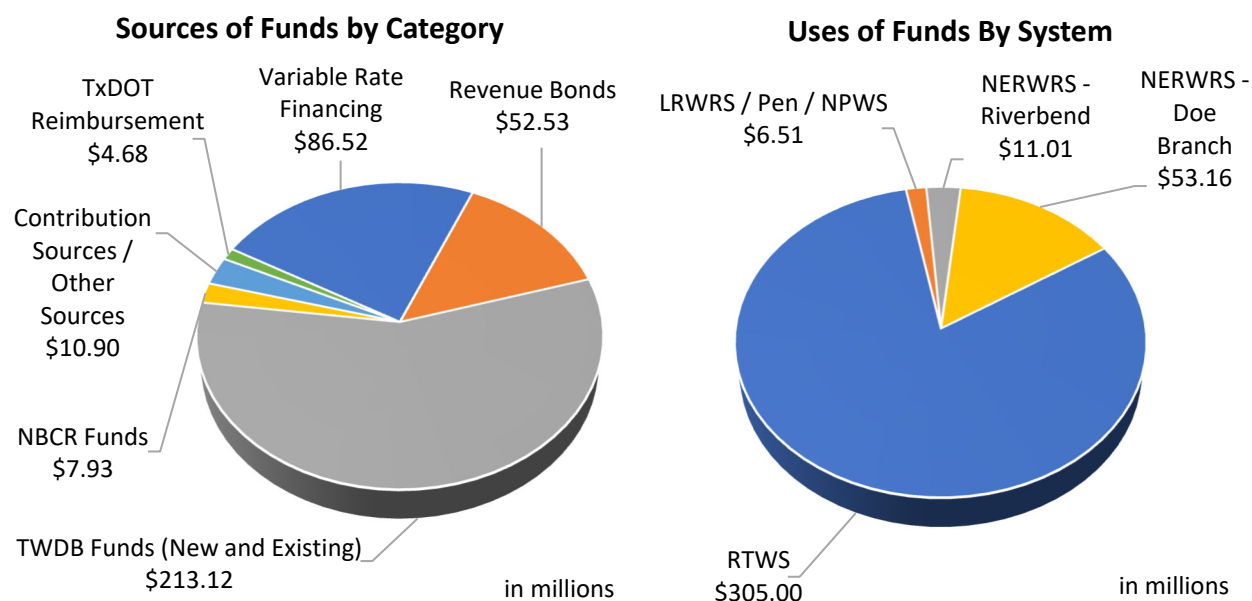
- Continued design, engineering, and construction of a ground storage tank and pump station, for the Southwest Pump Station, Phase 1 project.
- Continued construction of various segments (Dam, Pump Station, Raw Water Pipelines, Mitigation, Cultural Resources, Support Facilities, etc.) of the Lake Ralph Hall project.
- Continued design, engineering, and construction of multi-year projects to upgrade and improve components of the Regional Treated Water System.
- Continued design, engineering, and construction activities to expand the treatment capacity of the Thomas E. Taylor Regional Treated Water Plant from 70.0 to 85.0 MGD.
- Continued construction for a phased expansion of the Tom Harpool Regional Treated Water Plant to 30.0 MGD by FY 2025.
- Continued design and engineering to begin construction on the Phase 2 expansion of treatment capacity at the Tom Harpool Regional Treated Water Plant from 30.0 to 60.0 MGD.
- Continued design and engineering to begin construction on the Phase 3 expansion of treatment capacity at the Lakeview Regional Water Reclamation Plant from 5.5 to 7.5 MGD.
- Continued preliminary design and engineering to begin construction on the Phase 3 expansion of treatment capacity at the Doe Branch Regional Water Reclamation Plant from 4.0 to 12.0 MGD.
- Continued design and engineering to begin construction of a parallel interceptor to provide additional capacity for increasing wastewater flows to the Doe Branch Plant.
- Continued design and engineering to begin construction for the expansion of the Lakeview Regional Water Reclamation Plant from 5.50 to 7.5 MGD of treatment capacity.
- Continue coordination with the Texas Department of Transportation's (TXDOT) completion of District sewer mains / pipelines along US Hwy 380 in Denton and Collin Counties.
- Completion of construction activities to expand the Peninsula Water Reclamation Plant's treatment capacity from 0.94 to 2.00 MGD.

The District's CIP budget increase of \$99.36 million from FY 2023 is due to the tremendous growth in its water and northeast wastewater service areas. With the increased amount of treated demand and flows experienced in FY 2022 and FY 2023, the need to move ahead on the expansion of the Thomas E. Taylor Regional Treated Water Plant became evident and funding for this project was moved forward from future years to FY 2023. FY 2024 funding for this project (\$25.90 million) makes up approximately 26.1% of the nearly \$100.00 million increase in the District's CIP budget from FY 2023. Additionally, there is an approximate \$28.00 million increase to continue the Lake Ralph Hall project through FY 2024.

In the northeast wastewater service area, the FY 2024 funding amount to construct a new Riverbend Plant - West Influent Pump Station (with Dewatering Improvements) reflects an approximate \$9.00 million increase from FY 2023. Additionally, the District just completed construction of the Phase 2 expansion project at the Doe Branch Plant, but with continued population and development growth in its service area, the FY 2024 CIP budget includes \$46.00 million (an increase of \$44.10 million from FY 2023) to begin the third expansion of the Doe Branch Plant's treatment capacity from 4.0 to 12.0 MGD (based on the proposed capital improvement program budget that was adopted by the District's Board of Directors on

September 7, 2023). However, the amount of this capacity increase (8.0 MGD) is currently being lowered at the request of the Doe Branch Plant participants involved in the Plant expansion.

With such a large increase in potential flows to the Doe Branch Plant expected over the next two to three years, there is also a need to construct a parallel interceptor to the existing one that will provide increased pipeline capacity. The FY 2024 budget for the Parallel Interceptor, Phase 1 project reflects \$7.00 million - representing an approximately \$3.25 million increase from the FY 2023 budget amount.



The FY 2024 budget assumes that approximately \$86.52 million (23.0%) of Variable Rate Financing (Direct Purchase Program) will be utilized in the Regional Treated Water System (RTWS). The District is currently finalizing an agreement to increase the authorized limit for the Direct Purchase Program from \$75.00 to \$100.00 million. While \$86.52 million of Variable Rate Financing is projected to be issued during FY 2024 to advance the RTWS capital budget, \$35.00 million of outstanding variable rate debt is planned to be converted to long-term debt towards the end of FY 2023 (with a full year of debt service in FY 2024) with another \$55.00 million conversion during FY 2024 with a half year of debt service included in the RTWS operating budget.

Revenue Bond funding of \$52.53 million (14.0%) is required for FY 2024 CIP funding and excludes any revenue bonds issued to convert outstanding variable rate debt to long-term debt in the Regional Treated Water System. A Revenue Bond issue for \$10.00 million (net construction proceeds) for the Northeast Regional Water Reclamation System (NERWRS) was completed in late FY 2022 that included \$2.00 million for the Riverbend Plant West Influent Pump Station and Dewatering Improvements and \$8.00 million for the Doe Branch Plant Phase 3 expansion, from 4.0 to 12.0 MGD of capacity (based on the District's adopted FY 2023 and FY 2024 capital improvement budgets which is now being negotiated to a smaller expansion size by the Doe Branch Plant participants). This bond issue was structured with two years of Capitalized Interest (debt service payments begin in FY 2025). Approximately \$1.00 million of this amount remains of the \$2.00 million allocated to the West Influent Pump Station project, with additional Revenue Bonds to be issued in FY 2024 to continue work on this project. Of the \$8.00 million allotted to the Doe Branch Plant, Phase 3 expansion, approximately \$6.40 million remains. Therefore, another issue of approximately

\$41.50 million is required to continue work on the Doe Branch Plant, Phase 3 expansion through FY 2024. Any Revenue Bond issue for the NERWRS will be structured so that there are no debt service payments due for FY 2024.

\$213.12 million (56.7%) of required FY 2024 capital improvement funding in the RTWS consists of previously secured funding from the Texas Water Development Board (TWDB) in the form of Board Participation funding for the Lake Ralph Hall and the Harpool Regional Treated Water Plant Northeast Transmission Pipeline, Phases 1 and 2 projects. Also included in this amount is funding from an additional \$48.00 million of TWDB Board Participation funding planned for November 2022 to continue construction on various segments of the Lake Ralph Hall project. With this issue of Board Participation, no debt service is due until FY 2027. This category of funding for FY 2024 also includes two new additional Board Participation issues (planned for November 2023) of \$4.71 million for the Harpool Regional Water Treatment Plant Northeast Water Transmission Pipeline, Phases 1 and 2, and \$5.81 million for the first tranche of funding for the Harpool Plant Northeast Water Transmission Pipeline, Phase 3.

Internal Reserve funding (Non-Bond Capital Reserve Funds) totals approximately \$7.93 million (net), which equates to approximately 2.1% of FY 2024 CIP funding sources. This type of funding is provided from excess working capital generated in prior years which is set aside to be used as internal funding for various capital projects that may be too small to be financed with conventional debt financing. Use of these funds as “bridge” financing for certain capital projects allows for a reimbursement by District members / customers over time or via the issuance of debt, to reimburse the District’s Non-Bond Capital Reserve. \$2.95 million of the total \$7.93 million of Non-Bond Capital Reserve funds are designated for RTWS capital projects, while \$6.49 million of this total is designated for the Lakeview Regional Water Reclamation System. In addition, the District is expecting a reimbursement of \$2.62 million of District Non-Bond Capital Reserve funds (spent in FY 2023) from the Texas Department of Transportation (TxDOT) towards the Relocation / TxDOT US Hwy 380 project.

\$10.90 million (2.9%) of Contributions and Other Sources of 2024 CIP funding is primarily made up of transfers from the Plant Permitting Reserves (\$0.02 million) for renewal of the Texas Pollutant Discharge Elimination System permits (TPDES) at the Lakeview Regional Water Reclamation Plant, Customer Reimbursements (\$0.05 million) for any contingency projects to extend Customer water pipelines, and \$10.52 million (from prior year and current Plant participant contributions and revenue bonds) for the Doe Branch Plant Expansion, Phase 3 and the Parallel Interceptor, Phase 1 projects.

Reimbursements totaling \$4.68 million (1.2%) represent additional funding available for FY 2024 CIP funding. This total includes \$2.06 million for reimbursements of Non-Bond Capital Reserve funding expensed in the RTWS on the TxDOT / IH-35 project (@ a 90% reimbursement rate) of \$2.02 million and \$0.04 million for the TxDOT / IH-35W and FM 407 project. Another \$2.62 million in reimbursements from TxDOT are expected for previous year Non-Bond Capital Funds on the Relocation / TxDOT US 380 project. As the funds are received, they are transferred back to the Non-Bond Capital Reserves in the RTWS and NERWRS.

For additional information on the District’s capital improvement budget, refer to the CIP Funds section of this budget document.

BUDGET PROCESS

The Upper Trinity Regional Water District develops the budget pursuant to the Texas Water Code, which requires “a District that provides wholesale potable water and wastewater services shall adopt a program that provides such wholesale customers an opportunity to review and comment on the District's annual budget that applies to their services before that budget is adopted by the Board.”

DEVELOPMENT

A Budget kick-off meeting is held in February to start the development process. Next, all budget forms with instructions are emailed to Superintendents, Managers and Directors by Budget staff which outlines the budget request process. Budget requests are submitted in two forms – basic and supplemental. The basic request is for funding to maintain the current level of operations, while the supplemental request is for new personnel, services, or items that will expand or improve operations. Concurrent tasks are cost of services studies that will assist in establishing rates, fees, and charges, as well as a review of Capital Improvement Projects (CIP) with the Engineering and Executive Staff.

PRELIMINARY RATES, FEES, AND CHARGES

Upon approval of the budget request forms by the respective Director and review of the cost of services studies, the formulation of the preliminary operating budget begins. After review by the Executive Director, they are then presented to the Rate Committee and the Board of Directors at its regularly scheduled meeting in June. On or before June 15, preliminary rates, fees, and charges for the next fiscal year are sent to all Members and Customers.

PRELIMINARY OPERATING AND CAPITAL BUDGETS

Modifications to the preliminary rates, fees and charges are revised by the Budget staff and the preliminary operating budget is then presented to the Board at its July meeting.

In August, the preliminary capital improvement budget is also presented to the Board. After its review, and the finalizing of cost of services studies, the revised preliminary operating and capital improvement budgets are sent to all District Members and Customers not less than 40 days before the commencement of the new fiscal year.

PROPOSED BUDGET

After sending out the revised preliminary budget, the Budget staff begins finalizing the proposed operating and capital improvement budgets. During this time, any changes in estimated costs are analyzed, and, if necessary, rates are adjusted accordingly. In September, the proposed budgets and rates and charges are presented to the Board for review and adoption.

MID-YEAR BUDGET AMENDMENT

Modifications to the operating and capital improvement budgets are made primarily during the mid-year budget process. This process begins with meetings of the Operations and Engineering Departments to assess any changes that should be made in the budgets to accommodate changes in revenues and expenses for the remainder of the fiscal year. Mid-year budget amendments are then put together by the

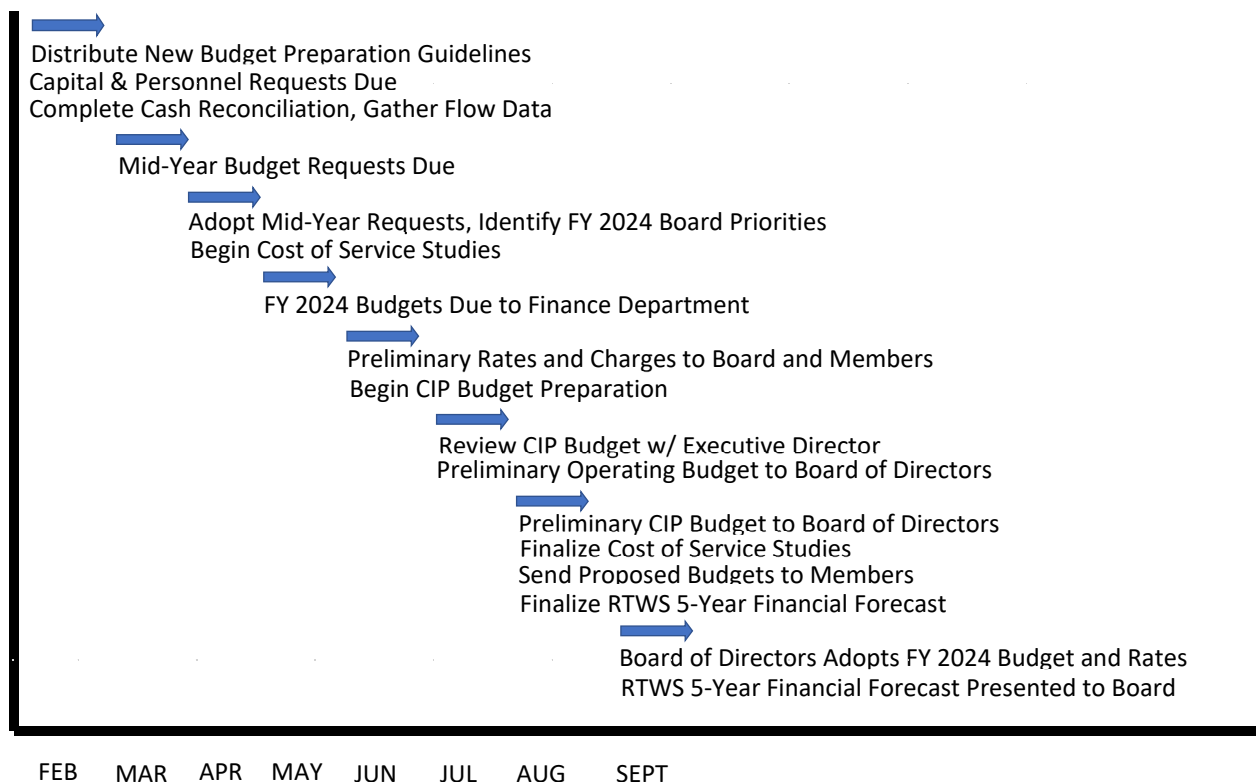
Budget Office for consideration. After review of the proposed mid-year budgets with the Executive Director in March, it is presented to the Board in April for review and adoption.

BUDGET CALENDAR

Mid-January	Distribute budget calendar
January	Budget Preparation Manual and instructions are prepared for Superintendents, Managers and Directors
Mid-February	Kick-off meeting for FY 2023 mid-year budget and FY 2024 budget; distribute Budget Preparation Manual
Late-February	Send out flow data request survey to members / customers Complete Beginning Cash Reconciliation Updates to Departmental Mission Statements, Goals and Objectives due to Business Services
Early March	FY 2023 mid-year budget requests due to Business Services FY 2024 new personnel requests due to Human Resources FY 2024 capital purchase requests due to Purchasing to assist in developing cost estimates FY 2024 Information Technology requests due
Mid-March	FY 2023 mid-year CIP meeting with Engineering Department FY 2023 mid-year budget salary and benefits forecast
Late March	Review proposed FY 2023 mid-year budget requests with Executive Director Complete FY 2023 mid-year budget amendments and resolution Receive flow data surveys
Early April	Adopt FY 2023 mid-year budget amendments and discuss FY 2024 budget priorities
Mid-April	FY 2024 budget request forms due to Directors Begin FY 2024 CIP review with Engineering Department FY 2024 budget request forms due to Business Services FY 2024 budget salary and benefit forecast
Mid-May	Review FY 2024 preliminary operating budget and rates with Executive Director Present preliminary rates to Rates and Charges Committee
Early June	Present preliminary rates, fees, and charges to Board of Directors
Mid-June	Send preliminary rates, fees, and charges to members / customers Complete cost of services studies based on modifications to FY 2024 preliminary operating budget
Early July	Second review of FY 2024 preliminary operating budget with Executive Director FY 2024 preliminary operating budget presented to Board of Directors

Mid-July	Finalize FY 2024 – 2028 CIP budget Review preliminary CIP budget with Executive Director
Early August	Present preliminary CIP budget to Board of Directors
Mid-August	Finalize cost of services studies Send revised FY 2024 preliminary operating and capital budgets to members / customers Final review of FY 2024 proposed operating and capital budgets and rate, fees, and charges with Executive Director Finalize RTWS 5-Year Financial Forecast
September	Present FY 2024 proposed operating and capital budgets and rate resolutions to Board of Directors for adoption RTWS 5-Year Financial Forecast Presented to Board of Directors

BUDGET PREPARATION TIMELINE



FINANCIAL POLICIES AND STRATEGIES

The Upper Trinity Regional Water District's financial policies, summarized below, set forth a basic framework for the overall fiscal management of the District. These policies provide guidelines to assist management in evaluating current activities and proposals for future programs. They direct attention to overall financial condition, rather than a narrow focus on single issues. In addition, these policies continue to demonstrate the District's compliance with applicable Bond Covenants.

These policies represent long-standing principles, traditions, and practices that have guided the District in the past and have continued to create financial stability for the District since its inception in 1989. Additionally, District management strives to review these policies annually.

REVENUE POLICIES

The District establishes rates and charges based on a cost recovery methodology for providing services, as well as the capital expenditures required to construct facilities to provide those services, to its contracted users. These rates and charges are established at levels that will yield adequate Net Revenues to sufficiently meet reserve and debt requirements.

- All adopted FY 2024 budgets are projected to yield an increase in ending cash.

District Fund	Increase in Ending Cash
Administration Fund	\$36,835
Lakeview Regional Water Reclamation System	\$651,455
Non-Potable Water System	\$38,490
Northeast Regional Water Reclamation System	\$1,179,700
Peninsula Water Reclamation Plant	\$171,615
Regional Treated Water System	\$6,350,340
Household Hazardous Waste	\$740

The District addresses its use of one-time and / or unpredictable revenues by amending its long-range financial planning instrument (cash flow model) to include these revenues. The District avoids use of these types of revenues for ongoing expenditures.

The District strives for complete and timely collection of all revenues due from its users to ensure adequate cash flow for its operational expenditures. The District consistently has a 100.0% collection rate with an average aging period for accounts receivable of approximately 30 days.

INVESTMENT POLICIES

The investment of District funds emphasizes the importance of capital preservation in its overall portfolio.

Investment decisions are made to allow for the highest rate of return on the portfolio within the District's safety and liquidity objectives. In addition, the District's portfolio shall be structured in such a manner as to avoid unreasonable risk regarding specific securities or financial institutions. Based on the District's investment report for the quarter ending September 30, 2023, the weighted average yield to maturity for the District's investments was 5.139% with an investment mix of Local Government Investment Pools and Bank Deposits. In addition, 5% of the District's investments are collateralized and 95% are invested in TexPool, which is rated AAA by Standard & Poor's.

Cash balances are maintained to allow for adequate liquidity of funds to meet the District's projected operating and capital requirements to ensure the timely satisfaction of financial obligations.

The District will be in conformance with federal, state, and other legal requirements.

OPERATING BUDGET POLICIES

BUDGETARY BASIS

The District uses a cash basis of budgeting for all fund types. Under the cash basis of budgeting, transactions are recognized only when cash changes hands. Encumbrances and depreciation are not budgeted. District expenses may not exceed the amounts appropriated.

The District adopts an annual balanced budget with revenues that are equal to or greater than its expenditures and debt service requirements. This annual budget document includes operating revenue and expenditure totals, changes to ending working capital balances, and footnotes that discuss situations where reserve balances are drawn down due to a structural imbalance (total operating revenues do not adequately cover total operating expenditures).

District management (including Operations and Human Resources) annually review all approved positions to determine adequate staffing levels in each department with current positions.

ACCOUNTING BASIS

The proprietary fund is accounted for on a cost of services or "economic resources" measurement focus, using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

BUDGETARY BASIS VS. ACCOUNTING BASIS

The basis of budgeting differs from the basis of accounting by the timing of the recognition of revenues and expenditures. The budget assumes that all revenues and expenditures, as well as the associated cash, will be expended or received during the budget period. Conversely, the basis of accounting only recognizes revenues when measurable and available, and expenditures when incurred. Cash is not necessarily received or expended at the same time.

EXPENSE POLICY

The District procures all goods and services in accordance with the Purchasing Policy adopted by the District's Board of Directors. The procedures outlined in this policy follow the requirements set forth in Title 4, Chapter 49 and 54 of the Texas Water Code, and Chapter 271 of the Texas Local Government Code, as they apply.

WORKING CAPITAL POLICIES

Upon completion of audited year-end financial statements, when actual net revenues have been confirmed, net funds available for working capital and other discretionary purposes will be determined. Each year, at mid-year, the current year's beginning cash (operating / working capital) will be adjusted accordingly. The Working Capital Requirement for each enterprise fund shall be determined based on 45 days of annual Operating and Maintenance (O&M) costs (including Debt Service), plus up to a 5.0% contingency for variable conditions.

Upon receipt of year-end results, operating surplus funds that exceed established Working Capital Requirements can be used for the following purposes in priority order subject to Board approval:

- Replenish Debt Service Reserve funds if necessary.
- Replenish any other related fund or reserve to meet target levels or goal.
- Subject to Board approval, any remaining surplus may be transferred to the Non-Bond Capital Reserve to be used for funding capital improvement projects, urgent repairs, purchase of heavy maintenance items, or rate stabilization.

INTERFUND LOAN POLICIES

The District has historically utilized Non-Bond Capital Reserve Fund and Working Capital, along with other available reserves as a source of "Internal Loans", if needed in each of the operating funds. This has been used for "bridge" financing for larger projects before the System was able to obtain other types of long-term financing. These Interfund Loans are typically from one District enterprise fund (System) to another District enterprise fund (System) for a capital improvement purpose that will be repaid by the receiving fund along with interest as appropriate. Loans can also be made to a specific entity on a case-by-case basis. The purpose of this policy is to formally establish acceptable procedures to properly define, document, and refund Interfund Loans.

Other provisions for Interfund Loans include:

- Approval by the Board of Directors prior to the implementation of the loan.
- An interest rate of Texpool plus 25 basis points for Interfund Loans having a maturity of less than one year. For those loans having a term longer than one year, the interest rate would adjust each budget year to reflect any increase in the Texpool rate.
- A requirement for approved loans which benefit only one member with a maturity of more than one year, would be considered on a case-by-case basis with interest rates set at a fixed rate over the period of the loan.
- A term of five years or less, unless specifically approved by the Board of Directors.
- An annual monitoring requirement to ensure appropriate payment is received. Additionally, during the budget development process, each Interfund Loan will be evaluated and programmed, as necessary for the next fiscal year.
- A requirement that any Interfund Loans made from Working Capital will not reduce an enterprise fund's working capital balance below the required threshold established in the Policy of Working Capital. Subject to Board approval, any remaining surplus may be used for direct capital investment via transfer to the Non-Bond Capital Reserve for funding capital improvement projects, for urgent repairs, or for necessary heavy maintenance items.

RESERVE AND FUND REQUIREMENT POLICIES

The District maintains an **Operating and Maintenance (O&M) Reserve fund** in most systems and makes annual deposits to this fund designed to equal 25.0% of annual operating and maintenance expenditures (not including debt service).

- Adopted FY 2024 budgets for the District's major systems having an O&M Reserve fund are all projected to have 100.0% funding levels at the end of the fiscal year. These funding levels are shown in the Budget Overview section of this budget document.

Certain proceeds of the Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants and agreements.

The Construction Cash fund is used to report those proceeds of revenue bond issuances that are restricted for use in construction.

The Capitalized Interest fund is used to segregate resources accumulated for debt services payments over the period of construction.

The Debt Service Reserve fund is used to report resources set aside to make up potential future deficiencies in the Interest and Sinking Reserve fund and is equal to the average annual senior lien debt outstanding.

A **Capital Replacement Reserve fund** has been established in the District's Operating Systems (Funds) to accumulate resources for future replacement of capital assets (plants, pipelines, etc.).

A **Vehicle and Equipment Replacement Reserve fund** has been established to accumulate contributions to purchase District vehicles and equipment based on a replacement schedule (i.e., vehicles replaced every six years, heavy-duty trucks replaced every 8 years, and heavy equipment replaced every 8-15 years), or other criterion such as excessive maintenance expense. However, with the April 2022 approval to begin leasing all District Vehicles (cars, light and medium trucks), this reserve fund will be funded with contributions for the future replacement of heavy and specialty equipment going forward.

A **Capital Facilities Equipment fund** has been established to account for spare equipment and parts that are required to have on-hand in the event of a failure of items in service. This fund will help to maintain operations and alleviate potential supply chain concerns.

A **Non-Bond Capital Reserve fund** has been established in District systems and funded with either excess working capital from a prior fiscal year's operating results, designated amounts to be established as a revenue requirement in the respective fund's operating budget, or repayment of prior uses from bond proceeds or loan repayments. These funds can be used for cash funding of certain capital improvement projects to reduce the District's heavy reliance on debt financing, as well as to be used as a source of "Internal Loans" as needed in each of the operating funds. This "bridge financing" has been used for several large projects, thus allowing Systems to be in a position of obtaining other types of long-term financing. Any projects utilizing Non-Bond Reserve funding shall be identified in the District's Capital Improvement Program Budget as being funded by "Non-Bond Funding Sources". Additionally, the Board

may consider a budget amendment at any meeting to address availability of equity funds or changes in need or conditions for capital funds.

A **Lake Ralph Hall Reserve fund** has been established to accumulate funds, at the discretion of the District's Board of Directors, as a rate stabilization fund for future annual debt service payments from debt issues related to the construction of Lake Ralph Hall.

A **Raw Water Holding Pond Dredging Reserve** has been established to accumulate funds for future dredging of the Regional Treated Water System's raw water holding ponds. Dredging is necessary every 6 - 8 years at the Harpool Plant holding pond and every 8 - 10 years for the Taylor Plant holding pond. Annual contributions per 1,000 gallons of flows treated will help provide funding for future holding pond dredging project expenditures so that these large and infrequent expenses do not cause large rate fluctuations.

For additional information regarding the District's Reserve Funds, refer to the Other Funds section of this budget document.

DEBT POLICIES

The District is empowered to use debt financing when it is appropriate and authorized by the Board of Directors.

The District finances capital improvements over a period not greater than the useful life of the improvement.

The District ensures that debt is soundly financed by conservatively projecting revenue sources utilized to pay the debt and, by Board of Director Resolution, establishing rates and charges to achieve a goal coverage ratio of 1.25 to 1.35 on all debt (Cash Basis Debt Coverage Ratio), but with a minimum of 1.15. Additionally, there is no specified debt limit established for the District. The Cash Basis Debt Coverage Ratio (CBDCR) and the Additional Bonds Test Coverage Ratio (ABTCR) are shown in the Debt Summary section for District Operating Systems with outstanding debt.

All outstanding revenue bonds will be secured by a pledge of the net revenues of the System benefiting from the borrowed capital.

The District utilizes a minimum present value parameter of 3.0% to 3.5% present value savings regarding the decision to refund any outstanding debt. Due to the District taking advantage of historically low interest rates over the past 10-15 years to refund its debt, the most recent bond refunding from FY 2022 is shown:

- In August 2022, the Regional Treated Water System issued \$43.97 million (par value) of Refunding Bonds to convert \$21.79 million of outstanding Commercial Paper to long-term debt. This issue also refinanced its Series 2012A Revenue Bonds (outstanding principal of \$22.18 million) that yielded a net present value savings of 4.0%.

The District utilizes Variable Rate Financing in the Regional Treated Water System to match cash flow needs more accurately for capital improvement projects and to lower the District's cost of debt service in early years. In prior years, the District participated in a Commercial Paper program. Beginning in FY 2023,

the District has entered a Direct Purchase Program. The District's maximum authorized level for this program is \$75.0 million. Moreover, the District is in negotiations with another financial institution to increase its variable debt financing capacity from \$75.00 to \$100.00 million during FY 2024.

The District maintains good communication with bond rating agencies about its financial condition. Current bond ratings are shown in the Debt Summary section of this budget document.

The District publishes and distributes an official statement for each bond issuance, except for those occasions when bonds are sold by the Texas Water Development Board for proceeds loaned to the District as Board / State Participation loans.

VARIABLE RATE FINANCING REPLACEMENT POLICIES

The District uses variable rate financing as a strategy for interim financing of projects within the Regional Treated Water System. Furthermore, it is the District's policy that variable rate financing used to finance a given project be converted to Revenue Bond financing prior to completion of the project, or as soon thereafter as deemed prudent by the Board, considering the District's financial condition, market conditions, and potential rate impact.

Within the guidelines of the rate strategy adopted by the Board of Directors, short-term Variable Rate financing notes should be converted to Revenue Bonds on an orderly basis and should be limited to the amount that would allow the rate strategy established in April 2008 to be maintained; that is, not to exceed a 5.0% increase in rates in any given year. However, in 2008, the District was not into the construction phase of the Lake Ralph Hall project. This Variable Rate policy will be reviewed and possibly revised to better fit the revenue requirements needed by the RTWS to allow for annual rate increases in excess of 5% if agreed upon by the District's Board of Directors.

- The Adopted FY 2024 Budget includes a full year of debt service for a \$35.00 million conversion of outstanding Direct Purchase Notes to Revenue Bonds for early FY 2024 (after adoption of the FY 2024 budget, it was determined that only \$30.0 million of outstanding Variable Rate Debt was required to be converted to long-term debt). Additionally, a \$55.00 million conversion is scheduled for mid FY 2024. Due to the timing of the issuance, a half-year of debt service is budgeted for this conversion in FY 2024. The FY 2024 blended rate increase for the Regional Treated Water System is 6.10% from FY 2023. Refer to the Debt Summary section of this budget document for additional information regarding the District's Variable Rate Financing balance for FY 2024.

FIXED ASSET POLICIES

The District addresses purchases, transfers, retirements, and internal controls of District assets by delineating between assets to be capitalized (equipment, furniture, office machinery, computer software, vehicles, and heavy equipment, having a service life of two or more years and having a cost of \$5,000 or greater) and those not requiring capitalization. Furthermore, departmental staff are assigned the responsibilities of control, transfer, disposition, and annual inventory of control assets (those valued less than \$5,000). When control assets become impaired, damaged, or lost, each department is required to notify the Accounting Department via office memorandum or email.

LONG-RANGE PLANNING POLICIES

The District will be bold and visionary in its programs. It will also be conservative in its finances, maintain strong reserves, build equity on the balance sheet, and adhere to sound business and accounting practices.

- The District utilizes long-range financial planning and rate-setting models for water and wastewater systems operated by the District. The models contain detailed annual operating revenues and expenditures, debt levels and coverage, working capital balances, capital improvement program expenditures, etc., for the current budget period through FY 2028. The Five-Year financial forecast for the Regional Treated Water System is then presented to the Board of Directors. Similar rate forecasts have been developed for the District's wastewater systems as well. However, they have not been presented to the District's Board of Directors. These long-range planning models allow staff to include any known trends regarding certain revenue and expense categories, so that various scenarios can be developed, examined, and considered, when addressing the District's future financial condition. District staff (Engineering and Business) meet on a regular basis to review and adjust these cash flow rate models for a variety of factors, including but not limited to:
 - Residential and commercial construction activity in the various parts of the District's service areas.
 - Population growth trends received via feedback from our system participants, the North Central Texas Council of Governments, the Texas Water Development Board Region C Planning Group, and the United States Census Bureau.
 - Projected construction projects to accommodate system participant needs, as well as replacement of current system infrastructure for aging and obsolescence.
 - Changes to projected future financing sources and associated interest rates.
 - Current and projected weather patterns that would affect the amount of water and wastewater flows.
 - Heavy rainfall and conversely, drought conditions, in the Regional Treated Water System service area affect the amount of projected sales (revenues) and associated amounts of raw water, treatment chemicals, and electricity, including wear and tear on infrastructure items for development of a treatment cost rate.
 - For the District's water reclamation systems, heavy rainfall has the opposite effect. As the amount of wastewater flows increase, higher treatment revenues are realized, but operating costs for treatment chemicals, sludge disposal / hauling, and electricity increase as well. Conversely, drought conditions decrease treatment revenues, and often increase treatment chemical costs due to less movement of flows creating stagnant conditions and odor problems in the system.
 - Economic conditions such as oil and electricity futures market volatility, recessions, interest rate uncertainty, etc., also require District staff to adjust financial planning forecasts.

Other variables District staff incorporate into these planning tools include:

- Available funding.
- Financial Risk.

- Regulatory requirements.
- Level of services that can be sustained.
- Capital investment requirements.
- Future commitments and resource demands.
- Other variables that could cause a change in the level of revenue.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

An independent audit of the District's financial statements is performed annually.

The District produces annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB). In addition, the District's Annual Comprehensive Financial Report has consistently received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association.

The accounts of the District are organized into one Enterprise Fund with the operations of the fund being accounted for using a set of self-balancing accounts that comprise the operations that are financed and operated like private business enterprises. Therefore, these funds are accounted for on a cost of services or "economic resources" measurement focus, using the Accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. This is NOT the same as the basis (Cash) used to prepare the budget for the District's cash inflows (revenues) and outflows (expenses), which recognizes only those revenues when collected and expenses when paid, by the District.

The District maintains a system of strong internal controls and amends its practices when weaknesses or deficiencies are detected.

DIRECT LABOR CHARGES AND ALLOCATION OF ADMINISTRATIVE OVERHEAD POLICIES

District policies are based on the fundamental principle that the allocation of costs for services and programs should avoid the creation of any undue subsidy between customers. This standard is particularly applicable for setting rates for services and programs and for individual projects that benefit one or more member entities (but not all). The District follows generally accepted practice for utility enterprises; and to the extent practical, costs are assigned to the party or parties that triggered the cost or receives the benefit. Therefore, Engineering and Construction costs (labor and benefits) are to be charged directly to the applicable project according to actual time recorded. In similar manner, each District enterprise system shall bear such costs according to actual time charged.

The cost of field engineering, construction, inspection, and project management shall be charged to the applicable project or system, according to actual time incurred.

Administration (overhead) expenditures include management and support staff salary and benefits, office expenses, general operating expenses (e.g., utilities, landscaping, etc.) and professional services. In FY 2021, the District established a separate Information Technology (IT) Fund that includes all IT personnel salaries and benefits, computer equipment and supplies for the District, professional services expense, and O&M expenses (vehicle expenses, fiber optics maintenance, and equipment and furniture purchases). 100.0% of Information Technology Fund expenses are then allocated to the Administration Fund. 5.0% of all Administration Fund expenses are kept within the Administration Fund with the remaining 95.0%

proportionately allocated to District operations and the Capital Improvement Program (based on total expenses). From time to time, the Board of Directors reviews and adjusts the level of Fees for Administration and Planning to be paid by all members of the District as required to cover the 5.0% total of administrative expenses held in the fund.

For projects funded and owned by others, for which the District provides only coordination and inspection services, no administrative overhead will be allocated. However, direct labor and administration overhead allocation may be addressed separately in special provisions of a project participant's contract with the District.

CAPITAL BUDGET POLICIES

The District adopts a one-year budget, with subsequent changes made via individual budget amendments (completed as needed), as well as mid-year budget amendments (presented to the Board of Directors in April of each fiscal year). All budget amendments must be approved by the District's Board of Directors. Additionally, a 5-year Capital Improvement Program budget is developed and presented to the Board of Directors in September of each fiscal year. Informally, a 20-year Capital Improvement Program budget is developed for further planning purposes, but due to the risks involved with planning periods over 5 years, this is not presented to the Board, but kept internally for District staff strategic planning purposes.

Regarding the District's physical assets, the District's Maintenance Division keeps records of the prior maintenance expenses and condition levels of District assets through the Computerized Maintenance Management System. This asset condition information is periodically communicated with Operating System superintendents to be used for future planning, to ensure that these financial needs are incorporated into the District's cash flow projections.

MISSION – VISION – GOALS

OUR MISSION

The Mission of the Upper Trinity Regional Water District is to plan, develop and manage water and wastewater services in the interest of its members, using consensus-based strategies that are environmentally and economically sound.

OUR VISION

Upper Trinity Regional Water District – It Works
A Regional Vision for our Communities

Since 1989, the members of Upper Trinity have shared a regional vision: by working together we can provide high quality services for our communities, services that are more cost effective and reliable than if each member acted alone.

TREATED (DRINKING WATER)

To ensure an adequate water supply for this region, Upper Trinity provides treated water service on a wholesale basis to 29 communities. Each local system then delivers the water to its many retail customers for residential, commercial, industrial, and municipal uses.

LONG RANGE WATER SUPPLY

The District secures its water entirely from surface water sources. Currently our sources are Lewisville, Ray Roberts, and Chapman (Cooper) Lakes. To ensure adequate and reliable water supplies for the next 50 years, Upper Trinity plans to continue its reuse of existing supplies and develop new sources, including Lake Ralph Hall in Fannin County.

NON-POTABLE WATER

To conserve drinking water and extend limited water supplies, Upper Trinity provides non-potable water (untreated water or reclaimed wastewater) for irrigation and industrial purposes.

WATER RECLAMATION

Upper Trinity has developed regional water reclamation plants using state-of-the-art technology to treat wastewater collected by community systems. The treated water meets or exceeds applicable standards and is then recycled into area lakes and streams.

WATERSHED PROTECTION

Denton County is within the watershed of the Trinity River and three major water supply sources: Lewisville Lake, Ray Roberts Lake and Grapevine Lake. Upper Trinity is a leader in educating the public about protecting water quality by limiting the use of pesticides, fertilizers, and other chemicals.

WATER CONSERVATION

To assure adequate water supplies for the future, conservation of existing resources must become a way of life. Upper Trinity offers public information and programs concerning earth-friendly landscape techniques, irrigation practices and more efficient personal and business water usage.

COLLECTION OF HOUSEHOLD HAZARDOUS WASTES

Many typical household products – solvents, cleaners, batteries, paint, pesticides, weed killer, pose potential hazards to our water sources. Working with communities, Upper Trinity has implemented a program to safely collect and dispose of such leftover hazardous materials from households.

GOALS

LEADERSHIP – Be a proactive, visionary agency for the region; address the needs of the service area and be receptive to new opportunities to serve.

ORGANIZATIONAL – Foster quality management; be a lean-function-driven organization that is flexible, sensitive, and responsive to the needs of members; and encourage active participation of informed, empowered employees at every level.

FUNCTIONAL – Develop, treat, and deliver safe and dependable long-term water resources; provide quality water reclamation, watershed management and solid waste services.

FINANCIAL – Be efficient and cost effective, providing a sound financial structure for the District.

PARTNERSHIPS – Develop and maintain good working relationships with members, utilities, cities, and government agencies.

ENVIRONMENTAL – Protect and improve water quality, promote conservation of natural and economic resources, and be good stewards of environmental assets.

EDUCATIONAL – Promote public education and public involvement in achieving the mission and goals of the District.

Approved by the Board of Directors November 6, 1997

STRATEGIC GOALS

The Upper Trinity Regional Water District has been and is committed to its mission “to plan, develop and manage water and solid waste services in the interest of its members, using consensus-based strategies that are environmentally and economically sound.” To further the District’s ever-evolving planning process and to focus its efforts for the coming year, the District annually reviews its planning to ensure that the District’s priorities are aligned with the needs of the members / customers and environment. By consistently taking these additional steps every year, Upper Trinity has been able to generate extraordinary results, enabling development of regional systems in an efficient manner throughout the District’s service area in a relatively short period of time.

The following Work Program Guidelines were proposed by District staff and adopted by the District’s Board of Directors on February 9, 2023 for the 2023 calendar year. These guidelines have been developed to help target our efforts to best accomplish the District’s important goals and mission. Additionally, these guidelines fall into two major categories:

- **General** – Covering broad goals and themes. This is where we see the heart and can sense the personality of the District – the image we want to convey to others.
- **Specific** – These are the activities and individual projects we plan to get accomplished or underway in 2023 -- with your help.

GENERAL WORK PLAN GUIDELINES FOR 2023

- Inform Public Officials, Civic Leaders, and Citizens About Vital Programs of Upper Trinity.
- Be a Strong Advocate for the Regional Perspective.
- Focus on Water Resources / Planning and Conserving.
- Cultivate a Culture of Teamwork and Cooperation.
- Maintain a Lean Profile, a Progressive Image.
- Keep Mission and Goals in Perspective: Watch Priorities.
- Build Good Working Relationships with Nearby Cities and Water Systems.
- Be Responsive and Alert to Opportunities to Support Members / Customers.
- Consider “Excellence” to be the Standard for Operations.
- Cultivate Environmental Sensitivity and Responsibility.
- Exhibit Leadership in Watershed and Greenbelt Protection.
- Maintain Security / Safety of Systems and Resources.
- Stay Alert to Strategies for Fraud Protection and Cyber Threats.

THEMES / EMPHASES

- | | |
|-----------------------------------|------------------------------------|
| ~ Maintain Professional Staff | ~ Produce Superior Results |
| ~ Practice Great Teamwork | ~ Be Creative & Innovative |
| ~ Educate & Inform the Public | ~ Sustain the Environment |
| ~ Build Positive Image | ~ Aggressively Plan for the Future |
| ~ Encourage Safe Work Habits | ~ Maintain Cost Control |
| ~ Strive for Efficient Operations | ~ Share Cost Equitably |
| ~ Show Flexibility & Agility | ~ Promote Conservation |
| ~ Streamline & Simplify | ~ Excel at Customer Service |

SPECIFIC PROJECTS AND ACTIVITIES FOR 2023

LEADERSHIP

Initiative: Continue mandated long-range water supply planning efforts	
Goal:	<p>Stay focused on the need for a secure, diversified, long-range water supply for Members and Customers of the District -- with special emphasis on Lake Ralph Hall (LRH), and on the potential for additional resources in northeast Texas.</p> <p>Results / Reference(s): Water Sources UTRWD</p>
Goal:	<p>Continue to implement water rights permit No. 5821 issued December 11, 2013 by TCEQ for LRH in Fannin County, Texas.</p> <ul style="list-style-type: none"> With funds provided by TWDB financial assistance, continue the District's enhanced efforts to purchase property needed for the Project - - with special emphasis on the conveyance system. <p>Results / Reference(s): <i>As of September 20, 2023, all 136 parcels needed for the Lake Ralph Hall 32-Mile Pipeline have been acquired. One remaining easement is a drainage outfall for the balancing reservoir which is not part of the pipeline project.</i> Land Acquisition Lake Ralph Hall Frequently Asked Questions (FAQ) Lake Ralph Hall LRH Fast Facts-rev 5 (ctfassets.net)</p>
Goal:	<p>Maintain a progressive public stance regarding District activities concerning LRH and in relationships with Fannin County, City of Ladonia, and the general public.</p> <ul style="list-style-type: none"> Continue to support Fannin County and the City of Ladonia regarding zoning around LRH and completion of the comprehensive development plan. <p>Results / Reference(s): Lake Ralph Hall Comprehensive Plan Social Pinpoint (mysocialpinpoint.com) Lake Ralph Hall - Home Facebook Documents - Lake Ralph Hall Social Pinpoint (mysocialpinpoint.com)</p> <ul style="list-style-type: none"> Continue discussions with the City of Ladonia regarding responsibilities for water and / or sewer relocations, future water supply, and operation of a future Fossil Park, and take appropriate actions. <p>Results / Reference(s): Lake Ralph Hall Comprehensive Plan Adopted 2022.10.11 -Website Version.pdf Ladonia Fossil Park Relocation Lake Ralph Hall</p> <ul style="list-style-type: none"> Continue coordinating with Fannin County on the relocation or abandonment of county roads impacted by Lake Ralph Hall. <p>Results / Reference(s): Roads & Bridges Lake Ralph Hall JUN23 Minutes.pdf (ctfassets.net) <i>Agenda Item #12G reflecting approval of payment to Fannin County for improvements to County roads around Lake Ralph Hall.</i></p>

- Continue coordinating with Fannin County for safety enforcement services in support of Lake Ralph Hall operations and the public's recreational use.

Results / Reference(s):

[MAY23 Minutes.pdf \(ctfassets.net\)](#)

Agenda Item #18A reflecting approval of Amendment #2 to the existing Construction Manager at Risk contract with Garney Companies, Inc. to establish a Progressive Guaranteed Maximum Price #2 for the Lake Ralph Hall Conveyance System. Included in this approval of payment to Fannin County for improvements to County roads around Lake Ralph Hall. Additionally, this Guaranteed Maximum Price #2 will include allowances for Fannin county Road Maintenance and Access and Traffic Control.

The District continues to engage with Fannin County regarding their needs with regard to law enforcement around Lake Ralph Hall. Per contract with Fannin County, they are to provide this service.

[JUN23 Minutes.pdf \(ctfassets.net\)](#)

Agenda Item #12A reflecting approval of a Contract and Task Order #1 with Freese and Nichols, Inc., to prepare a Shoreline Management Plan and a Reservoir Area Operations and Maintenance Plan for Lake Ralph Hall.

The District continues to engage with Fannin County regarding their needs with regard to law enforcement around Lake Ralph Hall. Per contract with Fannin County, they are to provide this service.

- Continue the planning / visioning for the area around Lake Ralph Hall. Begin to implement the conceptual plan for the overall lake site, including public access, water resource features, and public amenities.

Results / Reference(s):

[Lake Ralph Hall Comprehensive Plan Adopted 2022.10.11 -Website Version.pdf](#)

- Continue outreach programs to District customers, elected officials, and the general-public, to provide project construction updates and other key information using the Lake Ralph Hall website, electronic newsletter, and social media channels; and provide presentations to elected officials and civic groups as requested.

Results / Reference(s):

[Home | UTRWD](#)

[Home | Lake Ralph Hall](#)

[Upper Trinity Regional Water District \(list-manage.com\)](#)

[Lake Ralph Hall - Home | Facebook](#)

[Lake Ralph Hall \(@LakeRalphHall1\) / Twitter](#)

[Upper Trinity R Water District \(@uppertrinitywater1989\) • Instagram photos and videos](#)

[Upper Trinity Regional Water District - YouTube](#)

- Continue to install watershed markers in appropriate locations along public roads on District property throughout the project site.

Results / Reference(s):

[Our Watershed Protection | UTRWD](#)

[Mitigation & Watershed Protection | Lake Ralph Hall](#)

	<p>Education Public Awareness.pdf (ctfassets.net) See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2022 – 2023, (Watershed Protection Program), Page #160.</p> <ul style="list-style-type: none"> As part of the District’s watershed protection program, continue to be open to opportunities for acquisition (from interested property owners -- in fee or by easement) of property that is upstream of LRH along riparian zones of tributaries to the Lake. <p>Results / Reference(s): Conservation Easements / UTRWD</p>
Goal:	<p>In coordination with the City of Irving, complete the design and begin construction of the Princeton Booster Pump Station improvements needed to transport LRH water through Irving’s existing pipeline from Chapman Lake; begin updating the Operations Plan in cooperation with Irving.</p> <p>Results / Reference(s): Sept23 Minutes.pdf (ctfassets.net) Agenda Item #16 reflecting approval of a Resolution authorizing the Executive Director to release funding of \$2.15 million to the City of Irving for Task Order #2 for final design and construction phase services for the Princeton Booster Pump Station, as well as preliminary design for the Farmersville balancing reservoir drainage component.</p>
Goal:	<p>Regarding Oklahoma Water, keep applications up to date (with financial reporting by Denton, Irving, and Lewisville, as needed) and be alert to opportunities to advance the District’s pending applications to Oklahoma Water Resources Board for water rights in two river basins (the Kiamichi River and Boggy Creek basins), and for water from Lake Texoma.</p> <p>Results / Reference(s): See Operating Funds Detail section of this budget document – Regional Treated Water System, Accomplishments for FY 2022 – 2023, Page #217 (7th and 8th bullet points). These efforts are on-going.</p>
Goal:	<p>Support research studies and serve on the Lake Texoma Watershed Management Alliance (LTWMA) Steering Committee to further develop relationships with the Oklahoma Water community.</p> <p>Results / Reference(s): Projects Mysite (okainstitute.org) There are on-going studies and coordination between District staff and the Lake Texoma Watershed Management Alliance partners.</p>
Goal:	<p>Regarding Chapman Lake Reuse, secure:</p> <ul style="list-style-type: none"> An amendment to the Chapman Lake Reuse Permit (#5778) to include effluent from Mustang SUD’s Sandbrock Wastewater Treatment Plant. <p>Results / Reference(s): The Draft Permit is currently being finalized by the Texas Commission on Environmental Quality.</p>

	<ul style="list-style-type: none"> Inclusion of other Members / Customers in the Chapman Lake Reuse Permit (#5778) whose groundwater or surface water, that flows to one of the District's water reclamation plants. <p>Results / Reference(s): <i>Currently, District staff are engaged with inclusion of Member / Customer Surface Water flows are on-going, while the activities related to Groundwater flows are pending.</i></p>
	<ul style="list-style-type: none"> Begin the permitting process with TCEQ to secure an indirect Reuse Permit for LRH water, as well as a Bed and Banks Permit in order to discharge LRH water into Lewisville Lake. <p>Results / Reference(s): <i>Pre-application meeting with Texas Commission on Environmental Quality held in November 2022 and District staff are working on this permit.</i></p>
Goal:	<p>To provide additional flexibility and reliability to the Regional Treated Water System, evaluate the possibility of installing a groundwater well at or near the Harpool Plant, with Aquifer Storage and Recovery capabilities.</p> <p>Results / Reference(s): <i>Board Meeting Minutes for December 1 2022.pdf (ctfassets.net)</i> <i>Agenda Item #11B reflecting approval of Task Order #3 to an existing contract with HDR Engineering, Inc. for a feasibility study and conceptual design for this project.</i></p>
Initiative: Continue involvement with Texas Water Supply Partners	
Goal:	<p>Monitor federal/state water supply issues.</p> <p>Support the Partners efforts to advance and influence state policy related to the development of water supplies throughout the state, including implementation of the Texas State Water Plan.</p> <p>Results / Reference(s): <i>MAR23 Minutes.pdf (ctfassets.net)</i> <i>See Agenda item #5B (Executive Director's Status Report)</i> <i>District staff monitored the 88th Texas Legislature in cooperation with the Partners, a source of Information, as needed for local delegation legislation and actions from state agencies.</i> <i>This is on-going and is funded through the Administration Fund and the RTWS Future Water Program.</i> <i>See Operating Funds Detail section of this budget document – Administration Fund (Legal Expense includes \$15,000 for these services for FY 2023 and FY 2024) and Other Funds section of this budget document – Future Water Program, Page #225 (Description) and Page #233 (Budget included under Professional Services).</i></p>

Initiative: Monitor Legislation	
Goal:	<p>Monitor legislative activities during the interim leading up to the 88th Legislative session to keep on top of any legislation being considered that potentially could affect the District or its Members / Customers.</p> <p>Results / Reference(s): Minutes from Feb 9 2023.pdf (ctfassets.net) <i>See Agenda item #5B (Executive Director's Status Report)</i> MAR23 Minutes.pdf (ctfassets.net) <i>See Agenda item #5B (Executive Director's Status Report)</i> MAY23 Minutes.pdf (ctfassets.net) <i>See Agenda item #5B (Executive Director's Status Report)</i> JUN23 Minutes.pdf (ctfassets.net) <i>See Agenda item #5B (Executive Director's Status Report)</i></p>
Initiative: Water Conservation / Drought Contingencies	
Goal:	<p>Actively monitor the current drought conditions and remain ready to make adjustments to District's drought response as needed.</p> <p>Results / Reference(s): Minutes from Feb 9 2023.pdf (ctfassets.net) <i>See Agenda item #5B (Executive Director's Status Report – updating the Board of Directors regarding level of water demand in the Regional Treated Water System and the water supply in Chapman Lake.)</i> MAY23 Minutes.pdf (ctfassets.net) <i>See Agenda item #5B (Executive Director's Status Report – updating the Board of Directors of increased water demand in the Regional Treated Water System.)</i> JUN23 Minutes.pdf (ctfassets.net) <i>See Agenda item #5B(3) (Executive Director's Status Report – updating the Board of Directors of increased water demand in the Regional Treated Water System.)</i> AUG23 Minutes.pdf (ctfassets.net) <i>See Agenda item #5B (Executive Director's Status Report – updating the Board of Directors regarding a new max day of water demand in the Regional Treated Water System.)</i></p>
Goal:	<p>Continue promoting the District's updated model Water Conservation and Drought Contingency Plans for adoption by Customer entities to help achieve consistency throughout the District's service area.</p> <p>Results / Reference(s): Conserving Water UTRWD <i>Click on the "Water Conservation Plan" and "Drought Contingency" links for copies of the model plans and for more information.</i> City & Utility Resources UTRWD <i>Customer entities are encouraged to adopt these model plans, which include the latest best management practices and are consistent across all Customers.</i></p>

Goal:	<p>In coordination with Customer entities, continue promoting the District's conservation programs, including implementation of strategies adopted as part of the District's Water Conservation Plan. For reporting purposes, document the conservation efforts, activities, and expenditures.</p> <p>Results / Reference(s): UPPER TRINTIY REGIONAL WATER DISTRICT (ctfassets.net) City & Utility Resources UTRWD <i>The District utilizes several mediums to promote its Water Conservation program, including the District's website, social media, plant tours, presentations, and others.</i> <i>See Other Funds section of this budget document – Water Conservation Program, Page #225 (Description) and Page #232 (Budget).</i></p>
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ORGANIZATIONAL ITEMS

Initiative: Maintain a robust preventive maintenance program	
Goal:	<p>Continue to review necessary staff levels to fully support the operational and maintenance needs of the growing facilities of the District.</p> <p>Results / Reference(s): <i>Operations and Maintenance managers communicate their staffing needs to the Director of Operations when developing the annual preliminary budget. These requests are communicated to the District's Human Resource Department so that any requested positions are linked to a current job description with costing provided to the Budget Division.</i> <i>See Operating Funds Detail section of this budget document – Administration Fund, Performance Measures Section (Employment Rate), Page #151.</i> <i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2022 – FY 2023, (Recruit capable candidates for vacant positions), Page #159.</i></p>
Goal:	<p>Continue the on-going assessment of maintenance efforts for corrosion protection of District facilities (underground, underwater) and take necessary steps to address deficiencies and staff training.</p> <p>Results / Reference(s): <i>Based on service provided by HDR Engineering in FY 2021 and 2022, District operation staff continue to maintain the corrosion protection systems developed by the consultant as part of all routine pipeline inspections throughout all District operations.</i></p>
Goal:	<p>Continue condition assessment techniques, robotic inspection, and other appropriate advanced technologies on District pipelines and facilities. Develop results for use in prioritizing capital improvement projects, operational improvements, and proactive maintenance activities.</p> <p>Results / Reference(s): AUG23 Minutes.pdf (ctfassets.net) <i>Agenda Item #18B reflecting approval of Task Order #6 with HDR Engineering, Inc., for engineering services related to the Regional Treated Water System's Condition Assessment Planning Project.</i></p>

Goal:	<p>Continue to purchase spare parts and equipment to build up District inventory during this period of limited supply.</p> <p>Results / Reference(s): <i>The Adopted FY 2023 and FY 2024 budgets include funding from the Non-Bond Capital Reserve in the District's four core systems for the purchase of inventory / spare parts, equipment, motors, etc. Additionally, District operating staff were given procedural instructions for the administration of this spare equipment inventory. See the Other Funds section of this budget document – Capital Facilities Equipment Fund, Page #226 (Description) and Page #255.</i></p>
Initiative: Updated Emergency Operations Plan from the District's Risk and Resilience Assessment and updated Emergency Operations Plan mandated by the America's Water Infrastructure Act.	
Goal:	<p>Provide an overview briefing for the Board and key staff members. Take steps to implement any required changes and initiate training exercises for staff.</p> <p>Results / Reference(s): <i>District staff completed and certified the mandated Risk and Resiliency Assessment used to update the District's Emergency Operations Plan. Staff training on all facets of the District's Emergency Operations Plan has continued since the Plan was updated in FY 2022 and meets all regulatory requirements.</i></p>
Initiative: Training Program for Employees	
Goal:	<p>Continue to review and modify the annual training program for 2023 according to future needs and goals. Develop a new employee training program by position.</p> <p>Results / Reference(s): <i>The Human Resources Department continues to review with Executive staff all training needs for District staff. Safety skills training continues to be provided to ensure that our employees follow proper procedures in all areas within the District. Several levels of Excel training were offered to allow our employees to gain new skills or improve their current computer skills. Harassment Training was a required class for all employees to attend. Financial Wellness became a focus this year with a program provided by Finpath that provided personal financial training with one-on-one meetings to assist employees in establishing personal budgets. Additionally, Mission Square provided retirement-related training as well as one-on-one meetings with District employees. <u>We are pleased to announce the District has been certified by the Department of Transportation & Texas Department of Public Safety to provide a CDL Driver Training Program.</u> This program allows students to take an online theory class (40 hours) to obtain their Commercial License Permit. Upon receipt of their permit, the District will provide certified examiners to complete the Skills Test which includes Pre-Trip, Basic Skills and Behind the Wheel training. Students who complete and pass the CDL Driver Training Program are eligible to obtain their CDL Class A license with the Texas Department of Public Safety.</i></p>

Initiative: District Personnel Policies	
Goal:	<p>Continue review of District Personnel Policies, incorporate Administrative Directives, and make any needed revisions.</p> <p>Results / Reference(s): <i>The Human Resources Department continually reviews the District's Personnel Policies and updates are made as needed. All new policies are first reviewed with the District's Personnel Committee, before being presented to the Board of Directors for approval. New and Revised policies that were approved by the Board of Directors for implementation include: Update to the Service Incentive Pay and Random Alcohol and Drug Testing with a new policy for Emergency Callout.</i></p>
Initiative: Electronic Filing System	
Goal:	<p>Continue implementation of the Laserfiche electronic filing system to include Engineering and Construction files. Continue developing a trained staff capable of maintaining the system to ensure full conversion of records to the electronic format. Provide in-house training to District employees on how to locate documents in Laserfiche to eliminate manual document searches.</p> <p>Results / Reference(s): <i>The conversion of most of the Administration files to an electronic format has been completed. The conversion of Engineering / Construction documents is ongoing.</i></p>
Initiative: Development of a District Intranet	
Goal:	<p>Develop an Intranet to provide better internal communications to employees as the District continues to grow.</p> <p>Results / Reference(s): <i>The Information Technology Division is currently researching and developing the District's Intranet.</i></p>

FUNCTIONAL ITEMS

Initiative: Lake Ralph Hall	
Goal:	<p>Continue implementing staffing requirements (contractors / employees) needed to manage and monitor planning, design, and construction of Lake Ralph Hall, and the associated mitigation and conveyance systems.</p> <p>Results / Reference(s): <i>The Human Resources Department continues to work with the Lake Ralph Hall Project Manager to ensure staffing requirements are met when necessary.</i> Home / Lake Ralph Hall Project Updates / Lake Ralph Hall</p>
Goal:	<p>Complete financing agreements with the Texas Water Development Board (TWDB) and / or other agencies to secure the funding necessary to complete the reservoir project.</p> <p>Results / Reference(s): SEPT23 Agenda.pdf (ctfassets.net) <i>Agenda Item #15 reflecting approval of a financing agreement with the TWDB for "Board Participation" funding for the Lake Ralph Hall Project, in the amount of \$48.0 million.</i></p>

Goal:	<p>Identify and apply for grants and other financial support for recreational amenities for Lake Ralph Hall.</p> <p>Results / Reference(s): Recreation / Lake Ralph Hall <i>Reflects that a portion of a Fishing Jetty is being provided through a \$250,000 grant that Texas Parks and Wildlife received from Bass Pro Shops. District staff assigned to manage the Lake Ralph Hall project recently began discussions with LRH project consultants for assistance on this effort.</i></p>
Goal:	<p>Regarding Lake Ralph Hall infrastructure:</p> <ul style="list-style-type: none"> Complete design activities and initiate construction for the reservoir area demolition and clearing, lake support facilities and amenities. <p>Results / Reference(s): MAR23 Minutes.pdf (ctfassets.net) <i>Agenda Item #15 requesting approval of a Task Order #3 for Construction Phase Services for the LRH Raw Water Pump Station and Final Design of the LRH Maintenance Facility.</i></p> <ul style="list-style-type: none"> Complete design and initiate construction for the Lake Ralph Hall Aquatic Mitigation Project. <p>Results / Reference(s): <i>Design is currently being finalized and preliminary construction activities began October 2023. The Task Order for this work was approved by the District's Board of Directors in 2019.</i></p> <ul style="list-style-type: none"> Complete design and construction of a Fishing Jetty, funded by a Grant from Bass Pro Shops for Lake Ralph Hall. <p>Results / Reference(s): APR23 Minutes.pdf (ctfassets.net) <i>Agenda Item #16B reflecting approval of Task Order #3 to an existing contract with Jacobs Engineering Group, Inc. for design of a Fishing Jetty and Amenities for Lake Ralph Hall.</i></p>
Goal:	<p>Regarding Lake Ralph Hall infrastructure:</p> <ul style="list-style-type: none"> Complete design activities and initiate construction for the reservoir area demolition and clearing, lake support facilities and amenities. <p>Results / Reference(s): MAR23 Minutes.pdf (ctfassets.net) <i>Agenda Item #15 requesting approval of a Task Order #3 for Construction Phase Services for the LRH Raw Water Pump Station and Final Design of the LRH Maintenance Facility.</i></p> <ul style="list-style-type: none"> Complete design and initiate construction for the Lake Ralph Hall Aquatic Mitigation Project. <p>Results / Reference(s): <i>Design is currently being finalized and preliminary construction activities began October 2023. The Task Order for this work was approved by the District's Board of Directors in 2019.</i></p> <ul style="list-style-type: none"> Complete design and construction of a Fishing Jetty, funded by a Grant from Bass Pro Shops for Lake Ralph Hall.

<p>Results / Reference(s): APR23 Minutes.pdf (ctfassets.net) <i>Agenda Item #16B reflecting approval of Task Order #3 to an existing contract with Jacobs Engineering Group, Inc. for design of a Fishing Jetty and Amenities for Lake Ralph Hall.</i></p> <ul style="list-style-type: none"> Initiate construction of a raw water pipeline, raw water pump station, balancing reservoir, delivery point into the Irving (Chapman) system, and reservoir area clearing. <p>Results / Reference(s): MAR23 Minutes.pdf (ctfassets.net) <i>Agenda Item #15 requesting approval of Task Order #3 for Construction Phase Services for the LRH Raw Water Pump Station and Final Design of the LRH Maintenance Facility.</i> APR23 Minutes.pdf (ctfassets.net) <i>Agenda Item #16C requesting approval of Amendment #3 to the existing Construction Manager at Risk agreement with Archer Western for Raw Water Pump Station Construction.</i> APR23 Minutes.pdf (ctfassets.net) <i>Agenda Item #16D requesting approval of Change Order #1 to the existing Contract with GFS, LLC dba RES Environmental Operating Company, LLC.</i> MAY23 Minutes.pdf (ctfassets.net) <i>Agenda Item #18A requesting approval of Amendment #2 to the existing Construction Manager at Risk contract with Garney Companies, Inc., for the Lake Ralph Hall Conveyance System.</i> JUN23 Minutes.pdf (ctfassets.net) <i>Agenda Item #12D requesting approval of Task Order #2 to an existing contract with Black & Veatch Corp., for Construction Phase Services for the LRH Raw Water Pipeline.</i> <i>Agenda Item #12E requesting approval of Task Order #3 with Jacobs Engineering Group, Inc. for the construction phase services of the LRH – Raw Water Pipeline Segment 2, Balancing Reservoir, and LRH Delivery Point.</i></p> <ul style="list-style-type: none"> Complete construction road and bridge improvements. <p>Results / Reference(s): Roads & Bridges Lake Ralph Hall 23_06_LRH_Project_Updated.pdf (ctfassets.net) <i>June 2023 LRH Project Update newsletter (Roadway and Bridge Improvements)</i></p> <ul style="list-style-type: none"> Continue construction of the Leon Hurse Dam and complete the necessary utility relocations. <p>Results / Reference(s): Reservoir Lake Ralph Hall Project Schedule Lake Ralph Hall Minutes from Feb 9 2023.pdf (ctfassets.net) <i>Agenda Item #17A reflecting approval of a contract with Fannin County Electrical Cooperative (FCEC) for relocation of power lines for Lake Ralph Hall.</i></p>

Goal:	<p>Continue acquiring necessary property for LRH project, including the conveyance system and mitigation areas.</p> <p>Results / Reference(s): Land Acquisition / Lake Ralph Hall</p>
Goal:	<p>Continue to perform cultural resource studies as required by USACE Section 404 Permit and submit required reporting to the appropriate agencies.</p> <p>Results / Reference(s): JUN23_Minutes.pdf (ctfassets.net) <i>Agenda Item #12F requesting approval of Task Order #9 to the existing contract with AR Consultants, Inc. for cultural resource consulting services for continued cultural resource studies required by the Section 404 Permit for Lake Ralph Hall.</i></p>
Goal:	<p>Continue working with Texas Parks and Wildlife Fisheries Division to begin the process for fish stocking and installation of fish habitat structure for LRH.</p> <p>Results / Reference(s): Recreation / Lake Ralph Hall <i>District staff continues to work with Texas Parks and Wildlife – Inland Fisheries (TPWD) to stock fish for LRH. In April 2022, TPWD stocked 367 juvenile largemouth bass in an 8-acre pond that will be inundated when LRH fills. Construction crews are also strategically leaving some timber standing as they clear the future lake’s footprint. The standing timber will provide fish habitat, while cut timber will be collected for the Visitor Center and other local uses. In addition, crew members are creating fish habitat structures (like the one below) by arranging rocks, logs and brush into piles and strapping them down with steel cables and earthen anchors. These structures will ideally be 20-30 feet under the lake’s surface to provide ideal fish spawning areas.</i></p>
Goal:	<p>Continue developing an operations plan for LRH that outlines staffing, infrastructure, and logistical needs for the efficient operation of the project.</p> <p>Results / Reference(s): <i>The Human Resources Department continues to work with the Lake Ralph Hall Project Manager to ensure staffing requirements are met when necessary. During FY 2023, Lake Ralph Hall positions were requested to be reclassified. Therefore, an LRH Capital Project Controls Analyst was reclassified to a LRH Transmission Operator and a LRH Secretary position was reclassified to a LRH Accounting Specialist. The Adopted FY 2024 budget does not include new LRH position requests.</i></p>
Goal:	<p>Begin evaluating the LRH watershed and develop, at an appropriate time, a shoreline management plan, and a watershed protection plan, to protect water quality in the new reservoir.</p> <p>Results / Reference(s): JUN23_Minutes.pdf (ctfassets.net) <i>Agenda Item #12A requesting approval of Task Order No. 1 with Freese and Nichols, Inc. to prepare a Shoreline Management Plan and a Reservoir Area Operations and Maintenance Plant for Lake Ralph Hall.</i></p>

Initiative: Security Matters	
Goal:	<p>Continue review of District progress, strategies, and training efforts related to site security and cybersecurity.</p> <p>Results / Reference(s): <i>The Human Resources Department continues to require cybersecurity online courses and has begun developing a Professional Competency Training Series. Information Technology staff completed updating its cybersecurity posture using multi-factor authentication efforts for all District network connections (local and remote). The District has also contracted with an unbiased security and compliance firm to perform Vulnerability Assessments and Penetration Testing on all District endpoints and evaluated / initiated applicable recommendations based on best practices. This testing will be performed on an annual basis. In addition, IT staff has updated its cybersecurity training curriculum that is provided to all District employees throughout the year to reinforce awareness of new and ever-evolving cyber threats. Simulated phishing campaigns will continue to be utilized to assess our user base to help identify problem areas.</i> <i>See Operating Funds Detail section of this budget document – Information Technology Fund, Accomplishments for FY 2022 – 2023, Page #166.</i> <i>See Operating Funds Detail section of this budget document – Information Technology Fund, Footnotes to Adopted FY 2024 budget, Page #165 – Other Outside Services.</i></p>
Initiative: Administration Facilities:	
Goal:	<p>Remodel and expand District staff locations to the 2nd floor of 802 N. Kealy Street.</p> <p>Results / Reference(s): <i>An operating budget amendment totaling \$44,150 was approved by the District’s Board of Directors at Mid-Year 2023 (April 2023) to fund the completion of remodeling / building modifications and the purchase of office furniture and equipment for the 802 N. Kealy Street Annex Building to house District’s Lake Ralph Hall administrative staff and Governmental Affairs / Communications staff. This work was completed by March 2023.</i></p>
Goal:	<p>Begin working with an architect to develop the plans for expanded training facilities within the Annex facility.</p> <p>Results / Reference(s): <i>A Professional Services Agreement with William Peck and Associates for preparation of design and construction documents for the 802 N. Kealy Street Annex Building. Plans have been completed.</i> <i>See CIP Funds section of this budget document, Page #293 reflecting funds set aside to begin architectural and design services in FY 2023, with future year funding for the completion of this construction project.</i></p>

Initiative: Northeast Regional Water Reclamation System	
Goal:	<p>Work with participants and financial advisor to develop financing plan for the Doe Branch Water Reclamation Plant, Phase 3 expansion and the Parallel Interceptor.</p> <p>Results / Reference(s): <i>Discussions have been ongoing with the Doe Branch Plant participants for over a year on the size of expansion needed, flow projection estimates, financing options, etc. At the time of budget document submittal, plans have somewhat solidified regarding which participants will purchase additional capacity in the Doe Branch Plant expansion project, Phase 3. However, the amount, structure, and timing of any debt issues, coupled with the amount of participant contributions, are still in flux. Regarding the Parallel Interceptor, the participants have noted that they would prefer to fund this project with cash contributions.</i></p>
Goal:	<p>Begin design of Doe Branch WRP, Phase 3 Expansion to appropriate size, based on participants' growth needs.</p> <p>Results / Reference(s): <i>Minutes from Feb 9 2023.pdf (ctfassets.net)</i> <i>Agenda Item #16A reflecting approval of Task Order #4 with Carollo Engineers, Inc. for engineering services to being final design, CMAR delivery, and construction of the Doe Branch Water Reclamation Plant's Phase 3 Expansion project (from 4.0 to 12.0 MGD). See CIP Funds section of this budget document, Page #326.</i></p>
Goal:	<p>Finalize installation of planned landscaping improvements along north and west boundaries of Doe Branch Plant site.</p> <p>Results / Reference(s): <i>Some landscaping improvements have been made at the Riverbend Plant in FY 2022, while the landscaping improvements at the Doe Branch Plant will not be made until the Phase 3 expansion of the Plant that is just now in the design / engineering phase. See CIP Funds section of this budget document, Page #326.</i></p>
Goal:	<p>Complete design of Doe Branch Parallel Interceptor, Phase 1 and move forward with construction.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document (14-511A), Page #327.</i> <i>JUN23 Minutes.pdf (ctfassets.net)</i> <i>Agenda Item #11C reflecting approval of a contract with Archer Western Construction, LLC. For pre-construction services related to Construction Manager at Risk for the Northeast Water Reclamation System Expansion Project, which includes the Doe Branch Plant Expansion, Doe Branch Phase 1 Parallel Interceptor, and Riverbend Plant West Lift Station and Force Main Improvements projects.</i></p>
Goal:	<p>Begin design to replace the Riverbend West Lift Station with a new lift station on the West side of Lewisville Lake and related force main improvements.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document (14-51IP), Page #319.</i></p>

	JUN23 Minutes.pdf (ctfassets.net) <i>Agenda Item #11C reflecting approval of a contract with Archer Western Construction, LLC. For pre-construction services related to Construction Manager at Risk for the Northeast Water Reclamation System Expansion Project, which includes the Doe Branch Plant Expansion, Doe Branch Phase 1 Parallel Interceptor, and Riverbend Plant West Lift Station and Force Main Improvements projects.</i>
Goal:	<p>Complete relocation of Force Main due to TxDOT US Hwy 380 widening.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document (14-51B8), Page #328.</i> <i>Minimal funding shown for punch list items occurring in the Fall 2023 (FY 2024).</i></p>
Initiative: Regional Treated Water System	
Goal:	<p>Regarding Zebra Mussels in local lakes.</p> <ul style="list-style-type: none"> Continue to monitor implemented measures for control / mitigation at the Lewisville Lake Intake Structure. Continue to monitor Chapman Lake for Zebra Mussels, and in the event that Zebra Mussels are found, be prepared to proceed with design and construction of a control/mitigation system for the Harpool Plant and associated raw water pipeline. <p>Results / Reference(s): Zebra Mussels UTRWD</p>
Goal:	<p>Continue to support the Texas Parks and Wildlife Department's Zebra Mussel Public Awareness Program.</p> <p>Results / Reference(s): <i>See Other Funds section of this budget document - Watershed Protection Program, Page #225 (Description) and Page #231 (Budget).</i></p>
Goal:	<p>In conjunction with the current developer and the Lakes of Aubrey Fresh Water Supply District, complete the design of a second raw water storage site near Harpool Plant (Lake Ralph Hall Terminal storage); and, upon approval from the Texas Commission on Environmental Quality, begin the first phase of construction related to the embankment.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document (21-51HR), Page #286.</i></p>
Goal:	<p>Complete soil placement in North Storage area and Harpool North Transmission Pipeline easement areas in accordance with the agreement between North Texas Natural Select Materials (NTNSM), the developer, and the District.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document (21-51HP), Page #275.</i> <i>Engineering and soil work was completed in late FY 2022 / early FY 2023, while construction of the pipeline is set to begin in FY 2026.</i></p>
Goal:	<p>Regarding the next expansion of the Taylor Plant.</p> <ul style="list-style-type: none"> Initiate appropriate steps to expand the Taylor Plant treatment capacity. Research and develop a financing plan for the Taylor Plant expansion.

	<ul style="list-style-type: none"> • Begin preliminary design of the Taylor Plant expansion. <p>Results / Reference(s): <i>See CIP Funds section of this budget document (21-514R), Page #280.</i></p> <p><u>APR23 Minutes.pdf (ctfassets.net)</u> <i>See Agenda Item #5B (Executive Director's Status Report)</i> <i>Agenda Item #15A reflecting approval to proceed with Construction Manager at Risk (CMAR) for the Taylor Water Treatment Plant Phase 3 Expansion project.</i> <i>Agenda Item #15B reflecting approval of Task Order #8 with Plummer Associates, Inc. for engineering services related to Preliminary Design and CMAR delivery of the Taylor Regional Water Treatment Plant Phase 3 Expansion Project.</i> <i>FY 2023 funding shown to begin initial design and engineering.</i></p>
Goal:	<p>Begin pilot testing membranes for the next expansion of the Harpool Plant.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document (budgeted under 21-51HO and coded internally as a sub-project as 21-51HHJ), Page #284.</i></p> <p><u>Minutes from Feb 9 2023.pdf (ctfassets.net)</u> <i>Agenda Item #16B approving Task Order #9 with Carollo Engineers, Inc. for engineering services related to the Harpool RTP Membrane Pilot Testing project which is part of the Harpool Plant Phased Treatment Expansion (to 30.0 MGD), Phase 1 project.</i> <i>FY 2023 funding shown to begin this project.</i></p>
Goal:	<p>Begin dredging of the Harpool WTP Recovery Pond.</p> <p>Results / Reference(s): <u>OCT22 Agenda.pdf (ctfassets.net)</u> <i>Agenda Item #13A requesting approval to award a construction contract for the Harpool Water Treatment Plant Recycle Pond Dredging Project.</i> <u>AUG23 Minutes.pdf (ctfassets.net)</u> <i>Agenda Item #17B authorizing acceptance of completed work, approval of final change order, final payment, and release of retainage for construction contract awarded to Denali Water Solutions, LLC. For completing the Harpool Water Treatment Plant Recycle Pond Dredging Project.</i></p>
Goal:	<p>Finalize construction of certain segments of Phase 1A Water Pipeline along Copper Canyon Road.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document (21-517F), Page #283.</i></p> <p><u>SEPT23 Agenda.pdf (ctfassets.net)</u> <i>Agenda Item #17 reflecting consideration of Change Order to existing Replacement and Upsize of Segment 1A Pipeline Construction Contract with S.J. Louis Construction of Texas for additional excavation of pipeline trench.</i> <i>This project reflects funding in FY 2024 and is scheduled for completion by December 2023.</i></p>

Goal:	<p>Begin construction of the Harpool WTP diurnal pond and associated inflow structure.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document (budgeted under 21-51HO and coded internally as a sub-project as 21-51HH), Page #284.</i></p> <p><u>Minutes BM October 6 202 20221104163222.pdf (ctfassets.net)</u> <i>Agenda Item #13B reflecting award of construction contract to Archer Western Construction, LLC., for the construction of the Harpool Water Treatment Plant Diurnal Pond project. This project is included in the overall budget for the Harpool RWTP Phased Treatment Expansion, Phase 1 (from 20.0 to 30.0 MGD) project (21-51HO) and is internally coded as 21-51HH.</i></p> <p><u>Minutes BOD Meeting 11-03-2022.pdf (ctfassets.net)</u> <i>Agenda Item #16 reflecting approval of Task Order #8 with Carollo Engineers, Inc. of Dam Inspection Services during the construction of the Harpool Diurnal Pond project.</i> <i>Construction began on the Harpool Diurnal Pond project in April 2023.</i></p>
Goal:	<p>Complete the design and easement acquisition for a second water transmission pipeline to Celina's existing delivery point (for resiliency and redundancy) and move into construction.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document (21-514N), Page #287.</i> <u>APR23 Minutes.pdf (ctfassets.net)</u> <i>Agenda Item #15D reflecting approval of Task Order #4 with Kimley Horn Associates, Inc. for engineering services related to final design of the Harpool Northeast Pipeline Phase 2 project which includes plans and specifications for approximately 25,000-ft of treated water pipeline, Meter Vault (second Point of Delivery to the City of Celina), along with bid and construction phase services.</i></p>
Goal:	<p>Finalize overhead storage tank evaluation.</p> <p>Results / Reference(s): <i>See CIP Funds section of the budget document (21-51GT), Page #282.</i> <i>This evaluation was completed in early 2023 and led to the establishment of a new capital improvement project titled, "Northeast Pump Station and Ground Storage Tank" for FY 2024.</i></p>
Goal:	<p>Select location for Northeast Pump Station and Ground Storage Tank and move forward with property acquisition.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document (21-51GT), Page #282 reflecting FY 2024 funding for land acquisition.</i></p>
Goal:	<p>Begin construction of necessary pump additions and upgrades to existing facilities within the Regional Treated Water System and begin construction.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #279.</i> <i>Construction began on this segment of the 21-519Y project (designated as sub-project code 21-517K) in December 2022.</i> <u>MAR23 Minutes.pdf (ctfassets.net)</u> <i>Agenda Item #14B reflecting approval of a change order to existing Taylor WTP High Service Pump Station and the Stone Hill Pump Station Pumping Improvements contract with Archer</i></p>

	<i>Western Construction, LLC. for pipeline modifications and repair of leaking large diameter valves in the Taylor WTP filter gallery.</i>
Goal:	<p>Complete design of Southwest Pump Station, perform necessary interim improvements to meet anticipated summer flows, begin construction.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document (21-51WP), Page #279.</i> <i>AUG23_Minutes.pdf (ctfassets.net)</i> <i>Agenda Item #16A reflecting award of construction contract to Crescent Constructors, Inc. for the Southwest Pump Station, and Ground Storage Tanks in the Canyon Falls Development.</i> <i>Agenda Item #17A reflecting acceptance of completed work, final payment, and release of retainage for construction contract awarded to Engineered Fluids, Inc. for installation of additional pumps, drives, motors, and associated approval to award a construction contract for installation of additional pumps, drives, motors, and associated appurtenances for the Southwest Booster Pump Station.</i></p>
Goal:	<p>Continue coordination with TxDOT and other public entities regarding TxDOT's proposed paving and drainage improvements that may affect existing District ROW and facilities along FM 407, IH35E, FM 720, FM 2931, FM 1385, US 377, and HWY 380. Be ready to make adjustment to District facilities as required by such proposed public improvements.</p> <p>Results / Reference(s): <i>See CIP Funds (RTWS) section of this budget document, Pages #296 - 299. District staff are still working with TxDOT staff for reimbursements due to the District for completed project costs.</i></p>
Initiative: Lakeview Regional Water Reclamation System and Peninsula Water Reclamation Plant	
Goal:	<p>Based on results of condition assessments of lift stations, identify and design necessary repairs and improvements.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document (11-5179), Page #309.</i> <i>OCT23_Agenda.pdf (ctfassets.net)</i> <i>Agenda Item #16A reflecting consideration of approval for Task Order #2 with Black and Veatch Corporation for engineering services related to the final design, bidding, and construction of the Lift Station Rehabilitation Improvements Project (Lakeview Regional Water Reclamation System).</i></p>
Goal:	<p>Finish design and start construction of interim improvements at the of Lakeview WRP.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document (11-51L2), Page #308.</i> <i>OCT23_Agenda.pdf (ctfassets.net)</i> <i>Agenda Item #17 reflecting request for approval of a construction contract to Stoltz Mechanical Contractors, LLC. for Lakeview Regional Water Reclamation Plant Improvements project (as interim improvements associated with the expansion of the Lakeview RWRP).</i></p>

Goal:	<p>With regards to the Peninsula Water Reclamation, finalize construction to expand the Peninsula Plant from 0.94 to 2.0 MGD.</p> <p>Results / Reference(s): <i>On October 5, 2023, the District's Board of Directors via Consent Agenda approved Change Order #10 in the amount of \$5,660.24 to the construction contract with Eagle Contracting, LP extending the substantial completion date to November 20, 2023. Additionally, there was another Notice to Proceed related to Change Order #11 (with Eagle Contracting, LP) for \$48,216.66 that would extend the completion date to January 19, 2024. Neither of these change orders required Board action due to the amounts being less than \$50,000 each and are within the approval limits of the District's Executive Director. The expanded facilities were put into operation in September 2023.</i></p>
Initiative: Use of results from recent condition assessments of select District facilities to:	
Goal:	<p>Prioritize ongoing capital improvement projects and manage maintenance and operation of the facilities.</p> <p>Results / Reference(s): <i>Minutes Nov 4 2021.pdf (ctfassets.net)</i> <i>Agenda Item #17A reflecting approval of Task Order No.1 for professional services related to condition assessments and development of rehabilitation recommendations for the District's water reclamation lift stations in the Lakeview Regional Water Reclamation System (LRWRS). This study was completed in FY 2023 and led to the establishment of the Lift Station Improvements project in the LRWRS capital improvement budget for FY 2024. See CIP Funds section of the budget document (11-5179), Page #309.</i></p>
Initiative: Lake Chapman	
Goal:	<p>Continue working with other water users of Chapman Lake to share information to assure that operation of the Harpool Plant is not adversely affected by repairs to the Chapman Lake transmission pipeline system.</p> <p>Results / Reference(s): <i>District Management / Staff actively communicates this information to City of Irving Management / Staff on an on-going basis.</i></p>
Initiative: Extension of water service to Members/Customers	
Goal:	<p>In conjunction with development activity in the area near the City of Aubrey, north of the Harpool Plant, coordinate with Mustang SUD, Aubrey, Pilot Point, City of Celina, and developers concerning planned extension of water services.</p> <ul style="list-style-type: none"> Finalize design for updated water delivery service to the City of Celina and begin construction. <p>Results / Reference(s): <i>See CIP Funds section of this budget document (21-514N), Page #287.</i> <i>APR23 Minutes.pdf (ctfassets.net)</i> <i>Agenda Item #15D reflecting approval of Task Order #4 with Kimley Horn Associates, Inc. for engineering services related to final design of the Harpool Northeast Pipeline Phase 2 project which includes plans and specifications for approximately 25,000-ft of treated water pipeline, Meter Vault (second Point of Delivery to the City of Celina), along with bid and construction phase services.</i></p>

	<ul style="list-style-type: none"> Continue to coordinate with the City of Aubrey, develop the necessary rights-of-way alignment, and begin design of a water transmission pipeline and Point of Delivery to service the Town of Aubrey. <p>Results / Reference(s): <i>See CIP Funds section of this budget document (21-515N), Pages #288.</i> AUG23 Minutes.pdf (ctfassets.net) <i>Agenda Item #18C reflecting approval of Task Order #5 with Kimley Horn Associates, Inc. for engineering services related to final design, bidding, and construction of the Northeast Pipeline Phase 3 project to provide additional supply capacity to the northeast portion of the Regional Treated Water System. This project also includes a new meter vault and associated piping at the City of Aubrey's proposed pump station site.</i></p> <ul style="list-style-type: none"> Continue to coordinate with developers for future ROWs through the areas of development, to enable efficient future pipeline extensions northward. <p>Results / Reference(s): <i>See CIP Funds (RTWS) section of this budget document, Page #300.</i> <i>Funding reflected for Customer Pipeline extensions (21-5138).</i></p>
Goal:	<p>Provide prompt response to any Customer requests for increase in water demand or volume.</p> <p>Results / Reference(s): <i>These activities are on-going via communications with District Customers, as well as regular review of customer water and / or wastewater flow data. District staff promptly respond to any request by a Customer to increase their Water Demand. All contract amendments are handled by the Manager of Governmental Affairs and Communications.</i></p>
Goal:	<p>Evaluate future water needs of northeastern portion of northeastern service area identify feasible routes for future water transmission pipelines to meet Member's future water needs.</p> <p>Results / Reference(s): <i>These activities are on-going via communications with District Members in the District's northeast service area regarding their future water needs and strategically plans for these possible infrastructure needs by incorporating them into the District's Capital Improvement Program. See the CIP Funds (RTWS) section of this budget document, Page 275 (Harpool Northeast Transmission Pipeline, Phases 1 – 5).</i></p>
Goal:	<p>In coordination with City of Justin and the Town of Northlake, continue to evaluate the long-term future water needs of both Members, including the possibility of serving entities along FM 407 west of the City of Justin, Texas. (Coordinate with Justin on the necessary right-of-way needed to extend the system to a new delivery point on the west side of the City.)</p> <p>Results / Reference(s): <i>District Management / Staff have incorporated a new project with funding beginning in FY 2023 to begin design activities and to purchase rights-of-way / easements for the future construction of a phased treated water transmission pipeline extending west from the Southwest Pump Station to serve the Town of Northlake, Argyle Water Supply Corporation, the Town of Flower Mound, City of Justin, and other customers in the vicinity of FM 407.</i> <i>See CIP Funds (RTWS) section of this budget document, Page #289.</i></p>

Initiative: Harpool Emergency Water Supply Lake	
Goal:	<p>With the Town of Providence Village, negotiate a renewal of the expired 10-year lease agreement for recreational and amenity benefits associated with the Harpool Emergency Water Supply Lake. Take steps to address bank erosion around the lake - - develop scope of work and cost of needed repairs.</p> <p>Results / Reference(s): <i>Negotiations have occurred over the past several years between District staff and the Town of Providence Village for a lease renewal. These negotiations will continue until a new lease is completed. Additionally, District staff are addressing the erosion issues around the lake as part of the Harpool Diurnal Pond project that is a subproject of the Harpool Regional Treated Water Plant Phased Treatment Expansion, Phase 1 project (21-51HO). See CIP Funds (RTWS) section of this budget document, Page #284.</i></p>
Initiative: District Rights-Of-Way	
Goal:	<p>Continue field surveys and actions to keep pipeline markers current and adequate for changing conditions along District rights-of-way.</p> <p>Results / Reference(s): <i>These are on-going and are regularly completed by the District's Transmission Operators as part of their normal maintenance activities.</i></p>
Initiative: Riverbend Site Discharge Permits	
Goal:	<p>Continue to work with TCEQ to support submitted applications for discharge permits for the Riverbend sites to adjust permits to recognize ultimate flows.</p> <p>Results / Reference(s): <i>The Discharge Permit for the Riverbend Plan permit will likely be approved by the end of FY 2023 by the Texas Commission on Environmental Quality.</i></p>
Initiative: Emergency Reliability and Redundancy	
Goal:	<p>Work with the City of Lewisville and other members, as appropriate, to evaluate and implement strategic inter-connections between water systems that provide emergency reliability and redundancy for both parties.</p> <p>Results / Reference(s): <i>District Management / Staff have continued their discussions with City of Lewisville staff (and are prepared to discuss with other parties), regarding the construction of an inter-connect that would be beneficial for both parties. As part of the District's pipeline maintenance program, Operating staff has coordinated with Customer participants to test some existing System inter-connects in early FY 2023, while testing of all System inter-connects will occur in FY 2024.</i></p>
Initiative: Protect District Pipelines	
Goal:	<p>Continue to coordinate with USACE to protect District pipelines during the Lewisville Lake Dam Safety Rehabilitation Project.</p> <p>Results / Reference(s): <i>See CIP Funds section (RTWS and NPWS) of this budget document, Page #295 (21-51W3) and #315 (13-513N).</i></p>

Initiative: 24-Hour Service for District's Northeast Service Area Facilities	
Goal:	<p>Continue to evaluate and implement the staffing level changes necessary to provide reliable 24-hour service for the facilities in the Northeast area of the District.</p> <p>Results / Reference(s): <i>24-hour staffing was initiated in the Northeast Service area during FY 2022 (late 2021 calendar year). Staffing needs continue to be evaluated and addressed as needed. District management is planning to add another designated nightshift position in the Northeast wastewater operations at Mid-Year FY 2024 and for FY 2025. No changes are projected for the Peninsula Plant operation staff. Peninsula Plant operations will be operating as part of the Northeast wastewater operations group in the next year or so and the Northeast operations staff will be covering the Peninsula Plant nighttime staffing requirements.</i></p>
Initiative: Ground Storage Tank Construction for the Town of Providence Village and the City of Justin	
Goal:	<p>Continue coordinating with the Town of Providence Village and the City of Justin to design and construct the required Ground Storage Tank for each entity. If necessary, develop a plan to provide financing for either an interim or permanent time period.</p> <p>Results / Reference(s): <i>District staff is coordinating with these two entities on the design and construction of their ground storage tanks. These proposed tanks are scheduled to be in service in 2024 or 2025. JUN23 Minutes.pdf (ctfassets.net)</i> <i>Agenda Item #11A reflects the award of a construction contract to Acadia Services, LLC., for Regional Treated Water System Hydraulic and Resiliency Improvements Project related to upsizing the pipeline in System meter vaults and installation of permanent meter vault for the Town of Providence Village.</i></p>
Initiative: Long-Term Water Supply needs of western Denton County and eastern Wise County.	
Goal:	<p>In coordination with the appropriate stakeholders, begin evaluating the long-term water supply needs of western Denton County and eastern Wise County, and coordinate with the Denton County Transportation Plan.</p> <p>Results / Reference(s): <i>District staff continue to coordinate with the stakeholders regarding treated water service in western Denton and Wise counties.</i></p>

FINANCIAL ITEMS

Initiative: Rate Impact Strategies	
Goal:	<p>Continue efforts to utilize Texas Water Development Board funding for LRH to assist in minimizing the rate impact in the early years of the project construction.</p> <p>Results / Reference(s): Fact Sheet 2.pdf (ctfassets.net) <i>The District is utilizing Board Participation and Deferred Interest funding through the Texas Water Development Board's State Water Implementation Fund for Texas (SWIFT) program that structures the repayment of debt on a lower and deferred basis longer than conventional debt issues. This allows the District's customer base to grow larger while the increase to debt service grows at a slower pace.</i> SEPT23 Agenda.pdf (ctfassets.net) <i>Agenda Item #15A reflecting approval of a financing agreement with the TWDB for "Board Participation" funding for the Lake Ralph Hall Project.</i> <i>Agenda Item #15B reflecting approval of a financing agreement with the TWDB for "Board Participation" funding for the Northeast Pipeline Project (Phases 1 & 2).</i> <i>Agenda Item #15C reflecting approval of a financing agreement with the TWDB for "Board Participation" funding for the Taylor Plant Expansion project.</i> <i>Agenda Item #15D reflecting approval of a financing agreement with the TWDB for "Board Participation" funding for the Northeast Pipeline Project, Phase 3.</i></p>
Initiative: Monitor Financial Markets	
Goal:	<p>Continue to monitor financial markets, implementing measures as needed to best protect and improve the District's long-term financial condition.</p> <p>Results / Reference(s): <i>District Financial Staff actively monitor financial markets to take advantage of low interest rates for conversion of outstanding debt that will yield savings to District participants. With the dramatic rise in interest rates in 2022 and 2023, there have been no opportunities to refund outstanding debt of the District, aside from the conversion of variable rate debt (Commercial Paper and Direct Purchase program funds), because of the aggressive refunding of debt over the past twelve to fourteen years during periods of historical low interest rates.</i> MAY23 Minutes.pdf (ctfassets.net) <i>Agenda Item #9 reflecting acceptance of the District's Quarterly Investment Report for the Quarter Ending March 31, 2023.</i> AUG23 Agenda.pdf (ctfassets.net) <i>Agenda Item #9 reflecting acceptance of the District's Quarterly Investment Report for the Quarter Ending June 30, 2023.</i> <i>This investment report is reported to the District's Board of Director each quarter.</i></p>
Initiative: Management Reports	
Goal:	<p>Complete format for Management Reports to provide additional information related to Operations, Engineering and Construction.</p> <p>Results / Reference(s): <i>District management is continuing to review possible changes to the current format of the Monthly Management Report. Once developed, this newly formatted report will be presented to the District's Executive Director for approval to ultimately be presented to the Board of Directors monthly meetings.</i></p>

Initiative: Financial Software	
Goal:	<p>Continue to work on the next phase to upgrade the District's Financial System to Incode's web-based software.</p> <p>Results / Reference(s): <i>The upgrade to Incode 10 was completed in March 2023. The District is currently awaiting the addition of the Content Manager Module of this software.</i></p>
Initiative: Financing of TxDOT Projects	
Goal:	<p>Continue to evaluate financing alternatives for TxDOT projects that provide minimal rate impact to respective customers of the water and wastewater systems.</p> <p>Results / Reference(s): <i>District Finance staff have been able to arrange funding for all TxDOT related projects from Non-Bond Capital Reserve funds that have accumulated from years of deposits of excess working capital identified during the closing process of current period operations. As funds are spent, periodic reimbursement requests are made by District staff to TxDOT staff so that reimbursed funds are returned and used for on-going project expenses from these types of projects. The funding of these projects is discussed in the CIP Funds section of this budget document.</i></p>
Initiative: Commercial Paper Refunding	
Goal:	<p>Prepare for the issuance of RTWS Revenue Bonds to refund a portion of the outstanding balance of Commercial Paper.</p> <p>Results / Reference(s): <u>OCT23 Agenda.pdf (ctfassets.net)</u> <i>Agenda Item #14 requesting that the Board consider a resolution authorizing the issuance Upper Trinity Regional Water District Regional Treated Water Supply System Revenue Bonds, Series 2023, in an aggregate principal amount not to exceed \$35.0M. (After the FY 2024 budget was adopted, it was determined that only \$30.0M was required to be converted to long-term debt service.)</i></p> <p><i>The Adopted FY 2024 Budget also includes plans to convert \$55.0M of outstanding variable rate financing (Direct Purchase Program) to long-term debt in mid-FY 2024 with a half-year of debt service due for FY 2024.</i> <i>See Executive Summary in the Introduction section of the budget document, Page #14.</i></p>
Initiative: Renewal of Commercial Paper Program or Development of similar Financing Product	
Goal:	<p>Begin looking into possible renewal of RTWS Commercial Paper Program or development of another similar financing product.</p> <p>Results / Reference(s): <u>OCT22 Agenda.pdf (ctfassets.net)</u> <i>Agenda Item #11 reflecting approval to establish the UTRWD RTWS Revenue Subordinate Lien Variable Rate Note Program in an aggregate principal amount not to exceed \$75.0M at any one time outstanding with PNC Bank.</i> <u>OCT23 Agenda.pdf (ctfassets.net)</u> <i>Agenda Item #13 requesting approval of a Term Sheet from Wells Fargo Bank for Short-Term Variable Rate Financing for the Regional Treated Water System. (This is to increase the District's variable rate capacity from \$75.0M to \$100.0M.)</i></p>

Initiative: Development of relationships, protocols, and appropriate controls	
Goal:	<p>Complete work to develop relationships, protocols, and appropriate controls for the new variable rate program (Direct Purchase Program) with PNC Bank.</p> <p>Results / Reference(s): <i>Upon establishment of the Direct Purchase Program, the Business Department (Finance and Accounting) established the following protocols and controls for this program:</i></p> <ul style="list-style-type: none"> • <i>Correspondence is received by the Business Department from the Engineering and Construction Department to indicate the need for funding for an eligible capital project in the Regional Treated Water System.</i> • <i>The Controller evaluates the correspondence and calculates the necessary amount of Direct Purchase Notes to issue depending on the amount of available construction cash on hand and projected cash flows.</i> • <i>The Controller makes a documented request for the recommended Direct Purchase Note issuance amount to the Chief Financial Officer.</i> • <i>Based on the Controller's evaluation, current market conditions, and maturity requirements, the Chief Financial Officer issues the Direct Purchase Note to provide optimal, least-cost financing for the eligible capital project to the Direct Purchase Program Provider.</i> • <i>As of the Notes Program Provider emails correspondence to finalize the actual terms of the Note to the Staff Accountant, Controller, and Chief Financial Officer.</i>
Initiative: Eminent Domain Report	
Goal:	<p>File the Eminent Domain Report with the State of Texas Comptroller's Office.</p> <p>Results / Reference(s): <i>The District's Manager of Property Services last filed this report as of November 2022. The next filing date will be as of November 2023. Per the Texas Comptroller's Office, there is a three-month period (November 1st through February 1st) to file this report.</i> <u>Eminent Domain Reporting (texas.gov)</u> <i>The link reflects general instructions regarding filing of the State of Texas' Eminent Domain Report and a database to search for all Texas entities that have filed a report.</i></p>

PARTNERSHIP ITEMS

Initiative: Member and Customer Entities	
Goal:	<p>Continue to develop and improve working relationships with Member/Customer entities for mutual benefit.</p> <ul style="list-style-type: none"> • Promote better coordination, increased information sharing, and develop relationships between employees with related duties. • Arrange and host joint training opportunities when mutually beneficial. <p>Results / Reference(s): <i>District staff routinely meet with its Members / Customers to coordinate future water and wastewater needs. These meetings are held individually or in a group setting, such as the Customer Advisory Committee (CAC). Additional annual surveys are used to gather current and future needs information.</i></p>

Initiative: City of Denton – Renewal of existing agreements	
Goal:	<p>Continue coordination with the City of Denton regarding the renewal of existing agreements.</p> <ul style="list-style-type: none"> • For temporary raw water purchases out of Lewisville and Ray Roberts Lakes. • For treated water services from Denton and potential interconnections for emergency operation. <p>Results / Reference(s): <i>Negotiations with the City of Denton, Texas and District staff are on-going regarding the renewal of the Raw and Treated Water Services contract with UTRWD.</i></p>
Initiative: Long Range Water Supply in the Sulphur River Basin	
Goal:	<p>Continue partnership with other regional water providers and the Sulphur River Basin Authority (SRBA). Continue working with partners on a joint project to study and analyze the development of future water supply projects in the Sulphur River Basin, including the yields of such projects consistent with requirements of water rights permitting. Also, monitor the water rights filing by the City of Texarkana.</p> <p>Results / Reference(s): <i>Draft final report is currently being reviewed internally by District staff and is projected to be finalized in November 2023.</i></p>
Initiative: Complete a Hydrographic Study of Chapman Lake	
Goal:	<p>Jointly participate with other partners in a hydrographic study of Chapman Lake to be performed by the Texas Water Development Board to provide critical information with regard to reservoir storage capacity, existing sedimentation levels, and projected water supply availability .</p> <p>Results / Reference(s): <i>This project was completed in August 2023.</i></p>
Initiative: Identify Excessive Inflow and Infiltration	
Goal:	<p>Continue on-going efforts with District Members and Customers to identify sources of excessive infiltration and inflow and encourage appropriate corrective action.</p> <p>Results / Reference(s): <i>Staff actively communicate with customers following rain events and work with their staff, as necessary, to assist in locating and addressing infiltration and inflow issues.</i></p>
Initiative: Staying Alert for Proposed Wastewater Permits	
Goal:	<p>In cooperation / coordination with Members, stay alert for proposed wastewater permits that are potentially in conflict with an existing regional water reclamation plant or within the Member’s planning area and assist as needed to protect water quality in receiving water body.</p> <p>Results / Reference(s): <i>This task is on-going as District staff actively research this information.</i></p>

Initiative: Emergency Operations	
Goal:	<p>Stand ready to assist Members and Customers during emergency operational situations.</p> <p>Results / Reference(s): <i>This is an on-going activity between District staff and its members / customers and stand ready to assist during emergency operational situations.</i> AUG23 Minutes.pdf (ctfassets.net) <i>Agenda Item #19 consists of a briefing on an emergency repair to the District's 24-inch treated water transmission pipeline that is vital for water delivery to the City of Lewisville. An electricity utility crew installing a new pole accidentally drilled into this water pipeline on Thursday, June 8, 2023. The damage was quickly addressed by District staff and the pipeline was put back into service at approximately 6am on Friday, June 9, 2023.</i> <i>District staff stand ready to assist its Members / Customers during emergency situations to provide manpower, assets, and /or general assistance so that all water and water reclamation services remain of high quality and are not interrupted.</i></p>

ENVIRONMENTAL ITEMS

Initiative: Upper Trinity Conservation Trust Staff Support	
Goal:	<p>Provide staff support to the Upper Trinity Conservation Trust and to its Board of Trustees; provide for leadership training, networking and assistance in other activities related to the mission of the Trust.</p> <p>Results / Reference(s): Home UTCT <i>To promote the District's regional Watershed Protection program, District staff provides administrative support to the Upper Trinity Conservation Trust.</i> <i>See Other Funds section of this budget document – Upper Trinity Conservation Trust Page #227 (Description) and Page #257 (Budget).</i></p>
Initiative: Expand Partners Program	
Goal:	<p>In coordination with the Upper Trinity Conservation Trust, continue to expand the “partners” program to increase awareness and foster partnerships with cities, utilities, educational institutions, government agencies, professional entities, and others, to help protect watershed assets.</p> <p>Results / Reference(s): Home UTCT Watershed Partners Program UTCT</p>

Initiative: Watershed Protection Program	
Goal:	<p>Continue to communicate the District's Watershed Protection Program to cities and utilities throughout the Lewisville Lake Watershed.</p> <p>Results / Reference(s): Our Watershed Protection UTRWD <i>Throughout the year, District staff makes presentations and provides information to interested parties on how to protect water quality in the District's water supply lakes.</i> <i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2022 – 2023, (Watershed Protection Program), Page #160.</i> <i>See Introduction section of this budget document – Organizational Profile, (Watershed Protection Program), Page #25.</i></p>
Initiative: USACE Conservation Trust	
Goal:	<p>Seek opportunities to participate in the U.S. Army Corps of Engineers conservation trust management programs established to meet wetland mitigation requirements.</p> <p>Results / Reference(s): Home UTCT <i>This is a continued, long-term goal of the Upper Trinity Conservation Trust and District.</i> <i>See Other Funds section of this budget document – Upper Trinity Conservation Trust Page #227 (Description) and Page #257 (Budget).</i></p>
Initiative: Denton County Greenbelt Plan	
Goal:	<p>Continue to coordinate with cities, utilities, and developers to promote adoption of the Plan within the respective jurisdictions.</p> <p>Results / Reference(s): Denton County Greenbelt Plan UTCT <i>In coordination with the Upper Trinity Conservation Trust, District staff work to implement various elements of the Plan.</i> <i>See Other Funds section of this budget document – Upper Trinity Conservation Trust Page #227 (Description) and Page #257 (Budget).</i></p>
Goal:	<p>As appropriate, assist with the implementation and activities of the newly established Coordinating Committee to help champion the Denton County Greenbelt Plan.</p> <p>Results / Reference(s): Denton County Greenbelt Plan UTCT <i>See Other Funds section of this budget document – Upper Trinity Conservation Trust Page #227 (Description) and Page #257 (Budget).</i></p>
Initiative: Participation in the State of Texas' Clean Rivers Program	
Goal:	<p>Continue participation in the state's Clean Rivers Program administered by the Trinity River Authority and perform quarterly sampling to monitor water quality trends in local creeks to help focus watershed protection activities.</p> <p>Results / Reference(s): Our Watershed Protection UTRWD <i>Quarterly payments are made to the Trinity River Authority through the District's Watershed Protection Program and quarterly sampling is completed.</i> <i>See Other Funds section of this budget document – Watershed Protection Program, Page #225 (Description) and Page #231 (Budget).</i></p>

EDUCATIONAL ITEMS

Initiative: Nancy Tam Water-Wise Demonstration Garden and Rich Lubke Community Garden	
Goal:	<p>Continue to promote the Nancy Tam Water-Wise Demonstration Garden and the Rich Lubke Community Garden - - for educational purposes with schools, garden clubs, landscapers, member cities and water conservation - - and watershed protection.</p> <p>Results / Reference(s): Water Conservation UTRWD <i>See Introduction section of this budget document – Organizational Profile, (Rich Lubke Community Organic Garden), Page #26.</i> <i>See Other Funds section of this budget document – Water Conservation Program, Page #225 (Description) and Page #232 (Budget).</i></p>
Initiative: Water Conservation Goals	
Goal:	<p>To help achieve on-going water conservation goals, take steps to increase visibility, understanding and implementation of the District’s overall water conservation program.</p> <p>Results / Reference(s): Save Water Outdoors UTRWD Conserving Water UTRWD Water Efficient Lawn and Garden Care for North Texas- UTRWD Pub 2020.pdf (ctfassets.net) <i>See Introduction section of this budget document – Organizational Profile, (Water Conservation Program), Page #26.</i></p>
Initiative: Promotion of District’s Water Conservation and Watershed Protection Programs	
Goal:	<p>Work with local schools, teachers, and others to promote the District’s water conservation and watershed programs (including EnviroScape).</p> <p>Results / Reference(s): Teacher Resources UTRWD School Outreach and Education Resources info sheet.pdf (ctfassets.net) <i>In partnership with the University of North Texas, a curriculum was developed for 5th graders regarding Watershed Protection. The curriculum developed was aligned with the science Texas Essential Knowledge and Skills assessment (TEKS).</i> <i>See Introduction section of this budget document – Organizational Profile, (Watershed Protection Program), Page #25.</i> <i>See Introduction section of this budget document – Organizational Profile, (Water Conservation Program), Page #26.</i></p>
Initiative: Water / Wastewater Operations Internships	
Goal:	<p>Continue to partner with local community colleges to provide internships for students enrolled in water/wastewater certification programs.</p> <p>Results / Reference(s): <i>The Human Resources Department worked with Operations Directors and Managers to determine the need for interns. An agreement was renewed with one junior college that offers the internship program and the District continues to work with other junior colleges to develop future internship program agreements.</i></p>

	<i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2022 – 2023, (Wastewater Internship Program), Page #159.</i>
Initiative: Internships for District On-Going Activities and Programs	
Goal:	<p>Continue to develop college internship program to support the District’s on-going activities and programs.</p> <p>Results / Reference(s): <i>JUN23 Agenda.pdf(ctfassets.net)</i> <i>Work Session Item A – Presentation of Summer Interns.</i> <i>The Human Resources Department coordinated with the Engineering / Construction (including Lake Ralph Hall project management) to provide three interns to work with the District throughout the Summer 2023.</i> <i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2022 – 2023, (Summer Intern Program), Page #159.</i> <i>See Operating Funds Detail section of this budget document – Administration Fund, Performance Measures, (Engineering and Business Internships), Page #151.</i></p>
Initiative: District Apprenticeship Program – Electronic Technicians	
Goal:	<p>Begin development of an apprenticeship program with technical schools including North Central Texas College (NCTC) within North Texas for the District’s Electronic Technician positions</p> <p>Results / Reference(s): <i>This is an annual program for the District.</i></p>
Initiative: Promotion of District Career Opportunities	
Goal:	<p>Begin participation in high school career days and participate in college job fairs within the area.</p> <p>Results / Reference(s): <i>Human Resources and Engineering Staff attended the SMU Engineering Career Fair in February 2023. In March 2023, the District participated in Lewisville Independent School District’s Career Out Program that allowed the District to host high school juniors and seniors and share career insights to help students make informed decisions about their futures by job shadowing for a day.</i> <i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2022 – 2023, (New Employment Outreach), Pages #159 – 160.</i></p>
Initiative: Homeowner Irrigation Educational Opportunities	
Goal:	<p>In cooperation with Customer entities, develop a program to educate homeowners, especially those moving into a new home, on how to properly operate their irrigation system, to comply with the District’s recommended twice-per-week watering schedule to avoid watering between 10 a.m. to 6 p.m. practices.</p> <p>Results / Reference(s): <i>City & Utility Resources UTRWD</i> <i>Promotion of the District’s Water Management Strategy to member cities and utilities.</i></p>

LONG RANGE FINANCIAL PLAN

Every September (since 2011), District staff has provided a five-year projection of anticipated financial information for the Regional Treated Water System to its Board of Directors. This projection includes the upcoming fiscal year for which a budget is being presented for adoption, as well as four additional fiscal years. This financial summary is intended to assist its Members and Customers with setting their water service budgets and financial projections. The attached financial summary reflects the following data for the five-year period for fiscal years 2024 – 2028:

- Estimated Blended Rate Impacts
- Total Operating Revenues and Expenditures
- Capital Improvement Program Expenditures
- Projected Debt Issues
- Annual Debt Service
- Annual Bond Coverage Ratios
- Contributions to Reserve Funds
- Annual Contracted Subscriptions
- Annual projected Raw and Treated water flows to System participants
- Raw Water usage and rate assumptions
- Variable rate financing conversions to long-term debt
- Electricity and Chemical rates and inflation percentage assumptions
- Annual Personnel cost inflators and additional staffing assumptions
- Annual Administration and Maintenance Fund allocation cost inflator assumptions

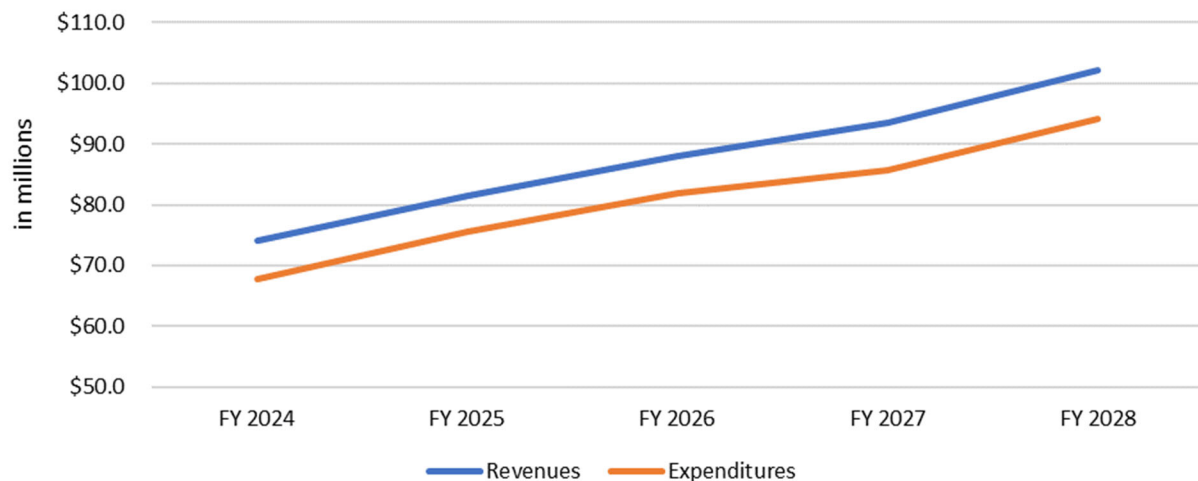
RTWS FIVE-YEAR FINANCIAL PLAN

The financial plan determines rate impacts in line with our financial policies, while providing a path towards attaining our strategic goals. The RTWS Five-Year Plan achieves the following:

- Rates are set to recover all costs and yield adequate net revenues to meet reserve and debt requirements.
- O&M Reserve remains fully funded and contributions to other Reserves and Programs are maintained.
- Projected debt issuances maintain a Bond Coverage Ratio of at least 1.15.
- Considers the financial requirements of the District's Strategic Initiatives (shown in the Strategic Goals section of this document) including, but not limited to:
 - Accounting for anticipated water supply needs.
 - Providing adequate funding for various Capital projects.
 - Utilizing funding sources that help minimize rate impacts.
 - Continuing to fund Water Conservation and Watershed Protection programs.

	Adopted				
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Estimated Blended Rate Impact	6.10%	7.00% - 7.50%	5.25% - 5.75%	4.75% - 5.25%	4.75% - 5.25%
Demand Revenues	\$ 47.38	\$ 51.27	\$ 56.03	\$ 62.17	\$ 67.40
Volume Revenues	\$ 22.83	\$ 25.80	\$ 27.19	\$ 28.59	\$ 30.66
Contract Payments, Loan Repayments, Interest & Other Revenues	\$ 2.51	\$ 1.85	\$ 1.77	\$ 1.26	\$ 1.36
Operating Revenue Subtotal	\$ 72.72	\$ 78.92	\$ 84.99	\$ 92.02	\$ 99.42
Interfund Transfers (from Operations)	\$ 1.43	\$ 2.50	\$ 3.05	\$ 0.05	\$ 0.05
Contributions from Lake Ralph Hall Reserve	\$ -	\$ -	\$ -	\$ 1.35	\$ 2.70
Operating Revenues	\$ 74.15	\$ 81.42	\$ 88.04	\$ 93.42	\$ 102.17
Operating Expenses	\$ 35.45	\$ 38.47	\$ 41.62	\$ 43.43	\$ 47.63
Debt Service	\$ 32.35	\$ 37.08	\$ 40.22	\$ 42.21	\$ 46.49
Total Expenses	\$ 67.80	\$ 75.55	\$ 81.84	\$ 85.64	\$ 94.12
Net Revenues from Operations before Transfers to Reserves	\$ 6.35	\$ 5.87	\$ 6.20	\$ 7.78	\$ 8.05
Transfers Out to Reserves from Excess Working Capital					
Lake Ralph Hall Reserve	\$ -	\$ 2.00	\$ 2.00	\$ 2.80	\$ 3.50
Carbon Replacement Reserve	\$ -	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Transfers to Lake Ralph Hall Reserve from Excess Working Capital	\$ -	\$ 3.00	\$ 3.00	\$ 3.80	\$ 4.50
Net Revenues from Operations After Transfers to Reserves (Excess W/C)	\$ 6.35	\$ 2.87	\$ 3.20	\$ 3.98	\$ 3.55
Bond Coverage Ratio (Cash Basis) (1.15 Minimum per District Policy)	1.19	1.16	1.15	1.18	1.18
Estimated Subscriptions (MGD)	95.24	97.14	98.69	102.29	104.89
Estimated Flows (MGD)	41.43	42.83	44.29	46.00	47.62
CIP Expenditures	\$ 305.00	\$ 291.19	\$ 156.19	\$ 61.47	\$ 30.44

RTWS Projected Revenues and Expenditures



ASSUMPTIONS

RAW WATER SOURCE RATES & QUANTITIES

The District will utilize the following Sources in MGD:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Dallas Water Utilities	21.94	23.87	20.16	16.69	18.38
City of Denton	5.48	5.00	5.00	5.00	5.00
Chapman Lake	10.50	10.50	10.50	10.50	10.50
Lake Ralph Hall	-	-	3.50	7.00	7.00

Dallas Water Utilities and City of Denton each reflect a 7.65% per 1,000-gallon rate increase for FY 2024 and an 8% annual rate increase thereafter. Chapman Lake reflects no change in FY 2024 with a 4% annual rate increase for Transportation in addition to \$300K per year for differences between Budgeted and Actual expenses incurred by the City of Irving from FY 2025 to FY 2028.

TREATED WATER RATES

The City of Denton provides treated water for Krum and Sanger. This rate includes a 5% increase in FY 2024 and a 4% increase in FY 2025 through FY 2028.

ELECTRICITY RATES

The Plants utilize different Electric providers. The Taylor Plant has contracts in place through May 2026, while Harpool participates in an electric cooperative. The following rate changes per kWh are anticipated:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Taylor Plant	-	-	3.3%	5.0%	5.0%
Harpool Plant	3.5%	6.0%	5.5%	5.5%	5.5%

CHEMICALS

Includes a 9% annual rate increase in FY 2024 followed by a 5% annual increase through FY 2028.

PERSONNEL

Includes a 5% annual increase through FY 2028. FY 2024 includes funding for 50% of a new Operations Manager – North Division position. An additional \$100K is included in FY 2025 and FY 2027 for new water operator positions. \$200K is included in FY 2028 for additional water operator positions.

PLANT EQUIPMENT, MAINTENANCE, AND MATERIALS

FY 2024 includes a 49% reduction due to the completion of the Harpool dredging project. Subsequent years include a 4% annual increase.

LAKE RALPH HALL OPERATING EXPENSES

O&M expenses for the phased in operation of the Lake Ralph Hall begin in FY 2026 (\$900K). FY 2027 represents a full year of expenses at \$1.89M, increasing 5% in FY 2028.

MAINTENANCE FUND ALLOCATION

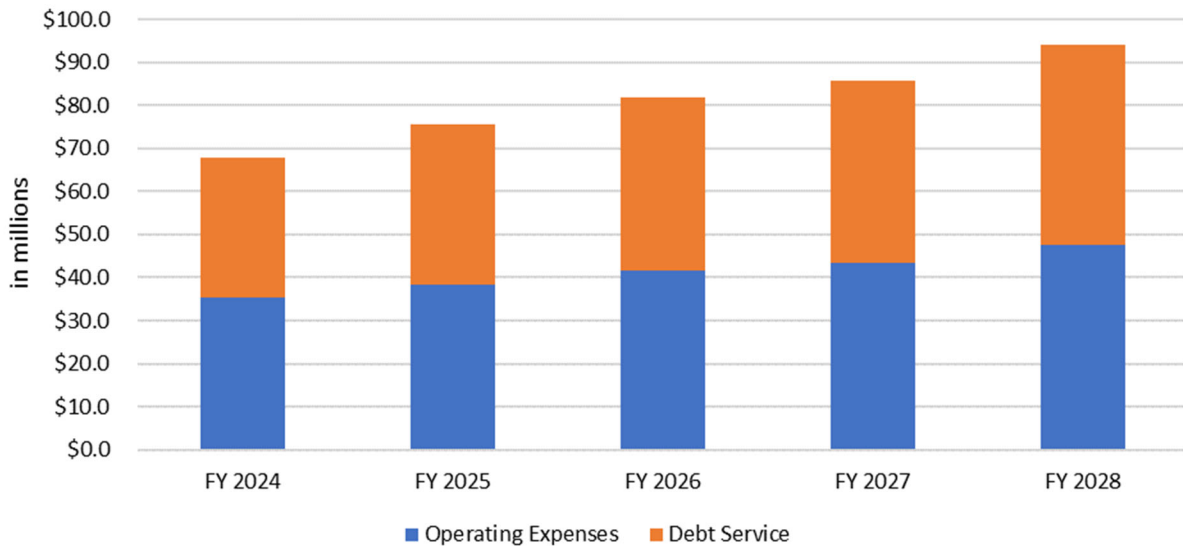
FY 2024 allocation based on 46% of the adopted Maintenance budget. This increases 5% annually, with funding for additional Maintenance Staff in FY 2025 through FY 2028.

ADMINISTRATION AND INFORMATION TECHNOLOGY FUND ALLOCATION

The allocation methodology was revised in FY 2024 by reducing the total amount of Administration fund expenses allocated to operations, resulting in a substantial reduction. Beginning in FY 2025, this includes a 5% annual increase.

DEBT SERVICE

Debt Service is the largest driver of projected annual costs for the Regional Treated Water System as the majority of the Capital Improvement Program is funded by debt issuances. The following graph shows the anticipated CIP expenditures. Since the Lake Ralph Hall project represents a significant portion of CIP expenditures, it is shown separately.



With the Lake Ralph Hall project anticipated to be substantially completed by FY 2026, CIP expenditures reduce significantly. Debt Service related to Lake Ralph Hall includes the following Board Participation issuances:

Series	Amount	Debt Service Terms
S2015	\$15.6M	Payback increases annually to 85% (FY'25) and 100% (FY'26)
S2019	\$30.0M	Payback increases annually to 30% (FY'25), 40% (FY'26), 55% (FY'27), and 70% (FY'28)
S2020	\$120.0M	Payback increases annually to 20% (FY'25), 30% (FY'26), 40% (FY'27), and 55% (FY'28)
S2021	\$135.5M	Payback increases annually to 20% (FY'25 & FY'26), 30% (FY'27), and 40% (FY'28)
S2022	\$110.0M	No Debt Service through FY 2025; then @ 20% (FY'26 & FY'27) and 30% (FY'28)
S2023	\$48.0M	No Debt Service through FY 2026; then @ 20% (FY'27 & FY'28)
S2024	\$165.0M	No Debt Service through FY 2027; then @ 20% (FY'28)

This also includes the following Deferred Interest Funding issuances for the Lake Ralph Hall Project:

Series	Amount	Debt Service Terms
S2015	\$29.1M	Debt Service begins in FY 2024 (\$1.6M - \$2.0M per year over 22 years)

Debt Service includes the following Board Participation issuances to fund 75% of the Harpool RWTP Northeast Transmission Pipeline, Ph 1 & 2 (514N):

Series	Amount	Debt Service Terms
S2021	\$10.6M	Payback increases annually to 20% (FY'25 & FY'26), 30% (FY'27), and 40% (FY'28)
S2022	\$9.1M	No Debt Service through FY 2025; then @ 20% (FY'26 & FY'27) and 30% (FY'28)
S2023	\$4.7M	No Debt Service through FY 2026; then @ 20% (FY'27 & FY'28)
S2024	\$4.7M	No Debt Service through FY 2027; then @ 20% (FY'28)

Debt Service includes the following Board Participation issuances to fund 80% of the Harpool RWTP Northeast Transmission Pipeline, Ph 3 (515N):

Series	Amount	Debt Service Terms
S2023	\$5.8M	No Debt Service through FY 2026; then @ 20% (FY'27 & FY'28)
S2024	\$10.2M	No Debt Service through FY 2027; then @ 20% (FY'28)
S2025	\$13.3M	No Debt Service through FY 2028
S2026	\$11.4M	No Debt Service through FY 2028

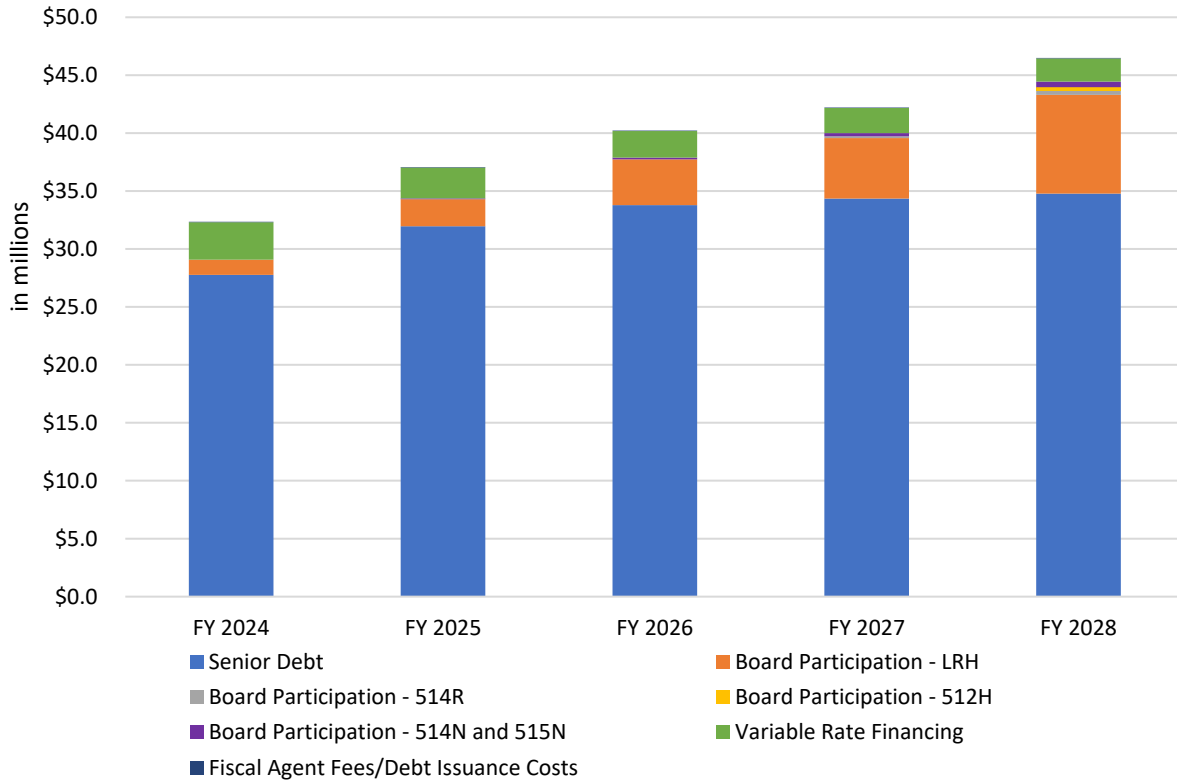
Debt Service includes the following Board Participation issuances to fund up to 80% of the Taylor RWTP Expansion, Ph 3 (514R):

Series	Amount	Debt Service Terms
S2023	\$18.08M	No Debt Service through FY 2026; then @ 20% (FY'27 & FY'28)
S2024	\$22.32M	No Debt Service through FY 2027; then @ 20% (FY'28)
S2025	\$20.22M	No Debt Service through FY 2028
S2026	\$15.64M	No Debt Service through FY 2028

Debt Service includes the following Board Participation issuances to fund 80% of the Harpool RWTP Phased Treatment Expansion, Ph 2 (512H):

Series	Amount	Debt Service Terms
S2024	\$29.6M	No Debt Service through FY 2027; then @ 20% (FY'28)
S2025	\$32.0M	No Debt Service through FY 2028
S2026	\$20.0M	No Debt Service through FY 2028
S2027	\$8.0M	No Debt Service through FY 2028

Other debt service includes revenue bonds (senior lien debt) issued to convert variable rate financing (Direct Purchase notes) to long-term debt with \$55M in FY 2024, \$50M in FY 2025; \$60M in FY 2026; \$20M in FY 2027; and \$25M in FY 2028. The following graph shows the anticipated debt service obligations over the five-year period:



RESERVE / PROGRAM CONTRIBUTIONS

Watershed Protection Program - \$0.02 per 1,000 gallons for FY 2024 through FY 2028

Water Conservation Program - \$0.02 per 1,000 gallons for FY 2024 through FY 2028

Future Water Program - \$0.02 per 1,000 gallons for FY 2024 through FY 2028

Capital Replacement Reserve - \$0.12 per 1,000 gallons continues FY 2024 through FY 2027, increasing to \$0.13 in FY 2028

Raw Water Pond Dredging Reserve - \$0.01 per 1,000 gallons for FY 2024 through FY 2028

Lake Ralph Hall Reserve - Deposits made from net revenues to offset future debt service

Non-Bond Capital Reserve - Deposits made from net revenues to fund future CIP projects

Carbon Replacement Reserve - Deposits made from net revenues to fund future carbon filter replacements

FUND SUMMARY

The Upper Trinity Regional Water District (UTRWD) provides treated and non-potable water, water reclamation, and household hazardous waste disposal services to its member and customer entities located in southern Denton and southwestern Collin counties. These services are accounted for separately in Enterprise Funds and receive support services from Internal Service Funds such as the Administration, Information Technology (IT), and Maintenance Funds. These Enterprise Funds (Operating Systems), along with Internal Service Funds, constitute UTRWD's Operating Budget.

100% of Maintenance expenditures are allocated monthly to the Administration Fund, Lakeview Regional Water Reclamation System, Non-Potable Water System, Northeast Regional Water Reclamation System, Peninsula Water Reclamation Plant, and Regional Treated Water System, based on a percentage of work orders completed by the Maintenance Department (from the prior fiscal year) for each Operating System.

100% of Information Technology Fund expenses are allocated to the Administration Fund, then 95% of all Administration expenses are allocated monthly to all Operating Systems and active capital improvement projects.

Additionally, each Operating System contains its own reserve accounts (e.g., O&M Reserve, Capital Replacement Reserve, Plant Permitting Reserve) in which contributions to and transfers from are completed. See next page for the District's various Operating funds and their associated reserve funds.

The Capital Improvement Program consists of construction cash reserves of each Operating System. The Regional Treated and Non-Potable Water Systems, Lakeview and Northeast Regional Water Reclamation Systems, and Peninsula Water Reclamation Plant, each have their own construction cash reserves where transactions from construction activities are accounted.

UTRWD's Engineering staff are accounted for in the Engineering Fund. Personnel expenditures are first directly expensed to active capital projects, with the remaining (indirect) expenses allocated proportionately, based on total expenses for each active capital improvement project.

The Growth Program and Project Development Fund work independently of the Operation Systems and each System's Capital Improvement Program. The Growth Program maintains a cash account that accounts for any District purchases of land and / or easements for potential future capital improvement projects. The Project Development Fund maintains a cash account that accounts for any preliminary design and / or engineering activities for potential future capital projects.

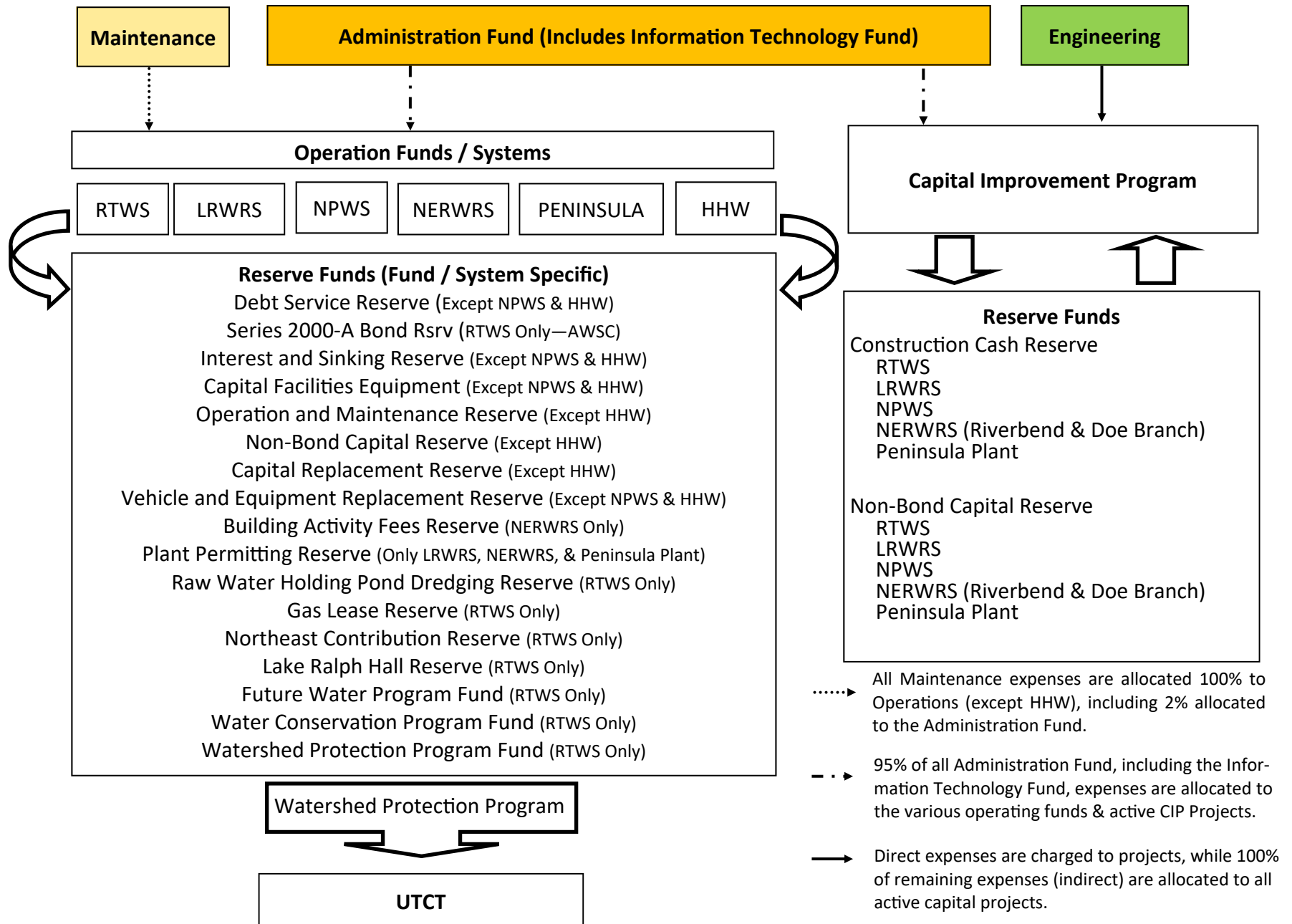
A flowchart that demonstrates the fund structure of the District is also included in this section.

DISTRICT FUNDS / SYSTEMS AND RELATED RESERVE FUNDS

The following matrix reflects each category of District funds with their related reserve accounts (funds):

Reserve Funds	Operating Funds / Systems					
	Admin. / Information Technology Fund	Lakeview Regional Water Reclamation System	Non- Potable Water System	Northeast Regional Water Reclamation System	Peninsula Water Reclamation Plant	Regional Treated Water System
Debt Service Reserve		X	X	X	X	X
Series 2000-A Bonds Reserve (AWSC)						X
Interest and Sinking Reserve		X	X	X	X	X
Operating and Maintenance Reserve		X	X	X	X	X
Capital Replacement Reserve		X	X	X	X	X
Raw Water Pond Dredging Reserve						X
Watershed Protection Program						X
Water Conservation Program						X
Future Water Program						X
Lake Ralph Hall Reserve						X
Northeast Contribution Reserve						X
Gas Lease Reserve						X
Non-Bond Capital Reserve		X	X	X	X	X
Plant Permitting Reserve		X		X	X	
Building Activity Fees Reserve				X		
Vehicle and Equipment Replacement Reserve		X		X	X	X
Capital Facilities Equipment Fund		X		X	X	X
Construction Cash Fund		X	X	X	X	X

UTRWD FUND STRUCTURE



ALL OPERATING, RESERVE, AND CAPITAL FUNDS - COMBINED

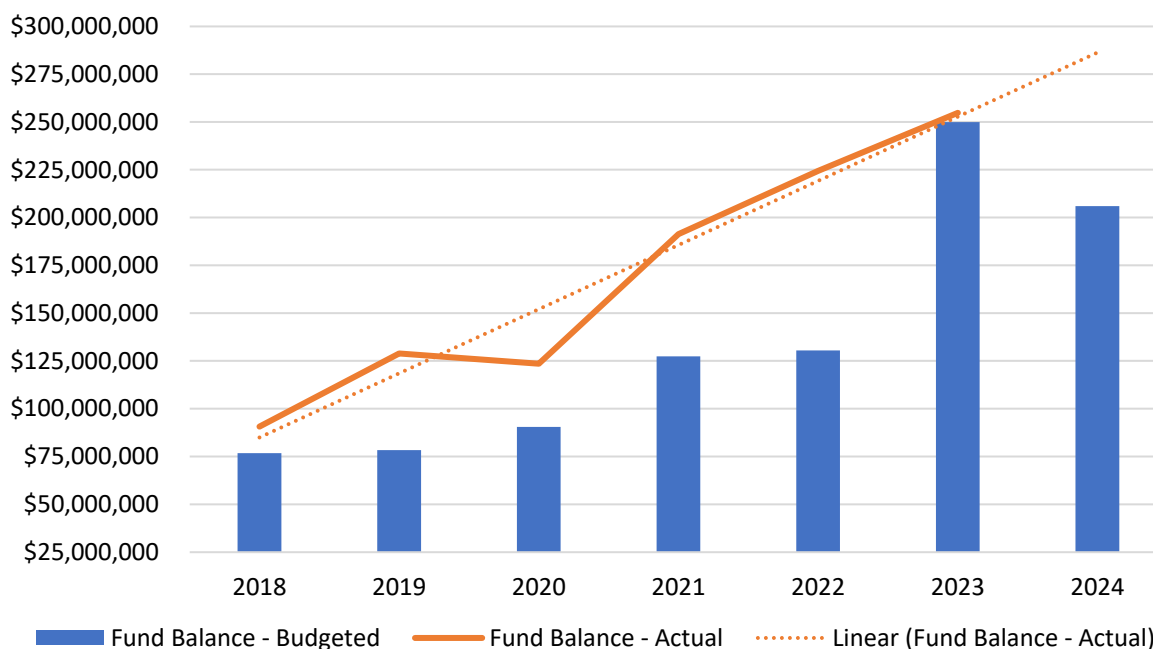
	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
Beginning Fund Balance	\$ 191,317,306	\$ 214,070,846	\$ 224,333,252	\$ 254,752,212
Less: Transfers from Working Capital / Carryforwards *	\$ (13,916,464)	\$ (15,286,370)	\$ (10,684,125)	\$ (98,010,250)
BEGINNING FUND BALANCE Revised	\$ 177,400,842	\$ 198,784,476	\$ 213,649,127	\$ 156,741,962
Revenues				
Demand Charges	\$ 39,130,713	\$ 41,744,280	\$ 42,783,100	\$ 47,509,690
Capital Charges for Joint / Individual Facilities with Interim Finance Charges	6,588,570	6,963,635	6,928,210	6,605,940
Fixed O&M Costs for Joint Facilities	7,005,453	7,451,420	7,331,235	8,407,295
Fees for Administration and Planning	179,822	181,480	181,480	184,805
Contract Payments	280,400	269,810	269,810	267,570
Volume Revenues	19,520,752	19,533,475	21,371,710	22,827,520
Volume - Treated Effluent	67,835	67,820	42,655	67,820
Volume - Raw Water	-	3,920	3,935	4,130
Treatment and Transportation	4,850,981	5,208,620	5,980,575	6,593,410
Charges for Services (HHW)	21,699	18,910	25,725	22,330
Commercial Paper Proceeds	22,500,000	74,500,000	62,500,000	86,300,000
Bond Proceeds (includes Contributions for Capital Projects)	11,796,281	38,779,980	1,170,000	88,774,765
Texas Water Development Board				
SWIFT Deferred Interest Funds	9,484,864	10,661,095	2,755,000	-
SWIFT Board Participation Funds	110,019,175	162,002,970	137,894,675	118,950,000
SWIFT Subsidized Interest Funds	-	-	699,250	-
Reimbursements (Includes CIP Projects)	885,641	15,597,110	9,066,420	6,604,610
Contribution Sources	-	9,693,430	286,565	15,053,295
Conservation Symposiums	-	-	-	-
Watershed Partners Programs	5,025	3,875	4,575	3,875
Charitable Contributions	500	1,500	3,500	1,500
Building Activity Fees	8,100	6,750	4,200	4,250
Rental Revenues	189,185	142,840	140,155	95,190
Other Revenues (Includes Land & Easement Proceeds)	256,389	64,800	100,365	71,800
Interest Income	2,016,068	2,644,350	10,454,435	11,687,795
Total Revenues	\$ 234,807,453	\$ 395,542,070	\$ 309,997,575	\$ 420,037,590
Transfers In *	\$ 62,865,832	\$ 69,622,730	\$ 68,494,025	\$ 157,584,255
Total Revenues and Transfers In	\$ 297,673,285	\$ 465,164,800	\$ 378,491,600	\$ 577,621,845
Expenditures				
Administration Fund	\$ 353,982	\$ 303,920	\$ 321,995	\$ 342,935
Lakeview Regional Water Reclamation System	5,785,421	6,402,455	6,292,425	6,232,055
Non-Potable Water System	99,697	129,405	116,305	126,360
Northeast Regional Water Reclamation System	8,876,084	10,219,720	10,605,305	11,293,625
Peninsula Water Reclamation Plant	1,057,461	1,226,980	1,202,590	1,890,785
Regional Treated Water System	48,114,484	56,578,480	54,255,345	64,565,995
Household Hazardous Waste Program	26,422	31,275	32,295	37,045
Interest and Sinking Reserve Fund	26,964,697	29,921,510	29,921,070	39,768,385
Capital Improvement Program	136,098,750	276,425,925	201,184,285	375,683,620
Vehicle and Equipment Replacement Fund	30,395	237,640	267,640	-
Self-Insurance Fund	2,312,480	2,848,340	2,691,065	2,936,070
Watershed Protection Program Fund	193,533	250,485	296,670	280,500
Water Conservation Program Fund	306,039	343,165	342,165	343,925
Future Water Program Fund	174,177	254,000	272,000	343,000
Upper Trinity Conservation Trust	21,724	40,000	33,700	40,525
Project Development Fund	185,327	340,000	135,600	200,400
Refund to Prior Construction Contributions	-	-	-	933,385
Capital Facilities Equipment Fund	-	351,390	259,635	275,655
Total Expenditures	\$ 230,600,673	\$ 385,904,690	\$ 308,230,090	\$ 505,294,265
Transfers Out *	\$ 20,140,202	\$ 28,132,180	\$ 29,158,425	\$ 23,112,615
Total Expenditures and Transfers Out	\$ 250,740,875	\$ 414,036,870	\$ 337,388,515	\$ 528,406,880
Net Revenues / (Expenses)	\$ 46,932,410	\$ 51,127,930	\$ 41,103,085	\$ 49,214,965
Ending Fund Balance	\$ 224,333,252	\$ 249,912,406	\$ 254,752,212	\$ 205,956,927

* Detail for these totals are found on the fund sheets located in the Debt Summary, Operating Fund Detail Summary, Other Funds, CIP Funds, Growth Program and Project Development sections of this budget manual.

HISTORICAL OPERATING, RESERVE, AND CAPITAL FUND BALANCES

Fiscal Year	Fund Balance (Budgeted)	Fund Balance (Actual)
2018	\$ 76,778,306	\$ 90,663,171
2019	\$ 78,348,390	\$ 128,892,408
2020	\$ 90,482,140	\$ 123,518,955
2021	\$ 127,342,073	\$ 191,317,306
2022	\$ 130,452,668	\$ 224,333,252
2023	\$ 249,912,406	\$ 254,752,212*
2024	\$ 205,956,927	N/A

* - Estimate



The above annual ending fund balances are the result of transactions between all District operations, capital improvement programs, and internal reserve funds. The differences between budgeted and actual fund balances are caused primarily from the District's capital improvement program activities. For example, the Adopted FY 2019 Budget did not reflect receiving 100% of funding for the Doe Branch Plant Expansion, Phase 3 project. This difference alone increased the estimated FY 2019 overall fund balance of approximately \$24.0 million. Additionally, the Adopted FY 2024 Budget represents a large decrease from estimated FY 2023. In anticipation of several capital improvement projects, funding was obtained in FY 2023 and is projected to be spent on those projects in FY 2024. For more explanation of the variances between ending cash balances referenced above, refer to the Debt Summary, Operating Fund Detail, Other Funds, and CIP Funds sections of this budget document.

OPERATING FUNDS COMBINED SUMMARY

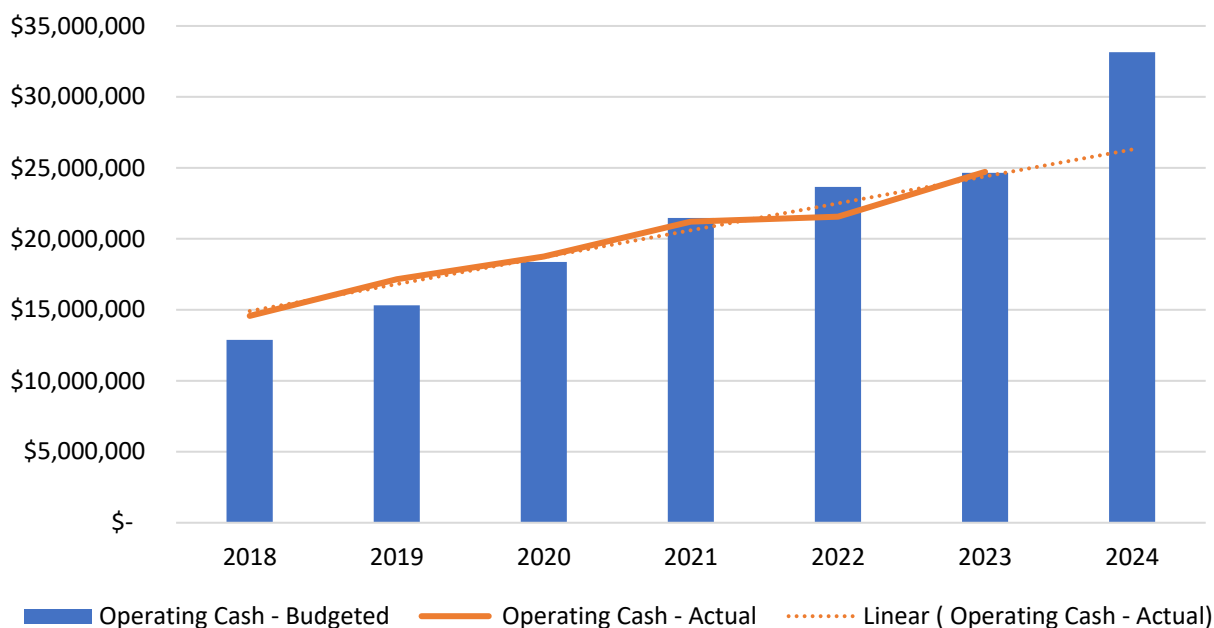
	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
Beginning Balance (Operating Cash)	\$ 21,212,744	\$ 18,512,809	\$ 21,559,998	\$ 24,723,988
Less: Transfers from Working Capital *	(11,000)	(11,750)	(11,750)	(8,000)
BEGINNING BALANCE (Operating Cash) Revised	\$ 21,201,744	\$ 18,501,059	\$ 21,548,248	\$ 24,715,988
Revenues				
Fixed				
Demand Charges (RTWS and NPWS)	\$ 39,130,713	\$ 41,744,280	\$ 42,783,100	\$ 47,509,690
Capital Charges for Joint / Individual Facilities with Interim				
Finance Charges (Water Reclamation Systems)	6,588,570	6,963,635	6,928,210	6,605,940
Fixed O&M Costs for Jt. Facilities (Water Reclamation Systems)	7,005,453	7,451,420	7,331,235	8,407,295
Fees for Administration and Planning (Administration)	161,683	166,230	166,230	168,735
Contract Payments (RTWS)	280,400	269,810	269,810	267,570
Subtotal	\$ 53,166,819	\$ 56,595,375	\$ 57,478,585	\$ 62,959,230
Variable				
Volume Revenues (RTWS)	\$ 19,520,752	\$ 19,533,475	\$ 21,371,710	\$ 22,827,520
Volume - Treated Effluent (NPWS)	67,835	67,820	42,655	67,820
Volume - Raw Water (NPWS)	-	3,920	3,935	4,130
Treatment and Transportation (Water Recl. Systems)	4,850,981	5,208,620	5,980,575	6,593,410
Charges for Services (HHW)	21,699	18,910	25,725	22,330
Subtotal	\$ 24,461,267	\$ 24,832,745	\$ 27,424,600	\$ 29,515,210
Miscellaneous				
Rental Revenues	\$ 189,185	\$ 142,840	\$ 140,155	\$ 95,190
Other Revenues	256,389	64,800	100,365	71,800
Interest Income	388,841	542,765	2,577,150	2,907,815
Subtotal	\$ 834,415	\$ 750,405	\$ 2,817,670	\$ 3,074,805
Total Revenues	\$ 78,462,501	\$ 82,178,525	\$ 87,720,855	\$ 95,549,245
Transfers In *	\$ 1,066,822	\$ 2,690,025	\$ 1,661,750	\$ 1,818,755
Total Revenues and Transfers In	\$ 79,529,323	\$ 84,868,550	\$ 89,382,605	\$ 97,368,000
Expenditures (w/o Debt Service)				
Administration Fund	\$ 353,982	\$ 303,920	\$ 321,995	\$ 342,935
Lakeview Regional Water Reclamation System (LRWRS)	2,746,602	3,367,700	3,258,355	3,650,615
Non-Potable Water System (NPWS)	99,697	129,405	116,305	126,360
Northeast Regional Water Reclamation System (NERWRS)	5,365,264	6,327,275	6,712,670	7,094,845
Peninsula Water Reclamation Plant (PWRP)	985,464	1,155,045	1,131,095	1,819,850
Regional Treated Water System (RTWS)	27,239,060	31,606,030	30,171,450	32,213,780
Household Hazardous Waste Program (HHW)	26,422	31,275	32,295	37,045
Subtotal	\$ 36,816,491	\$ 42,920,650	\$ 41,744,165	\$ 45,285,430
Debt Service (Net of Capitalized Interest)				
Lakeview Regional Water Reclamation System	\$ 3,038,819	\$ 3,034,755	\$ 3,034,070	\$ 2,581,440
Northeast Regional Water Reclamation System	3,510,820	3,892,445	3,892,635	4,198,780
Peninsula Water Reclamation Plant (w/Fiscal Agent Fees)	71,997	71,935	71,495	70,935
Regional Treated Water System (w/ Variable Rate Financing)	20,875,424	24,972,450	24,083,895	32,352,215
Subtotal	\$ 27,497,060	\$ 31,971,585	\$ 31,082,095	\$ 39,203,370
Total Expenditures and Debt Service	\$ 64,313,551	\$ 74,892,235	\$ 72,826,260	\$ 84,488,800
Transfers Out *	\$ 14,857,518	\$ 3,826,150	\$ 13,380,605	\$ 4,450,025
Total Expenditures and Transfers Out	\$ 79,171,069	\$ 78,718,385	\$ 86,206,865	\$ 88,938,825
Net Revenues / (Expenses)	\$ 358,254	\$ 6,150,165	\$ 3,175,740	\$ 8,429,175
Ending Balance (Operating Cash)	\$ 21,559,998	\$ 24,651,224	\$ 24,723,988	\$ 33,145,163

* Detail for these totals are found in the Operating Fund Detail section of this budget manual.

HISTORICAL OPERATING FUND ENDING CASH BALANCES

Fiscal Year	Operating Cash Balance (Budgeted)	Operating Cash Balance (Actual)
2018	\$ 12,878,910	\$ 14,576,244
2019	\$ 15,322,002	\$ 17,153,457
2020	\$ 18,370,369	\$ 18,752,701
2021	\$ 21,473,132	\$ 21,212,744
2022	\$ 23,662,121	\$ 21,559,998
2023	\$ 24,651,224	\$ 24,723,988*
2024	\$ 33,145,163	N/A

* - Estimate



The District's ending operating cash balances have steadily increased since FY 2018. Occasionally, working capital generated from the prior fiscal year is transferred to reserve funds and is in excess of any current fiscal year working capital increase. Excess working capital is determined for each Operating System to be the amount of ending cash at the end of a fiscal year that exceeds the calculated amount of 45 days of a particular Operating System's subsequent fiscal year total amended budget amount, plus up to a 5% contingency amount (based on the new total amended budget for that Operating System). At mid-year of each fiscal year, the Board of Directors is given a list of identified excess working capital amounts (by Operating System), as well as recommended amounts to be transferred to the Operating System's reserve funds. Fund balance results are as follows:

FY 2018 OPERATING RESULTS

- Actual operating cash balance increase of \$1.70 million when compared to the budgeted operating cash balance, even after transferring approximately \$5.70 million of excess working capital (savings from FY 2017 budgeted expenses versus actual results) to various District System reserve funds.
- Actual operating revenues exceeded budgeted revenues by approximately \$1.92 million due to higher than projected purchases of contracted capacity and treated water sales in the Regional Treated Water System, as well as higher wastewater flows treated in the District's wastewater systems.

FY 2019 OPERATING RESULTS

- The actual operating cash ending balance versus the budgeted operating cash ending balance yielded an increase of \$1.83 million. This increase includes transferring \$5.76 million of excess working capital (from FY 2018 results) to various District System reserve funds.
- FY 2019 actual operating revenues exceeded budgeted revenues by approximately \$1.97 million due to higher than projected interest income, as well as higher wastewater flows treated in the District's wastewater systems. The District's wastewater systems, notably the Northeast Regional Water Reclamation System and the Peninsula Water Reclamation Plant, have been experiencing tremendous growth over the last several years. However, actual treated water sales (Regional Treated Water System) were lower than budgeted sales by approximately \$0.75 million due largely to higher rainfall experienced in the District's service area.

FY 2020 OPERATING RESULTS

- The actual operating cash ending balance versus the budgeted operating cash ending balance yielded an increase of \$0.38 million. This increase includes transferring \$7.25 million of excess working capital (from FY 2019 results) to various District System reserve funds.
- FY 2020 actual operating revenues exceeded budgeted revenues by approximately \$1.92 million due to higher than projected water and wastewater flows treated in the District's systems.

FY 2021 OPERATING RESULTS

- The actual operating cash ending balance versus the budgeted operating cash ending balance yielded a decrease of \$0.26 million after transferring \$8.23 million of excess working capital (from FY 2020 results) to various District System reserve funds.
- FY 2021 actual operating revenues exceeded budgeted revenues by approximately \$0.26 million due to higher than projected water and wastewater flows treated in the District's systems.

FY 2022 OPERATING RESULTS

- The actual operating cash ending balance versus the budgeted operating cash ending balance yielded a decrease of \$2.10 million. This includes transferring \$10.24 million of excess working capital (from FY 2021 results) to various District System reserve funds.
- FY 2022 actual operating revenues exceeded budgeted revenues by approximately \$4.87 million due to higher than projected water and wastewater flows treated in the District's systems.

FY 2023 OPERATING RESULTS

- The FY 2023 estimated operating cash ending balance is projected to increase by approximately \$0.07 million due to transferring approximately \$8.76 million of excess working capital (savings from FY 2022 budgeted expenses versus actual results) to various District System reserve funds.
- FY 2023 estimated operating revenues are projected to exceed budgeted revenues by \$4.51 million due to higher than projected flows in addition to unexpected subscription increases in the Regional Treated Water System.

FY 2024 OPERATING RESULTS

- The FY 2024 budgeted operating cash ending balance is projected to increase by \$8.42 million from the estimated FY 2023 operating cash ending balance.
- FY 2024 rates and charges for the operating systems were established to yield a \$8.42 million budget surplus due to outstanding and projected new debt service associated with the District's capital improvement program budget and for increases to fixed operating expenses. This surplus also provides for a cash basis bond coverage ratio for the four District systems that will exceed the District's minimum coverage amount of 1.15. The District's Debt Policy sets a cash basis coverage ratio "goal" for District systems with outstanding debt of 1.25 to 1.35 on all debt (Net Operating Revenues divided by Net Total Debt Service), with a minimum of 1.15, unless reaching this minimum ratio would result in financial hardship on the District's member / customer entities.

DEBT SUMMARY

Upper Trinity utilizes a variety of sources to finance the Capital Improvement Program. Funding for capital projects falls primarily into long-term financing obligations consisting of both Senior and Junior lien debt. Other funding methods include use of rate revenues / cash from operations, as well as contributions from District participants and customers.

SENIOR LIEN DEBT

Senior lien financing is comprised of Revenue Bonds and certain Texas Water Development Board (TWDB) Funding. State Water Implementation Fund for Texas (SWIFT) Deferred Interest and Subsidized Interest Loans are considered Senior Lien Debt.

JUNIOR LIEN DEBT

Junior lien financing consists of TWDB Board Participation / State Participation Funding, as well as variable rate financing.

VARIABLE RATE FINANCING

The District maintains a Short-Term Financing program for the Regional Treated Water System. On June 2, 2022 the Board approved PNC Bank as the District's new Short-Term Financing provider. This Direct Note Purchase Program is a short-term financing tool in which PNC Bank provides immediate liquidity in the form of a loan. PNC Bank is the holder of all the loan notes issued. The agreement commenced in November 2022 with an authorized aggregate principal amount not to exceed \$75.00 million. The term of the Direct Purchase Agreement with PNC Bank is 3 years.

DEBT SERVICE FUNDS

DEBT SERVICE RESERVE FUND

To account for financial resources as required by District bond covenants. Upon issuance of bonds, the District is required to deposit into this reserve an amount needed so that the total accumulated balance of this fund is maintained at an amount equal to the average annual debt service requirements on all Senior Lien bonds, including outstanding parity bonds.

SERIES 2000-A BONDS DEBT RESERVE FUND

To account for \$575,843 received from the Argyle Water Supply Corporation (AWSC) for fiscal years 2019 and 2020. These annual payments represent a "buy-out" of the District's ownership percentage of an elevated storage tank and related facilities, funded via issuance of Series 2000-A Revenue Bonds. These funds are to be retained in this reserve fund and shall be applied as an offset (Transfer-In) to the annual debt service in fiscal years 2021 through 2025 (the five final years of debt service for the original Series 2000-A Revenue Bonds).

INTEREST AND SINKING RESERVE FUND

To account for financial resources used for the payment of annual and/or semi-annual interest and principal amounts as required by District bond covenants. Deposits are made on a monthly basis so that funds equal to the required debt service payments accumulate by the time payments are due.

BOND RATINGS

The District maintains good communication with bond rating agencies about its financial condition. As of September 2023, the District's Systems have the following bond ratings:

	Standard & Poor's	Moody's
Regional Treated Water System	A+	A1
Lakeview Regional Treated Water System	A+	A2
Northeast Regional Water Reclamation System	AA-	-
Peninsula Water Reclamation	AA-	-

DEBT COVERAGE

In accordance with the District's Debt policies, FY 2024 rates and charges are established to achieve a goal coverage ratio of 1.25 to 1.35 on all debt (Cash Basis Debt Coverage Ratio), but with a minimum of 1.15. The Cash Basis Debt Coverage Ratio (CBDCR) and the Additional Bonds Test Coverage Ratio (ABTCR) are shown below for the District's systems with outstanding debt:

	CBDCR	ABTCR
Regional Treated Water System	1.20	2.56
Lakeview Regional Treated Water System	1.25	2.64
Northeast Regional Water Reclamation System	1.28	0.71*
Peninsula Water Reclamation	3.42	4.84

*Use of Capitalized Interest proposed for Series 2024 Debt Issues.

REGIONAL TREATED WATER SYSTEM

SENIOR LIEN DEBT

For FY 2024, the District will have the following Bonds outstanding.

Series 2013 (Refunding) – \$16.55 million bond issue to refund future principal maturities of a previous bond issue from 2004 (\$22.99 million - used to construct the Tom Harpool RWTP and associated treated water pipelines).

Series 2015 (Refunding) – \$48.36 million bond issue to convert \$18.0 million of Commercial Paper (used for various capital projects including the Harpool RTWP) to long-term debt and \$34.33 million to refund the FY 2016 principal payment (\$705,000) for the 2004 bond issue (\$22.99 million – see prior note regarding Series 2013 Refunding Bonds), as well as future maturities of the Series 2005 bond issue (\$43.84 million issue - used to refund future maturities of previous bond issues from 1999 (\$15.61 million used to construct multiple capital projects, including the Northeast and Southwest pipelines and the expansion of the Taylor RWTP from 20 to 70 mgd, Series 2000A of \$25.50 million used for continued expansion of the Taylor RWTP and northeast and southwest pipelines, and the Series 2001 bonds of \$20.06 million used for the continued construction of the aforementioned projects, as well as the planning and design of the Harpool RWTP, a 20 mgd water treatment plant to provide service to the northern portion of the District's water system.

Series 2016 (Refunding) – \$33.59 million bond issue to refund future principal maturities (\$9.72 million) of previously issued refunding bonds from 2006 of \$25.69 million (originally used to refund the 1998 bond issue that refunded the original issues from 1993 of \$2.75 million, 1994 of \$3.45 million, 1995 of \$4.71 million, and 1996 of \$15.14 million, that were all used for the construction of the Taylor RWTP and associated pipelines), and from 2007 (\$26.70 million) originally used to refinance \$22.00 million of Commercial Paper issued for the initial phase of the Harpool RWTP and treated water pipelines.

Series 2017 (Commercial Paper Conversion) – \$18.05 million bond issue to convert Commercial Paper (used for various capital projects, including Lake Ralph Hall). These bonds have a 25-year term, except for the portion used for the Lake Ralph Hall project, which has a 30-year term.

Series 2018 TWDB SWIFT Subsidized Bonds – \$7.59 million TWDB (SWIFT Subsidized Interest Funding) issue for initial funding of the Parallel Pipeline from the Taylor RWTP to the Stone Hill Pump Station project.

Series 2019 TWDB SWIFT Subsidized Bonds – \$18.64 million TWDB (SWIFT Subsidized Interest Funding) issue to continue with the Parallel Pipeline project.

Series 2019A (Commercial Paper Conversion) – \$19.71 million bond issue to convert \$20.00 million of Commercial Paper (used for various capital projects, including Lake Ralph Hall) and have a 30-year term.

Series 2020 (Refunding) – \$12.19 million issue to refund future maturities of the Series 2010 and Series 2010A bond issues that were issued to refund the Series 1999, Series 2000B, and Series 2001 bond issues that were originally issued to construct expansion of the Taylor RWTP (from 20 to 70 mgd), construction of a ground storage tank and pipeline extension to serve Mustang SUD, Celina, and other fresh water supply districts in the northeast service area, and construction of the northeast and southwest pipelines. The Series 2010A bonds were issued to repurchase the Series 1993, 1994, 1995, and 1996 State

Participation bonds held by the TWDB, that were originally issued to construct the first generation of the Taylor RWTP (20 mgd), as well as raw and treated water pipelines representing the first generation of the District's water system.

Series 2020A TWDB SWIFT Subsidized Bonds – \$15.84 million issue for the completion of the Parallel Pipeline project.

Series 2020B TWDB SWIFT Deferred Bonds – \$15.00 million issue to provide funding for engineering and design services for the future Lake Ralph Hall.

Series 2021 (Refunding) – \$40.02 million bond issue to convert \$30.00 million of Commercial Paper. This also includes the refunding of \$5.90 million for Series 2008 bonds issued for initial planning and permitting efforts for the Lake Ralph Hall project and \$6.50 million for Series 2012 bonds used to construct a variety of capital projects including raw and treated water pipelines and renovations to the District's Administration building).

Series 2022 (Refunding) – \$43.97 million bond issue to convert \$21.79 million of Commercial Paper to long-term debt. This also includes the refunding of \$22.18 million for Series 2012A bonds used for various capital projects including the Harpool RWTP and to repurchase (refund) outstanding bonds held by the TWDB from 1999, originally issued to expand the Taylor RWTP from 20 to 70 mgd.

Series 2023 (Direct Purchase Conversion) – Preliminary \$36.94 million bond issue to convert Variable Rate debt used for various capital projects to long-term debt. Debt service for this issue is anticipated to begin in FY 2024. (After the FY 2024 budget was adopted by the District's Board of Directors, it was determined that only \$30.00 million of outstanding Variable Rate Debt was to be converted to long-term debt, reflecting a \$31.58 million issue amount.)

Series 2024 (Direct Purchase Conversion) – Preliminary \$58.59 million bond issue to convert Variable Rate debt used for various capital projects to long-term debt. Debt service for this issue is anticipated to begin in mid-FY 2024.

JUNIOR LIEN DEBT

For FY 2024, the District will have the following Bonds outstanding.

Series 2015 TWDB Board Participation Bonds – \$15.57 million funding for the purchase of land and easements for the future Lake Ralph Hall. Interest-only payments began in FY 2019 and increase gradually through FY 2025. Full interest-only payments last from FY 2026 through FY 2028, with payback of portions of previously deferred interest included from FY 2029 through FY 2035. Principal and interest payments are scheduled for FY 2036 through FY 2050.

Series 2019 TWDB Board Participation Bonds – \$30.00 million used for land purchases and mitigation activities for the Lake Ralph Hall project. Interest-only payments begin FY 2023 and increase gradually through FY 2029. Full interest-only payments last from FY 2030 through FY 2032, with payback of portions of previously deferred interest included from FY 2033 through FY 2039. Principal and interest payments are scheduled for FY 2040 through FY 2054.

Series 2020 TWDB Board Participation Bonds – \$120.00 million used for land purchases, mitigation, and construction activities for the Lake Ralph Hall project. Interest-only payments begin FY 2024 and increase gradually through FY 2030. Full interest-only payments last from FY 2031 through FY 2033, with payback

of portions of previously deferred interest included from FY 2034 through FY 2040. Principal and interest payments are scheduled for FY 2041 through FY 2055.

Series 2021 TWDB Board Participation Bonds – \$135.50 million used for construction activities (\$120.5 million) and land acquisition activities (\$15.0 million) for the Lake Ralph Hall project. Interest-only payments begin FY 2025 and increase gradually through FY 2031. Full interest-only payments last from FY 2032 through FY 2034, with payback of portions of previously deferred interest included from FY 2035 through FY 2041. Principal and interest payments are scheduled for FY 2042 through FY 2056.

Series 2021A TWDB Board Participation Bonds – \$10.61 million used for easement purchases and construction activities for the Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2 project. This will be the first tranche of four issues through FY 2025. Interest-only payments begin FY 2025 and increase gradually through FY 2031. Full interest-only payments last from FY 2032 through FY 2034, with payback of portions of previously deferred interest included from FY 2035 through FY 2041. Principal and interest payments are scheduled for FY 2042 through FY 2056.

Series 2022 TWDB Board Participation Bonds – \$110.00 million used for construction activities for the Lake Ralph Hall project. Interest-only payments begin FY 2026 and increase gradually through FY 2032. Full interest-only payments last from FY 2033 through FY 2035, with payback of portions of previously deferred interest included from FY 2036 through FY 2042. Principal and interest payments are scheduled for FY 2043 through FY 2057.

Series 2022 TWDB Board Participation Bonds – \$9.10 million used for construction activities for the Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2 project. This will be the second tranche of four issues through FY 2025. Interest-only payments begin FY 2026 and increase gradually through FY 2032. Full interest-only payments last from FY 2033 through FY 2035, with payback of portions of previously deferred interest included from FY 2036 through FY 2042. Principal and interest payments are scheduled for FY 2043 through FY 2057.

Series 2023 TWDB Board Participation Bonds – Preliminary \$48.00 million used for construction activities for the Lake Ralph Hall project. Interest-only payments begin FY 2027 and increase gradually through FY 2033. Full interest-only payments last from FY 2034 through FY 2036, with payback of portions of previously deferred interest included from FY 2037 through FY 2043. Principal and interest payments are scheduled for FY 2044 through FY 2058.

Series 2023 TWDB Board Participation Bonds – Preliminary \$4.71 million used for construction activities for the Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2 project. This will be the third tranche of four issues through FY 2025. Interest-only payments begin FY 2027 and increase gradually through FY 2033. Full interest-only payments last from FY 2034 through FY 2036, with payback of portions of previously deferred interest included from FY 2037 through FY 2043. Principal and interest payments are scheduled for FY 2044 through FY 2058.

Series 2023 TWDB Board Participation Bonds – Preliminary \$5.81 million used for construction activities for the Harpool RWTP Northeast Transmission Pipeline, Phase 3 project. This will be the first tranche of four issues through FY 2027. Interest-only payments begin FY 2027 and increase gradually through FY 2033. Full interest-only payments last from FY 2034 through FY 2036, with payback of portions of previously deferred interest included from FY 2037 through FY 2043. Principal and interest payments are scheduled for FY 2044 through FY 2058.

Series 2023 TWDB Board Participation Bonds – Preliminary \$18.08 million used for construction activities for the Taylor RWTP Expansion, Phase 3 project. This will be the first tranche of four issues through FY 2027. Interest-only payments begin FY 2027 and increase gradually through FY 2033. Full interest-only payments last from FY 2034 through FY 2036, with payback of portions of previously deferred interest included from FY 2037 through FY 2043. Principal and interest payments are scheduled for FY 2044 through FY 2058.

VARIABLE RATE FINANCING

In prior years, the District utilized Commercial Paper as its variable rate financing. Beginning in FY 2023, the District participates in a Direct Purchase Program. These notes are held by PNC Bank and are rated A-1 by Standard & Poor's. Approximately \$86.52 million of variable rate financing will be utilized in FY 2024 with fees and interest expenses projected at \$3.23 million.

Variable Rate Financing Balances	\$ in Millions
Outstanding Balance 9-30-23	\$36.00
Projected Draws	\$86.30
Projected Conversion to Long-Term Debt	(\$55.00)
Projected Outstanding Balance 9-30-24	\$67.30

SCHEDULE OF REQUIREMENTS

Series	Description	TIC *	Maturity	Principal	Interest	Total
2013	Revenue Bonds (Refunding)	3.11%	2030	\$ 1,155,000	\$ 276,015	\$ 1,431,015
2015	Revenue Bonds (Refunding)	3.06%	2044	3,040,000	998,380	4,038,380
2015	TWDB Board Participation Bonds	3.50%	2050	-	437,995	437,995
2015	TWDB SWIRFT Bonds	2.15%	2045	870,000	688,055	1,558,055
2016	Revenue Bonds (Refunding)	2.27%	2032	1,780,000	556,200	2,336,200
2017	Revenue Bonds (CP Conversion)	3.31%	2047	490,000	523,850	1,013,850
2018	TWDB SWIFT Subsidized Bonds	2.68%	2043	255,000	166,985	421,985
2019	TWDB SWIFT Subsidized Bonds	2.02%	2044	650,000	299,710	949,710
2019	TWDB Board Participation Bonds	3.38%	2054	-	202,645	202,645
2019A	Revenue Bonds (CP Conversion)	2.88%	2049	440,000	567,390	1,007,390
2020	Revenue Bonds (Refunding)	0.51%	2026	2,455,000	246,700	2,701,700
2020	TWDB Board Participation Bonds	2.56%	2055	-	674,045	674,045
2020A	TWDB SWIFT Subsidized Bonds	1.77%	2045	570,000	198,760	768,760
2021	Revenue Bonds (Refunding)	2.20%	2051	2,270,000	1,291,000	3,561,000
2022	Revenue Bonds (Refunding)	3.69%	2052	1,665,000	2,008,550	3,673,550
2023	Revenue Bonds (Refunding) **	4.10%	2053	1,050,000	1,288,425	2,338,425
2024	Revenue Bonds (Refunding) **	4.60%	2054	880,000	1,085,860	1,965,860
Total				\$ 17,570,000	\$ 11,510,565	\$ 29,080,565

* True Interest Cost

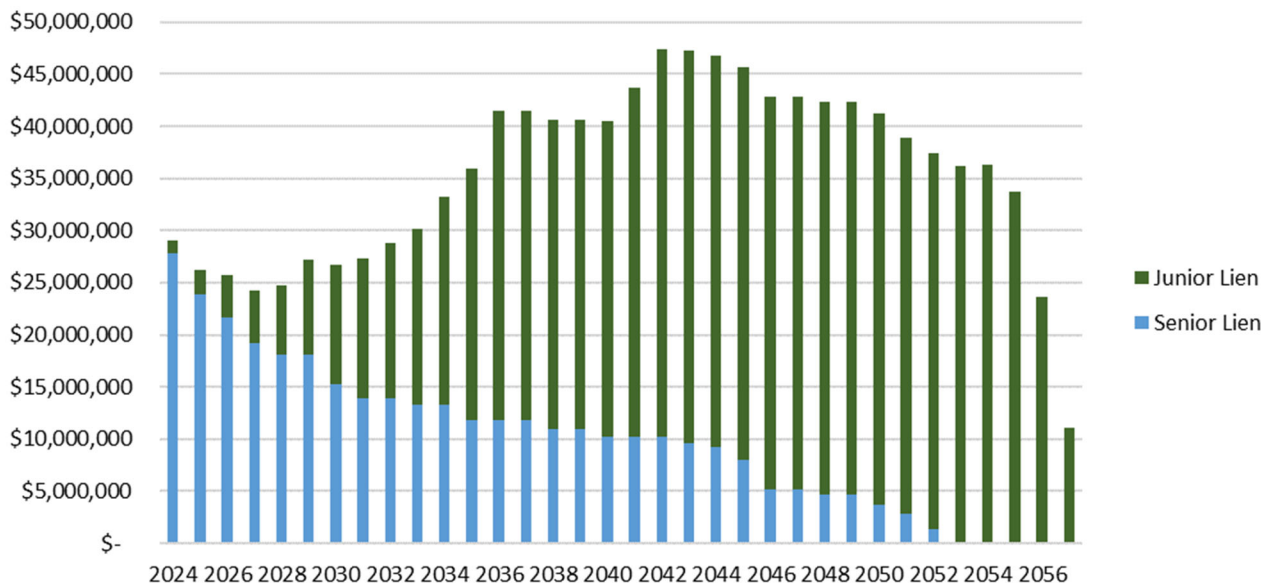
** Estimated debt service. Bond issues projected for FY 2023 and 2024.

This schedule represents the FY 2024 debt service payments due on each outstanding Regional Treated Water System bond issue. However, debt issues listed for 2023 and 2024 includes \$36.94 million and \$59.59 million issues to convert Variable Rate debt to long-term debt. These debt service amounts (\$2,228,425 and \$1,965,860) are estimates. For future debt issues during the five-year planning period (FY 2024 - FY 2028), refer to the Capital Improvement Program section as well as the Long-Range Financial Plan section of this budget document.

LONG-TERM DEBT INDEBTEDNESS TO MATURITY

Year	Senior Lien	Junior Lien	Total
2024	\$ 27,765,880 *	\$ 1,314,685	\$ 29,080,565
2025	23,876,830	2,401,795	26,278,625
2026	21,607,100	4,093,090	25,700,190
2027	19,182,520	5,028,060	24,210,580
2028	18,047,145	6,711,090	24,758,235
2029	18,050,810	9,193,150	27,243,960
2030	15,301,435	11,388,935	26,690,370
2031	13,882,985	13,432,735	27,315,720
2032	13,882,260	14,971,000	28,853,260
2033	13,324,740	16,786,000	30,110,740
2034	13,330,240	19,934,210	33,264,450
2035	11,830,550	24,052,320	35,882,870
2036	11,842,240	29,595,165	41,437,405
2037	11,851,555	29,594,715	41,446,270
2038	10,999,405	29,598,075	40,597,480
2039	11,016,335	29,600,040	40,616,375
2040	10,232,500	30,219,850	40,452,350
2041	10,223,520	33,479,555	43,703,075
2042	10,222,745	37,138,165	47,360,910
2043	9,637,490	37,630,175	47,267,665
2044	9,210,330	37,618,265	46,828,595
2045	7,991,965	37,613,000	45,604,965
2046	5,218,020	37,629,035	42,847,055
2047	5,223,505	37,607,995	42,831,500
2048	4,738,965	37,590,010	42,328,975
2049	4,736,400	37,564,915	42,301,315
2050	3,734,315	37,543,385	41,277,700
2051	2,802,550	36,096,770	38,899,320
2052	1,315,600	36,115,725	37,431,325
2053	-	36,220,195	36,220,195
2054	-	36,330,565	36,330,565
2055	-	33,752,995	33,752,995
2056	-	23,582,915	23,582,915
2057	-	11,027,100	11,027,100
Total	\$ 341,079,935	\$ 851,428,580	\$ 1,192,508,515

* Includes estimated debt service of \$2,338,425 for projected FY 2023 issue of \$36.94 million and \$1,965,860 for projected FY 2024 issue of \$58.59 million.



DEBT SERVICE RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 12,009,501	\$ 12,009,501	\$ 12,070,305	\$ 13,240,305
REVENUES				
Deposits				
Series 2023 TWBD Bonds (\$10M Deferred Interest)	-	393,055	-	-
Series 2023 Refunding Bonds (\$35M Direct Purchase Notes)	-	1,451,945	1,170,000	-
Series 2024 Refunding Bonds (\$55M Direct Purchase Notes)	-	-	-	2,473,000
Interest Income	145,200	130,225	477,290	415,100
TOTAL REVENUES	\$ 145,200	\$ 1,975,225	\$ 1,647,290	\$ 2,888,100
EXPENDITURES				
Transfer Out - Operations	84,396	130,225	477,290	415,100
TOTAL EXPENDITURES	\$ 84,396	\$ 130,225	\$ 477,290	\$ 415,100
ENDING CASH BALANCE 9/30	\$ 12,070,305	\$ 13,854,501	\$ 13,240,305	\$ 15,713,305

FY 2024 Ending Balance increase of \$1,858,804 is due to the projected conversion of \$55.0 million of outstanding Direct Purchase Notes to long-term debt in FY 2024.
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SERIES 2000-A DEBT SERVICE RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 459,845	\$ 344,845	\$ 344,845	\$ 229,845
Transfer to Operations	\$ (115,000)	\$ (115,000)	\$ (115,000)	\$ (115,000)
BEGINNING CASH BALANCE Revised	\$ 344,845	\$ 229,845	\$ 229,845	\$ 114,845
REVENUES				
Transfer In - Working Capital	115,000	115,000	115,000	115,000
TOTAL REVENUES	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
EXPENDITURES				
Transfer Out - Operations	115,000	115,000	115,000	115,000
TOTAL EXPENDITURES	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
ENDING CASH BALANCE 9/30	\$ 344,845	\$ 229,845	\$ 229,845	\$ 114,845

FY 2024 Ending Balance decrease of \$115,000 is due to the scheduled transfer of accumulated funds received from Argyle Water Supply Corporation (AWSC) after purchasing their share of the Argyle Joint Ground Storage Tank (a joint-project between the District and AWSC), to operations for offsetting debt service from bond issues used to originally complete this project.
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INTEREST AND SINKING RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,911,558	\$ 1,968,998	\$ 1,140,003	\$ 1,423,688
Transfer to Operations	\$ (771,555)			
BEGINNING CASH BALANCE Revised	\$ 1,140,003			
REVENUES				
Transfers In				
Operations	19,538,309	22,417,590	22,417,590	29,080,565
Working Capital	771,555	-	-	-
Interest Income	39,931	69,690	283,685	300,000
TOTAL REVENUES	\$ 20,349,795	\$ 22,487,280	\$ 22,701,275	\$ 29,380,565
EXPENDITURES				
Debt Service	20,349,795	22,417,590	22,417,590	29,080,565
TOTAL EXPENDITURES	\$ 20,349,795	\$ 22,417,590	\$ 22,417,590	\$ 29,080,565
ENDING CASH BALANCE 9/30	\$ 1,140,003	\$ 2,038,688	\$ 1,423,688	\$ 1,723,688

FY 2024 Ending Balance decrease of \$315,000 is due to a lower than anticipated transfer in from Operations in FY 2022.

LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

SENIOR LIEN DEBT

For FY 2024, the District will have the following Bonds outstanding.

Series 2012 (Refunding) – \$6.66 million bond issue to refund future principal maturities of a previous bond issue from 2001 (\$6.69 million - used to expand the treatment capacity of the Lakeview RWRP from 3.5 mgd to 5.0 mgd, as well as making other system improvements) and to repurchase outstanding State Participation bonds, held by the Texas Water Development Board (TWDB), from 1996 (\$1.40 million - used to make improvements to the Lakeview Regional Water Reclamation Plant). This issue has a 17-year term with the last payment due in FY 2028.

Series 2012A (Refunding) – \$16.25 million bond issue to refund future principal maturities of a previous bond issue from 2003 (\$7.30 million - used to construct a wastewater pipeline to transport flows from the DCFWSD #7 (Lantana), as well as a second pipeline to deliver flows from the City of Corinth to the Lakeview RWRP) and to repurchase outstanding State Participation bonds, held by the TWDB, from 1998 (\$8.70 million - used in conjunction with the 1996 TWDB State Participation bonds). This issue has a 16-year term with the final payment due in FY 2028.

Series 2014 (Refunding) – \$3.23 million bond issue to refund future principal maturities of a previous refunding bond issue from 2005 (\$5.16 million - used to refund future maturities of two previous bond issues of 1995A and 1995B of \$1.56 million and \$0.19 million, respectively, which were used to make additional improvements to the former Lake Cities Municipal Utilities Authority wastewater plant (conveyed to the District from LCMUA), to construct a joint pipeline and entry points for transporting flows), and additional funds of \$4.00 million to complete improvements to the Lakeview RWRP and to construct the Swisher Parallel Pipeline). This issue has a 16-year term with the final payment due in FY 2030.

Series 2015 – \$3.59 million bond issue for the completion of improvements at the Lakeview RWRP, as well as upgrades to System trunk mains and appurtenances. This issue has a 20-year term with the final payment due in FY 2035.

Series 2020 (Refunding) – \$3.92 million bond issue to refund future principal maturities of two previous refunding bond issues from (2006 and 2011) that also refunded earlier bond issues from 1996 (\$9.77 million - used to expand the treatment capacity of the LRWRP from 1.038 mgd to 3.5 mgd, as well as other system improvements) and 2011 (\$4.55 million - used to complete process improvements at the Lakeview RWRP, including the installation of new clarifier equipment and filtering technology). This issue has a 10-year term with the final payment due in FY 2030.

SCHEDULE OF REQUIREMENTS

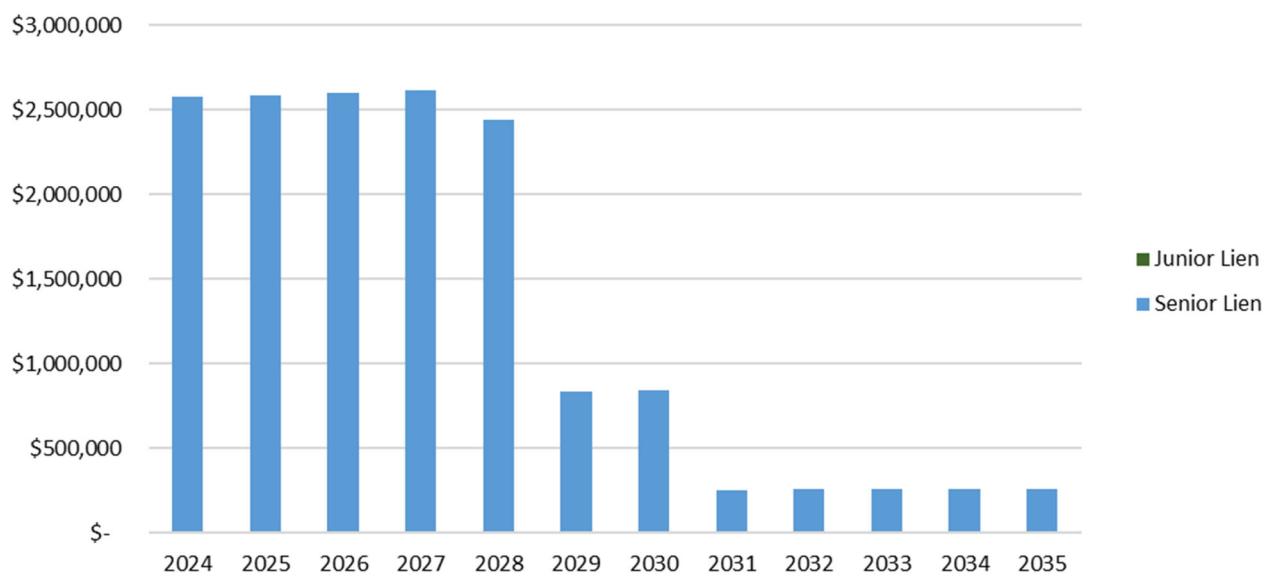
Series	Description	TIC *	Maturity	Principal	Interest	Total
2012	Revenue Bonds (Refunding)	2.91%	2028	\$ 130,000	\$ 24,675	\$ 154,675
2012A	Revenue Bonds (Refunding)	3.11%	2028	1,180,000	257,985	1,437,985
2014	Revenue Bonds (Refunding)	3.08%	2030	195,000	49,050	244,050
2015	Revenue Bonds	3.38%	2035	160,000	86,895	246,895
2020	Revenue Bonds (Refunding)	0.90%	2035	420,000	73,200	493,200
Total				\$ 2,085,000	\$ 491,805	\$ 2,576,805

* True Interest Cost

This schedule represents the FY 2024 debt service payments due on each outstanding Lakeview Regional Water Reclamation System bond issue. For future debt issues during the five-year planning period (FY 2024 - FY 2028), refer to the Capital Improvement Program section of this budget document.

LONG-TERM DEBT INDEBTEDNESS TO MATURITY

Year	Senior Lien	Junior Lien	Total
2024	\$ 2,576,805	\$ -	\$ 2,576,805
2025	2,587,930	-	2,587,930
2026	2,604,380	-	2,604,380
2027	2,615,980	-	2,615,980
2028	2,443,175	-	2,443,175
2029	832,445	-	832,445
2030	838,895	-	838,895
2031	253,850	-	253,850
2032	256,500	-	256,500
2033	258,800	-	258,800
2034	259,600	-	259,600
2035	260,000	-	260,000
Total	\$ 15,788,360	\$ -	\$ 15,788,360



DEBT SERVICE RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 2,173,387	\$ 2,173,387	\$ 2,184,391	\$ 2,184,391
REVENUES				
Interest Income	26,277	22,820	105,075	113,590
TOTAL REVENUES	\$ 26,277	\$ 22,820	\$ 105,075	\$ 113,590
EXPENDITURES				
Transfer Out - Operations	15,273	22,820	105,075	113,590
TOTAL EXPENDITURES	\$ 15,273	\$ 22,820	\$ 105,075	\$ 113,590
ENDING CASH BALANCE 9/30	\$ 2,184,391	\$ 2,173,387	\$ 2,184,391	\$ 2,184,391

INTEREST AND SINKING RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 110,317	\$ 117,952	\$ 97,903	\$ 137,073
Transfer to Operations	\$ (12,414)			
BEGINNING CASH BALANCE Revised	\$ 97,903			
REVENUES				
Transfers In				
Operations	3,017,228	3,030,120	3,030,120	2,576,805
Working Capital	12,414	-	-	-
Interest Income	6,252	7,600	39,170	66,410
TOTAL REVENUES	\$ 3,035,894	\$ 3,037,720	\$ 3,069,290	\$ 2,643,215
EXPENDITURES				
Debt Service	3,035,894	3,030,120	3,030,120	2,576,805
TOTAL EXPENDITURES	\$ 3,035,894	\$ 3,030,120	\$ 3,030,120	\$ 2,576,805
ENDING CASH BALANCE 9/30	\$ 97,903	\$ 125,552	\$ 137,073	\$ 203,483

FY 2024 Ending Balance increase of \$77,931 is due to increasing interest income based on current market conditions.
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NORTHEAST REGIONAL WATER RECLAMATION SYSTEM

SENIOR LIEN DEBT

For FY 2024, the District will have the following Bonds outstanding.

Series 2016 TWDB “D” Funds – \$11.56 million bond issue to refund a \$1.10 million loan from the Regional Treated Water System (Non-Bond Capital Reserve Fund) originally used to fund the Process Improvements with Sidestream Treatment project at the Riverbend Plant. Additionally, a portion of this issue was to reimburse the Regional Treated Water System for a working capital loan of \$2.50 million, along with funding to begin the Riverbend Water Reclamation Plant Expansion, Phase 3 project. This issue has a 29-year term with Interest only payments through FY 2022, and Principal and Interest payments for FY 2023 - FY 2045.

Series 2017 TWDB “D” Funds – \$23.99 million bond issue used for the Riverbend Water Reclamation Plant Expansion, Phase 3. This issue has a 29-year term with Interest-only payments through FY 2022, with Principal and Interest payments for FY 2023 - FY 2045.

Series 2019 (Revenue and Refunding) – \$28.39 million bond issue to refund \$2.66 million of outstanding principal from the Series 2007 Riverbend Plant Revenue Bonds that were originally issued to repay System participants for their prior contributions to construct the Riverbend Plant, and to reimburse the Growth and Project Development Funds for the purchase of the Riverbend Plant site and other preliminary design expenses. Riverbend’s FY 2024 debt service amount of \$258,000 is for the portion of the Series 2019 bond issue used to refund the Series 2007 Revenue Bonds and has a term that matures in FY 2032. Additionally, a portion of the Series 2019 bond issue was used to refund \$10.05 million of outstanding principal from the 2014 Revenue Bonds, originally issued to fund the City of Celina's portion to construct the Doe Branch Plant. This issue also included \$11.08 million of new funding for the City of Celina's portion of the Doe Branch Plant Expansion, Phase 2 project, and \$4.61 million to fund excess plant capacity. Doe Branch’s FY 2024 debt service amount of \$1,756,330 is made up of \$764,475 (City of Celina's initial capacity in the construction of the Doe Branch Plant), \$702,825 (Celina's additional capacity), and \$289,030 (previous excess capacity now allocated to Celina and Prosper). The portion of the Series 2019 bond issue used to refund the Series 2014 bond issue has a term that matures in FY 2038, while the portion used to fund the phase 2 expansion of the Doe Branch Plant matures in FY 2048.

Series 2022 (Revenue) – \$10.68 million bond issue with \$2.14 million to be used for West Influent Pump Station and Dewatering Improvements at the Riverbend Plant and \$8.55 million for the Doe Branch Plant Expansion, Phase 3. The first two years of payments will be funded by capitalized interest.

Series 2024 (Revenue) – Preliminary \$85.05 million bond issue with \$12.32 million to be used for West Influent Pump Station and Dewatering Improvements and \$72.73 million for the Doe Branch Plant Expansion, Phase 3. The first two years of payments will be funded by capitalized interest.

JUNIOR LIEN DEBT

For FY 2024, the District will have the following Bonds outstanding.

Series 2002 State Participation Funds – \$2.33 million bond issue from the Texas Water Development Board (TWDB) used in conjunction with system participant contributions for the construction of the NERWRS - Riverbend Plant and other system improvements.

SCHEDULE OF REQUIREMENTS

RIVERBEND PLANT

Series	Description	TIC *	Maturity	Principal	Interest	Total
2002	State Participation	5.71%	2035	\$ 115,000	\$ 108,345	\$ 223,345
2016	TWDB "D" Funds	3.30%	2045	250,000	363,915	613,915
2017	TWDB "D" Funds	3.89%	2045	450,000	893,690	1,343,690
2019	Revenue and Refunding Bonds	3.94%	2032	165,000	93,000	258,000
2022	Revenue Bonds **	3.98%	2047	-	107,000	107,000
2024	Revenue Bonds ***	4.75%	2053	-	583,810	583,810
Total				\$ 980,000	\$ 2,149,760	\$ 3,129,760

* True Interest Cost

** Paid with Capitalized Interest

*** Estimated debt service paid with Capitalized Interest. Bond issue projected for FY 2024.

DOE BRANCH PLANT

Series	Description	TIC *	Maturity	Principal	Interest	Total
2019	Revenue and Refunding Bonds	3.94%	2048	\$ 695,000	\$ 1,061,330	\$ 1,756,330
2022	Revenue Bonds **	3.98%	2047	-	427,500	427,500
2024	Revenue Bonds ***	4.74%	2053	-	2,726,490	2,726,490
Total				\$ 695,000	\$ 4,215,320	\$ 4,910,320

* True Interest Cost

** Paid with Capitalized Interest

*** Estimated debt service paid with Capitalized Interest. Bond issue projected for FY 2024.

These schedules represent the FY 2024 debt service payments due on each outstanding Northeast Regional Water Reclamation System bond issue. For future debt issues during the five-year planning period (FY 2024 - FY 2028), refer to the Capital Improvement Program section of this budget document.

LONG-TERM DEBT INDEBTEDNESS TO MATURITY

RIVERBEND PLANT

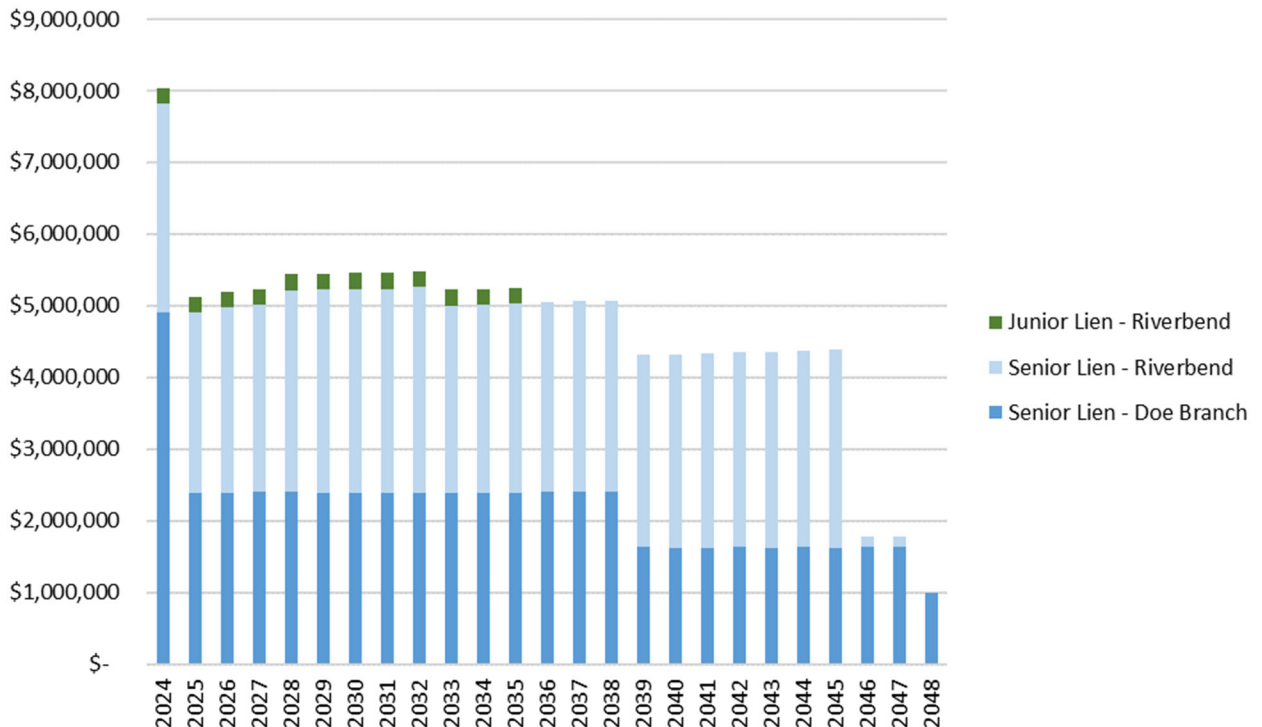
<u>Year</u>	<u>Senior Lien</u>	<u>Junior Lien</u>	<u>Total</u>
2024	\$ 2,906,415 *	\$ 223,345	\$ 3,129,760
2025	2,506,045	221,815	2,727,860
2026	2,577,785	220,000	2,797,785
2027	2,615,415	222,900	2,838,315
2028	2,819,120	225,230	3,044,350
2029	2,833,430	221,925	3,055,355
2030	2,842,810	223,330	3,066,140
2031	2,852,780	219,160	3,071,940
2032	2,863,355	224,705	3,088,060
2033	2,604,610	224,390	2,829,000
2034	2,619,645	218,410	2,838,055
2035	2,635,770	222,140	2,857,910
2036	2,642,785	-	2,642,785
2037	2,662,405	-	2,662,405
2038	2,667,255	-	2,667,255
2039	2,679,930	-	2,679,930
2040	2,693,950	-	2,693,950
2041	2,709,140	-	2,709,140
2042	2,720,220	-	2,720,220
2043	2,731,715	-	2,731,715
2044	2,747,530	-	2,747,530
2045	2,763,610	-	2,763,610
2046	159,750	-	159,750
2047	157,500	-	157,500
Total	\$ 60,012,970	\$ 2,667,350	\$ 62,680,320

* Includes estimated debt service of \$583,810 for projected FY 2024 issue of \$12.32 million.

DOE BRANCH PLANT

Year	Senior Lien	Junior Lien	Total
2024	\$ 4,910,320 *	\$ -	\$ 4,910,320
2025	2,394,075	-	2,394,075
2026	2,397,075	-	2,397,075
2027	2,397,575	-	2,397,575
2028	2,400,575	-	2,400,575
2029	2,390,825	-	2,390,825
2030	2,393,825	-	2,393,825
2031	2,383,825	-	2,383,825
2032	2,396,325	-	2,396,325
2033	2,395,075	-	2,395,075
2034	2,390,575	-	2,390,575
2035	2,394,850	-	2,394,850
2036	2,400,900	-	2,400,900
2037	2,401,650	-	2,401,650
2038	2,398,400	-	2,398,400
2039	1,634,700	-	1,634,700
2040	1,626,950	-	1,626,950
2041	1,626,950	-	1,626,950
2042	1,634,200	-	1,634,200
2043	1,628,200	-	1,628,200
2044	1,629,450	-	1,629,450
2045	1,625,650	-	1,625,650
2046	1,629,400	-	1,629,400
2047	1,630,250	-	1,630,250
2049	993,200	-	993,200
Total	\$ 54,104,820	\$ -	\$ 54,104,820

* Includes estimated debt service of \$2,726,490 for projected FY 2024 issue of \$72.73 million.



DEBT SERVICE RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 75,202	\$ 75,202	\$ 75,582	\$ 75,582
REVENUES				
Interest Income	909	1,055	3,180	5,575
TOTAL REVENUES	\$ 909	\$ 1,055	\$ 3,180	\$ 5,575
EXPENDITURES				
Transfer Out - Operations	529	1,055	3,180	5,575
TOTAL EXPENDITURES	\$ 529	\$ 1,055	\$ 3,180	\$ 5,575
ENDING CASH BALANCE 9/30	\$ 75,582	\$ 75,202	\$ 75,582	\$ 75,582

INTEREST AND SINKING RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 3,658	\$ 3,873	\$ 3,499	\$ 4,414
Transfer to Operations	\$ (159)			
BEGINNING CASH BALANCE Revised	\$ 3,499			
REVENUES				
Transfers In				
Operations	71,691	71,935	71,495	70,935
Working Capital	159	-	-	-
Interest Income	144	1,075	915	1,435
TOTAL REVENUES	\$ 71,994	\$ 73,010	\$ 72,410	\$ 72,370
EXPENDITURES				
Debt Service (w/Fiscal Agent Fees)	71,994	71,935	71,495	70,935 *
TOTAL EXPENDITURES	\$ 71,994	\$ 71,935	\$ 71,495	\$ 70,935
ENDING CASH BALANCE 9/30	\$ 3,499	\$ 4,948	\$ 4,414	\$ 5,849

FY 2024 Ending Balance increase of \$901 is due to increasing interest income based on current market conditions.

* Includes Fiscal Agent Fees of \$1,590

PENINSULA WATER RECLAMATION PLANT

SENIOR LIEN DEBT

For FY 2024, the District will have the following Bonds outstanding.

Series 2016 Bonds – \$1.13 million bond issue to fund the UV Disinfection Improvements at the Peninsula Water Reclamation Plant. This issue has a 20-year term with the final payment due in FY 2035.

SCHEDULE OF REQUIREMENTS

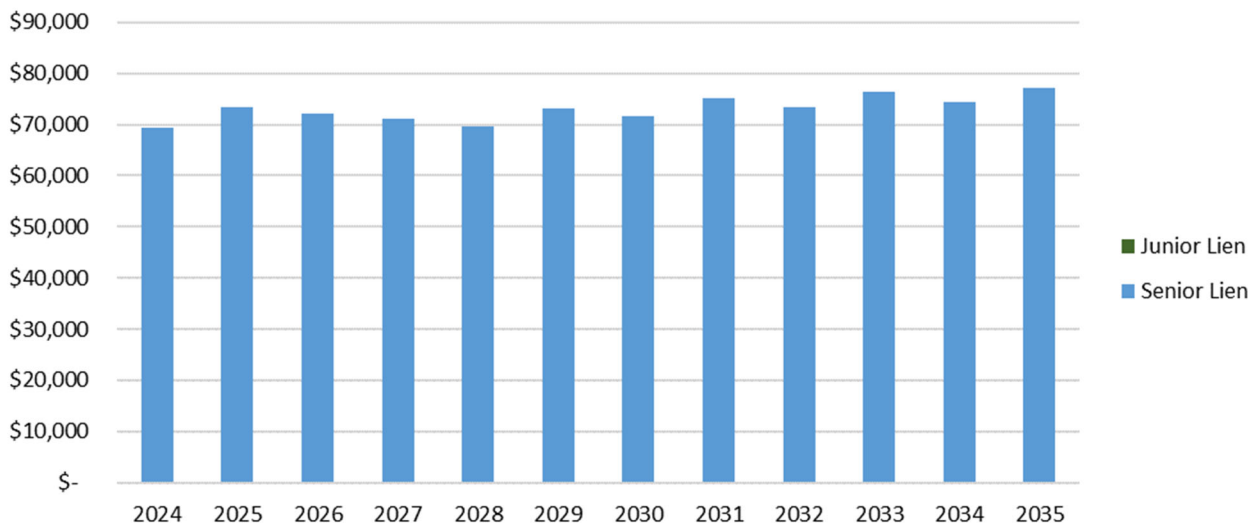
Series	Description	TIC *	Maturity	Principal	Interest	Total
2016	Revenue Bonds	2.60%	2035	\$ 50,000	\$ 19,345	\$ 69,345
Total				\$ 50,000	\$ 19,345	\$ 69,345

* True Interest Cost

This schedule represents the FY 2024 debt service on the outstanding Peninsula Water Reclamation Plant bond issue. For future debt issues during the five-year planning period (FY 2024 - FY 2028), refer to the Capital Improvement Program section of this budget document.

LONG-TERM DEBT INDEBTEDNESS TO MATURITY

Year	Senior Lien	Junior Lien	Total
2024	\$ 69,345	\$ -	\$ 69,345
2025	73,345	-	73,345
2026	72,245	-	72,245
2027	71,145	-	71,145
2028	69,700	-	69,700
2029	73,255	-	73,255
2030	71,680	-	71,680
2031	75,105	-	75,105
2032	73,400	-	73,400
2033	76,450	-	76,450
2034	74,350	-	74,350
2035	77,250	-	77,250
Total	\$ 877,270	\$ -	\$ 877,270



DEBT SERVICE RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 75,202	\$ 75,202	\$ 75,582	\$ 75,582
REVENUES				
Interest Income	909	1,055	3,180	5,575
TOTAL REVENUES	\$ 909	\$ 1,055	\$ 3,180	\$ 5,575
EXPENDITURES				
Transfer Out - Operations	529	1,055	3,180	5,575
TOTAL EXPENDITURES	\$ 529	\$ 1,055	\$ 3,180	\$ 5,575
ENDING CASH BALANCE 9/30	\$ 75,582	\$ 75,202	\$ 75,582	\$ 75,582

INTEREST AND SINKING RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 3,658	\$ 3,873	\$ 3,499	\$ 4,414
Transfer to Operations	\$ (159)			
BEGINNING CASH BALANCE Revised	\$ 3,499			
REVENUES				
Transfers In				
Operations	71,691	71,935	71,495	70,935
Working Capital	159	-	-	-
Interest Income	144	1,075	915	1,435
TOTAL REVENUES	\$ 71,994	\$ 73,010	\$ 72,410	\$ 72,370
EXPENDITURES				
Debt Service (w/Fiscal Agent Fees)	71,994	71,935	71,495	70,935 *
TOTAL EXPENDITURES	\$ 71,994	\$ 71,935	\$ 71,495	\$ 70,935
ENDING CASH BALANCE 9/30	\$ 3,499	\$ 4,948	\$ 4,414	\$ 5,849

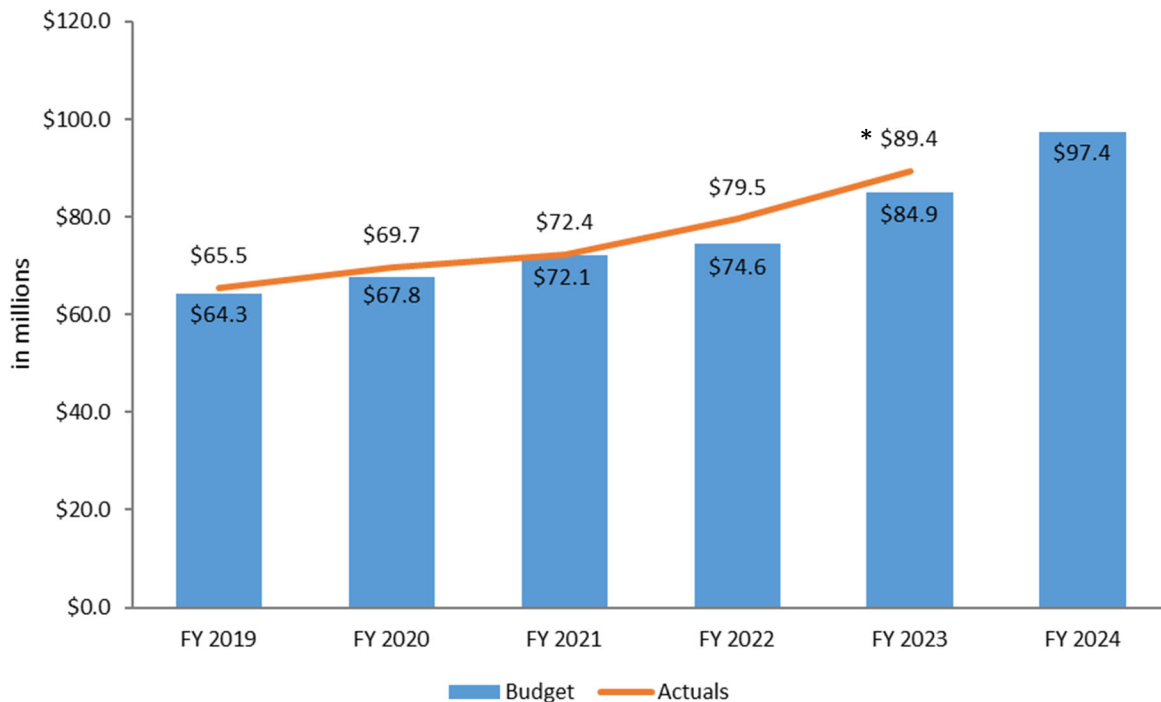
FY 2024 Ending Balance increase of \$901 is due to increasing interest income based on current market conditions.

* Includes Fiscal Agent Fees of \$1,590

REVENUE SUMMARY

The District derives most of its annual revenues from water operations (Regional Treated Water System). Additionally, it operates two regional water reclamation operating systems: the Lakeview System and Northeast System (Riverbend and Doe Branch Plants). The Peninsula Plant operates solely to serve one entity (Mustang Special Utility District) and is not classified as a “system”. Revenues are also generated from the Administration Fund, Non-Potable Water System, and the Household Hazardous Waste Program. There are a variety of operating and non-operating revenue sources available, some of which can be utilized to offset operating expenses and others which cannot, due to certain restrictions. The District utilizes a cost recovery (rate) analysis model specific to each system and program so that the appropriate rate, charge, or fee to generate District revenues can be determined. Graphical information for FY 2022 (Actuals), FY 2023 (Adopted and Estimates) and FY 2024 (Adopted) can be found in the Fund Summary section of this budget document, under the “Operating Funds Combined Summary” page. For detailed amounts rolled up into revenue subtotals, refer to the Operating Fund Detail section of this budget document and refer to the individual operating fund budget.

All Operating Funds - Revenues

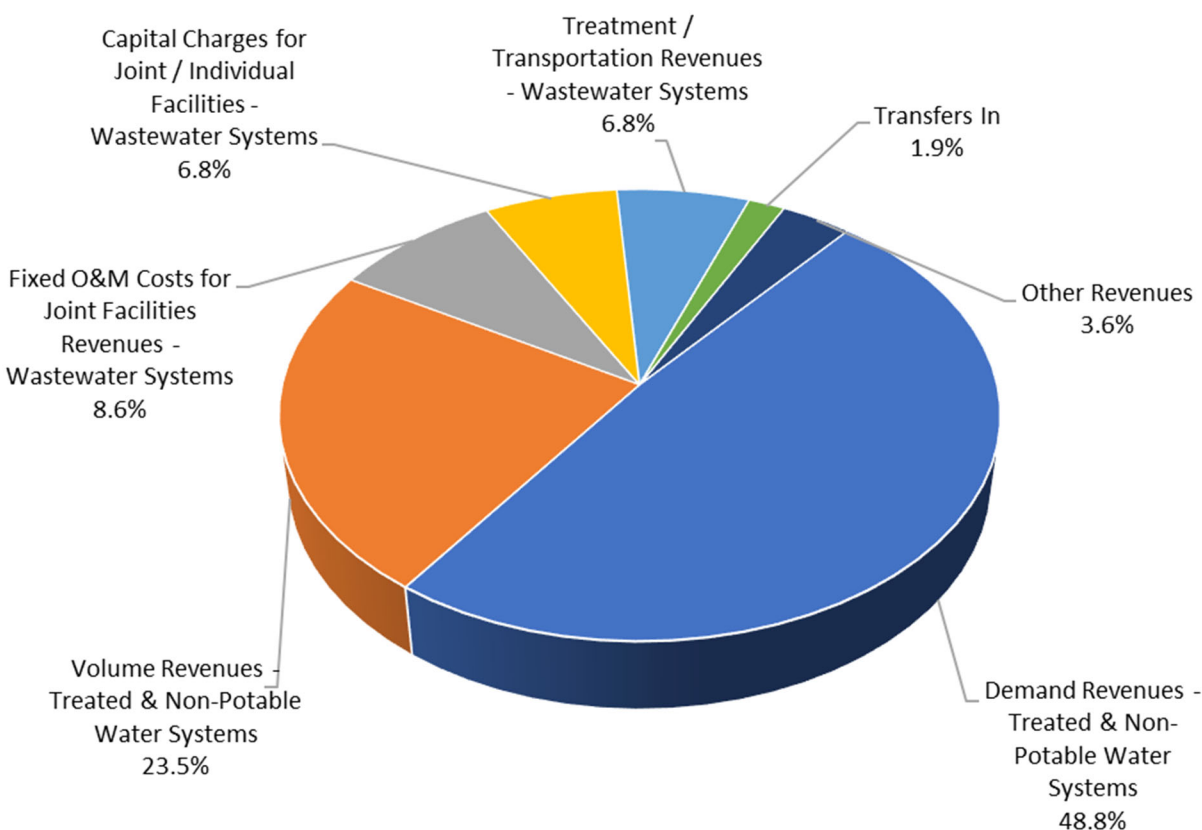


* Represents FY 2023 Estimates

Generally, as the population grows in the District’s service area, operating expenses, and debt service payments (for additional infrastructure to provide service to a growing service area) increase as well. Since the District’s rate methodology consists of setting rates at an appropriate level to adequately recover these costs, total revenues will usually increase as these expenses increase. Actual results, however, will vary since the types of services provided by the District (water and water reclamation) are weather and population growth dependent.

OPERATING REVENUES BY CATEGORY

The District's Water and Water Reclamation Systems generate most of the District's annual total revenues and are primarily divided between those that recover fixed operating expenses and debt service payments, and those that recover variable operating expenses. The following section will discuss and analyze the District's major revenue categories.



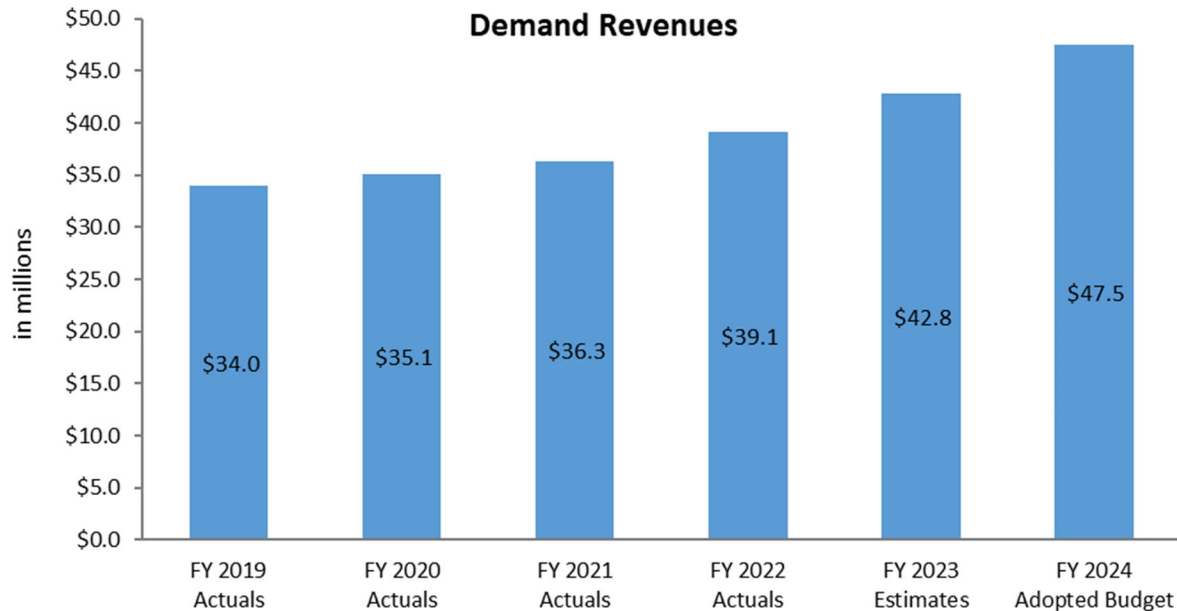
DEMAND REVENUES – TREATED AND NON-POTABLE WATER SYSTEMS

This type of revenue is the largest type of revenue for the District and represents the amount of fixed revenues needed to recover annual fixed operation expenses, such as payroll, overhead expense, debt service (if applicable), maintenance expense, office expenses, and equipment purchases, in the Regional Treated Water and Non-Potable Water Systems. The adopted Demand Charge is the amount necessary to recover the total of these expenses, divided by total contracted capacity in the System (Subscriptions). Contracted capacity represents how much capacity a System participant has contracted to utilize and thus, be charged for their proportional share of the System's annual fixed operating expenses, including debt service.

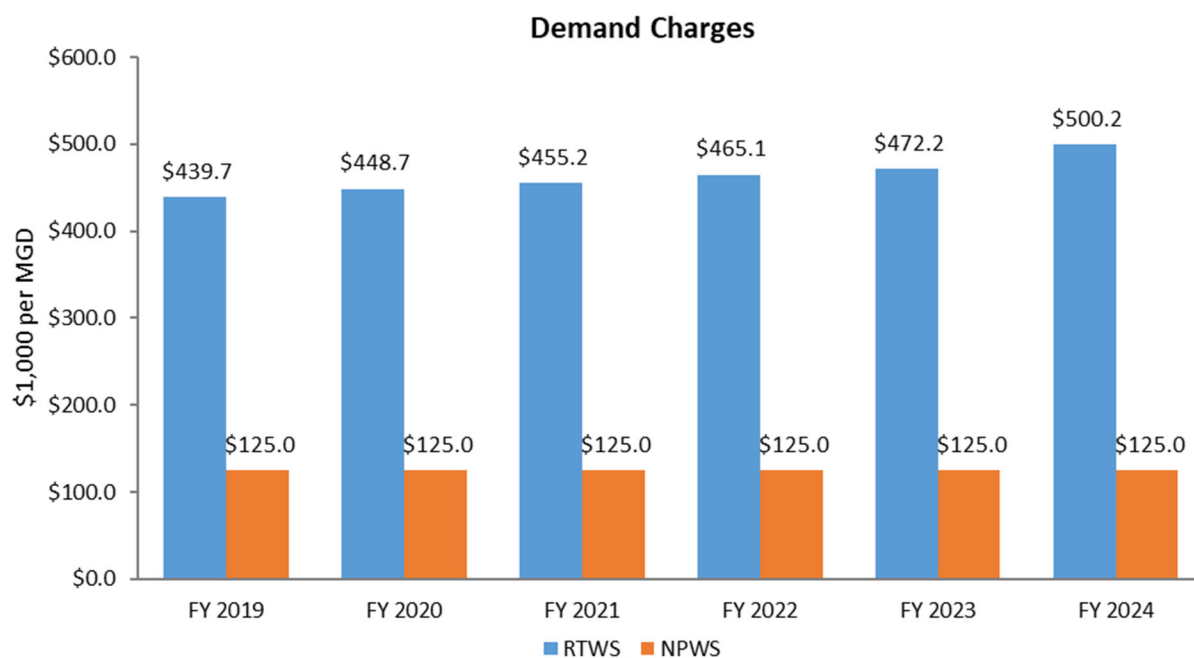
Projected Regional Treated Water System (RTWS) Demand Revenue for FY 2024 is \$47,384,690. This amount represents a 13.9% increase from Adopted FY 2023 and was necessary due to the active capital improvement program and the issuance of additional debt due to converting variable rate debt to long term debt and the continued issuance of debt. FY 2024 subscriptions are expected to increase by 7.5% (6.6 mgd increase from FY 2023). The RTWS Demand Charge was increased by 5.9% from FY 2023 to FY

2024 (from \$472,195 / mgd to \$500,155 / mgd, respectively). Meanwhile, Non-Potable Water System (NPWS) Demand Revenue for FY 2024 is \$125,000; unchanged from Adopted FY 2023.

The following graph reflects annual growth in Demand Revenues experienced by the Regional Treated Water and Non-Potable Water Systems since FY 2019.



The following graphs reflects annual change in Demand Rate for the Regional Treated Water and Non-Potable Water Systems since FY 2019. Rates are shown on a per MGD basis.



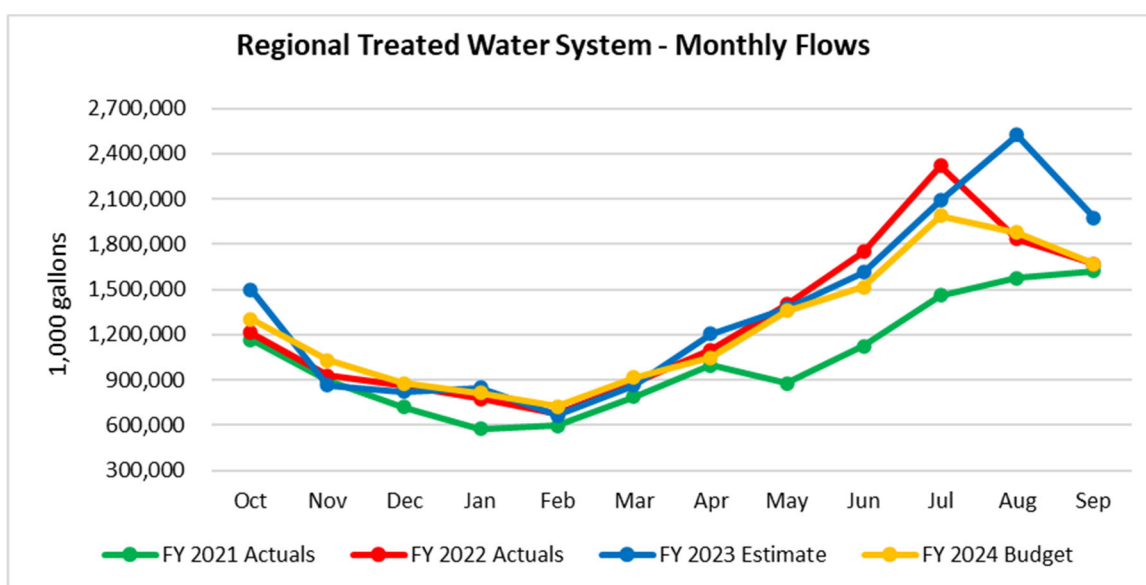
Demand Revenues have increased an average of 7.0% from FY 2019 and reflects a combination of moderate growth in our participants' required capacity for treated and non-potable water services, as well as increases to the annual Demand Charge to adequately recover increases in fixed operating expenses and debt service payments. While the NPWS does not have any outstanding debt issues and does not anticipate any future issues, the RTWS will incur increased debt service expense over the next five years as various "large-dollar" capital projects are projected for this period. Refer to the Long-Range Financial Plan section of this budget document for additional information.

VOLUME REVENUES – TREATED AND NON-POTABLE WATER SYSTEMS

This type of revenue represents the amount of revenues needed to recover annual variable operation expenses, such as electricity, chemicals, raw water, and reserve fund contributions, incurred by the Regional Treated Water and Non-Potable Water Systems. The adopted volume rate in the (RTWS) is the amount necessary to recover the total of these expenses, divided by total projected treated water flows (shown in units of 1,000 gallons). Additionally, the Non-Potable Water System (NPWS) has two volume rates. The treated effluent rate is established based on the total of all variable NPWS costs incurred to secure and pump treated effluent water to this System's only customer, the City of Lewisville (formerly DCFWSD #1A) divided by 1,000-gallon units (expressed in mgd or million gallons per day). The raw water rate is established based on the total of all variable NPWS costs to secure and pump raw water to Lewisville.

Projected Volume Revenue for RTWS is \$22,827,520 for FY 2024 and represents a 16.9% increase from the Adopted FY 2023 amount due to projecting a 9.8% increase in RTWS participant flows from FY 2023. The RTWS Volume Rate, set at \$1.49 / 1,000 gallons for FY 2024, was increased by \$0.09 / 1,000 gallon from FY 2023 due to projected raw water and chemical cost increases.

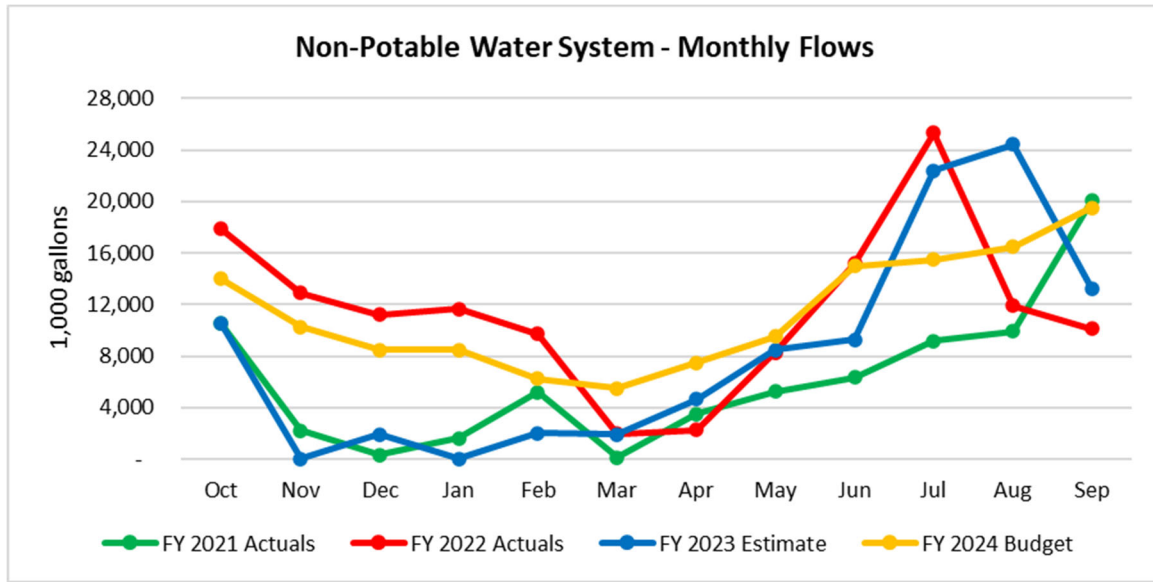
The following graph reflects actual monthly flows from treated water sales for FY 2021 through FY 2023, with projections for FY 2024.



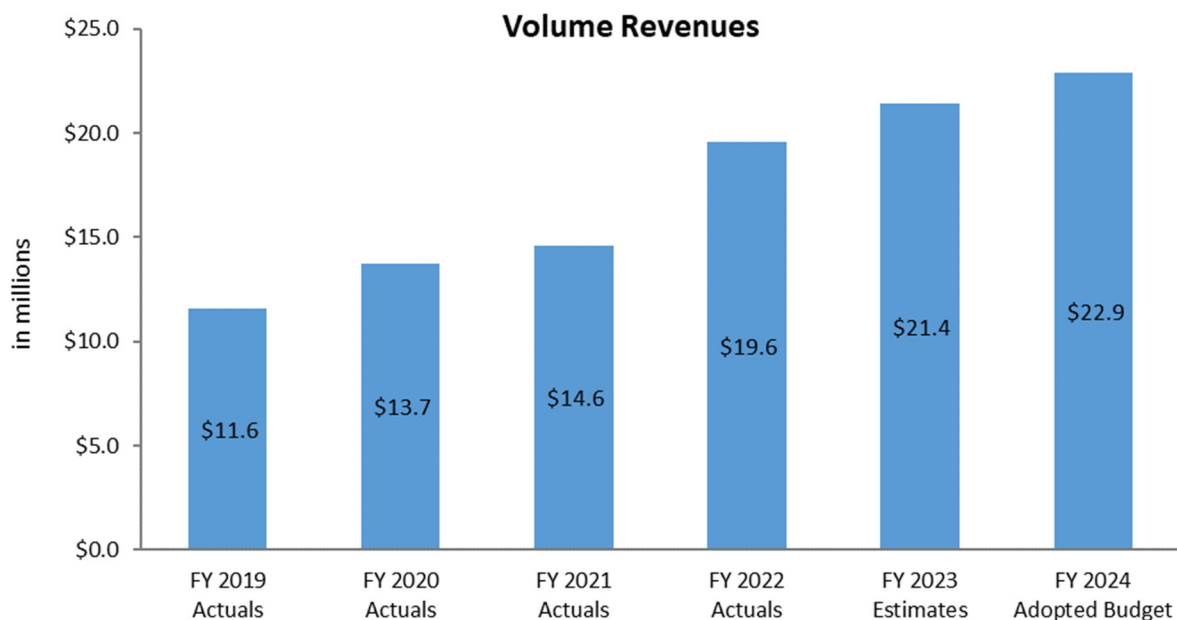
Projected Treated Effluent Volume Revenue for NPWS is \$67,820 for FY 2024, no change from Adopted FY 2023. The Treated Effluent Volume Rate also remains unchanged at \$0.51 / 1,000 gallons. Projected

Raw Water Volume Revenue for NPWS is \$4,130 for FY 2024, a 5.4% increase from Adopted FY 2023. The District's Raw Water Volume Rate was increased from \$1.12 / 1,000 gallons to \$1.18 / 1,000 gallons for Adopted FY 2024, an increase of \$0.06 / 1,000 gallons or 5.4%. Projected raw water flows remain unchanged for FY 2024.

The following graph reflects actual monthly flows from treated effluent water sales for FY 2021 through FY 2023, with projections for FY 2024.

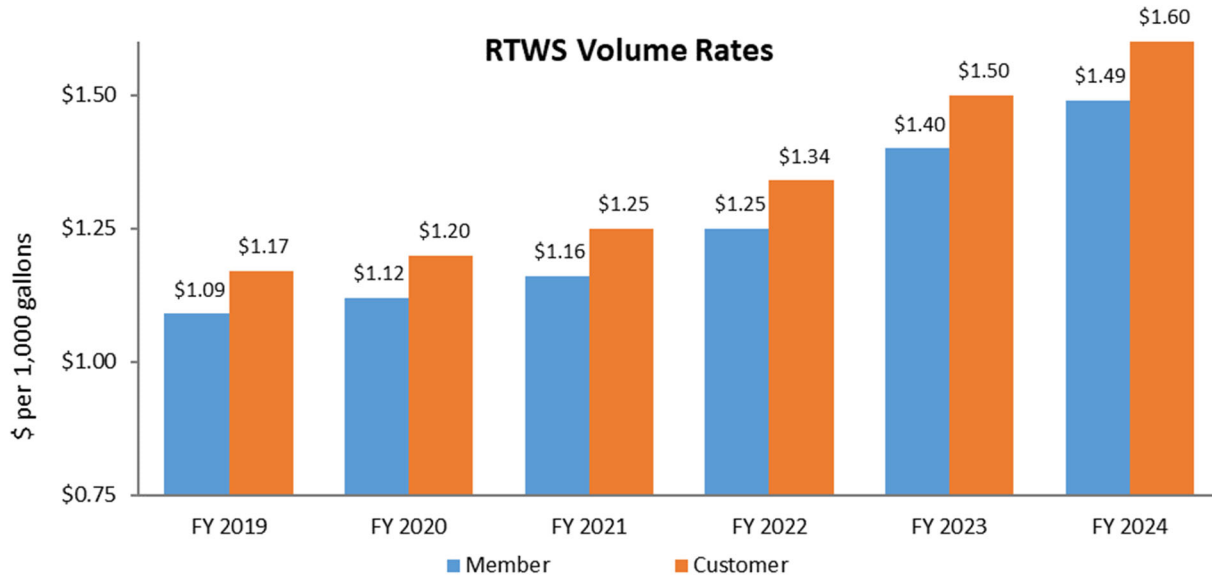


The following graph reflects annual growth in Volume Revenues experienced by the Regional Treated Water and Non-Potable Water Systems since FY 2019.

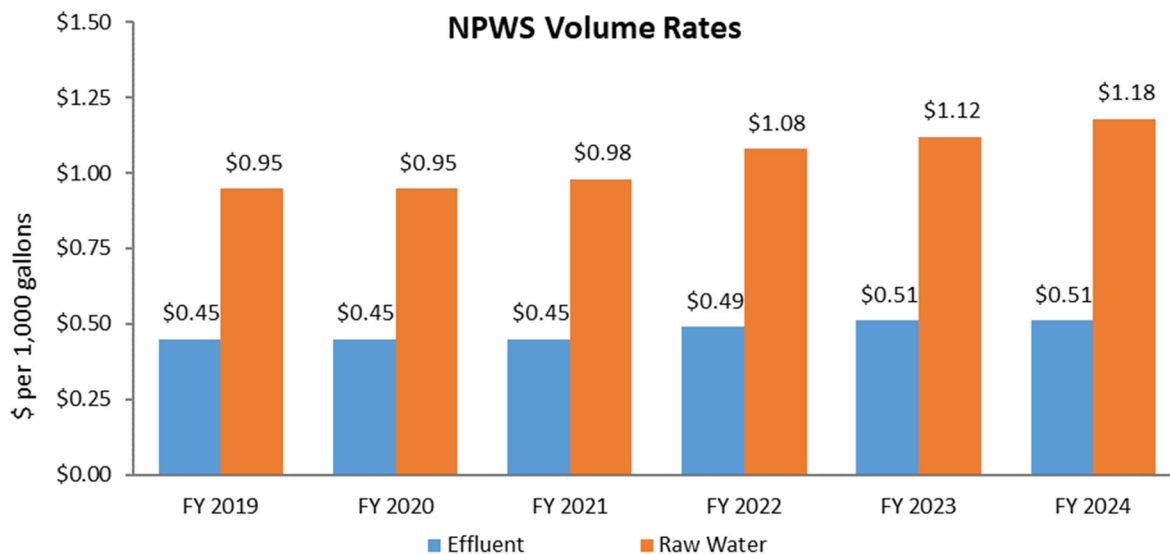


This category includes Treated Effluent and Raw Water Volume Revenues from the Non-Potable Water System (NPWS), as well as Volume Revenues (Treated Water Sales) from the Regional Treated Water System (RTWS). Since the NPWS Volume Revenues are immaterial to the overall annual variances shown in the above graph, this analysis will explain differences experienced by the Regional Treated Water System. RTWS Volume Revenues have increased an average of 15.0% from FY 2019 due to strong growth in the RTWS, as well as increasing the Volume Rate from \$1.09 / 1,000 gallons in FY 2019 to \$1.49 / 1,000 gallons for FY 2024; an annual average of 6.5%.

The following graph reflects annual Volume rates for the Regional Treated Water System since FY 2019.



The following graph reflects annual Volume rates for the Non-Potable Water System since FY 2019.



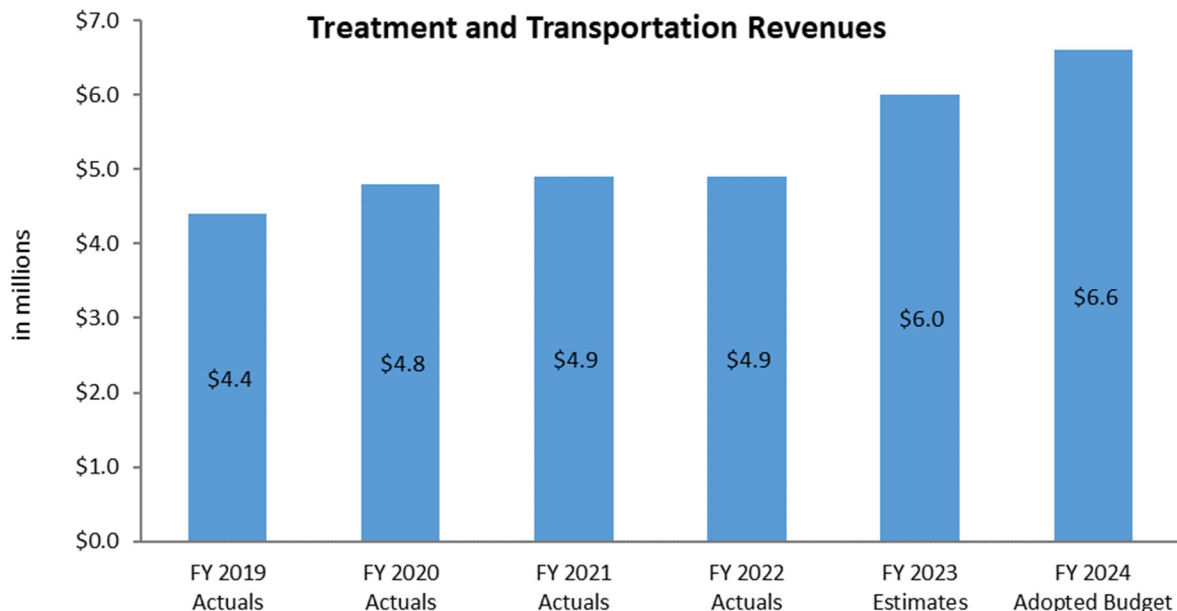
FY 2020 Volume Revenues reflect a 18.2% increase over FY 2019 Volume Revenues due to a \$0.03 / 1,000 gallon (2.8%) increase to the RTWS volume rate and a 15.6% increase in treated water flows sold over FY 2020. FY 2021 Volume Revenues reflect a 6.4% increase due to a \$0.04 increase from the FY 2020 Member rate. FY 2022 Volume Revenues reflect a 34.2% increase due to a \$0.09 increase from the FY 2021 Member rate combined with an increase in flows. Estimated FY 2023 Volume Revenues reflect a 9.2% increase, due to a \$0.15 /1,000 gallon increase in the volume rate as well as an increase in flows. Adopted FY 2024 revenues are projected to increase 7.0%, primarily due to a \$0.09 /1,000 gallon increase in the volume rate. The Customer Rate reflects a 7.0% surcharge over the Member Rate, with the additional revenue used to fund the Administration Fund for overall planning and administrative activities provided on behalf of all RTWS Customer participants. For FY 2024, the Customer Volume Rate is \$1.60 / 1,000 gallons, with participant flows projected to increase 9.8% from Adopted FY 2023.

Future (Post FY 2024) Volume Revenues are expected to increase annually, both from the estimated increases to flows (3.4% to 3.9% per year) and increases to the RTWS volume rate (estimated between 1.2% to 9.4% per year). These increases are necessary to secure raw water sources, cover anticipated chemical expenses, and continue contributions to RTWS' reserve funds. Refer to the Long-Range Financial Plan section for future rate increase projections.

TREATMENT AND TRANSPORTATION REVENUES – WATER RECLAMATION SYSTEMS

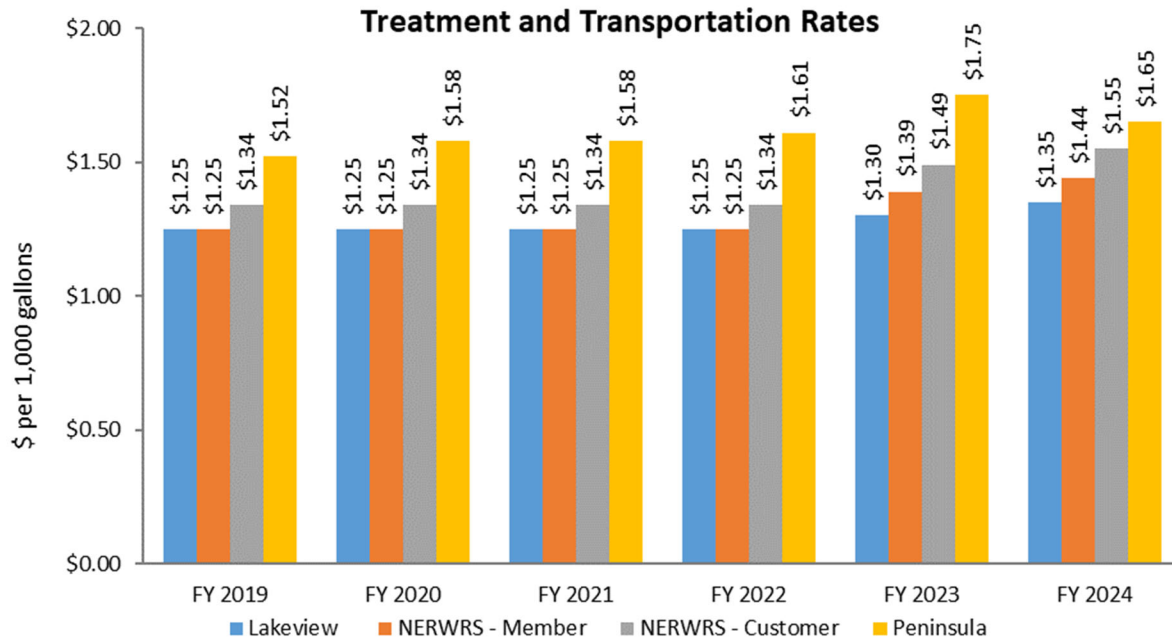
This type of revenue represents the amount of revenues needed to recover annual variable operation expenses, such as electricity, chemicals, sludge processing and disposal services, and reserve fund contributions, incurred by the Lakeview and Northeast Regional Water Reclamation Systems, and the Peninsula Water Reclamation Plant. The adopted treatment rate is the amount necessary to recover the total of these expenses, divided by total projected wastewater flows (shown in units of 1,000 gallons).

The following graph reflects annual growth in Treatment and Transportation Revenues experienced by the Lakeview and Northeast Regional Water Reclamation Systems and the Peninsula Water Reclamation Plant since FY 2019.



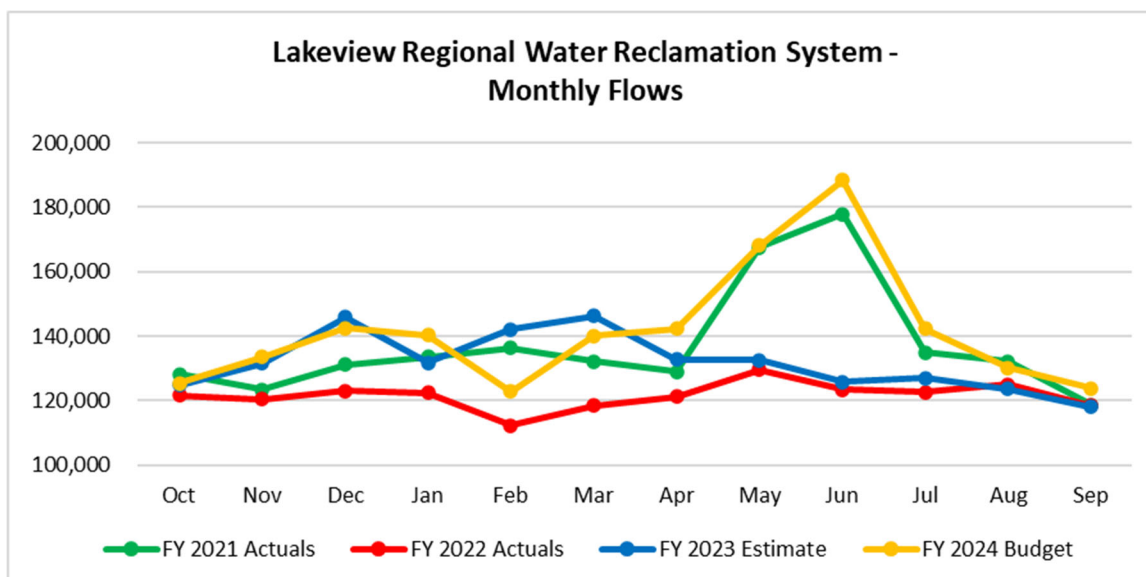
Treatment and Transportation Revenues remained relatively flat through FY 2022, but rose in FY 2023 and is projected to increase 10.0% in FY 2024. Participant wastewater flows are anticipated to continue to significantly increase over the next 3-5 years, especially in the Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants) and Peninsula Water Reclamation Plant service areas.

The following graph represents the adopted rates for each Water Reclamation System from FY 2019 to FY 2024.



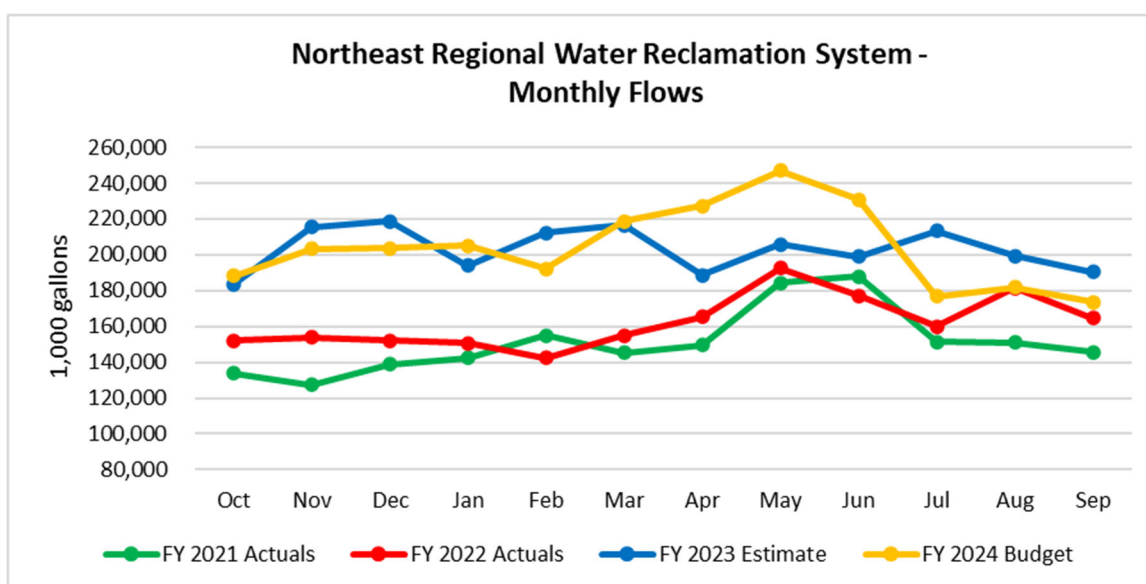
Projected Treatment and Transportation Revenue (including the Corinth Entry Point near I35) for the Lakeview Regional Water Reclamation System (LRWRS) is \$2,273,695 for FY 2024 and reflects a 4.3% increase from the Adopted FY 2023 amount driven by a 3.8% rate increase. The Treatment Rate of \$1.35 / 1,000 gallons represents a \$0.05 / 1,000 gallons increase from Adopted FY 2023.

The following graph reflects actual monthly flows from wastewater sales for FY 2021 through FY 2023, with projections for FY 2024.



Projected Treatment Revenue for the Northeast Regional Water Reclamation System (NERWRS) is \$3,597,015 for FY 2024 and reflects a 44.7% increase from the Adopted FY 2023 amount due to a 3.6% rate increase combined with a 40.4% increase in projected wastewater flows. The Treatment Rate for Adopted FY 2024 is set at \$1.44 / 1,000 gallons, representing an increase of \$0.05 from \$1.39 / 1,000 gallons, and was necessary to recover anticipated cost increases for electricity and chemicals.

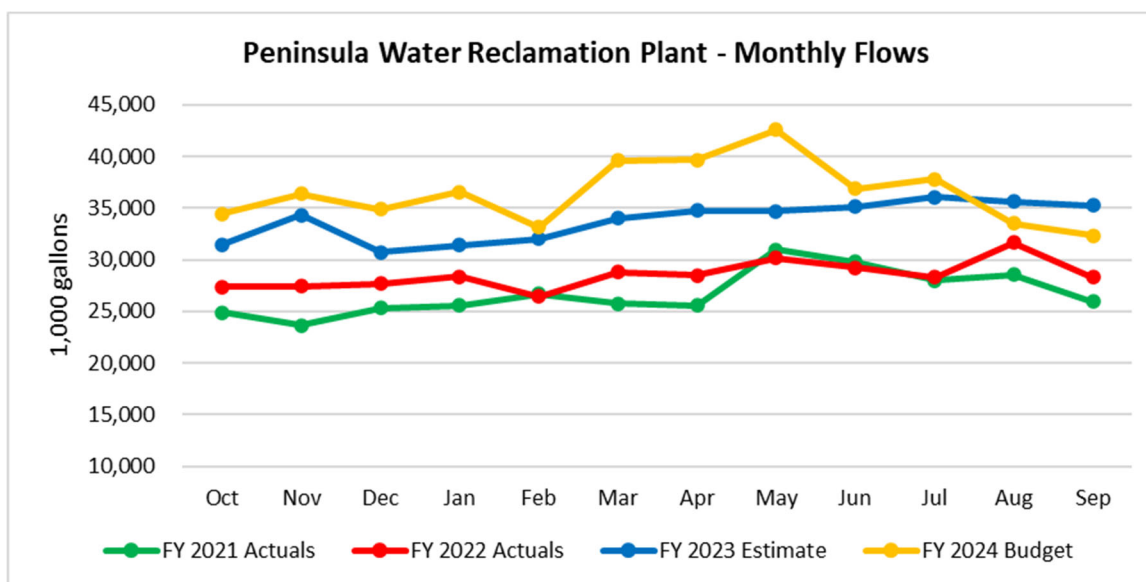
The following graph reflects actual monthly flows from wastewater sales for FY 2021 through FY 2023, with projections for FY 2024.



Projected Treatment Revenue for the Peninsula Water Reclamation Plant is \$722,700 for FY 2024 and reflects a 33.1% increase from the Adopted FY 2023 amount due to a 41.2% increase in projected wastewater flows offset by a 5.7% rate reduction. The FY 2024 Treatment Rate of \$1.65 / 1,000 gallons includes a decrease of \$0.10 / 1,000 gallons from FY 2023. The Peninsula Plant's one participant, Mustang

Special Utility District, has experienced tremendous growth over the past several years, with an average annual growth rate of 11.1% in wastewater flows for FY 2021 through projected FY 2024. Growth is anticipated to increase over the next 3-5 years based on continued housing construction and economic develop in the Mustang SUD area. With this anticipated growth in mind, the District completed the Phase 3 Expansion of the Peninsula Plant in September 2023 (from 0.94 to 2.0 mgd) and has programmed the next expansion (from 2.0 to 4.0 mgd) into its five-year capital budget (see CIP Funds tab).

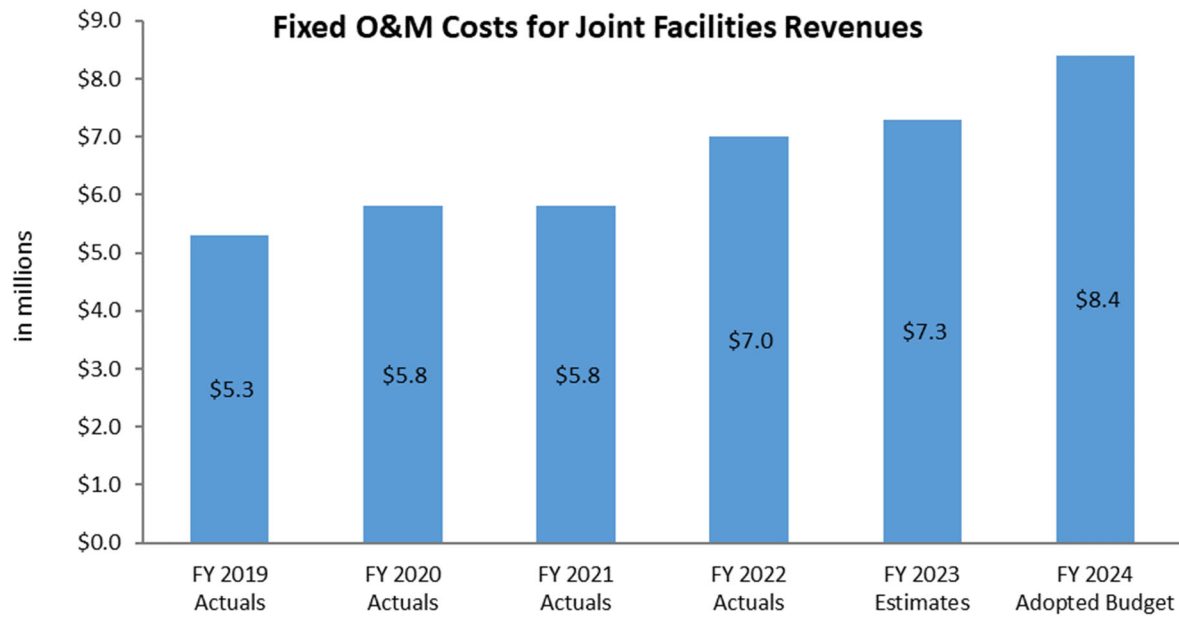
The following graph reflects actual monthly flows from wastewater sales for FY 2021 through FY 2023, with projections for FY 2024.



FIXED O&M COSTS FOR JOINT FACILITIES REVENUES – WATER RECLAMATION SYSTEMS

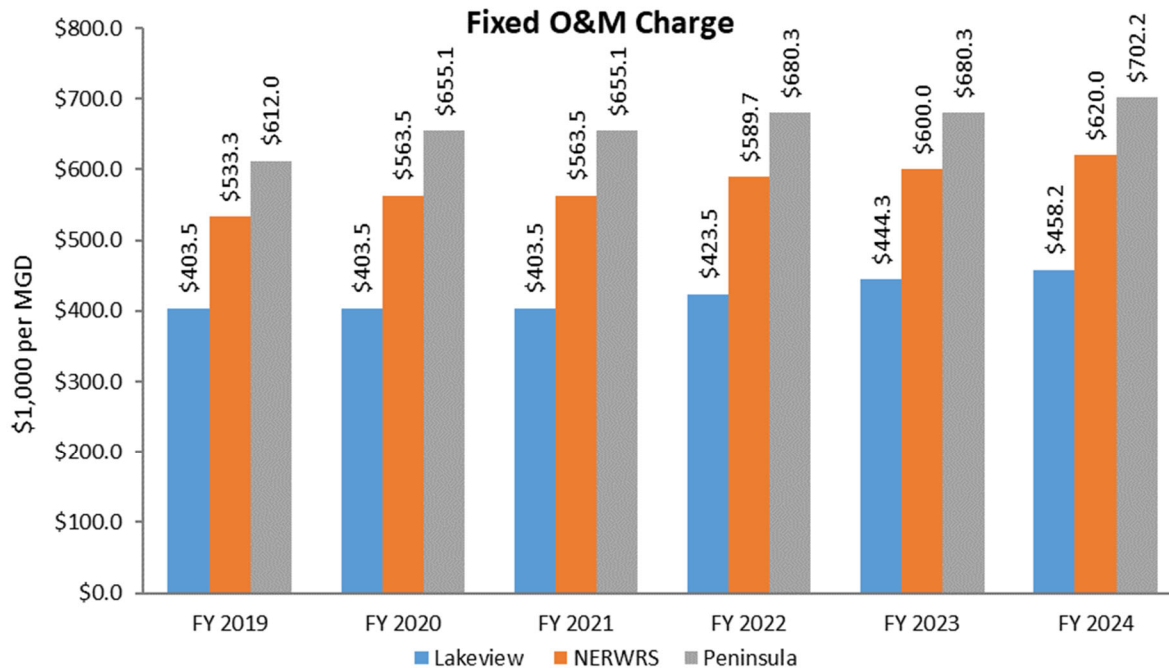
This type of revenue represents the amount of fixed revenues needed to recover annual fixed operation expenses, such as payroll, overhead expense, maintenance expense, office expenses, and equipment purchases, for the District's water reclamation systems (Lakeview and Northeast Systems and the Peninsula Plant). The adopted Fixed O&M Costs for Joint Facilities charge is the amount necessary to recover the total of these expenses, divided by total contracted capacity in the Systems (Subscriptions). Contracted capacity, or Subscription, represents how much capacity a System participant has contracted to utilize and thus, be charged for their proportional share of the System's annual fixed operating expenses.

The following graph reflects annual growth in Fixed O&M Costs for Joint Facilities Revenues experienced by the Lakeview and Northeast Regional Water Reclamation Systems, including the Peninsula Water Reclamation Plant, since FY 2019.



Fixed O&M Costs for Joint Facilities Revenues have increased an average of 9.9% from FY 2019 mainly due to having experienced tremendous growth in the Northeast service area. A large increase in revenue was realized in FY 2022 as the expanded capacity of the Doe Branch plant became available. The Adopted FY 2024 budget shows an additional increase (\$704,825) as the expanded capacity of the Peninsula plant became available in September 2023.

The following graph represents the Fixed O&M charge shown on a per MGD basis for each Water Reclamation system.



- Projected Fixed O&M Costs for Joint Facilities revenues for the Lakeview Regional Water Reclamation System for FY 2024 is \$2,441,555, a 3.1% increase from FY 2023.
- Projected Fixed O&M Costs for Joint Facilities revenues for the Northeast Regional Water Reclamation System for FY 2024 is \$4,561,340, a 7.0% increase from FY 2023.
- Projected Fixed O&M Costs for Joint Facilities for the Peninsula Water Reclamation Plant for FY 2024 is \$1,404,400, a 71.3% increase from FY 2023. This large increase is due to the completion of the Plant Expansion, Phase 3 project in late FY 2023, which resulted in a 1.06 mgd, or 112.8%, increase in subscriptions.

CAPITAL CHARGES (WITH INTERIM FINANCING) FOR JOINT AND INDIVIDUAL FACILITIES REVENUES – WASTEWATER SYSTEMS

This type of revenue generally represents recovery of annual debt service payments for debt issues used to construct common-to-all (Joint) infrastructure, and for participant (Individual) infrastructure. Joint debt is issued for projects that benefit all participants. Regarding debt service for joint facilities, there are two plants that make up the Northeast System and debt issues are specific to each plant. Therefore, Doe Branch plant participants are not responsible for making payments on a debt issue that was used to construct the Riverbend Plant, and vice versa. In addition, these revenues include participant payments related to the repayment of interim or short-term loans for common-to-all capital projects financed by another System's reserves or until permanent financing could be completed. Interim financing revenues are primarily included only for participants of the Northeast Regional Water Reclamation System.

Projected FY 2024 Capital Charge for Joint and Individual Facilities Revenues for the Lakeview Regional Water Reclamation System (LRWRS) is \$2,179,825 and reflects a 26.2% decrease from the Adopted FY 2023 amount. Interest revenue is used to offset all debt service before allocating it among the plant

participants. These revenues consist of debt service for joint facilities allocated between the Lakeview System's participants based on subscribed capacity.

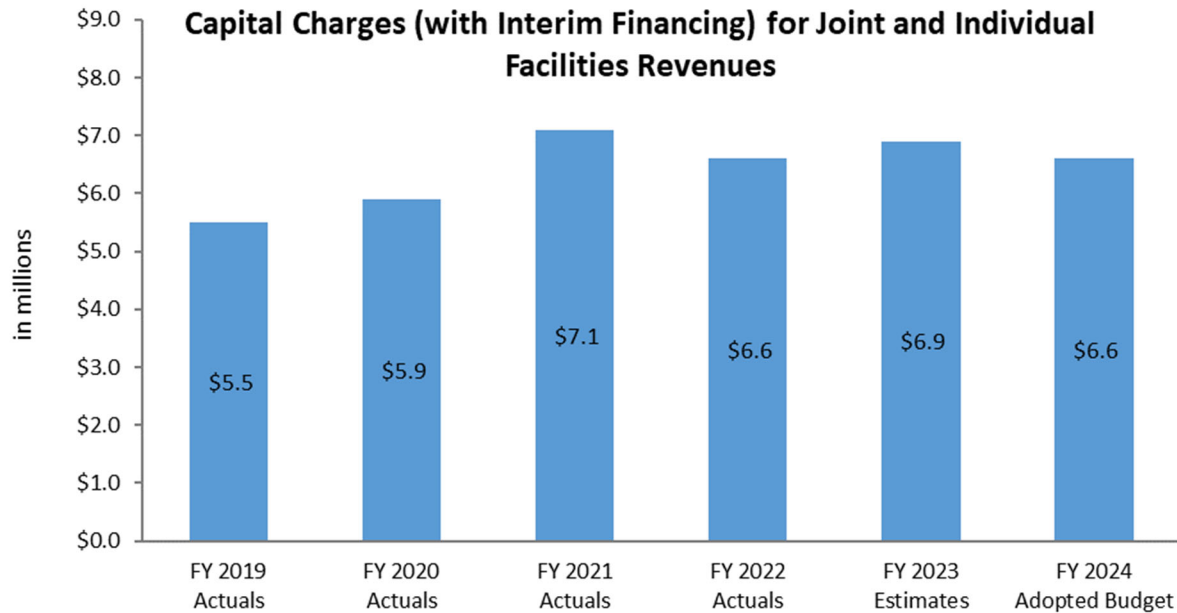
- Total FY 2024 Capital Charges for Joint Facilities is \$1,382,555 and reflects the total amount of debt service payments from debt issues to construct all common-to-all portions of the Lakeview Regional Water Reclamation System.
- Capital Charges for Individual Facilities totals \$797,270 for FY 2024 and reflects the total portion of debt service for debt issues to construct each participant's solely used segments within the Lakeview System.

Projected Capital Charge (with Interim Financing) for Joint and Individual Facilities Revenues for the Northeast Regional Water Reclamation System (NERWRS) is \$4,355,180 for FY 2024 and reflects a 10.6% increase from the Adopted FY 2023 amount primarily due to increased debt service payments related to the 2016 and 2017 TWDB Funds for the Riverbend plant.

- Total FY 2024 Capital Charges for Joint Facilities (Riverbend Plant participants) is \$876,145 and reflects the total amount of debt service payments from debt issues to construct all common-to-all portions of the Riverbend Plant and related infrastructure (Series 2002 State Participation Bonds and a small portion of the Series 2019 Revenue and Refunding Bonds issued to refund the Series 2007 Revenue Bonds), as well as the subscribed capacity of the additional 2.0 mgd from the expansion of the Riverbend Plant's treatment capacity (Series 2016 and 2017 TWDB "D" Funds). FY 2019 and FY 2020 debt service for the Series 2019 bond issue was funded via capitalized interest.
- There are no Capital Charges for Joint Facilities for Doe Branch Plant participants for FY 2024.
- Capital Charges for Individual Facilities (Riverbend Plant participants) total \$1,562,805 for FY 2024 and reflects the portion of debt service from debt issues (Series 2019 Revenue and Refunding Bonds issued to refund the Series 2007 Revenue Bonds and Series 2016 and 2017 TWDB "D" Fund Bonds) used to construct individual facilities from the original Riverbend Plant construction project, associated pipelines, and from the phase 3 expansion project of the Riverbend Plant.
- FY 2024 Capital Charges for Individual Facilities (Doe Branch) total \$1,756,330 and includes \$764,475 (portion of Series 2019 Revenue and Refunding Bonds issued to refund the Series 2014 Revenue Bonds to construct the City of Celina's initial capacity in the Doe Branch Construction project), \$702,825 (portion of the Series 2019 Bonds issued on Celina's behalf to fund their additional capacity in the phase 2 expansion of the Doe Branch Plant) and \$144,515 each for the additional capacity in the phase 2 expansion that was assigned to the City of Prosper and Celina beginning in October of FY 2024.
- Also included in this revenue category are interim financing charges totaling 159,900, which represents interest payments due from the Doe Branch Plant participants for a tentative Non-Bond Capital Reserve loan of up to \$3.00 million from the Regional Treated Water System to fund the Doe Branch US 380 relocation project.

Projected Capital Charge for Joint and Individual Facilities Revenues for the Peninsula Water Reclamation Plant is \$71,935 for FY 2024 and reflects a 1.4% decrease from the Adopted FY 2023 amount due to a reduction in the annual debt service payment for the Series 2016 Revenue Bonds that were issued to fund the installation of a new ultraviolet disinfection system at the Peninsula Plant (completed in FY 2017).

The following graph reflects annual growth in Capital Charge (with Interim Financing) for Joint and Individual Facilities Revenues experienced by the District's water reclamation operations, consisting of the Lakeview and Northeast Regional Water Reclamation Systems, along with the Peninsula Water Reclamation Plant, since FY 2018.

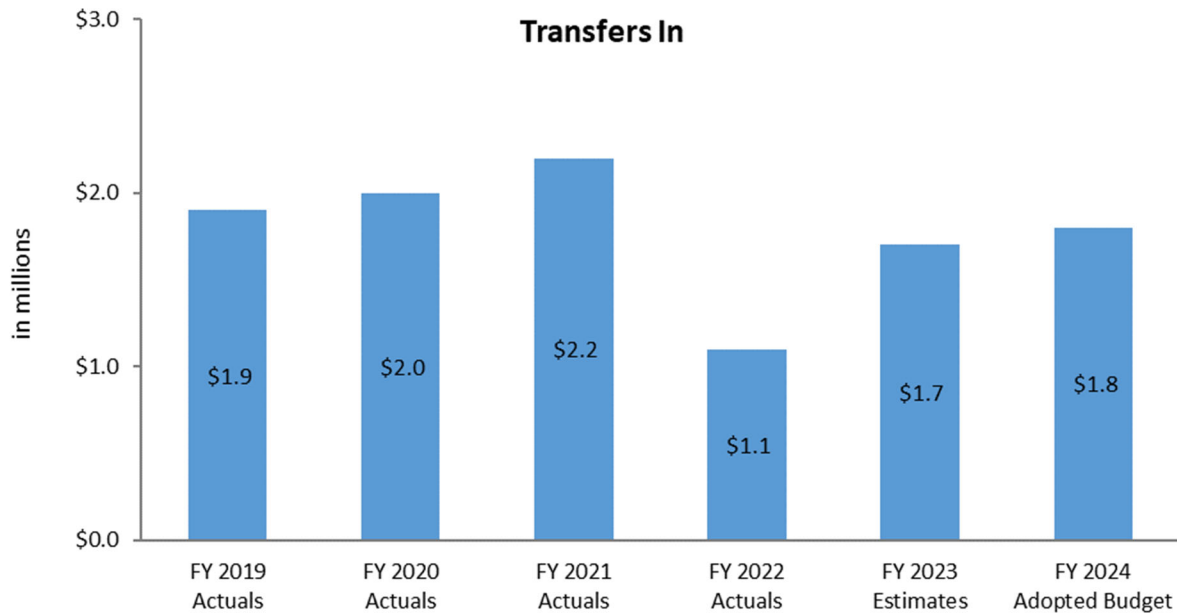


Capital Charges (with Interim Financing) for Joint and Individual Facilities Revenues have increased an average of 4.2% from FY 2019 from the use of bond funding for the construction and expansion of the Doe Branch Plant, the expansion of the Riverbend Plant and the use of interim financing (loans) between Systems for completion of capital projects such as UV Disinfection Improvements (Riverbend and Peninsula Plants) and the Doe Branch Interceptor, Phase 2. Capitalized interest was used to partially offset debt service payments for two bond issues in FY 2019. FY 2020 through FY 2022 debt service payments for these two bond issues are interest only, with principal and interest payments beginning FY 2023. Principal and interest payments began in FY 2021 and continue through FY 2048, for the Series 2019 Revenue Bonds. Capitalized interest was also used offset debt service payments for the FY 2022 bond issue. As annual debt service requirements increase, these revenues will be increased to recover these debt service payments. This category of revenues is strictly based on the use and amount of loans and / or debt financing for completion of capital projects for the Systems and is not associated with the setting of a specific charge or rate.

TRANSFERS IN

This type of revenue represents the transfer of funds between reserve funds within a System or between Systems. These transfers are not always consistent from year-to-year and are necessary for a variety of ever-changing circumstances. For example, when equipment is to be replaced, the expense or revenue requirement is offset by a Transfer In from the Vehicle and Equipment Replacement Reserve fund. Additionally, several of the District's Systems transfer funds to the Regional Treated Water System (RTWS) for loans made to those Systems for various capital expenditures or projects. Those payments are included as a Transfer In for the RTWS but are shown as "Shared Debt Service Payments". Therefore, over the years, the totals and types of Transfers In have differed greatly. Detail regarding individual FY 2024 Transfers In is listed for each of the District's Systems in the Operating Fund Detail section of this budget document.

The following graph reflects annual growth of District Transfers In since FY 2019.

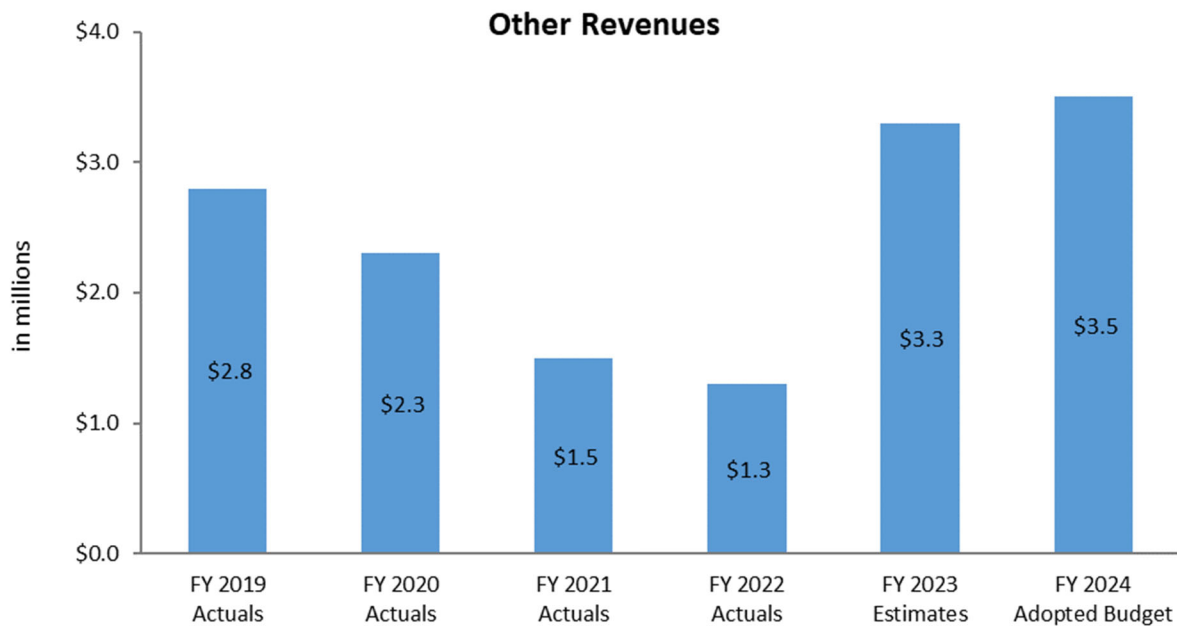


Transfers In can fluctuate from year-to-year based on operating needs. The FY 2024 amount of \$1.8 million includes a \$1.3 million transfer from the Board Participation Construction Cash Reserve in the Regional Treated Water System to offset interest payments for the 2015, 2019, and 2020 Board Participation debt issues. These funds were accumulated from anticipated higher interest earnings on funds held by the District. Transfers In also includes a \$0.2 million transfer from the Northeast Regional Water Reclamation System Doe Branch participants for interest on a maximum \$3.0 million loan from the Regional Treated Water System's Non-Bond Capital Reserve to fund the Relocation / TxDOT U.S. Hwy. 380 project. Information on the smaller transfers in can be found in the Operating Fund Detail section of this budget document.

OTHER REVENUES

This type of revenue includes Fees for Administration and Planning from the Administration Fund, Charges for Services from the Household Hazardous Waste Fund (HHW), Contract Payments from the Regional Treated Water System (RTWS), Rental Income, Other Revenues (including a Dallas Water Utilities Raw Water Credit in the RTWS), and Interest Income from all District funds. These items are discussed in the Operating Fund Detail section of this budget document.

The following graph reflects annual growth of District Other Revenues since FY 2019.



Other Revenues have varied since FY 2019. From FY 2020 to FY 2022, these revenues declined as market interest rates dropped considerably, reducing Interest Income. However, in FY 2023 revenues rose as market interest rates trend upward. This trend is anticipated to continue into FY 2024. Also, the 3-year Dallas Water Utilities Raw Water credit ended in FY 2021. Additionally, these amounts include periodic reimbursements from District participants for various specific capital expenditures or projects funded for the benefit of those participants.

OPERATING FUND DETAIL

The Upper Trinity Regional Water District's services are accounted for in six Enterprise Funds and three Internal Service Funds. The six Enterprise Funds are comprised of the following:

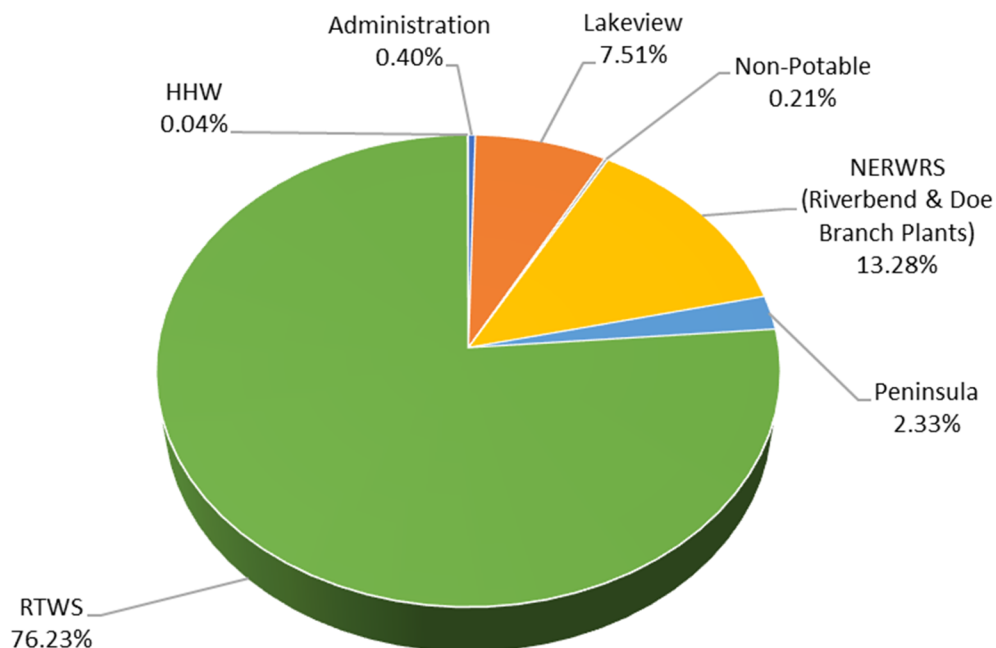
- Regional Treated Water System (Fund 21)
- Lakeview Regional Water Reclamation System (Fund 11)
- Northeast Regional Water Reclamation System (Fund 14)
- Peninsula Water Reclamation Plant (Fund 16)
- Non-Potable Water System (Fund 13)
- Household Hazardous Waste (Fund 43)

The District's three Internal Service Funds are comprised of the following:

- Administration (Fund 01 – Department 5001 and 5008)
- Information Technology (Fund 01 – Department 50IT)
- Maintenance (Fund 15)

FY 2024 BUDGETED EXPENDITURES BY OPERATING FUND

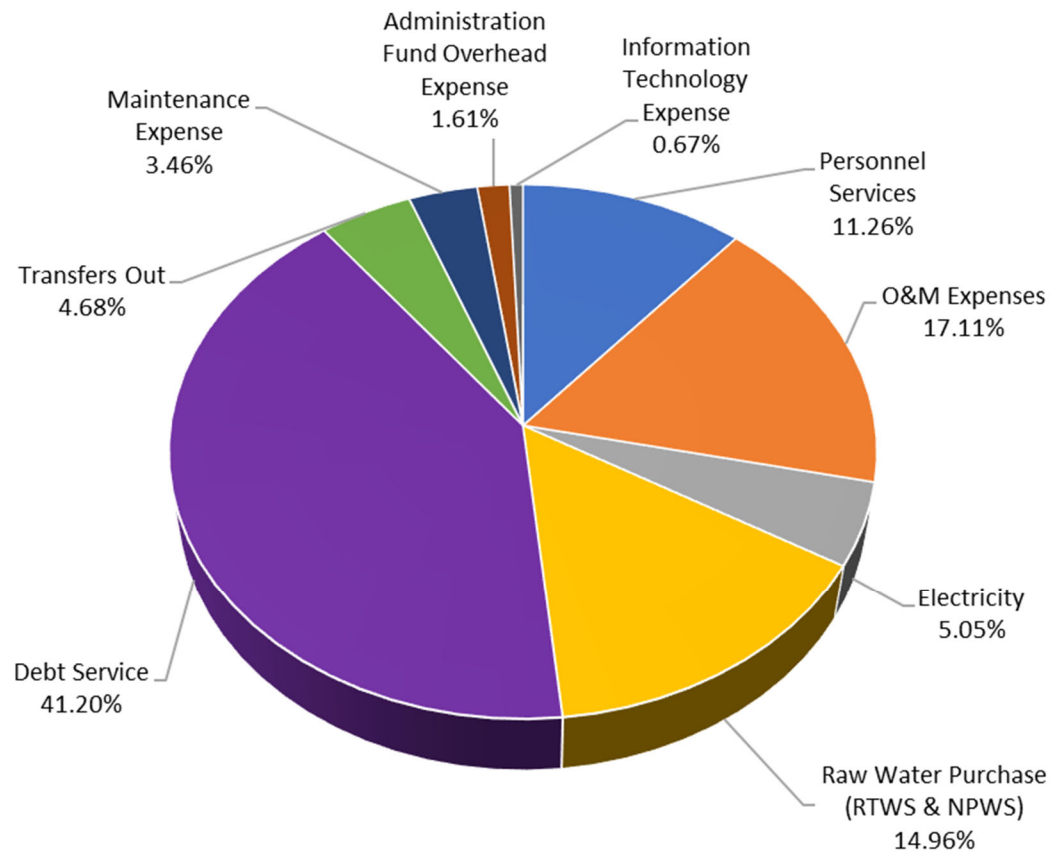
Fund	Budget
Administration Fund	\$ 355,135
Lakeview Regional Water Reclamation System	6,678,180
Non-Potable Water System	182,185
Northeast Regional Water Reclamation System	11,812,145
Peninsula Water Reclamation Plant	2,073,980
Regional Treated Water System	67,800,155
Household Hazardous Waste	37,045
TOTAL EXPENDITURES	\$ 88,938,825



FY 2024 BUDGETED EXPENDITURES BY CATEGORY – ALL OPERATING FUNDS

Fund	Budget
Personnel Services	\$ 10,713,945
O&M Expenses	16,278,770
Electricity	4,803,140
Raw Water Purchase (RTWS & NPWS)	14,230,185
Debt Service	39,203,370
Transfers Out	4,450,025
Maintenance Expense	3,288,380
Administration Fund Overhead Expense	1,532,850
Information Technology Expense	641,605
Gross Expenditures before Allocations	\$95,142,270
Allocated to CIP Projects	(6,203,445)
TOTAL OPERATING EXPENDITURES	\$ 88,938,825

(Percentages shown below are based on Gross Expenditures)

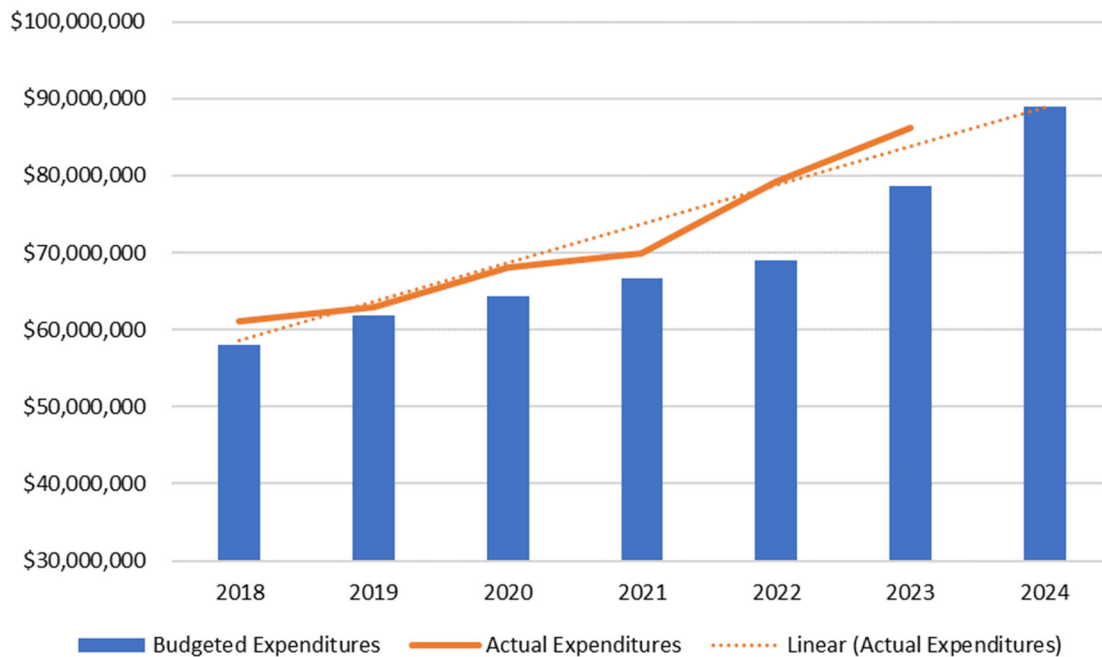


HISTORICAL OPERATING BUDGET VS. ACTUAL OPERATING EXPENDITURES

Fiscal Year	Budgeted Expenditures	Actual Expenditures*
2018	\$ 58,025,700	\$ 61,096,892
2019	\$ 61,839,645	\$ 62,916,357
2020	\$ 64,406,455	\$ 68,050,558
2021	\$ 66,753,975	\$ 69,914,689
2022	\$ 68,916,430	\$ 79,171,069
2023	\$ 78,718,385	\$ 86,206,865**
2024	\$ 88,938,825	N/A

* - FYs 2018, 2019, 2020, 2021, 2022 and 2023 (Estimate) expenditure amounts include transfers of excess working capital of \$5.7M, \$5.7M, \$7.2M, \$8.2M, \$10.2M and \$8.8M respectively, to various funds such as the O&M, Non-Bond Capital, Capital Replacement, and Lake Ralph Hall reserve funds, to be drawn upon in lieu of future debt issues and / or offsets to rate requirements.

** - Estimate



ADMINISTRATION

The purpose of Administration is to facilitate the overall management and organizational focus of the District and to provide support services to the core operations. Administrative and support services include the office of the Executive Director, accounting and financial management, information technology management, human resource management, purchasing / procurement management, risk management and contract management. This also includes 100% of allocated expenses from the newly created Information Technology Fund (see the next section for more information).

MISSION

The Board of Directors sets the overall mission, values, and policies of the organization and is responsible for the District's operation in accordance with authority derived under Article XVI, Section 59 of the Texas State Constitution for the purpose of providing wholesale treated water and other services.

The Executive Director is the Chief Executive Officer responsible for the overall management and supervision of the District. This office is responsible for carrying out the policies and directives identified by the Board. A small support staff provides administrative assistance to the Board of Directors and the Executive Director.

Accounting and Finance, headed by the Chief Financial Officer, is responsible for maintaining the fiscal affairs of the District in a professional manner and consistent with generally accepted accounting principles and statutory requirements. Areas of responsibility include customer billing, accounts payable, payroll, accounts receivable, general ledger maintenance, capital asset records, investment activity, accounting, budget development and monitoring, preparation of the various system's rate models, the issuance of revenue bonds and short-term, variable rate debt, revenue and expenditure forecasting, financial reporting, and coordination with external financial audits.

The Human Resources and Purchasing Division is responsible for recruitment, training, selection, policy development and compliance, benefits administration, pay plan implementation, employee insurance management, and central procurement. The role of HR is to ensure that personnel matters are being handled both fairly, equitably, and without discrimination in accordance with good personnel practices and in compliance with applicable policies, regulations, and laws. Purchasing is responsible for procuring most commodities and services and is the management and control point for the acquisition of supplies and equipment on a decentralized basis throughout the District.

The Governmental Affairs and Communications Division is responsible for overseeing the development and management of customer contracts for participation in the District's Regional Systems and Non-Potable Water System. The role of Governmental Affairs and Communications is to coordinate in a professional manner with each of the District's Customers to ensure services are available and being provided when needed. The Governmental Affairs and Communications Division is also responsible for public education and outreach of the District's watershed protection and water conservation programs. This includes educational demonstrations and tours, presentations to City Councils and local civic and community groups, and the installation coordination of the watershed protection signs throughout the local watersheds.

GOALS AND OBJECTIVES

OFFICE OF THE EXECUTIVE DIRECTOR

- Provide leadership to ensure that the District's overall mission and values are accomplished.
- Provide the Board of Directors timely support and information.
- Ensure that all water and wastewater facilities and programs are operated in compliance with all applicable standards.
- Promote continued innovation and creativity in providing services in a more effective and cost-efficient manner.
- Maintain effective coordination, cooperation, and communication with local governments, State and Federal agencies and continue involvement in civic, professional, and community affairs.
- Motivate employees and encourage teamwork throughout the organization.

ACCOUNTING AND FINANCE

- Maintain effective long-term financial and operational plans.
- Manage cash and investments to optimize investment returns while ensuring safety of principal and maintaining adequate liquidity to meet expenditures in a timely manner.
- Update policies and procedures to effectively maintain a culture of responsible fiscal stewardship that ensures the District meets expectations for continued strong financial performance.
- Manage the Regional Treated Water System Short-Term, Variable Rate Program.
- Process all invoices in a timely and accurate manner.
- Provide prompt and accurate management reports.
- Coordinate updates of the various systems' rate and cash flow models.
- Monitor budgeted funds for operations and capital appropriations.
- Develop forecasted budget data based on sound projection methodology.
- Maintain general ledger and related subsidiary ledgers.
- Coordinate external audit activities. Thoroughly prepare for annual external audit to ensure a clean opinion and a positive Governance Letter.
- Manage revenue bond issues and Texas Water Development Board financings for systems' capital improvements.
- Process and monitor employee payroll to assure timeliness and accuracy.

HUMAN RESOURCES AND PURCHASING

- Administer the classification and pay plan for the District to ensure that the pay and benefits package is competitive in the market.
- Ensure robust interviewing practices to attain quality candidates.
- Review personnel policies and practices and make recommendations for revisions.
- Manage the District's partially self-funded health care plan.
- Promote the general well-being of the work force through assistance and guidance utilizing appropriate resources.
- Maintain and enforce procurement procedures to guide staff through the procurement process while maintaining adequate internal controls and compliance with State and Federal laws.
- Process purchase requests within three working days.
- Manage the District's Laserfiche Project to ensure documents are electronically catalogued.

PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2022 Actuals	FY 2023 Estimates	FY 2024 Target
Ensure timely and accurate Board agendas, reports, and minutes	Board Agendas mailed the Friday prior to the Thursday Board meeting and the Board Minutes approved at the next regularly scheduled Board meeting	100%	100%	100%
Payroll Processing	Process all bi-weekly and special payrolls within required timelines with a minimum accuracy rate of 99%	100%	100%	100%
Employment Rate	Maintain an annual average employment rate of 95% or greater (% of filled positions)	98.0%	94.6%	98.5%
Employee Benefits Administration	Process and maintain all employee benefits within policy requirements	100%	100%	100%
Staffing Requirements for LRH Project (Annual Work Plans – Functional)	Number of new positions added, or current positions transferred to the Lake Ralph Hall Project	2	1	0
Addressing staffing levels to support Operations & Maintenance of District Facilities (Annual Work Plans – Organizational)	Number of new positions added to Operations and Maintenance staff	3	3	4
District Overall Operating expense to budget	% of actual / estimated expenditures compared to the adopted amount for a specific fiscal year	115%	110%	100%
District Overall Operating revenue to budget	% of actual / estimated revenues compared to the adopted amount for a specific fiscal year	107%	105%	100%
Annual budget award submission	Annual budget receives GFOA Distinguished Budget Award	Y	Y	Y
Issue Annual Comprehensive Financial Report	Completion of Annual Comprehensive Financial Report and submitted to GFOA for review	Y	Y	Y
Variable Rate Financing Refunded (Annual Work Plans – Financial)	Number / Dollar Amount of Variable Rate Financing refundings completed by the Finance Division	1 \$22.5M	0 N/A	2 \$30.0M \$55.0M
TxDOT Project Financing (Annual Work Plan – Financial)	Number of TxDOT Capital Projects funded with Non-Bond Capital Reserve Funds (No Rate Effect)	6 of 6	7 of 7	4 of 4
Engineering and Business Internships (Annual Work Plans – Educational)	Number of students participating in the District Intern Program created by the Human Resources Division	4	3	4

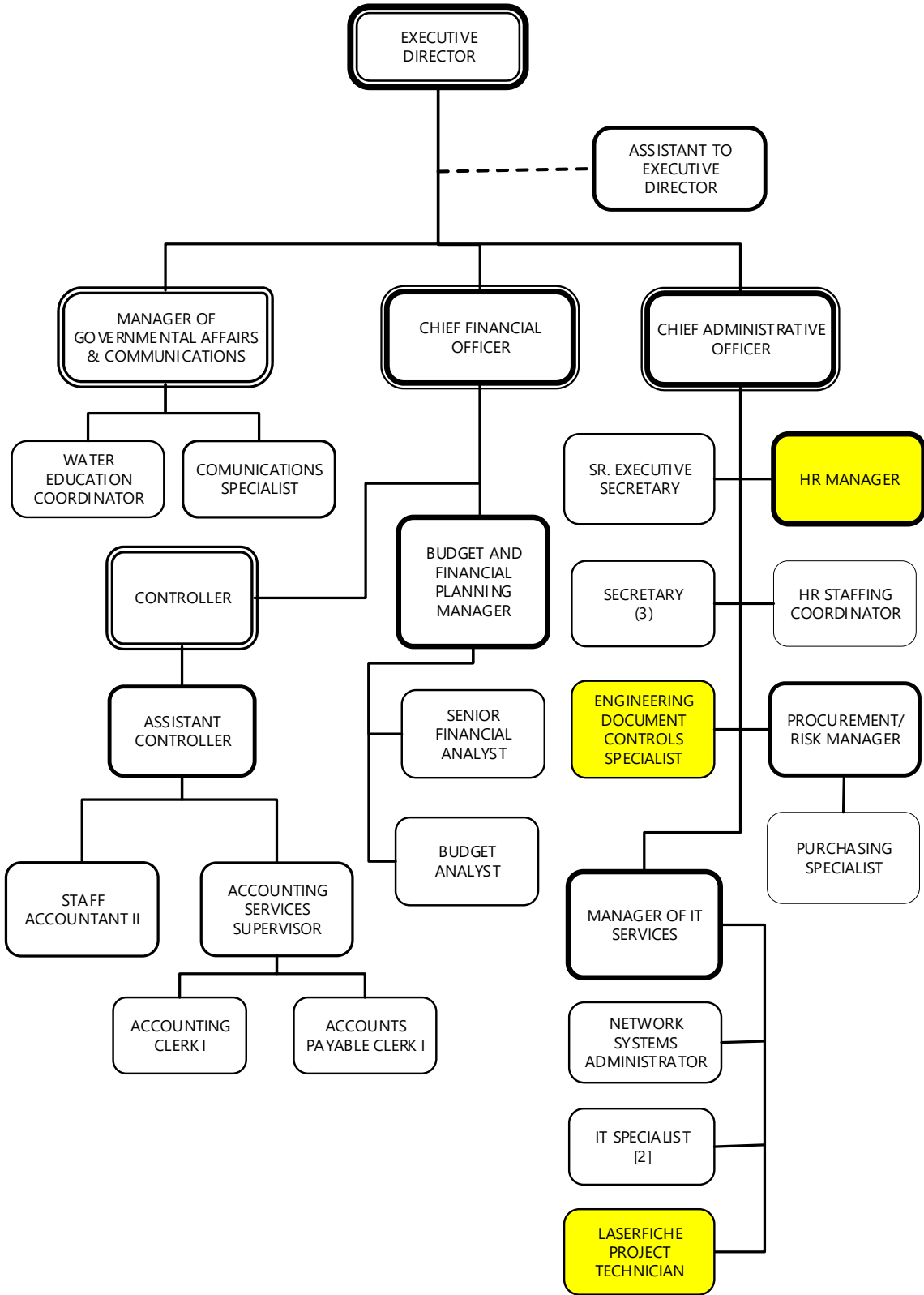
PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2022 Actuals	FY 2023 Estimates	FY 2024 Target
Website updated	Board Agenda and updated Board of Director information posted monthly	100%	100%	100%
Pay all undisputed invoices within 30 days	# of invoices paid within 30 days	100%	100%	100%
Purchase Orders Processing	Process all purchase orders within 3 business days of receipts of a correct and approved purchase requisition	100%	100%	100%
TWDB Financing Agreements Completed for LRH Project (Annual Work Plans – Financial)	Number / Dollar Amounts of Financing agreements completed by Finance Division for the Lake Ralph Hall Reservoir	1 \$135.5M	1 \$110.0M	1 \$48.0M
District's current Commercial Paper Program (from 2022 Annual Work Plan – Financial)	Effort to renew the District's Commercial Paper Program or find a new provider with a similar financial product	Completed	N/A	N/A
District's Direct Purchase Program (from 2023 Annual Work Plan – Financial)	Develop relationship, protocols and appropriate controls for the new variable rate program with PNC Bank.	N/A	Completed	N/A
Bidding & Contracting	Bid and obtain contracts for commodities and services as requested within required timelines and in accordance with policy requirements	100%	100%	100%
Award of Bid/Contract	Finalize contracts, obtain approval, and award all bids and contracts within 90 days or less of bid due date	100%	100%	100%

PERSONNEL SUMMARY

Positions	FY 2022 Actuals	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
Executive Director	.50	.50	.50	.50
Assistant to the Executive Director	1	1	1	1
Manager of Government Affairs and Communications	.20	.25	.25	.50
Water Education Coordinator	.20	.20	.20	.20
Chief Administrative Officer	0	0	1	1
Assistant Director for Administration	1	1	0	0
HR Manager	0	0	0	1
Senior HR Analyst	1	1	1	0
HR Staffing Coordinator	1	1	1	1
HR / Purchasing Technician	1	1	1	0
Procurement and Risk Manager	0	1	1	1
Procurement Supervisor	1	0	0	0
Purchasing Specialist	1	1	1	1
Senior Executive Secretary	1.50	1	1	1
Executive Secretary	1	1	1	0
Secretary	2	2	2	3
Communications Specialist	0	.20	.20	.20
Chief Financial Officer	1	1	1	1
Controller	1	1	1	1
Assistant Controller	1	1	1	1
Accounting Services Supervisor	0	1	1	1
Senior Accountant	1	0	0	0
Staff Accountant II	0	1	1	1
Staff Accountant I	1	0	0	0
Accounting Clerk I	2	1	1	1
Accounts Payable Clerk	0	1	1	1
Budget and Financial Planning Manager	1	1	1	1
Senior Financial Analyst	1	1	1	1
Budget Analyst	1	1	1	1
Engineering	2.60	2.75	2.75	1.83
Total FTEs	25.00	24.90	24.90	23.23

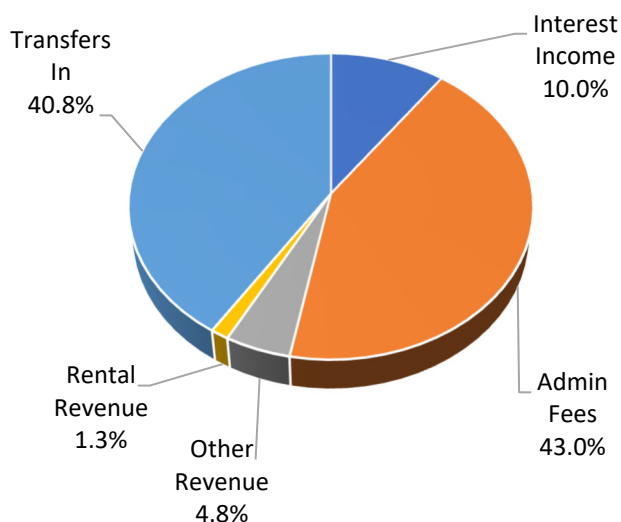
ORGANIZATIONAL CHART



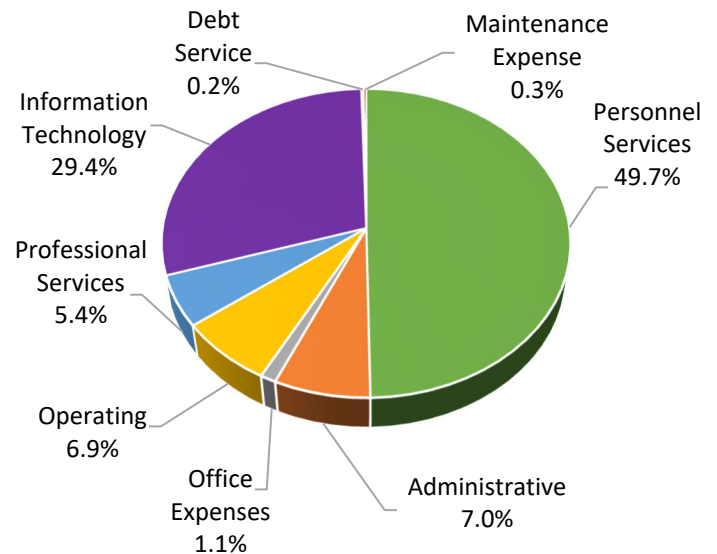
BUDGET SUMMARY

	FY 2022 Actuals	FY 2023 Adopted	FY 2023 Estimates	FY 2024 Adopted
Beginning Balance (Operating Cash)	\$ 304,043	\$ 348,938	\$ 259,096	\$ 219,086
Operating Revenue				
Interest Income	\$ 4,590	\$ 8,000	\$ 29,400	\$ 39,000
Admin Fees	161,683	166,230	166,230	168,735
Other Revenue	16,112	17,500	19,630	19,000
Rental Revenue	7,007	5,655	5,510	5,235
Transfers In	140,000	160,000	160,000	160,000
Total Operating Revenue	\$ 329,392	\$ 357,385	\$ 380,770	\$ 391,970
Operating Expense				
Personnel Services	\$ 3,178,970	\$ 3,405,240	\$ 3,371,115	\$ 3,260,260
Administrative	283,534	374,700	429,580	457,155
Office Expenses	53,030	69,300	69,350	74,600
Professional Services	216,274	236,640	277,785	352,645
Operating	241,477	318,095	328,925	455,640
Information Technology	1,179,068	1,570,630	1,865,920	1,929,640
Shared Debt Payment	20,357	20,360	12,200	12,200
Transfers Out	-	-	86,585	-
Maintenance Expense	2,311	5,200	4,860	16,440
Total Operating Expense	\$ 5,175,021	\$ 6,000,165	\$ 6,446,320	\$ 6,558,580
Allocation to Operations & CIP	(4,800,682)	(5,675,885)	(6,025,540)	(6,203,445)
Net Operating Expense	\$ 374,339	\$ 324,280	\$ 420,780	\$ 355,135
Ending Balance (Operating Cash)	\$ 259,096	\$ 382,043	\$ 219,086	\$ 255,921

Operating Revenues



Operating Expenditures



SUMMARY OF MAJOR CHANGES

FEE STRUCTURE

	FY 2023 Budget	Adopted FY 2024 Budget
Minimum fee	\$500	\$500
Population up to 5,000	\$0.435 per capita	\$0.435 per capita
Population 5,001 to 25,000	\$0.244 per capita	\$0.244 per capita
Population over 25,000	\$0.096 per capita	\$0.096 per capita

REVENUE

- Adopted fees for FY 2024 are based on 2023 population estimates from the North Central Texas Council of Governments or provided directly by customers / members.
- Other Revenue includes revenues from credit card rebates and auction items.
- Rental Revenue reflects rental income estimated for the front office space leased to outside parties at the 802 N. Kealy Street building and is allocated to operating funds based on the initial cost allocation for the purchase price and the subsequent expenses to remodel the building.
- The transfer in from the Regional Treated Water System (\$100,000) and the Northeast Regional Water Reclamation System (\$60,000) is the customer surcharge that assists in funding administration services.
- Interest income is representative of current market conditions.

EXPENSES

PERSONNEL SERVICES

- The adopted budget for Administration provides funding for 23.23 full-time equivalent positions after reclassing a Human Resources / Purchasing Technician to a Laserfiche Technician (Information Technology Fund) and an Executive Secretary to an Engineering Document Control Specialist (allocated 90.0% to the Engineering Fund and 10.0% to the Administration Fund).

ADMINISTRATIVE

- Memberships, Dues, and Subscriptions includes increases to the annual cost for various professional organizations for the District (entity memberships) and for individual staff members.
- Employee Recognition Program increase is due to projected higher food costs for the District's quarterly employee luncheons and recognition program, as well as additional costs projected for the annual employee event.
- Conference, Training, and Travel increase is due to District staffs' participation in professional organization conferences, as well as management's focus on ensuring that proper training is provided to its workforce. Over the past several years, staff participation with conferences and travel was suppressed due to the Covid 19 pandemic.
- Insurance – Property, General Liability (GL), Vehicle, and Cybercrime expense increase is inclusive of a projected 10.0% rate increase for General Liability and Errors and Omissions, an actual rate increase of 25.0% for Cybercrime Insurance, and a 20.0% actual rate increase for Vehicle and Property insurance.

- The decrease in Bank Fees is due to the increases to the investment interest rates since FY 2022 when the District was assessed these fees. As interest rates increase, the bank fees charged to the District decrease.
- Meetings cost increase is based on providing food and refreshments for a projected number of Board and Committee meetings.
- Public Information includes District website design and media campaigns for the District's various programs and construction project updates.
- Equipment and Furniture less than \$5,000 (Non-capitalized assets) includes administrative items such as desks, office chairs, and filing cabinets that have a cost less than \$5,000.

PROFESSIONAL SERVICES

- Equipment Service includes the cost of fire alarm equipment inspections and fire extinguisher exchanges.
- Other Outside Services increase includes aquarium maintenance, employee drug testing, pest control, job applicant background checks, backflow preventor inspections, etc. In addition, \$100,000 is included for a market salary study to be completed by an outside vendor.

OPERATING

- Botanical cost includes a projected 10.0% increase from vendor (new contract) for mowing and flowerbed maintenance. Additional funds have been included for the replacement of garden banners, plant labels, and certain landscaping surrounding District headquarters buildings.
- Building Maintenance and Improvements includes funding for the upkeep of the 900 Kealy Street administrative and 802 Kealy Street annex buildings. Additionally, \$30,000 is included to install new cubicles for the Engineering Division work area. This project was added at Mid-Year 2023, but due to supply chain issues, the new cubicles will not be available until after October 2023.
- Vehicle expense includes a full year of lease payments (along with an initial payment for aftermarket equipment added to vehicles) for one vehicle used by Administration fund staff and five vehicles used by Engineering / Construction inspectors. The FY 2023 adopted budget included only six months of this expense due to the unavailability of lease vehicles in the local market. In addition, this expense category includes the cost of fuel and tolls for all vehicles (leased or District owned).
- Utilities include water, gas, trash, and recycling services and reflects a projected 5% increase in rates for these services from FY 2023.
- Uniforms expense includes the cost of providing work shirts, boots, etc., to Engineering / Construction staff.
- Equipment and Furniture greater than or equal to \$5,000 includes the purchase of a new construction trailer for use at capital improvement project sites (\$50,000) and funding to rehabilitate and upgrade the patio / deck area at 802 N. Kealy street building annex (\$40,300).
- Maintenance Expense is for the 802 N. Kealy rental property. The portion of the adopted Maintenance budget allocated to this property reflects a decrease of 1.335% from FY 2023 (2.835% to 1.500%) based on work orders.

INFORMATION TECHNOLOGY

- The Information Technology (IT) expense includes all IT costs for the District in a separate fund. Further details are available in the Information Technology Fund section.

SHARED DEBT PAYMENT

- The Shared Debt payment funds a direct portion of debt service related to the administrative offices, Board Room, and administrative annex at 802 N. Kealy.

TRANSFERS OUT

- The FY 2023 transfer out of \$86,585 represents the Administration Fund's outstanding portion of a loan from the Regional Treated Water System's Non-Bond Capital Reserve (RTWS-NBCR) to purchase the 802 N. Kealy annex building (\$83,085) and its portion of RTWS-NBCR funds used to complete the Operations Data Management System Improvements capital project (\$3,500). This transfer utilized excess working capital identified from FY 2022 operations.

MAINTENANCE EXPENSE

- The account reflects the allocated portion of the adopted Maintenance budget to the 900 and 802 N. Kealy administrative offices (0.500%), an increase of 0.335% from FY 2023.

ALLOCATION TO OPERATIONS & CIP

- The Administration Fund is funded by the fees (5.0%) with the remaining costs (95.0%) allocated to the operating systems and capital projects of the District.

ACCOMPLISHMENTS FOR FY 2022-2023

- ✓ Issue Comprehensive Annual Financial Report which conforms to program standards of the Governmental Finance Officers Association that must satisfy both generally accepted accounting principles and applicable legal requirements.
 - *The District received its twenty-second consecutive Certificate of Achievement award for Excellence in Financial Reporting.*
- ✓ Submitted Operating and Capital Budgets which conforms to program standards of the Governmental Finance Officers Association that must satisfy nationally recognized guidelines for effective budget presentation.
 - *The District submitted and received its fourteenth Distinguished Budget Presentation Award.*
- ✓ Process bi-weekly payroll accurately and timely.
 - *Processed 26 bi-weekly payrolls within the allowable time for direct deposit.*
- ✓ Administer the benefits package.
 - *Processed approximately \$2,112,550 of medical claims and approximately \$794,531 of Medical Stop-Loss Claims.*
 - *Teladoc services available with an annual utilization of 20.6% with an estimated District savings of \$7,081.*
 - *Successfully negotiated the employee health insurance contract with current provider and selected a new Stop Loss Carrier.*
 - *ROTH option added to Mission Square Retirement Plan.*
- ✓ Recruit capable candidates for vacant positions.
 - *Worked with Directors, Managers, Superintendents, and Supervisors to successfully advertise, interview, and fill 19 vacant full-time positions.*
- ✓ Continued contract renewal for the Wastewater Internship Program with Tarrant County College (TCC).
 - *The program was expanded to all District Water Reclamation Plants and an agreement was renewed with one junior college that offers the internship program.*
- ✓ Continued the District's Summer Intern Program to support the Engineering and Business Divisions.
 - *The District had three interns participating in the District's summer intern program from May thru August 2023.*
- ✓ Began new employment outreach by participating in local job fairs, high school career days and college career fairs.

- *Participated in the Lake Cities Chamber of Commerce Career Fair (10-19-22)*
 - *Participated in Lewisville Independent School District's High School Career Day (3-3-23)*
 - *Participated in SMU Engineering Career Fair (2-14-23)*
- ✓ Continued to monitor and manage the Direct Purchase Program.
- *As of September 30, 2023, \$60.80M out of an authorized \$75.0M credit line has been utilized to fund various capital projects identified in the Regional Treated Water System.*
- ✓ Prepared and processed bid documents.
- *Completed 9 competitive sealed bids.*
 - *Completed 50 contract renewals.*
 - *Processed / Issued 268 Purchase Orders for a total of \$4.9 million.*
 - *Processed / Issued 12 new contracts.*
- ✓ Continue to expand the Watershed Protection Program.
- *Conduct quarterly water quality sampling at four different locations within the Lewisville Lake watershed to monitor stream flow, dissolved oxygen, pH factor, and other parameters.*
 - *Continued the operation of the Upper Trinity Conservation Trust as a 501(c)(3) land trust to acquire conservation easements or fee simple ownership of riparian buffer areas along streams and creeks as a means of protecting the water quality in local water supplies.*
 - *More than 200 watershed signs have been installed along roads and creeks throughout the Lewisville, Grapevine, and Ray Roberts Lakes' watersheds as well as the Trinity River and North Sulphur River watersheds. Said signs have been GIS identified and are maintained in District databases. Additionally, staff continue to monitor the condition and visual status of these signs, making upgrades and improvements as needed.*
 - *Continued providing outreach and education opportunities to civic groups, students, and others about being good stewards of our land and water resources, emphasizing the need to keep our watershed clean 'right where we live'.*
 - *In a joint effort with the Upper Trinity Conservation Trust and Denton County, continue implementing the Greenbelt Master Plan for Denton County. The purpose of the Plan is to protect greenbelt areas and riparian assets and to create a common vision for voluntary participation in preserving these irreplaceable assets. Held an educational event to promote preservation and protection of riparian areas.*

INFORMATION TECHNOLOGY

The core purpose of Information Technology is to address the technological needs of the District while providing vital support services to its foundational operations. This encompasses a range of services such as conceptualizing, upkeeping, and expanding primary and secondary network communications, overseeing the District's infrastructure, while ensuring holistic security measures. Other responsibilities involve providing a well-handled help desk, efficient management of IT assets and strategic planning, monitoring vendor contracts and their outcomes, enabling adaptable and secure access from any location, guaranteeing adherence to license agreements, administering audiovisual setups, supervising intrusion, and access control frameworks, and managing video surveillance systems.

The Information Technology Division is designated under the umbrella of Administration, with the IT Manager reporting to the Chief Administrative Officer. The IT budget, however, is shown separately.

MISSION

Information Technology Services is responsible for managing technological support of the District to identify and respond to its changing needs through fiscally responsible collaboration and innovation. This includes overseeing network security, maintaining hardware components, operating system, and application software, providing help desk support and training, ensuring compliance with all software license agreements, backup of all District data, managing audio-visual systems, District intrusion alarm, access control, video surveillance systems, and design and maintenance of primary and secondary communications systems for the District's networks.

GOALS AND OBJECTIVES

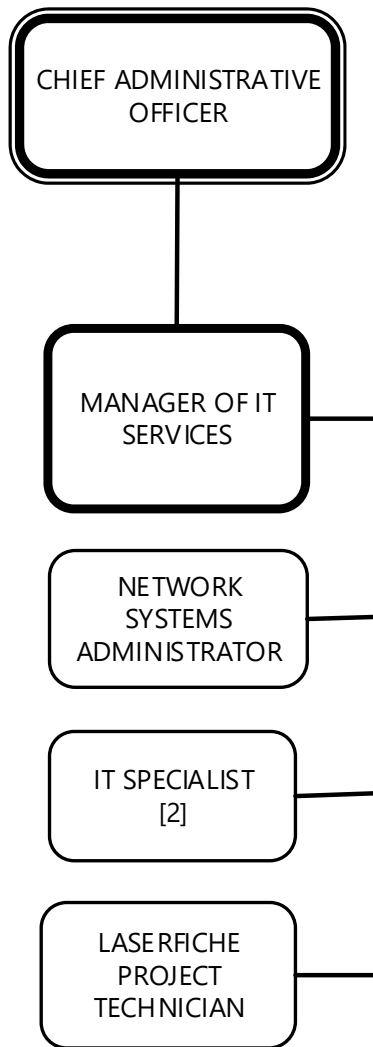
- **Optimize IT Infrastructure:** Assess and optimize the organization's IT infrastructure including planning, procurement, installation, deployment, staff training and maintenance for all technology products of the District.
- **Efficiency Enhancement:** Improve the efficiency of processes and operations through the implementation of technology solutions, leading to increased productivity while maintaining appropriate safeguards for cyber security threats.
- **Upgrade Legacy Systems:** Gradually modernize or replace outdated systems to improve performance, compatibility, and security while maintaining business continuity.
- **Achieve High Availability:** Implement redundancy and failover mechanisms to ensure that critical systems are available and operational with minimal downtime.
- **Security and Privacy:** Ensure the confidentiality, integrity, and availability of data and systems by implementing robust security measures and adhering to industry best practices for data protection and privacy.
- **Collaboration and Communication:** Enable seamless communication and collaboration among teams and departments by implementing tools and systems that facilitate information sharing and teamwork.

PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2022 Actuals	FY 2023 Estimates	FY 2024 Target
Servers, desktop and laptop computers, mobile devices maintained	% of total number of hardware components maintained	100%	100%	100%
Network reliability	Calculation of network operational days as a percentage of total available network days	99%	100%	100%
Monitor life cycles of all District devices and software to ensure continued support and plan for end-of-life replacement	% of total number of devices and software life cycles monitored	100%	100%	100%
Backup of all District data, using a hybrid system, including an on-premises device and transfer of backup data to remote virtual servers	Calculation of data backed up as a percentage of total District data store	100%	100%	100%
Development of intranet (from Annual Work Plans)	Completion of Intranet site for Human Resources	On-going	On-going	Complete

PERSONNEL SUMMARY / ORGANIZATIONAL CHART

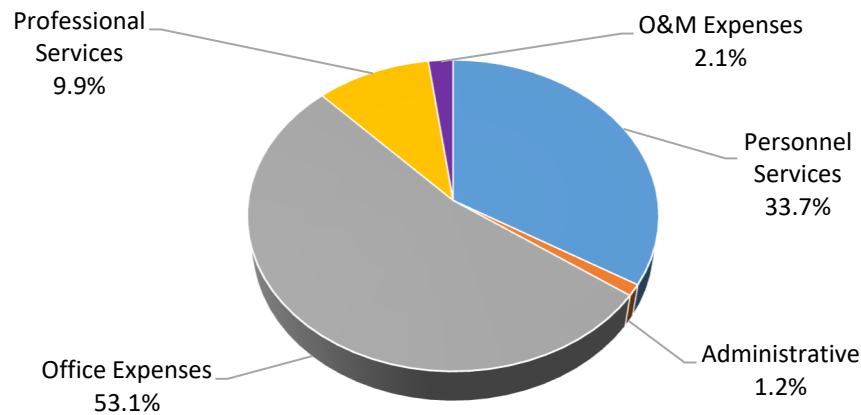
Positions	FY 2022 Actuals	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
Manager of IT Services	1	1	1	1
Network Systems Administrator	1	1	1	1
IT Specialist	2	2	2	2
Laserfiche Project Technician	0	0	0	1
Total FTEs	4	4	4	5



BUDGET SUMMARY

	FY 2022 Actuals	FY 2023 Adopted	FY 2023 Estimates	FY 2024 Adopted
Beginning Balance (Operating Cash)	\$ -	\$ -	\$ -	\$ -
Operating Expense				
Personnel Services	\$ 525,332	\$ 507,850	\$ 533,910	\$ 650,125
Administrative	10,645	23,955	15,780	22,890
Office Expenses	537,421	898,555	1,113,295	1,023,925
Professional Services	76,324	96,600	147,935	191,100
O&M Expenses	29,346	43,670	55,000	41,600
Total Operating Expense	\$ 1,179,068	\$ 1,570,630	\$ 1,865,920	\$ 1,929,640
Allocation to Administration	(1,179,068)	(1,570,630)	(1,865,920)	(1,929,640)
Ending Balance (Operating Cash)	\$ -	\$ -	\$ -	\$ -

Operating Expenditures



SUMMARY OF MAJOR CHANGES

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 5.00 full-time equivalent positions and includes a position transferred from the Administration Fund and reclassified as a Laserfiche Project Technician.

ADMINISTRATIVE

- Conference, Training, and Travel expenses include funding for Information Technology staff certification training and Cyber-Security awareness training for the District. The increase reflects expenses for a fully staffed department.
- No budget request was made for Equipment and Furniture less than \$5,000.

OFFICE EXPENSES

- Computer Equipment and Supplies cost includes employee startup (new positions) and replacement equipment, annual software licenses, software support, and subscription services. Major items include Cartegraph CMMS subscription, Tableau licenses, Incode software, Microsoft 365 with Online access, Laserfiche, and ArcGIS subscription and hosting. This expense category reflects an increase due to upgrading Audio / Video equipment software and control panels at the 802 N. Kealy annex and for a new annual software subscription that was placed into service at mid-year 2023 upon completion of the Wonderware System Platform project.
- Supplies include printing expenses and office supplies and are increased to match prior year expenditures.

PROFESSIONAL SERVICES

- Other Outside Service expense includes Security Compliance / Penetration testing services and the cost of installing security control panels / devices for two access doors at the 802 N. Kealy annex that was recently converted to house District staff.
- Equipment Service increase is due to the addition of a maintenance contract for the Wonderware System Platform and Stratus software that was placed into service during FY 2023.

O&M EXPENSES

- Vehicle expense reflects an increase for fuel and maintenance costs for two vehicles assigned to the Information Technology Department.
- The Machinery, Equipment, and Tools account increase reflects additional funding for the purchase of hand tools for computer / printer maintenance and for the purchase of two drones for use in District construction project inspection activities.
- No budget request was made for Furniture and Equipment greater than \$5,000.

ALLOCATION TO ADMINISTRATION

- Total operating expenses for the Information Technology budget are allocated to the Administration Fund and subsequently distributed to District operating systems and capital projects.

ACCOMPLISHMENTS FOR FY 2022-2023

- ✓ Continue to promote awareness and knowledge of potential cybersecurity issues.
 - Contract with unbiased Security and Compliance firm to perform Vulnerability Assessments and Penetration Testing on all District endpoints to evaluate and initiate applicable recommendations based on best practices. This testing will be performed on an annual basis.
 - Updated cybersecurity training curriculum provided to all District employees throughout the year to reinforce awareness of new and ever-evolving cyber threats. Simulated phishing campaigns will continue to be utilized to assess our user base to identify problem areas.
- ✓ Completion of the phased upgrade to System Platform.
 - Collaborated with the Systems integrator to implement an ongoing upgrade project, involving the installation of thin clients, laptops, networking, and associated equipment.
- ✓ Continued work transforming District data services through server virtualization.
 - Implemented and virtualized two domain controllers, specifically tailored to optimize the performance and functionality of the SCADA (Supervisory Control and Data Acquisition) domain network systems used in operational activities. By virtualizing these controllers, the District aimed to enhance the reliability, scalability, and overall management of its SCADA network, leading to improved operational efficiency, and streamlined maintenance processes.
- ✓ Facilitated technology expansion to the additional office space of the District Annex complex.
 - Implemented workstation setups for new office space including, computer setup, printer setup, and VOIP phone systems.
 - Expanded network resources to the expansion offices to accommodate the needs of the workstations including network switch setup and printer/coper/scanner installation.
 - Designed and implemented 2 conference room audio/visual system setups.
- ✓ Contributions in design of I&C controls and network communication for Lake Ralph Hall.
 - Engaged in construction meetings for the design needs of instrumentation and control for the Lake Ralph Hall pump station, balancing reservoir, and delivery point construction.
 - Engaged in construction meetings for the design needs of network communications for the Lake Ralph Hall pump station, balancing reservoir, and delivery point construction.
- ✓ Implementation of proof of concept for remote communications.
 - Installation, testing, and confirmation of remote cellular communication technology at 2 point of delivery metering sites for the NE regional treated water system. This proof of concept delivered valuable insight for the future use of cellular communication with the District SCADA system.
- ✓ Completed version upgrade for financial software suite.

- Executed a comprehensive software version upgrade for the financial software suite by Tyler Technologies, specifically the Incode ESP system. This task involved a seamless transition from version 9.0 to version 10, facilitated through close collaboration with Tyler's support team. The process encompassed various steps to ensure a smooth migration, such as data backup, system testing, and troubleshooting potential compatibility issues.
 - Collaborated closely with District staff to identify their training requirements and developed a tailored training plan to address the challenges posed by the significant version transition.
 - Ensured a successful adoption of the new version, minimizing disruptions and maximizing the benefits of the upgraded software for financial and budget management processes.
- ✓ Continued development of Intranet site.
- Collaboration with stakeholders gathering functional requirement needs. This includes defining content types, document management needs, search functionality, and workflows.
 - Developing a project plan.
 - Solution design in progress.

WATER RECLAMATION SYSTEMS

The District is committed to protecting public health and raw water supplies by providing superior wastewater treatment for our customers and anticipating future treatment requirements using responsible planning practices. The Northeast Regional Water Reclamation System (NERWRS), consisting of the Riverbend Plant and the Doe Branch Plant, and separately the Peninsula Water Reclamation Plant (PWRP), serve the northeastern portion of Denton County, generally north of Lewisville Lake and east of Highway 377. The Lakeview Regional Water Reclamation System (LRWRS) serves the communities generally west of Lewisville Lake.

MISSION

Our mission is to provide superior wastewater treatment 365 days a year that meets or exceeds all state and federal regulations. The District will hire and train qualified staff to operate and maintain the treatment facilities. The Operations Department will be a leader in the wastewater utilities field.

GOALS AND OBJECTIVES

- Discharge effluent from District water reclamation facilities that meets all regulatory treatment requirements.
 - Maximize redundancy by ensuring that treatment plant and collection system equipment and emergency power generators are adequately sized, operated, and maintained so that wastewater can be transported and treated at water reclamation plants at all times.
 - Zero permit violations.
 - Achieve Gold / Platinum Award from National Association of Clean Water Agencies.
 - Monitor plant influent and effluent daily.
 - Using industry-recognized process control methods, make operational treatment changes necessary to produce superior quality effluent.
 - Dewater and arrange for timely transport and disposal of all biosolids.
 - Maintain a trained and experienced operations staff.
- Maintain all water reclamation facilities to the highest standard of operational efficiency.
 - Zero operational downtime for critical infrastructure and equipment.
 - Timely repair of all equipment.
 - Operate and maintain equipment as specified in O&M manuals.
 - Scheduled maintenance performed according to manufacturer's recommendations.
 - Monitor equipment constantly and report any maintenance requirements promptly.
 - Be cognizant of new, or improved, methods and equipment that would benefit Operations, Maintenance, and the communities we serve.
- Maintain facilities with a good neighbor policy.
 - Minimize and address all complaints from host community to the best of our ability.
 - Maintain and monitor odor control facilities routinely.
 - Schedule routine maintenance of buildings and fences.
 - Keep landscaped areas in top condition year-round.
 - Monitor grounds daily and report any maintenance requirements promptly.
 - Offer tours of water reclamation plants to local schools and other organizations.

- Maintain security / safety of systems and resources.
 - Secure all the District's remote facilities by use of cameras and other means necessary.
 - Continue to develop and implement new requirements for data management to facilitate data sharing and data analysis and ensure that this data is safely stored.
 - Manage the Supervisory Control and Data Acquisition System (SCADA) to ensure maximum benefit and minimal down time.
 - Take steps to improve networking, SCADA, and communications system needs to actively monitor all remote facilities and stay up to date with current technology.
 - Maintain all plant communication and networking systems within industry guidelines and update hardware and software as needed to keep all systems operating efficiently.

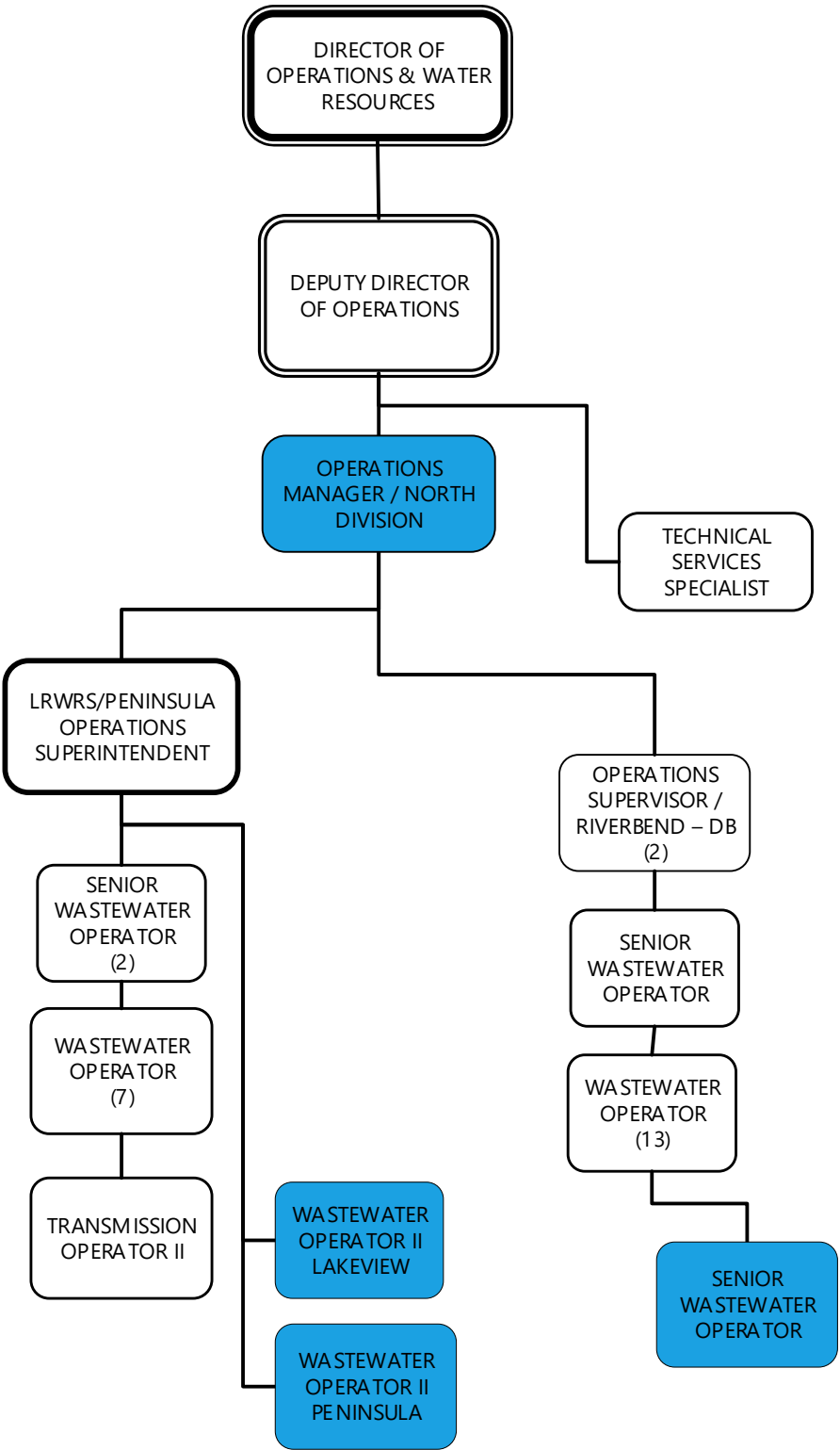
PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2022 Actuals	FY 2023 Estimates	FY 2024 Target
Effluent Quality	Achieve 100% regulatory compliance / NACWA Award - All District Water Reclamation Plants	100% / Platinum	100% / Platinum	100% / Platinum
Process Control Testing	Ratio (%) of tests completed / total tests required - All District Water Reclamation Plants	200%	200%	200%
Biosolids Processing	Number of tons of biosolids processed and hauled to disposal - Lakeview - Riverbend - Doe Branch - Peninsula	1,361 724 1,385 213	1,400 1,100 1,600 400	1,400 1,100 1,600 400
Equipment Shutdowns	Percent of time critical equipment is available - All District Water Reclamation Plants	>99%	>99%	>99%
Complaints From Neighbors / Addressed	Number of odor complaints per year / percent addressed - All District Water Reclamation Plants	0 / 100%	0 / 100%	0 / 100%
Lift Station Assessments (from Annual Work Plans – Functional)	Percentage of budgeted funds expended by District staff to complete a condition assessment of all District water reclamation lift stations / Percentage of budgeted funds spent to complete design / improvements	65%	100%	100%
TCEQ Discharge Permits (from Annual Work Plans – Functional)	Finalize the discharge permits for certain Water Reclamation Plants - Lakeview - Riverbend - Doe Branch	Under TCEQ Review Completed Completed	Completed N/A N/A	N/A N/A N/A

PERSONNEL SUMMARY

Positions	FY 2022 Actuals	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
Director of Operations & Water Resources	.50	.50	.50	.50
Assistant Director of Operations	.55	.55	.55	0
Deputy Director of Operations	0	0	0	.55
Operations Manager - North	0	0	0	.50
Technical Services Specialist	.55	.55	.55	.55
Electrical Engineer	.15	.15	.15	.15
Water Resource Specialist	.15	0	0	0
LRWRS/Peninsula Operations Superintendent	1	1	1	1
Operations Supervisor-Riverbend / Doe Branch	.95	1	1	2
Senior Wastewater Operator	3	3	3	4
Wastewater Operator III	9	8	8	11
Wastewater Operator II	6	6	6	8
Wastewater Operator I	5	7	7	3
Senior Transmission Operator	0	.50	.50	0
Transmission Operator	.50	0	0	.50
Water Operator II / Clerk	.10	0	0	0
Regulatory & Environmental Compliance Coordinator	0	.15	.15	.08
Total FTEs	27.45	28.40	28.40	31.83

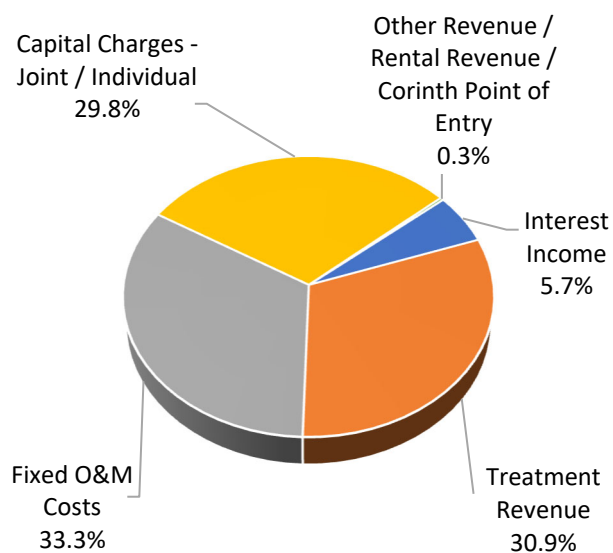
ORGANIZATIONAL CHART



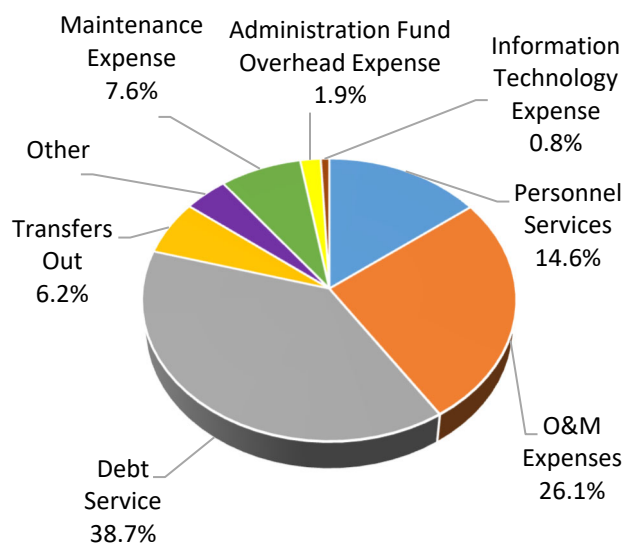
BUDGET SUMMARY - LRWRS

	FY 2022 Actuals	FY 2023 Adopted	FY 2023 Estimates	FY 2024 Adopted
Beginning Balance (Operating Cash)	\$ 1,951,011	\$ 1,624,321	\$ 1,880,662	\$ 2,067,122
Operating Revenue				
Interest Income	\$ 42,364	\$ 65,000	\$ 298,445	\$ 418,500
Treatment Revenue	1,797,798	2,167,900	2,042,890	2,262,375
Fixed O&M Costs	2,256,747	2,367,460	2,367,460	2,441,555
Capital Charges - Joint / Individual	3,008,620	2,953,310	2,953,310	2,179,825
Transfers In	10,274	36,805	40,780	-
Corinth Point of Entry	11,504	11,320	11,655	11,320
Other Revenue	19,507	11,300	15,350	11,300
Rental Revenue	6,370	5,140	5,010	4,760
Total Operating Revenue	\$ 7,153,184	\$ 7,618,235	\$ 7,734,900	\$ 7,329,635
Operating Expense				
Personnel Services	\$ 828,319	\$ 881,120	\$ 904,170	\$ 975,810
Administrative	115,875	138,185	131,585	160,430
Office Expenses	1,760	2,900	4,010	2,900
Professional Services	43,659	49,500	48,395	67,835
O&M Expenses	1,375,140	1,593,260	1,581,310	1,742,510
Debt Service	3,038,819	3,034,755	3,034,070	2,581,440
Transfers Out	1,397,296	466,630	1,222,615	412,725
Shared Debt Payments	40,816	40,815	33,400	33,400
DCFWS #7 - Corinth Point of Entry	10,354	10,190	10,490	10,190
Maintenance Expense	294,157	409,800	382,985	509,700
Administration Fund Overhead Expense	59,971	208,350	137,875	127,640
Information Technology Expense	17,367	74,395	57,535	53,600
Total Operating Expense	\$ 7,223,533	\$ 6,909,900	\$ 7,548,440	\$ 6,678,180
Ending Balance (Operating Cash)	\$ 1,880,662	\$ 2,332,656	\$ 2,067,122	\$ 2,718,577

LRWRS Operating Revenues



LRWRS Operating Expenditures



SUMMARY OF MAJOR CHANGES - LRWRS

SUBSCRIBED CAPACITIES

Entity	FY 2023 Budget	FY 2024 Budget
Bartonville	0.0378 mgd	0.0378 mgd
Corinth	1.6080 mgd	1.6080 mgd
DCFWSD #7	0.8440 mgd	0.8440 mgd
Double Oak	0.0080 mgd	0.0080 mgd
Highland Village	1.6500 mgd	1.6500 mgd
Lake Cities MUA	1.1810 mgd	1.1810 mgd
Total	5.3288 mgd	5.3288 mgd

PROJECTED FLOWS

Entity	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
Bartonville	0.0040 mgd	0.0072 mgd	0.0040 mgd
Corinth	1.4100 mgd	1.3621 mgd	1.4100 mgd
DCFWSD #7	0.8400 mgd	0.8691 mgd	0.8400 mgd
Double Oak	0.0025 mgd	0.0022 mgd	0.0025 mgd
Highland Village	1.3500 mgd	1.1698 mgd	1.3500 mgd
Lake Cities MUA	1.0300 mgd	0.9541 mgd	1.0500 mgd
Total	4.6365 mgd	4.3645 mgd	4.6565 mgd

RATE STRUCTURE

	FY 2023 Budget	FY 2024 Budget
Treatment Rate	\$1.30 / 1,000 gallons	\$1.35 / 1,000 gallons
Fixed O&M Charge*	\$444,275 / mgd	\$458,180 / mgd

*Fixed O&M does not include Capital Charges. Capital Charges for Joint and Individual Facilities are combined and identified by individual entity on the next page.

CAPITAL CHARGES FOR JOINT / INDIVIDUAL FACILITIES

Entity	Individual	Joint	Total
Bartonville	\$5,275	\$9,805	\$15,080
Corinth	\$80,440	\$417,195	\$497,635
DCFWSO #7	\$458,825	\$218,975	\$677,800
Double Oak	\$9,590	\$2,075	\$11,665
Highland Village	\$203,815	\$428,095	\$631,910
Lake Cities MUA	\$39,325	\$306,410	\$345,735
Total	\$797,270	\$1,382,555	\$2,179,825

REVENUE

- Interest Income is representative of current market conditions.
- Treatment and Transportation revenue reflects the projected flows at the adopted rate for the variable costs.
- Fixed O&M Charges for Joint Facilities are assessed to recover fixed costs of the system, not including debt service costs.
- Capital Charges for Joint / Individual Facilities are assessed to recover debt service costs associated with capital facilities for a particular customer. The adopted FY 2024 capital charges are based on the allocated debt service requirement for each entity's individual pipeline(s), as well as their portion of joint debt.
- There are no transfers in for FY 2024. Due to the projected completion of the Peninsula Plant Expansion, Phase 3, which included the installation of sludge processing facilities, the transfer of biosolids from the Peninsula Plant to the Lakeview Plant for processing (and subsequent electricity cost reimbursement) was discontinued in FY 2023.
- Corinth point-of-entry near I-35E transportation charge is collected and credited to DCFWSO #7 (Lantana) for rental of pipeline capacity.
- Other Revenue includes income from Lake Dallas animal shelter and the electric load shedding rebate program through Voltus.
- Rental Revenue includes the pro rata share of 802 N. Kealy annex rental income.

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 8.13 full-time equivalent positions including one new position (Wastewater Operator II).

ADMINISTRATIVE

- Insurance – Property, General Liability (GL), and Vehicle expense is inclusive of a projected 10.0% rate increase for General Liability and a 20.0% rate increase for Vehicle and Property insurance.
- Equipment and Furniture less than \$5,000 (Non-capitalized assets) includes administrative items such as desks, office chairs, and appliances for breakrooms with a cost of less than \$5,000.

PROFESSIONAL SERVICES

- Engineering expense includes funding to complete a study of construction standards for the Lakeview Regional Water Reclamation System capital improvement program. This study will be completed in all District water and wastewater systems and the Peninsula Plant.
- Other Outside Services expense includes pest control, inspection services for backflow prevention and fire alarms, document shredding, and financial advisory services.

O&M EXPENSES

- Plant Supplies expense includes employee uniforms, medical / first aid, and personal safety supplies. This cost increased due to the addition of a new wastewater operator for FY 2024.
- Vehicle expense includes a full year of lease payments (along with an initial payment for aftermarket equipment added to vehicles) for 100.0% of the Lakeview Plant Superintendent's vehicle and 74.0% of remaining vehicles (4) shared between the Lakeview and Peninsula Plants. The FY 2023 adopted budget included only six months of this expense due to the unavailability of lease vehicles in the local market. In addition, this expense category includes the cost of fuel, maintenance, and tolls for all vehicles (leased or District owned).
- Lab Supplies and Services expense includes lab supplies used by District staff for required monitoring and testing of wastewater samples, including fees paid to an outside testing service as required by the Texas Commission on Environmental Quality's monitoring system. Due to a double-digit price increase for most of the testing vendor's services, projected costs reflect a 21.0% increase from FY 2023 budgeted costs.
- Utilities includes water, gas, trash, and recycling services and reflects a projected increase in rates for these services from FY 2023.
- Chemical expense increase is due to projected price increases for wastewater chemicals from pricing volatility in the oil and petroleum industry.

DEBT SERVICE

- Debt Service expense decrease is due to paying off a portion of the Series 2012 Refunding Bonds that included the Series 2001 State Revolving Fund loan from the Texas Water Development Board.

SHARED DEBT PAYMENTS

- Shared Debt Payments fund a direct portion of debt service related to the administrative offices and Board Room. The outstanding balance of a loan from the Regional Treated Water System's Non-Bond Capital Reserve for the purchase of the 802 N. Kealy annex building was paid off at mid-year 2023 with excess working capital identified from FY 2022 operations.

TRANSFERS OUT

- A contribution to the Non-Bond Capital Reserve is recommended to allow for equity cash funding of future capital projects. The FY 2023 transfer out of \$593,580 was made from excess working capital identified from FY 2022 operations.
- The transfer out to the O&M Reserve is a required contribution amount equal to 25.0% of O&M expenses (less debt service). This reserve is anticipated to be 100.0% funded at the end of FY 2024 without a contribution from rates. At mid-year 2023, an additional contribution (\$100,000) was made to the O&M Reserve from excess working capital identified from FY 2022 operations.

- Funding for the Capital Replacement Reserve is provided for in the treatment rate at \$0.10 / 1,000 gallons (same as FY 2023).
- The transfer out to the Vehicle and Equipment Replacement Reserve is calculated according to the quantity and age of District owned vehicles and equipment. With the inception of a vehicle lease program for District vehicles, this annual contribution has been decreased due to no longer owning certain vehicles used in operations. However, the District still owns specialized heavy-duty equipment such as cranes, vacuum trucks, and forklifts that will continue to require annual contributions for their eventual replacement. This amount is funded according to an established replacement schedule and decreased from FY 2023 due to adjusting the allocation methodology of a shared vacuum truck between the Lakeview and Northeast Regional Water Reclamation Systems, and the Peninsula Plant based on treatment capacity.
- The transfer out to the Plant Permitting Reserve is to accumulate funds for the next renewal of the Texas Pollutant Discharge Elimination Permit renewal for the Lakeview Plant, which is currently underway and based on the District's Capital Improvement Program budget is projected to be completed by the end of FY 2024.
- The FY 2023 transfer out of \$122,335 represents the Lakeview Regional Water Reclamation System's outstanding portion of a loan from the Regional Treated Water System's Non-Bond Capital Reserve (RTWS-NBCR) to purchase the 802 N. Kealy annex building (\$75,530) and its portion of RTWS-NBCR funds used to complete the Operations Data Management System Improvements capital project (\$46,805). This transfer utilized excess working capital identified from FY 2022 operations.

DCFWSD #7- CORINTH POINT OF ENTRY

- Corinth Point of Entry transportation charge is collected and credited to DCFWSD #7 – Lantana for rental of pipeline capacity. To better identify it, this is shown as a variable expense instead of a reduction against the anticipated volume revenue.

MAINTENANCE EXPENSE

- This allocation represents 15.5% of the adopted Maintenance budget.

ADMINISTRATIVE FUND OVERHEAD EXPENSES

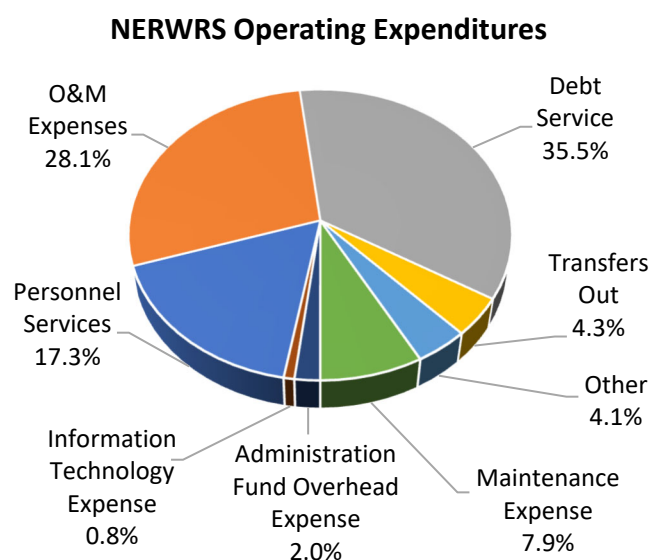
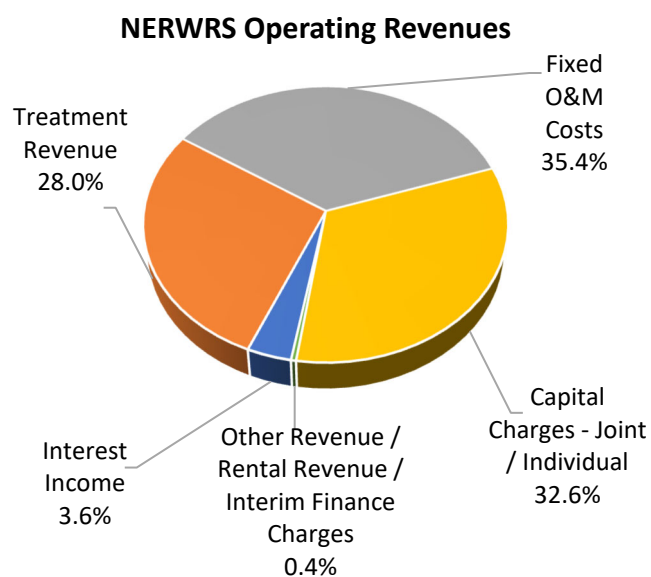
- Allocation of Administration Fund expenses to operations.

INFORMATION TECHNOLOGY

- Allocation of Information Technology Fund expenses to operations.

BUDGET SUMMARY – NERWRS

	FY 2022 Actuals	FY 2023 Adopted	FY 2023 Estimates	FY 2024 Adopted
Beginning Balance (Operating Cash)	\$ 2,470,630	\$ 1,880,555	\$ 2,611,006	\$ 2,845,871
Operating Revenue				
Interest Income	\$ 53,118	\$ 54,200	\$ 393,455	\$ 462,000
Treatment Revenue	2,490,330	2,486,460	3,258,765	3,597,015
Fixed O&M Costs	4,109,271	4,264,200	4,264,200	4,561,340
Capital Charges - Joint / Individual	3,507,015	3,889,640	3,889,640	4,195,280
Interim Finance Charges		48,750	13,325	159,900
Transfers In	30,395	508,640	92,640	-
Other Revenue	26,568	10,000	11,225	12,500
Rental Revenue	5,096	4,115	4,005	3,810
Total Operating Revenue	\$ 10,221,793	\$ 11,266,005	\$ 11,927,255	\$ 12,991,845
Operating Expense				
Personnel Services	\$ 1,512,972	\$ 1,697,820	\$ 1,791,595	\$ 2,037,950
Administrative	234,653	299,610	246,130	320,550
Office Expenses	4,558	5,745	8,045	4,765
Professional Services	102,097	124,345	105,425	151,030
O&M Expenses	2,806,933	2,803,140	3,335,645	3,316,180
Debt Service	3,510,820	3,892,445	3,892,635	4,198,780
Transfers Out	1,190,500	425,610	1,078,185	509,620
Shared Debt Payments	14,833	14,830	8,900	8,900
Maintenance Expense	556,796	914,170	854,355	937,190
Administration Fund Overhead Expense	113,081	355,505	262,100	230,420
Information Technology Expense	34,174	126,940	109,375	96,760
Total Operating Expense	\$ 10,081,417	\$ 10,660,160	\$ 11,692,390	\$ 11,812,145
Ending Balance (Operating Cash)	\$ 2,611,006	\$ 2,486,400	\$ 2,845,871	\$ 4,025,571



SUMMARY OF MAJOR CHANGES - NERWRS

SUBSCRIBED CAPACITIES

Entity	FY 2023 Budget	FY 2024 Budget
DCFWSD #8A	0.45375 mgd	0.45375 mgd
Providence Village	0.55000 mgd	0.55000 mgd
Elm Ridge WCID	0.38600 mgd	0.38600 mgd
DCFWSD #11	0.71575 mgd	0.71575 mgd
Mustang SUD	2.61650 mgd	2.61650 mgd
Celina	1.38500 mgd	1.51000 mgd
Prosper	1.00000 mgd	1.12500 mgd
Total	7.10700 mgd	7.35700 mgd

PROJECTED FLOWS

Entity	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
DCFWSD #8A	0.3300 mgd	0.3271 mgd	0.3300 mgd
Providence Village	0.4000 mgd	0.3688 mgd	0.4000 mgd
Elm Ridge WCID	0.3000 mgd	0.2668 mgd	0.3000 mgd
DCFWSD #11	0.6500 mgd	0.7182 mgd	0.7200 mgd
Mustang SUD	1.4000 mgd	1.8440 mgd	1.9000 mgd
Celina	0.9500 mgd	1.5761 mgd	1.7400 mgd *
Prosper	0.7500 mgd	1.2011 mgd	1.3200 mgd *
Total	4.7800 mgd	6.3021 mgd	6.7100 mgd

* Subject to an Excess Flows Surcharge (Total Monthly Flows in Excess of Monthly Subscribed Capacity amount). All Surcharge Revenues to be transferred to the O&M Reserve on a monthly basis.

RATE STRUCTURE

	FY 2023 Budget	Adopted FY 2024 Budget
Treatment Rate – Member	\$1.39 / 1,000 gallons	\$1.44 / 1,000 gallons
Treatment Rate - Customer	\$1.49 / 1,000 gallons	\$1.55 / 1,000 gallons
Excess Flows Surcharge	N/A	\$0.36 / 1,000 gallons
Fixed O&M Charge **	\$600,000 / mgd	\$620,000 / mgd

** Fixed O&M does not include Capital Charges. Capital Charges for Joint / Interim / Individual Facilities on next page.

CAPITAL CHARGES

Entity	Individual	Interim	Joint	Total
DCFWSD #8A	\$234,865	\$ ---	\$118,425	\$353,290
Providence Village	\$461,920	\$ ---	\$143,545	\$605,465
Elm Ridge WCID	\$7,055	\$14,590	\$5,480	\$27,125
DCFWSD #11	\$412,780	\$ ---	\$186,805	\$599,585
Mustang SUD	\$446,185	\$39,975	\$421,890	\$908,050
Celina	\$1,611,815	\$60,365	\$ ---	\$1,672,180
Prosper	\$144,515	\$44,970	\$ ---	\$189,485
Total	\$3,319,135	\$159,900	\$876,145	\$4,355,180

REVENUE

- Interest Income is representative of current market conditions.
- Total Treatment Revenue reflects the projected flows at adopted rates for both the Riverbend and Doe Branch plants.
- Fixed O&M Costs for Joint Facilities are assessed to recover certain fixed costs of the system, not including debt service costs.
- Capital Charges for Joint / Individual facilities are assessed to recover debt service costs associated with capital facilities for a particular customer. The adopted FY 2024 capital charges are based on the allocated debt service for each entity's individual ownership of System Plants and / or associated pipeline facilities, as well as their portion of joint (common-to-all) debt.
- Interim Finance Charges represent interest due from Doe Branch Plant participants for a tentative Interfund Loan from the Regional Treated Water Systems' Non-Bond Capital Reserve of up to \$3.0 million to fund the Relocation / TxDOT U.S. Hwy. 380 Project. Interest is calculated at the current Texpool interest rate when the funds are encumbered, plus 25 basis points per District policy per year beginning September 2023 (estimated) and will be assessed monthly in FY 2024 while the loaned funds are being used.
- There are no transfers in for FY 2024.
- Other Revenue includes income from the electric load shedding rebate program through Voltus.
- Rental Revenue includes the pro rata share of 802 N. Kealy annex rental income.

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 18.25 full-time equivalent positions including one new position (Senior Wastewater Operator at the Riverbend Plant) and 40.0% of a new Operations Manager – North Division position costs.

ADMINISTRATIVE

- Equipment Rental expense includes rental fees for lifts and cherry pickers for various maintenance projects required at the Riverbend and Doe Branch Plants.
- Employee Recognition Program expenses include rewards given to outstanding employees, along with team-building activities and was increased due to having a larger staff than in prior years.
- Conference, Training, and Travel expense includes annual continuing education training for wastewater operators and reflects a slight decrease due to removing funding for staff participation in the North Central Texas Council of Governments (NCTCOG) wastewater roundtable that was not requested for FY 2024.
- Meetings expense includes the cost of refreshments and other supplies for crew meetings for safety and operational topics.
- Equipment and Furniture less than \$5,000 (Non-capitalized assets) includes administrative items such as desks, office chairs, and appliances for breakrooms with a cost of less than \$5,000.
- Supplies include office supplies, postage, and printing expenses and decreases due to having purchased additional supplies in FY 2023.

PROFESSIONAL SERVICES

- Engineering expense includes funding to complete a study of construction standards for the Northeast Regional Water Reclamation System capital improvement program. This study will be completed in all District water and wastewater systems and the Peninsula Plant.
- Equipment Service expense includes all preventative maintenance agreements for equipment used in operations. The expense category decreases due to completing the installation of new 12-disc cloth filter media in the sludge processing equipment in FY 2023.
- Other Outside Services expense includes wet well cleanouts, fire alarm system inspections, pest control, and shredding services and increases due to the need for additional wet well cleanouts because of the increase in flows through customer growth.

O&M EXPENSES

- Plant supplies include janitorial and cleaning services, medical and first aid, staff uniforms, and personal safety equipment and increases due to purchasing additional equipment and uniforms for a new position (Senior Wastewater Operator).
- Plant and Equipment Maintenance expense includes all general repairs and upkeep for all pumps, blowers, lift station equipment, etc. The increase for FY 2024 is due to now having additional equipment to maintain after the completion of the phase 2 expansion at the Doe Branch Plant, as well as the age and condition of the Riverbend Plant equipment.
- Pipeline Maintenance includes leak detection, repairs, and supplies for the upkeep of the System's trunk mains and interceptors. The increase from FY 2023 is due to installing approximately fifteen composite manhole lids to System pipelines.
- Lab Supplies and Services expense includes lab supplies used by District staff for required monitoring and testing of wastewater samples, including fees paid to an outside testing service as required by the Texas Commission on Environmental Quality's monitoring system. Due to the projected increase in flows treated at the Riverbend and Doe Branch Plants, as well as double-digit price increases for most of the testing vendor's services, projected costs reflect a 21.0% increase from FY 2023 budgeted costs.

- Miscellaneous expense increases due to establishing a budget that is more in line with prior year expenses.
- Biosolids Disposal expenses include the cost of hauling and disposal of byproducts from the water reclamation process. The increase from FY 2023 is due to projecting a 7.0% price increase for the vendor's next contract period, as well as a projected 40.4% increase to flows for FY 2024.
- The increase in Electricity expense is related to the projected increase to System participant flows.
- Chemical expense increase is due to projected price increases for wastewater chemicals from pricing volatility in the oil and petroleum industry, coupled with a projected 40.4% increase to flows for FY 2024.
- Tools, Machinery, and Equipment less than \$5,000 reflects an increase due to the need to install additional ladder fall prevention equipment at the Riverbend and Doe Branch plants.
- Equipment and Furniture greater than or equal to \$5,000 account includes:

Riverbend Plant

- Upgrade of the Control Flow Guards on Programmable Logic Controls (PLC) and Operator Interface Terminals (OIT) - \$39,000
- 50.0% of the 33.4% share of the cost of a new Scissor Lift for the Northeast Service area - \$2,500

Doe Branch Plant

- 50.0% of the 33.4% share of the cost of a new Scissor Lift for the Northeast Service area - \$2,500

DEBT SERVICE

- Debt Service for the 2016 and 2017 Revenue Bonds increased due to principal payments gradually increasing per the repayment schedule. This increase includes the second year of principal payments of \$250,000 (increase of \$125,000) for the Series 2016 and \$450,000 (increase of \$200,000) for the Series 2017 revenue bonds for FY 2024.

SHARED DEBT PAYMENTS

- Shared Debt Service payments fund a direct portion of debt service related to the administrative offices and Board Room. The outstanding balance of a loan from the Regional Treated Water System's Non-Bond Capital Reserve for the purchase of the 802 N. Kealy annex building was paid off at mid-year 2023 from excess working capital identified from FY 2022 operations.

TRANSFERS OUT

- Funding for the Non-Bond Capital Reserve is provided for in the treatment rate at \$0.02 / 1,000 gallons, an increase of \$0.01 / 1,000 gallons from FY 2023. The FY 2023 transfer out included \$449,145 from excess working capital from FY 2022 operations.
- The transfer out to the O&M Reserve is a required contribution amount equal to 25% of O&M expenses (less debt service). This reserve is anticipated to be 100% funded at the end of FY 2024. The FY 2023 Transfer Out includes an additional contribution of \$100,000 from excess working capital identified from FY 2022 operations.
- Funding for the Capital Replacement Reserve is provided for in the treatment rate at \$0.05 / 1,000 gallons.

- The transfer out to the Vehicle and Equipment Replacement Reserve is calculated according to the quantity and age of District owned vehicles and equipment. With the inception of a vehicle lease program for District vehicles, this annual contribution was decreased due to no longer owning certain vehicles used in operations. However, the District still owns specialized heavy-duty equipment such as cranes, vacuum trucks, and forklifts that will continue to require annual contributions for their eventual replacement. This amount is funded according to an established replacement schedule.
- The transfer out to the Plant Permitting Reserve is to accumulate funds for the next renewal of the Texas Pollutant Elimination System Permit for the Riverbend and Doe Branch Plants. Based on the District's Capital Improvement Program budget, the next renewal period is scheduled to begin in FY 2027.
- The transfer out to the Administration Fund is the portion of the customer surcharge to fund administration services.
- The transfer out to the Regional Treated Water System (RTWS) operations represents payment for potable water usage at the Riverbend Regional Water Reclamation Plant that is ultimately credited to Denton County Fresh Water Supply District #8A (RTWS customer entity). The FY 2023 Transfer Out of \$106,785 represents the Northeast Regional Water Reclamation System's outstanding portion of a loan to purchase the 802 N. Kealy annex building (\$60,425) and its portion of RTWS-NBCR funds used to complete the Operations Data Management System Improvements capital project (\$46,360).
- The transfer out to the Regional Treated Water Systems' (RTWS) Non-Bond Capital Reserve represents interest (Texpool Interest Rate, plus 25 basis points per District policy) collected from Doe Branch Plant participants for a tentative \$3.0 million loan (maximum) to fund the Relocation / TxDOT U.S. Hwy. 380 project.

MAINTENANCE EXPENSE

- This allocation represents 28.5% of the adopted Maintenance budget.

ADMINISTRATION FUND OVERHEAD EXPENSE

- Allocation of Administration Fund expenses to operations.

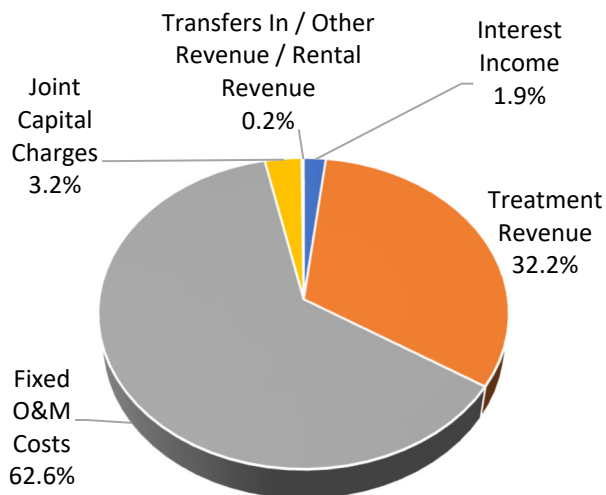
INFORMATION TECHNOLOGY EXPENSE

- Allocation of Information Technology Fund expenses to operations.

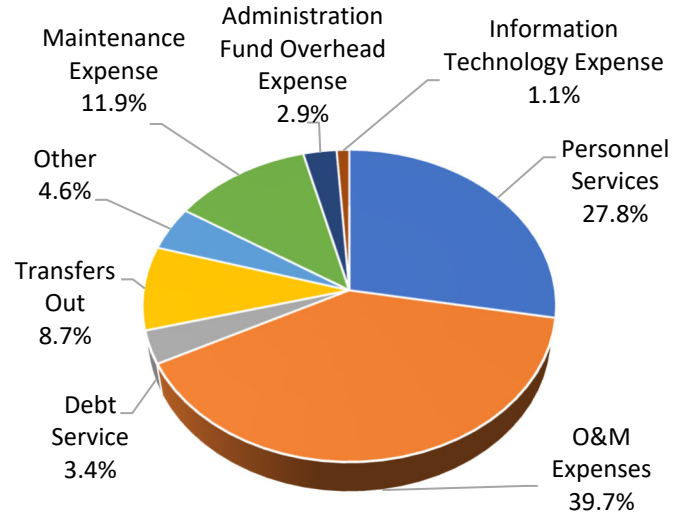
BUDGET SUMMARY - PWRP

	FY 2022 Actuals	FY 2023 Adopted	FY 2023 Estimates	FY 2024 Adopted
Beginning Balance (Operating Cash)	\$ 311,986	\$ 239,426	\$ 309,142	\$ 394,862
Operating Revenue				
Interest Income	\$ 4,485	\$ 8,865	\$ 29,210	\$ 42,610
Treatment Revenue	551,349	542,940	667,265	722,700
Fixed O&M Costs	639,435	819,760	699,575	1,404,400
Joint Capital Charges	72,935	71,935	71,935	70,935
Transfers In	-	8,800	10,000	-
Other Revenue	1,274	1,000	4,010	4,000
Rental Revenue	3,400	1,030	1,000	950
Total Operating Revenue	\$ 1,272,878	\$ 1,454,330	\$ 1,482,995	\$ 2,245,595
Operating Expense				
Personnel Services	\$ 291,997	\$ 338,200	\$ 337,935	\$ 576,065
Administrative	28,194	36,380	38,940	57,120
Office Expenses	455	500	440	500
Professional Services	14,573	6,650	8,350	33,360
O&M Expenses	519,254	557,850	563,985	821,695
Debt Service	71,997	71,935	71,495	70,935
Transfers Out	213,378	79,760	191,285	179,795
Shared Debt Payments	4,883	4,880	3,400	3,400
Maintenance Expense	105,056	126,095	117,840	246,630
Administration Fund Overhead Expense	19,976	65,855	44,880	59,495
Information Technology Expense	5,959	23,515	18,725	24,985
Total Operating Expense	\$ 1,275,722	\$ 1,311,620	\$ 1,397,275	\$ 2,073,980
Ending Balance (Operating Cash)	\$ 309,142	\$ 382,136	\$ 394,862	\$ 566,477

PWRP Operating Revenues



PWRP Operating Expenditures



SUMMARY OF MAJOR CHANGES - PWRP

SUBSCRIBED CAPACITIES

Entity	FY 2023 Budget	FY 2024 Budget
Mustang SUD	1.205 mgd	2.000 mgd
Total	1.205 mgd	2.000 mgd

PROJECTED FLOWS

Entity	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
Mustang SUD	0.8500 mgd	1.0446 mgd	1.2000 mgd
Total	0.8500 mgd	1.0446 mgd	1.2000 mgd

RATE STRUCTURE

	FY 2023 Budget	Adopted FY 2024 Budget
Volume Charge - Treatment	\$1.75 / 1,000 gallons	\$1.65 / 1,000 gallons
Fixed O&M Charges	\$680,300 / mgd	\$702,200 / mgd

CAPITAL CHARGES

Entity	FY 2023 Budget	FY 2024 Budget
Mustang SUD	\$71,935	\$70,935
Total	\$71,935	\$70,935

REVENUE

- Interest Income is representative of current market conditions.
- Total Treatment Revenue reflects the projected flows at adopted rates.
- The adopted Fixed O&M Charges for Joint Facilities are assessed to recover fixed costs. With the completion of the Phase 3 treatment capacity expansion project expected by the end of August 2023, total capacity will increase from 0.94 mgd to 2.0 mgd beginning in September 2023 and remain through FY 2024.
- The Capital Charge is necessary to make the required annual debt service payment (Series 2016 Revenue Bonds).
- There are no transfers in for FY 2024.
- Other Revenue includes income from the electric load shedding rebate program through Voltus.
- Rental Revenue includes the pro rata share of 802 N. Kealy annex rental income.

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 5.45 full time equivalent positions including one new position (Wastewater Operator II) and 10.0% of a new Operations Manager – North Division position costs.

ADMINISTRATIVE

- Insurance – Property, General Liability (GL), and Vehicle expense is inclusive of a projected 10% rate increase for General Liability and an actual 20.0% rate increase for Vehicle and Property insurance. This budget amount also includes an additional increase of \$15,000 for Property insurance expense for the value of new facilities added by the completion of the phase 3 expansion of the Peninsula Plant and that are projected to be placed into service during FY 2024.

PROFESSIONAL SERVICES

- Engineering expense includes funding to complete a study of construction standards for the Peninsula Water Reclamation Plant's capital improvement program. This study will be completed in all District water and wastewater systems and the Peninsula Plant.
- Equipment Service expense increases due to purchasing an extended preventive maintenance agreement for two new influent pumps and three WAS / RAS pumps that were installed during the phase 3 expansion of the Peninsula Plant.

O&M EXPENSES

- Plant Supplies expense includes employee uniforms, medical / first aid, and personal safety supplies. This cost increased due to the addition of a new wastewater operator position for FY 2024.
- Botanical cost includes an approximate 10% projected price increase for mowing and landscaping services, as well as additional funding for tree and brush removal at District pipelines, fence lines, and easement sites.
- Vehicle expense includes 10.0% of a leased truck for the new Operations Manager (North Division) position and a full year of lease payments (including an initial payment for aftermarket equipment added to vehicles) for 100.0% of a vehicle assigned to one Peninsula Plant Senior Operator and 26.0% of remaining vehicles (4) shared between the Lakeview and Peninsula Plants. The FY 2023 adopted budget included only six months of this expense due to the unavailability of lease vehicles in the local market. In addition, this expense category includes the cost of maintenance, fuel, and tolls for all vehicles (leased or District owned).
- Plant and Equipment Maintenance expense includes all general repairs and upkeep for all pumps, blowers, lift station equipment, etc. The increase for FY 2024 is due to now having additional equipment to maintain after the completion of the phase 3 expansion at the Peninsula Plant, as well as the age and condition of the original Plant equipment.
- Pipeline Maintenance expense includes all general repairs for the collection system of the Peninsula Plant.
- Utilities includes water, gas, trash, and recycling services and reflects a projected increase usage due to the Peninsula Plant having more than twice as much treatment capacity than in prior years with the completion of the phase 3 expansion project. Water usage has especially increased with the additional capacity that was put online in FY 2023.
- Lab Supplies and Services expense includes lab supplies used by District staff for required monitoring and testing of wastewater samples, including fees paid to an outside testing service as required by

the Texas Commission on Environmental Quality's monitoring system. Due to the increased flows projected at the Peninsula Plant, as well as a double-digit price increase for most of the testing vendor's services, projected costs reflect a 24.0% increase from FY 2023 budgeted costs.

- Sludge Hauling expense reflects a decrease from FY 2023 due to placing into service new biosolids processing facilities constructed during the phase 3 expansion of the Peninsula Plant in late FY 2023. These facilities will allow District staff to run all wastewater treatment byproducts through new centrifuge equipment, reducing the water content, to allow this material to be transformed into a dry, cake-like material to have shipped to a landfill for disposal. Prior to the phase 3 expansion, the Peninsula Plant would have these liquid byproducts trucked to the Lakeview Plant for processing into a disposable material. The budget amount shown (\$50,000) is provided as backup in case there is a delay or problem with the newly installed biosolids equipment at the Peninsula Plant.
- Biosolids Disposal expense includes the cost of hauling and disposal of byproducts from the water reclamation process. The increase from FY 2023 is due to projecting a 7.0% price increase for the vendor's next contract period, as well as a 41.2% increase in projected wastewater flows for FY 2024.
- Electricity cost increase is due to a projected rate increase from CoServ, as well as additional electricity usage from utilizing newly installed biosolids processing equipment, including a centrifuge, at the Peninsula Plant. This equipment has not been utilized at the Peninsula Plant in prior years.
- Chemical expense increase is due to projected price increases for wastewater chemicals from pricing volatility in the oil and petroleum industry. Additionally, as wastewater flows are projected to increase approximately 41.2% for FY 2024, a higher quantity of these chemicals will be utilized.
- Equipment and Furniture greater than or equal to \$5,000 expense includes funding to complete upgrades to the Peninsula Plant's lighting system around the older parts of the Plant that were not upgraded / constructed during the phase 3 expansion project and the purchase of a new forklift to replace one that is 18 years old.

SHARED DEBT PAYMENTS

- Shared Debt Payments funds a direct portion of debt service related to the administrative offices and Board Room. The outstanding balance of a loan from the Regional Treated Water System's Non-Bond Capital Reserve for the purchase of the 802 N. Kealy annex building was paid off at mid-year 2023 with excess working capital identified from FY 2022 operations.

TRANSFERS OUT

- Funding for the Non-Bond Capital Reserve is provided for in the treatment rate at \$0.05 / 1,000 gallons. This represents a \$0.03 / 1,000-gallon increase from FY 2023. The FY 2023 transfer out of \$28,010 represents excess working capital identified from FY 2022 operations.
- The transfer out to the O&M Reserve is a required contribution amount equal to 25.0% of O&M expenses (excluding debt service). This reserve is projected to be 100.0% funded at the end of FY 2024. The FY 2023 Transfer Out represents an additional contribution to the O&M Reserve from excess working capital identified from FY 2022 operations.
- Funding for the Capital Replacement Reserve is provided for in the treatment rate at \$0.05 / 1,000 gallons (same as FY 2023).
- The transfer out to the Vehicle and Equipment Reserve is calculated according to the quantity and age of District owned vehicles and equipment. With the inception of a vehicle lease program for District vehicles, this annual contribution was decreased due to no longer owning certain vehicles used in operations. However, the District still owns specialized heavy-duty equipment such as cranes, vacuum trucks, and forklifts that will continue to require annual contributions for their eventual replacement. This amount is funded according to an established replacement schedule.

- The transfer out to the Plant Permitting Reserve is to accumulate funds for the next renewal of the Texas Pollutant Elimination System Permit for the Peninsula Plant. Based on the District's Capital Improvement Program budget, the next renewal period is scheduled to begin in FY 2026.
- The FY 2023 transfer out of \$28,545 represents the Peninsula Plant's outstanding portion of a loan from the Regional Treated Water System's Non-Bond Capital Reserve (RTWS-NBCR) to purchase the 802 N. Kealy annex building (\$15,105) and its portion of RTWS-NBCR funds used to complete the Operations Data Management System Improvements capital project (\$13,440). This transfer utilized excess working capital identified from FY 2022 operations.

MAINTENANCE EXPENSE

- This allocation represents 7.5% of the adopted Maintenance budget.

ADMINISTRATION FUND OVERHEAD EXPENSE

- Allocation of Administration Fund expenses to operations.

INFORMATION TECHNOLOGY EXPENSE

- Allocation of Information Technology Fund expenses to operations.

ACCOMPLISHMENTS FOR FY 2022-2023

- ✓ Discharge effluent from District water reclamation facilities that meets all regulatory treatment requirements.
 - Lakeview Regional Water Reclamation System
 - *Maintained perfect regulatory compliance for 24 consecutive years and NACWA Platinum Status.*
 - *Maintained 100% survival of all Biomonitoring test species for over 23 years.*
 - *Completed design for Plant expansion to 7.5mgd. Construction of phased expansion on clarifiers and sand filters scheduled to begin in early FY24'.*
 - Northeast Regional Water Reclamation System – Riverbend Plant
 - *Maintained perfect regulatory compliance for 15 consecutive years and NAWCA Platinum status.*
 - *Maintained 100% survival of all Biomonitoring test species for over 20 years.*
 - *Treated flows from the Doe Branch Plant to assist with Doe Branch phase II construction project.*
 - *Engineering design services for a new lift station and collection system improvements to accommodate growth in the western part of the Riverbend service are underway.*
 - *Riverbend was able to successfully maintain treatment within two basins after process control selector zones were properly established and provided operational consistency; this allowed the same quality of treatment with less equipment, thus savings in total monthly electricity kWh was achieved throughout the summer months.*
 - *Completed Riverbend improvement project that included a new maintenance facility, improved roads, new larger alum bulk storage tank/containment pit, and rehabilitation of piping in the original sludge holding tank, providing full two-tank redundancy. The increased sludge storage and operations flexibility allows operation of sludge processing equipment during more favorable electric billing times, reducing electrical costs.*
 - Northeast Regional Water Reclamation System - Doe Branch Plant
 - *Maintained perfect regulatory compliance for 7 consecutive years and NAWCA Platinum status.*
 - *Phase 2 expansion (2.0 mgd – 4.0 mgd) is complete.*
 - *Experiencing enormous, continued growth in the Doe Branch system.*
 - *Engineering design services for the Phase 3 plant expansion has begun. This project includes plant expansion from 4.0mgd – 12.0mgd and adding a parallel interceptor to part of the Doe Branch collection system.*
 - *Continually adapted to increased flows and challenges due to influent quality episodes and construction activities, while maintaining perfect regulatory compliance and NACWA Platinum Status. Continue to assist customers with collection system issues.*
 - *Made operational adjustments to solids processing system that have greatly increased operational and overall solids processing efficiency.*

- Peninsula Water Reclamation Plant
 - *Maintained perfect regulatory compliance for 19 consecutive years and NACWA Platinum status.*
 - *Construction for Phase 3 expansion (0.94 mgd to 2.0 mgd) is complete.*
 - *As noted above, all District water reclamation plants received the NACWA Platinum Award, in recognition of five or more years of consecutive perfect compliance with their discharge permits. All plants met discharge permit limits despite continued growth.*
 - *Completed voluntary Demand Response Testing at all plants and other facilities, running the plants using emergency generation during load shedding events on multiple occasions in FY23.*
 - *Continued the Operations to Maintenance cross-training program for new staff members that has proven to be very beneficial to the Northeast Operations and Maintenance groups.*
 - *Continued ongoing management and leadership training opportunities for mid-level management and other employees.*
 - *Design for US Highway 380 widening project is continuing. One major pipelines from Doe Branch to Riverbend has been relocated in FY23'. This project also is impacting water system along the Highway 380 corridor.*
- ✓ Maintain all water reclamation facilities to the highest standard of operational efficiency.
- *Continued using the mechanical clarifier cleaning systems at the Lakeview, Peninsula and Doe Branch plants with good results, reducing labor hours, and increasing staff safety.*
 - *Continued vendor service to clean out the Riverbend wet well and influent pipeline, the Doe Branch lift station, and select Lakeview system lift stations.*
 - *Continued to maintain on-hand spare parts inventory of key operational equipment at all facilities.*
 - *Continued to utilize and optimize maintenance management software program to help increase O&M efficiency and CIP planning efficiency.*
 - *GIS program for all District pipelines has been implemented. GPS data points continue to be collected on new pipelines, and during maintenance on existing pipelines and facilities to improve GIS system accuracy.*
 - *Continued use of an online safety program for all NE water and wastewater staff with the goal to eliminate accidents and injuries in FY23'. Expanding this program district wide in FY24'.*
 - *The NE WW system is a past winner of the Water Environment Federation George W. Burke Jr. Safety Award for excellence in our ongoing safety program and record. This online program is an enhancement to the safety program, reinforcing an organizational commitment to doing things the safe way, which is not always the easy way.*
 - *The District, has provided workshops to customers on new or upcoming regulatory requirements and provided guidance and support with regulatory reporting and operational issues.*
- ✓ Maintain facilities with a good neighbor policy.
- *Operations has continued the on-going landscape and maintenance of the property along the Riverbend entry road that borders neighboring Paloma Creek making for a very aesthetically appealing area to visitors and residents.*
 - *Continue to ensure that all property owned by the District is well maintained, especially around the Doe Branch, Riverbend, and Peninsula facilities to promote good neighbor relations.*

- *Continue to feed iron salts at Lakeview System pumping stations and hydrogen peroxide at the plant for effective odor control both in the pipeline system and at the Lakeview Plant.*
- *Continued use of the odor control system at the Riverbend Plant headworks that has eliminated odor complaints over the past year. In addition to this, operations also begun directing return sludge into the east plant drain, providing odor abatement in the influent pump station wet-well, bagging grit before disposal and sealed the grit structure to better contain odors.*

✓ **Maintain security / safety of systems and resources.**

- *Completed a large easement reclamation project in various parts of the water and ww systems to enhance access to pipeline easements for inspection and maintenance. Continued the ongoing pipeline and easement maintenance program to ensure that all District pipelines are always fully accessible and maintain relationships with private property owners.*
- *Providing full system redundancy of our network and plant specific SCADA systems.*
- *Ongoing Cybersecurity training is provided to all District employees to help promote and increase network security.*
- *The Taylor Plant is linked to all the other District plants with cameras and / or SCADA monitoring.*
- *Numerous cameras are installed throughout the District to improve site security.*
- *Operations data and records such as meter readings and laboratory test results have been fully migrated over to a SQL server with redundancy. This improves data integrity and security to preserve both historical and current records, while still maintaining a high degree of usability.*
- *Tableau has been implemented as the District operational data visualization and analyzation tool, with outstanding results. Further implementation of its capabilities is expected this year.*
- *Data Management User-Interface (UI) project is underway to aid in the ease and accuracy of the data capturing process.*

NON-POTABLE WATER SYSTEM

The District is committed to providing non-potable water, where applicable, for irrigation, commercial and industrial uses. Non-potable water includes raw water and treated wastewater effluent.

MISSION

Our mission is to provide treated effluent and raw water that meets or exceeds federal, state, and local standards for applicable uses.

GOALS AND OBJECTIVES

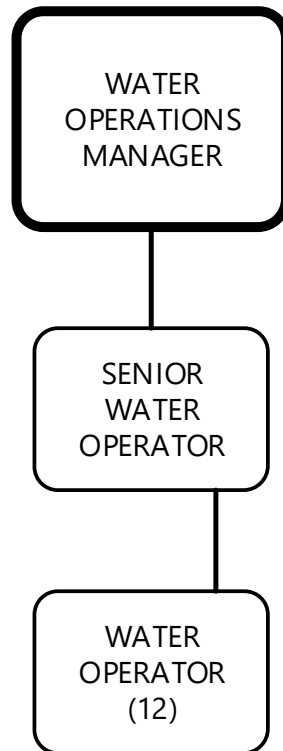
- Provide treated effluent water as requested.
- Discharge effluent from District water reclamation facilities that meets all regulatory treatment requirements.
 - Deliver up to 2.0 mgd of treated effluent from the City of Lewisville to the Castle Hill Community golf course for irrigation.
 - Maintain pump station and transmission pipeline to ensure effluent is available as requested.
 - Coordinate with the City of Lewisville to ensure effluent is available as requested.
- Maintain an effluent monitoring program.
 - Ensure compliance with applicable federal, state, and local effluent regulations.
 - Identify potential environmental problems and evaluate the need for remedial actions.
- Maintain accurate meter records.
 - Coordinate with the City of Lewisville to ensure annual meter calibrations are performed.

PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2022 Actuals	FY 2023 Estimates	FY 2024 Target
Availability of effluent for irrigation	Percent of time requested effluent is delivered.	100%	100%	100%
Effluent monitoring program	Meet or exceed all applicable federal, state, and local effluent regulations.	100%	100%	100%
Meter Accuracy	Yearly pass of meter calibration checks for accuracy.	100%	100%	100%

PERSONNEL SUMMARY / ORGANIZATIONAL CHART

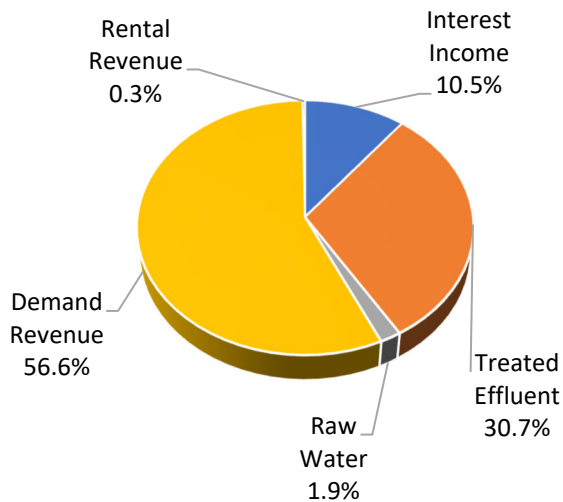
Positions	FY 2022 Actuals	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
Water Operations Manager	.01	.01	.01	.01
Senior Water Operator	.01	.01	.01	.01
Water Operator III	.08	.08	.08	.07
Water Operator II	.04	.04	.04	.04
Water Operator I	0	0	0	.01
Total FTEs	.14	.14	.14	.14



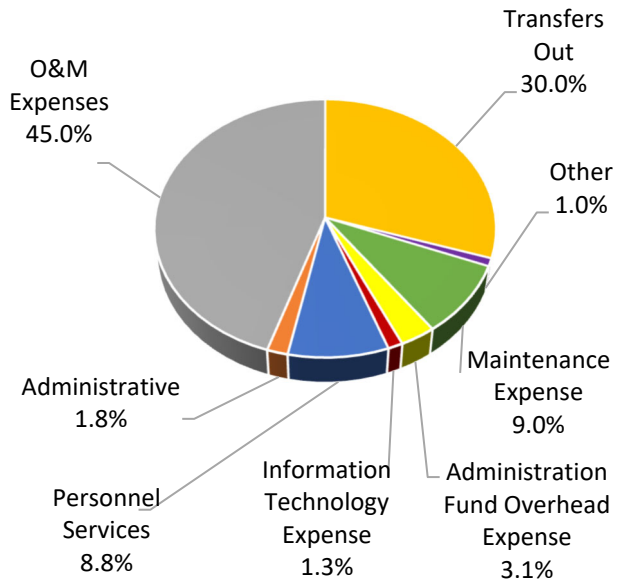
BUDGET SUMMARY

	FY 2022 Actuals	FY 2023 Adopted	FY 2023 Estimates	FY 2024 Adopted
Beginning Balance (Operating Cash)	\$ 46,949	\$ 56,784	\$ 67,893	\$ 69,248
Operating Revenue				
Interest Income	\$ 4,268	\$ 5,500	\$ 18,215	\$ 23,250
Treated Effluent Volume Revenue	67,835	67,820	42,655	67,820
Raw Water Volume Revenue	-	3,920	3,935	4,130
Demand Revenue	125,000	125,000	125,000	125,000
Other Revenue	8	-	-	-
Rental Revenue	637	515	500	475
Total Operating Revenue	\$ 197,748	\$ 202,755	\$ 190,305	\$ 220,675
Operating Expense				
Personnel Services	\$ 10,959	\$ 13,140	\$ 14,755	\$ 16,030
Administrative	2,706	3,100	2,780	3,330
Professional Services	1,500	500	465	500
O&M Expenses	70,894	83,260	74,405	82,000
Transfers Out	75,265	54,725	71,545	54,725
Shared Debt Payments	1,842	1,845	1,100	1,100
Maintenance Expense	10,506	15,760	14,730	16,440
Administration Fund Overhead Expense	2,488	10,055	6,470	5,675
Information Technology Expense	644	3,590	2,700	2,385
Total Operating Expense	\$ 176,804	\$ 185,975	\$ 188,950	\$ 182,185
Ending Balance (Operating Cash)	\$ 67,893	\$ 73,564	\$ 69,248	\$ 107,738

Operating Revenues



Operating Expenditures



SUMMARY OF MAJOR CHANGES

PROJECTED FLOWS

Type	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
Treated Effluent	0.3643 mgd	0.2291 mgd	0.3643 mgd
Raw Water	0.0096 mgd	0.0096 mgd	0.0096 mgd

RATE STRUCTURE

	FY 2023 Budget	Adopted FY 2024 Budget
Treated Effluent Rate	\$0.51 / 1,000 gallons	\$0.51 / 1,000 gallons
Raw Water Rate	\$1.12 / 1,000 gallons	\$1.18 / 1,000 gallons
Demand Charge	\$125,000	\$125,000

REVENUE

- Interest Income is representative of current market conditions.
- Total Treated Effluent volume revenue reflects the projected flows at the adopted rate.
- Total Raw Water volume revenue reflects the projected flows at the adopted rate.
- Demand revenue reflects an annual charge of \$125,000.
- Rental Revenue consists of a pro-rata share of rental income from 802 N. Kealy.

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for personnel who spend time operating and maintaining the non-potable facilities and equates to 0.14 of a full-time equivalent position.

O&M EXPENSES

- Treated Effluent Water cost reflects a 0.0059% rate decrease from FY 2023 by Dallas Water Utilities.
- Raw Water cost reflects a 7.65% rate increase from FY 2023 by Dallas Water Utilities.

SHARED DEBT PAYMENTS

- Shared Debt Payments fund a direct portion of debt service related to the administrative offices and Board Room. The outstanding balance of a loan from the Regional Treated Water System's Non-Bond Capital Reserve for the purchase of the 802 N. Kealy annex building was paid off at mid-year 2023 with excess working capital identified from FY 2022 operations.

TRANSFERS OUT

- A contribution to the Non-Bond Capital Reserve is recommended to allow for equity cash funding of future capital projects. The FY 2023 transfer was made from excess working capital identified from FY 2022 operations.
- A contribution to the Capital Replacement Reserve is included to set aside funds to be used for future pipeline replacement.
- A Transfer Out to the Regional Treated Water System (RTWS) reflects the Non-Potable Water System's portion of a debt service payment for bonds issued to construct the Raw Water Intake structure. The FY 2023 Transfer Out of \$10,000 represents the Non-Potable Water System's outstanding portion of a loan from the Regional Treated Water System's Non-Bond Capital Reserve (RTWS-NBCR) to purchase the 802 N. Kealy annex building (\$7,555) and its portion of RTWS-NBCR funds used to complete the Operations Data Management System Improvements capital project (\$2,445).

MAINTENANCE EXPENSE

- This allocation represents 0.50% of the adopted Maintenance budget.

ADMINISTRATION FUND OVERHEAD EXPENSE

- Allocation of Administration Fund expenses to operations.

INFORMATION TECHNOLOGY EXPENSE

- Allocation of Information Technology Fund expenses to operations.

ACCOMPLISHMENTS FOR FY 2022-2023

- ✓ As per our contract with Denton County Fresh Water Supply District #1A which was annexed by the City of Lewisville in March 2022 supply non-potable water for golf course irrigation and maintained recreational pond by utilizing treated effluent that was provided from the City of Lewisville wastewater treatment plant and pumped to the Castle Hill golf course in Carrollton for irrigation. Raw water is provided from Lewisville Lake to Lake Avalon when requested.
 - *94,367,000 gallons of effluent provided for golf course irrigation.*

MAINTENANCE

The purpose of the Maintenance Department is to ensure the District's treatment facilities are always performing to their maximum potential for reliable service to our customer entities.

MISSION

The mission is to maintain all treatment facilities and apparatuses to function safely properly, and efficiently throughout their life and to act quickly to avoid emergency situations and making sure our customer entities have the best possible service available with limited interruptions.

GOALS AND OBJECTIVES

- Maintain all District assets in a high-quality manner to achieve maximum useful life expectancy.
 - Maintain facilities, equipment, and other machinery, in the manner adopted by the district yielding the most cost-effective results.
- Provide quick and accurate responses and effective repairs or solutions to the needs of all the District's facilities.
 - Abide by the rules and regulations set by state and federal agencies in all repairs that could adversely affect potable water for the end user.
 - Work with operators to provide the best quality product in compliance with State and Federal Standards.
- Be always safety conscious, read and understand the District's health and safety manual.
 - Identify safety hazards before each task is performed.
 - Watch out for yourself and fellow co-workers.
- Ensure everything is tested and in compliance annually for each facility so that all documentation is in place for TCEQ inspections.

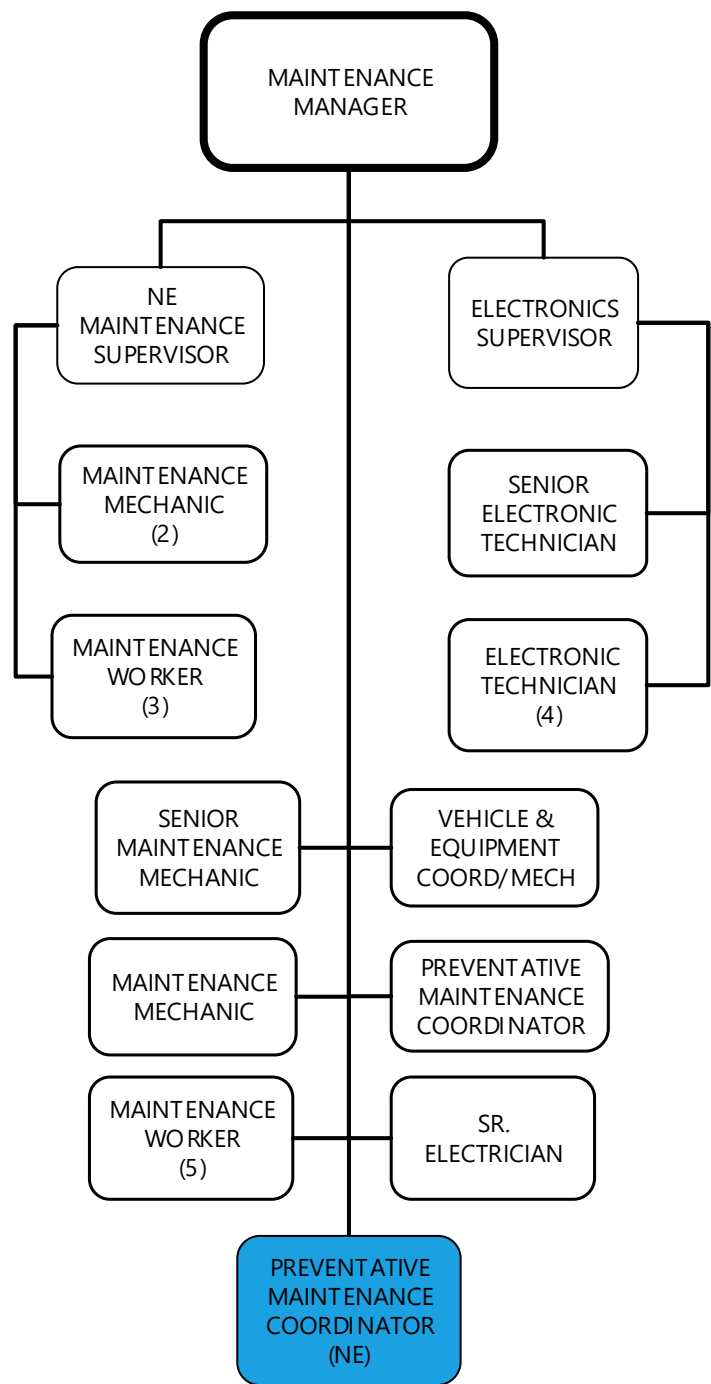
PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2022 Actuals	FY 2023 Estimates	FY 2024 Target
Reduce response time on Preventative (PM), Scheduled (SM) & Landscape (LM) Maintenance Work Orders	Complete PMs within 5 working days	95%	96%	100%
Reduce response time on Corrective Maintenance (CM) Work Orders	Complete CMs within 5 working days	92%	91.5%	100%
Emergency Response	Response and repair time less than 24 hours	96%	100%	100%
Special Projects	Total # of special projects each FY completed on time	100%	100%	100%
Funding	Total # of special projects each FY completed within budget	100%	100%	100%
Safety	12 safety training hours / employee / year	100%	100%	100%
Staffing	% of time at full staff	97%	86%	95%
Annual review of required Maintenance staffing based on projected growth (from Annual Work Plans – Organizational)	Number of new positions added to the Maintenance Department	1	1	0
Prioritizing Maintenance activities (from Annual Work Plans – Functional)	Use of Condition Assessment to prioritize Maintenance activities for District facilities	On-Going	On-Going	On-Going

PERSONNEL SUMMARY

Positions	FY 2022 Actuals	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
Maintenance Manager	1	1	1	1
Northeast Maintenance Supervisor	1	1	1	1
Preventative Maintenance Coordinator	1	1	1	1
Preventative Maintenance Coordinator (NE)	0	0	0	1
Vehicle & Equipment Coordinator / Mechanic	1	1	1	1
Senior Electrician	0	0	0	1
Senior Electronic Technician	1	1	1	1
Electronics Supervisor	0	1	1	1
Electronic Technician II	1	2	2	2
Electronic Technician I	3	2	2	2
Senior Maintenance Mechanic	2	1	1	1
Maintenance Mechanic	4	3	3	3
Maintenance Worker II	2	4	4	4
Maintenance Worker I	4	5	5	4
Landscape Assistant (Temporary)	1	0	0	0
Process Controls Analyst	1	0	0	0
GIS Analyst	.45	.90	.90	.90
Total FTEs	23.45	23.90	23.90	24.90

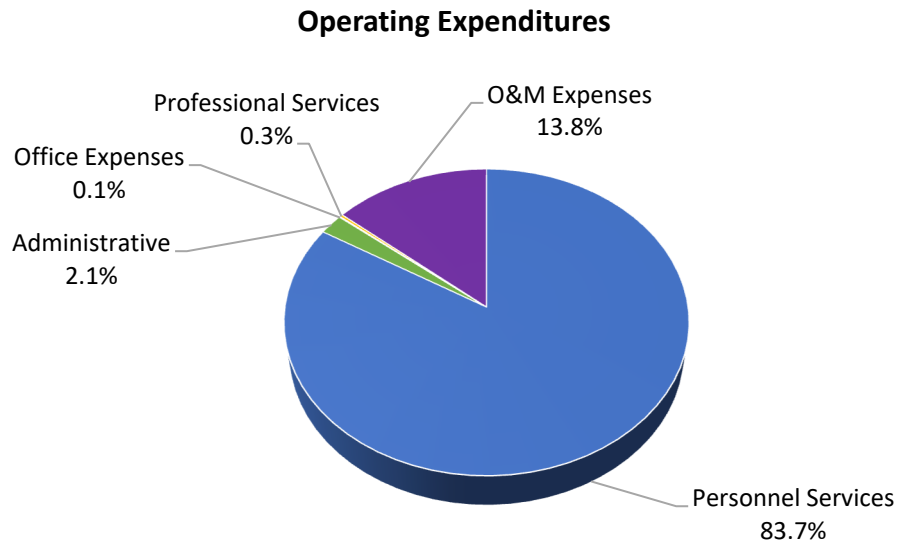
ORGANIZATIONAL CHART



BUDGET SUMMARY

	FY 2022 Actuals	FY 2023 Adopted	FY 2023 Estimates	FY 2024 Adopted
Beginning Balance (Operating Cash)	\$ -	\$ -	\$ -	\$ -
Operating Expense				
Personnel Services	\$ 1,900,725	\$ 2,537,880	\$ 2,380,250	\$ 2,753,215
Administrative	54,468	71,515	68,830	70,080
Office Expenses	678	2,900	2,565	2,875
Professional Services	18,333	8,500	7,935	8,500
O&M Expenses	126,914	531,515	486,465	453,710
Total Operating Expense	\$ 2,101,118	\$ 3,152,310	\$ 2,946,045	\$ 3,288,380
Allocation to Operating	(2,101,118)	(3,152,310)	(2,946,045)	(3,288,380)
Ending Balance (Operating Cash)	\$ -	\$ -	\$ -	\$ -

* All Maintenance Expenses are allocated to the Operating Funds based on the size and complexity of maintaining each facility.



SUMMARY OF MAJOR CHANGES

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 24.90 full-time equivalent positions including one new position (Preventative Maintenance Coordinator – North Division).

ADMINISTRATIVE

- Insurance – Property, General Liability (GL), and Vehicle expense is inclusive of a projected 10.0% rate increase for General Liability and a 26.0% actual rate increase for Vehicle and Property insurance.
- Conference, Training, and Travel expense includes annual continuing education training for Maintenance staff. This expense category also includes participation at the Texas Water and Membrane Users conferences in FY 2024. The budget decrease is due to Maintenance staff having received commercial driver training certification in FY 2023 to facilitate this training for other District staff.

O&M EXPENSES

- Plant Supplies expense includes supplies for medical / first aid, personal safety, and staff uniforms. The budget increase is due to providing additional uniforms and personal safety supplies for the new Preventative Maintenance Coordinator (North Division) position requested for FY 2024.
- Botanical expense includes an increase for tree and bush removal services around District Maintenance facilities.
- Vehicle expense includes a full year of lease payments (along with an initial payment for aftermarket equipment added to vehicles) for twelve Maintenance vehicles. The FY 2023 adopted budget included only six months of this expense due to the scarcity of vehicles in the local market available for lease. In addition, this expense category includes the cost of fuel, maintenance, and tolls for all vehicles (leased or District owned).
- Plant and Equipment Maintenance includes the cost for upkeep and repairs for all specialized maintenance shop equipment.
- The Furniture and Equipment greater than \$5,000 account includes the purchase of a new Trailer Mounted Hot Water Pressure Washer used for potholing and degreasing activities.

MAINTENANCE ALLOCATION TO PROJECTS

- Total operating expenses for the Maintenance budget are allocated to the following projects: Regional Treated Water System (46.0%), Lakeview Regional Water Reclamation System (15.5%), Northeast Regional Water Reclamation System (28.5%), Peninsula Water Reclamation Plant (7.5%), Non-Potable Water System (0.5%), and Admin (2.0%). This allocation is based on the updated methodology of work order distribution.

	RTWS	LRWRS	NERWRS	PWRP	NPWS	ADMIN	TOTAL
Allocation %	46.0%	15.5%	28.5%	7.5%	0.5%	2.0%	100.0%
FY 24	\$1,512,655	\$509,700	\$937,190	\$246,630	\$16,440	\$65,765	\$3,288,380

ACCOMPLISHMENTS FOR FY 2022-2023

- ✓ Provide quick and accurate responses for effective repairs or solutions to the needs of all District facilities.
 - *System Wide*
 - *Ensure everything is tested and in compliance annually for each facility so that all documentation is in place for TCEQ inspections.*
 - *Thomas E. Taylor Regional Treated Water System*
 - *Worked with Smith Pump on High Service Pump #6 Overhaul.*
 - *Worked with Smith Pump to Overhaul Stone Hill Pump #3.*
 - *Pump Control Valves Rebuilt on Stone Hill Pumps #3 & #4.*
 - *Installed New Caustic Tank & Piping.*
 - *Installed Portable Emergency A/C for Stone Hill Pump Station.*
 - *Emergency Repair of 24" Pipeline to Castle Hills.*
 - *Lakeview Water Reclamation System*
 - *Emergency Repair Sludge Press Equipment.*
 - *Continuing the LS Condition Assessment to Start Repairs.*
 - *Harpool Regional Water System*
 - *Installed New Caustic Tank & Piping.*
 - *Rebuilt Providence Lake Fill Valve.*
 - *Replaced Mechanical Seals on Finished Water Pumps #4 & #5.*
 - *Northeast Regional Water Reclamation System*
 - *Continuing the LS Condition Assessment to Start Repairs.*
 - *Installed Collector Arms on both Clarifiers at Riverbend.*
 - *Changed out chain on Bar Screen.*
 - *Upsized Air Piping on Blowers at Doe Branch Plant.*
 - *Built Solar Shades for Filter Electronics at Doe Branch Plant.*
 - *Built Wind Break for Headworks at Doe Branch Plant.*
- ✓ Maintain all apparatuses and exceed the life expectancy of all equipment and facilities.
- ✓ Maintain all District assets with the expectations of exceeding their life expectancy.

REGIONAL TREATED WATER SYSTEM

The District is committed to protecting public health and providing high quality drinking water for our members and customer entities. The Regional Treated Water System provides a safe and reliable water supply for 29 communities in the Denton County area. The system consists of two modern water treatment plants – the Thomas E. Taylor Regional Water Treatment Plant and the Tom Harpool Regional Water Treatment Plant.

MISSION

Our mission is to supply the District's customers with an adequate supply of water that is of the highest quality while striving to keep costs down, minimizing service interruptions and practicing responsible use and management of water as a natural resource through water conservation and public education.

GOALS AND OBJECTIVES

- Provide all District customers with dependable, high- quality water.
 - Ensure that District rules, guidelines, and practices meet or exceed all federal and state standards.
 - Maximize redundancy by ensuring that treated water can be provided from both water treatment plants.
- Minimize the impact of water treatment costs to offset water rate increases.
 - Work to identify savings that will not affect the quality or level of service for treated water.
 - Monitor items such as Granulated Activated Carbon media, sodium hypochlorite generation cells, and membranes to determine when replacement of these items will be needed.
 - Follow and continue to monitor the replacement schedule based on historical trends.
- Maintain security/safety of systems and resources.
 - Secure all District's remote facilities by use of cameras and other means necessary.
 - Continue to develop and implement new requirements for data management to facilitate data sharing and analysis and ensure that the data is safely stored.
 - Manage the Supervisory Control and Data Acquisition System (SCADA) to ensure maximum benefit and minimal down time.
 - Improve networking, SCADA, and communications systems to actively monitor all remote facilities and stay up to date with current technology.
 - Maintain all plant communication and networking systems within industry guidelines and update hardware and software as needed to keep all systems operating efficiently.

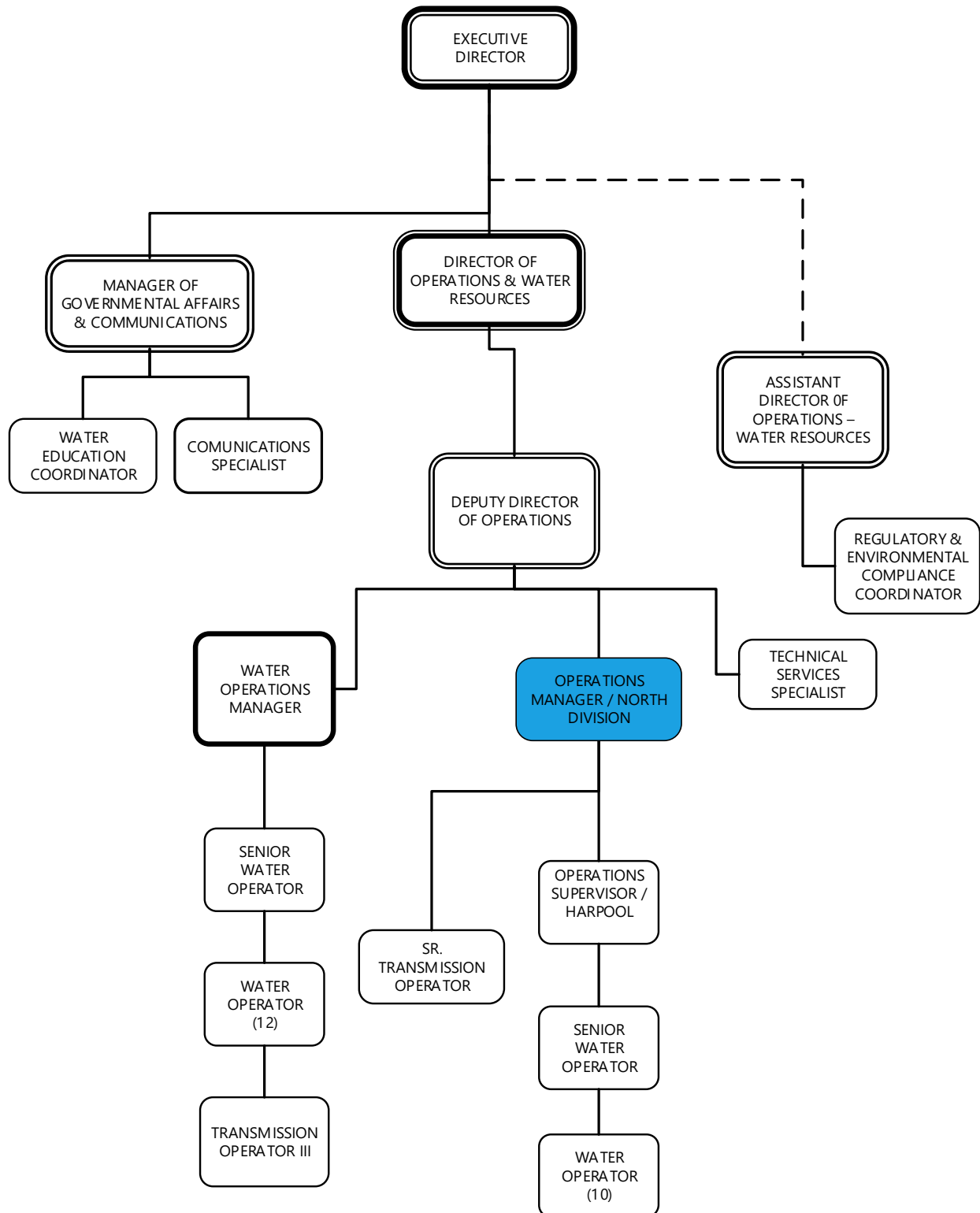
PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2022 Actuals	FY 2023 Estimates	FY 2024 Target
Meet or Exceed all State and Federal rules and regulations	Percentage of time the treatment system in compliance % Time System Compliance = $[1 - (\text{non-compliant samples or readings} / \text{total samples or readings})] \times 100$	100%	100%	100%
Disruption in service, plant shutdowns due to non-construction related activity	Percentage of time the treatment system was on-line % Time on-line = $[1 - (\text{\#days offline} / 365)] \times 100$	>99%	>99%	>99%
Meter Accuracy	Yearly meter calibration checks inaccuracy % Meter accuracy = $[1 - (\text{inaccurate meters} / \text{total meters})] \times 100$	100%	>97%	>97%
Billed flow accuracy	Billing adjustments as a result of meter inaccuracy. Accuracy = $[1 - (\text{\# total flow adjust} / \text{\# total flows billed})] \times 100$	100%	99%	100%
Minimize taste or odor complaint episodes	Establish baseline trends; then target reductions	0 Taylor 3 Harpool	0 Taylor 0 Harpool	0 Taylor 0 Harpool
Minimize unaccounted water loss	Unaccounted for water, annual average UFW = $\text{billed} + \text{accounted flows} / \text{raw water flow}$	4.93%	4.16%	<5%
Dual Certified Operators	Number of Operators with both Water and Wastewater certification	46.43%	42.86%	>40%
Maintain Qualified / Trained Staff	Percentage of positions filled $[1 - (\text{vacancies} / \text{filled})] \times 100$	97%	100%	>95%
Harpool RWTP Recovery Pond Dredging Project (from Annual Work Plans – Functional)	% completion of the Harpool Regional Water Treatment Plant raw water holding pond dredging project by Operations staff	3%	100%	N/A

PERSONNEL SUMMARY

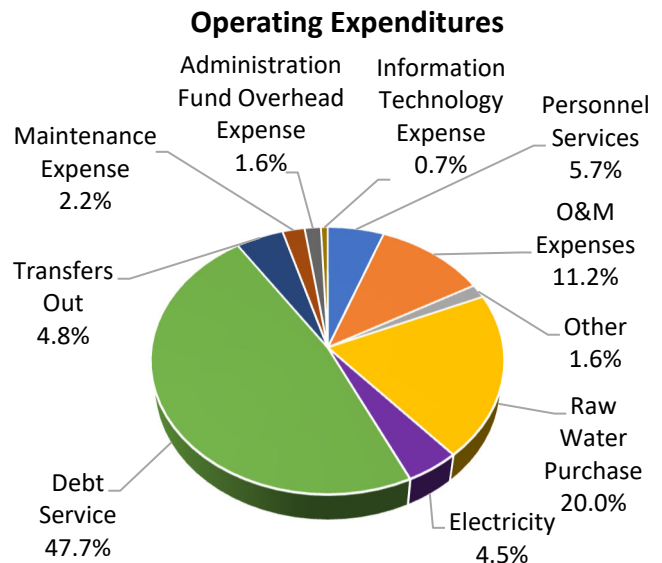
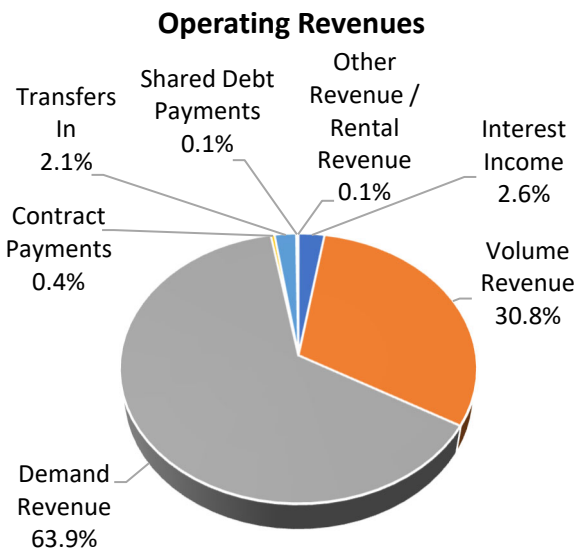
Positions	FY 2022 Actuals	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
Executive Director	.25	.25	.25	.25
Manager of Governmental Affairs & Communications	.65	.50	.50	.25
Water Education Coordinator	.80	.80	.80	.80
Communications Specialist	0	.80	.80	.80
Manager of Water Resources Program	.10	0	0	0
Assistant Director of Water Resources	0	.10	.10	.10
Water Resource Specialist	.05	0	0	0
Regulatory and Environmental Compliance Coordinator	0	.05	.05	.05
Director of Operations and Water Resources	.50	.50	.50	.50
Assistant Director of Operations	.45	.45	.45	0
Deputy Director of Operations	0	0	0	.45
Technical Services Specialist	.45	.45	.45	.45
Electrical Engineer	.35	.35	.35	.35
Water Operations Manager	.99	.99	.99	.99
Operations Manager – North Division	0	0	0	.50
Operations Supervisor	1.05	1	1	1
Senior Water Operator	1.99	1.99	1.99	1.99
Water Operator III	10.92	9.93	9.93	11.92
Water Operator II	6.86	8.96	8.96	5.97
Water Operator I	3	2.99	2.99	3.99
Senior Transmission Operator	0	1	1	1
Transmission Operator III	1	1	1	1
Transmission Operator II	.50	.50	.50	.50
Transmission Operator	1	0	0	0
Total FTEs	30.91	32.61	32.61	32.86

ORGANIZATIONAL CHART



BUDGET SUMMARY

	FY 2022 Actuals	FY 2023 Adopted	FY 2023 Estimates	FY 2024 Adopted
Beginning Balance (Operating Cash)	\$ 15,991,033	\$ 14,234,068	\$ 16,298,868	\$ 18,995,443
Operating Revenue				
Interest Income	\$ 279,054	\$ 400,000	\$ 1,802,830	\$ 1,915,000
Volume Revenue	19,520,752	19,533,475	21,371,710	22,827,520
Demand Revenue	39,005,713	41,619,280	42,658,100	47,384,690
Contract Payments	280,400	269,810	269,810	267,570
Transfers In	792,423	1,881,300	1,287,580	1,591,755
Shared Debt Payments	82,730	82,730	59,000	59,000
Other Revenue	190,794	25,000	50,150	25,000
Rental Revenue	168,801	126,385	124,130	79,960
Total Operating Revenue	\$ 60,320,667	\$ 63,937,980	\$ 67,623,310	\$ 74,150,495
Operating Expense				
Personnel Services	\$ 3,375,028	\$ 3,603,370	\$ 3,675,035	\$ 3,837,110
Administrative	547,929	609,785	597,150	686,635
Office Expenses	6,246	13,250	10,440	12,350
Professional Services	738,663	291,310	296,690	409,445
O&M Expenses	6,419,838	8,229,555	8,224,790	7,586,205
Chapman Raw Water Purchase	2,503,403	2,496,485	2,431,995	2,494,925
Dallas/Denton Raw Water Purchase	8,908,862	9,560,620	8,972,750	11,075,695
Electricity	2,853,457	2,675,420	2,706,290	3,030,265
Debt Service	20,875,424	24,972,450	24,083,895	32,352,215
Transfers Out	11,898,348	2,716,695	10,671,390	3,234,160
Maintenance Expense	1,092,581	1,591,915	1,487,755	1,512,655
Administration Fund Overhead Expense	621,545	1,867,500	1,247,840	1,104,620
Information Technology Expense	171,508	666,820	520,715	463,875
Total Operating Expense	\$ 60,012,832	\$ 59,295,175	\$ 64,926,735	\$ 67,800,155
Ending Balance (Operating Cash)	\$ 16,298,868	\$ 18,876,873	\$ 18,995,443	\$ 25,345,783



SUMMARY OF MAJOR CHANGES

SUBSCRIBED CAPACITIES

Entity	FY 2023 Budget	FY 2024 Budget
Argyle WSC	2.00 mgd	2.00 mgd
Aubrey	0.10 mgd	0.10 mgd
Cross Timbers WSC	2.50 mgd	2.50 mgd
Celina	7.20 mgd	8.50 mgd
Corinth	7.50 mgd	7.50 mgd
DCFWSO #7	4.00 mgd	4.30 mgd
DCFWSO #8A	1.87 mgd	1.87 mgd
DCFWSO #11A	3.30 mgd	3.30 mgd
Elm Ridge WCID	1.02 mgd	1.02 mgd
Flower Mound	30.00 mgd	30.00 mgd
Highland Village	3.00 mgd	3.00 mgd
Justin	1.45 mgd	1.75 mgd
Krum	0.40 mgd	0.40 mgd
Lake Cities MUA	3.80 mgd	3.80 mgd
Lewisville (Castle Hills)	4.00 mgd	4.00 mgd
Mustang SUD	7.80 mgd	10.10 mgd
Northlake	5.80 mgd	8.20 mgd
Providence Village	2.40 mgd	2.40 mgd
Sanger	0.50 mgd	0.50 mgd
Total	88.64 mgd	95.24 mgd

PROJECTED FLOWS

Entity	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
Argyle WSC	1.3000 mgd	1.4102 mgd	1.4000 mgd
Aubrey	0.0000 mgd	0.0000 mgd	0.0000 mgd
Celina	3.9880 mgd	4.4015 mgd	4.4000 mgd
Corinth	3.0000 mgd	3.1284 mgd	3.1000 mgd
Cross Timbers WSC	0.6000 mgd	0.6686 mgd	0.6200 mgd
DCFWSO #7	2.0000 mgd	2.0683 mgd	2.1000 mgd
DCFWSO #8A	0.2900 mgd	0.3248 mgd	0.3000 mgd
DCFWSO #11A	1.3000 mgd	1.4043 mgd	1.4000 mgd
Elm Ridge WCID	0.5100 mgd	0.5584 mgd	0.5400 mgd
Flower Mound	9.8000 mgd	10.4554 mgd	10.3000 mgd
Highland Village	2.3000 mgd	2.3432 mgd	2.3000 mgd
Justin	0.7000 mgd	0.8792 mgd	1.0000 mgd
Krum	0.1000 mgd	0.0997 mgd	0.1200 mgd
Lake Cities MUA	1.8000 mgd	1.9159 mgd	1.9000 mgd
Lewisville (Castle Hills)	1.6000 mgd	1.7286 mgd	1.7000 mgd
Mustang SUD	5.5000 mgd	6.6819 mgd	7.0000 mgd
Northlake	2.0000 mgd	2.3371 mgd	2.3000 mgd
Providence Village	0.7500 mgd	0.7010 mgd	0.7500 mgd
Sanger	0.2000 mgd	0.2043 mgd	0.2000 mgd
Total	37.7380 mgd	41.3108 mgd	41.4300 mgd

RATE STRUCTURE

	FY 2023 Budget	Adopted FY 2024 Budget
Volume Rate – Members	\$1.40 / 1,000 gallons	\$1.49 / 1,000 gallons
Volume Rate – Customers	\$1.50 / 1,000 gallons	\$1.60 / 1,000 gallons
Flat Rate/Temporary Service	\$5.15 / 1,000 gallons	\$5.47 / 1,000 gallons
Demand Rate	\$472,195 / mgd	\$500,155 / mgd

REVENUE

- Interest Income is representative of current market conditions.
- Total Volume Revenue reflects the projected flows at the adopted rates.
- The Demand Revenue reflects the current and anticipated increases in subscriptions at the adopted charge.
- The Contract Payment (P&I) from Mustang SUD is for a joint capital project with the District.

- Transfers In include projected interest earnings from Board Participation Construction Cash Reserve (\$1,314,685) to offset interest payments for the 2015, 2019, and 2020 Board Participation debt issues, Series 2000-A Reserve (\$115,000) previously collected from Argyle WSC for their buyout of the District's portion of the pipeline and elevated storage tank to offset the Series 2000-A Bond debt service, Non-Potable Water System (\$250) for its share of debt service from the Raw Water Intake, Northeast Regional Water Reclamation System (\$1,920) for potable water usage at the Riverbend Plant, and payments (\$159,900) from the Northeast Regional Water Reclamation System Doe Branch participants for interest on a maximum \$3.0 million loan from the Regional Treated Water System's Non-Bond Capital Reserve to fund the Relocation / TxDOT U.S. Hwy. 380 project. FY 2023 Transfers In include funds from the O&M Reserve (\$130,000) to offset emergency repairs including the replacement of a pump impeller at the Southwest Booster Pump Station (\$65,000) and to repair a hole in the Castle Hills treated water pipeline damaged by a utility company boring into the pipe (\$65,000), funds from the Non-Bond Capital Reserve (\$42,975) to offset the purchase of two Nova Cell filter media originally budgeted as spare capital equipment but that were placed into service in FY 2023, funds from the Vehicle and Equipment Reserve (\$131,250) to offset the Regional Treated Water System's allocated portion for the cost of a new Crane Truck for the District's Maintenance Division, and funds from the Raw Water Holding Pond Dredging Reserve (\$500,000) to offset the cost to dredge the Harpool Plant raw water holding pond. FY 2023 Transfers In also include reimbursements from the Administration Fund (\$86,585), the Lakeview Regional Water Reclamation System (\$122,335), Non-Potable Water System (\$10,000), Northeast Regional Water Reclamation System (\$106,785), and Peninsula Water Reclamation Plant (\$28,545) for allocated portions of an outstanding loan by the RTWS Non-Bond Capital Reserve to purchase the 802 N. Kealy annex building and for prior funding of the Operations Data Management Improvements capital project. These amounts were reimbursed from excess working capital identified in District systems from FY 2022 operations.
- Other Revenue generally consists of income from the electric load shedding rebate program through Voltus and from items auctioned throughout the fiscal year.
- Rental Revenue includes the pro rata share of 802 N. Kealy annex rental income. The decrease from FY 2023 is due to the District no longer having renters on previously purchased land around the Lake Ralph Hall site.
- Shared Debt Payments include the original Administration complex and is received from Lakeview Regional Water Reclamation System (\$33,400), Peninsula Water Reclamation Plant (\$3,400), Northeast Water Reclamation System (\$8,900), Administration (\$12,200) and Non-Potable (\$1,100). The outstanding balance of a loan made by the RTWS' Non-Bond Capital Reserve for the purchase of the 802 Kealy annex building was paid off at mid-year 2023 by all District systems from excess working capital identified from FY 2022 operations.

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 32.86 full-time equivalent positions, including 50.0% of a new Operations Manager – North Division position costs.

ADMINISTRATIVE

- Advertising expense includes the cost to place bid notices in local newspapers for various projects included in the operating budget and increased from FY 2023 for a new engineering study to be completed.
- Insurance – Property, General Liability (GL), and Vehicle expense increase is inclusive of a projected 10.0% rate increase for General Liability and a 24.0% rate increase for Vehicle and Property insurance.

- Conference, Training, and Travel expense includes annual continuing education training for water operators. The decrease from FY 2023 is due to budgeting for these items for the Director and Assistant Director of Operations in the Administration Fund.
- Meetings expense includes the cost of refreshments and other supplies for crew members for safety and operational topics.
- Equipment and Furniture less than \$5,000 (Non-capitalized assets) includes administrative items such as desks, office chairs, and appliances for breakrooms with a cost of less than \$5,000.
- Communications expense includes the cost of a telephone landline now being budgeted for in the Information Technology Fund.

PROFESSIONAL SERVICES

- Engineering expense includes the cost of outside consultants to assist with various studies of water operations. The increase from FY 2023 is due to funding a study of construction standards for the Regional Treated Water System capital improvement program. This study is being completed in all District water and wastewater systems.
- Other Outside Services expense includes services performed by outside organizations to assist or improve management or to provide technical assistance. Funding for FY 2024 includes fees for financial advisory services to Hilltop Securities, funding to complete annual dive inspections of treated water holding tanks, and costs associated with data management support services.

O&M EXPENSES

- Vehicle expense includes a full year of lease payments (along with an initial payment for aftermarket equipment added to vehicles). The FY 2023 adopted budget included only six months of this expense due to the scarcity of vehicles in the local market available for lease. In addition, this expense category includes the cost of fuel, maintenance, and tolls for all vehicles (lease or District owned).
- Plant and Equipment Maintenance expense includes costs to complete general maintenance and repairs on various pumps, motors, electrical and HVAC equipment, etc., at the Taylor and Harpool Plants. The increase in maintenance expense is due to the age and condition of the Plant facilities.
- Plant and Equipment Maintenance – Harpool Pond Dredging expense decreased due to finishing this dredging project in FY 2023.
- Pipeline Maintenance expense includes funding of \$200,000 to complete identified needs for Smart-ball testing and pipeline repairs to water pipelines in FY 2024.
- The reduction in Utilities is necessary to align projected costs for Water and Trash / Recycling Services with current year-to-date costs.
- The reduction in Permits, Licenses, and Fees expense is based on a scheduled yearly reduction for the Lake Ralph Hall permit.
- Raw water purchases reflect a 7.65% increase in the price of raw water from Dallas Water Utilities. Assumptions for raw water sources include a total of 43.17 MGD from the following sources:
 - Dallas water – 21.94 MGD
 - Denton water – 5.48 MGD
 - Chapman Lake – 10.50 MGD
 - Reuse – 5.25 MGD
- In November 2022, the District entered into an agreement with the City of Sulphur Springs that for a specific payment, the City would accept the District's share of evaporative losses to increase the share of UTRWD's storage account at Lake Chapman. After the end of the water year (July through June), the payment and quantity of water storage transferred would be re-evaluated. No payment under

this contract is budgeted for FY 2024, until the contract is revisited for further evaluation by District management.

- With the increase in growth and demand in the Regional Treated Water System's northeast service area, the amount of raw water pumped from Lake Chapman and through the City of Denton has decreased whereby the water is delivered directly to the Harpool Plant. Therefore, this expense reflects a projected decrease from FY 2023.
- With the increase in the reuse water factor (from 45.0% to 50.0% of Chapman raw water projected for use) and an increased CPI factor of 7.5%, the pass-thru cost due to the City of Denton reflects an increase.
- Treated Water Purchase expense reflects the cost of treated water purchased from Denton Water Utilities that is supplied to the cities of Krum and Sanger. The increase is a combination of a projected 5.0% rate increase from the City of Denton and increases to projected flows for these entities.
- Electricity cost increase is due a projected rate increase from CoServ for electricity service provided to the Stone Hill Pump Station and Harpool Regional Water Treatment Plant, as well as higher electricity usage for the treatment of increased projected flows.
- Chemicals expense increase is due to projected price increases for water treatment chemicals from pricing volatility in the oil and petroleum industry, coupled with increased usage from a projected 9.78% increase in water sales from FY 2023.
- Tools, Machinery, and Equipment less than \$5,000 expense the cost of two new lab analyzers (\$8,000), the replacement of chlorine feed equipment at the Southwest Booster Pump Station (\$3,500), and the purchase of new pipeline disinfection and dichlorination equipment (\$7,000).
- Furniture and Equipment greater than or equal to \$5,000 includes:

Taylor Plant

- Rehabilitation of Raw Water Intake #5 Pump and Motor - \$180,000
- Replacement of Soft Start equipment on #2 Backwash Blower Motor - \$33,000
- Replacement of two Basin Decant Motor Operated Valves (MOVs) - \$12,000
- Replacement of a Chemical Feed Pump - \$7,500
- Purchase of two Microclor 200 PPD Hypo-Generation Cells - \$44,000
- Replacement of a Caustic Chemical Storage Tank - \$180,000

Stone Hill Pump Station

- Replacement of an Air Compressor - \$8,000

Temple Dane Pump Station

- Rehabilitation of a Pump - \$15,000 (Shared cost with Mustang SUD)

Inline Booster Pump Station

- Replacement of a Pump Variable Frequency Drive (VFD) - \$70,000

Harpool Plant

- Replacement of a Caustic Day Tank - \$30,000
- Purchase of a new Scissor Lift for the Northeast Service area (66% allocation of cost) - \$10,000

- Debt Service includes an increased payment totaling \$767,900 for deferred interest related to the Series 2015 (\$93,855) and Series 2020 (\$674,045) TWDB Board Participation issues. Additionally, Revenue Bond debt service is projected to increase by approximately \$1.6 million representing the first payment for the 2015 TWDB SWIRFT Deferred Interest loan issue (deferred for the past eight years), \$2.3 million (full-year of debt service) for a projected Series 2023 issue to refund \$35.0 million (after FY 2024 budget was adopted, it was determined that only \$30.0 of outstanding Variable Rate Debt needed to be converted to long-term debt) and \$2.0 million (half-year of debt service) for a Series 2024 issue to refund \$55.0 million of outstanding Variable Rate Debt. Due to rising interest

rates already incurred in FY 2023, and due to the need to issue additional variable rate debt for on-going capital improvement projects, interest costs for the variable rate financing program are projected to increase by \$716,790.

TRANSFERS OUT

- There is no contribution from rates to the Non-Bond Capital Reserve Fund for FY 2024. The FY 2023 contribution reflects a deposit of \$3.4 million of excess working capital (generated from FY 2022 operations) through a mid-year budget adjustment. The FY 2024 contribution amount includes \$159,900 from the Northeast Regional Water Reclamation System Doe Branch participants for interest on a \$3.0 million loan from the Regional Treated Water System's Non-Bond Capital Reserve to fund the Relocation / TxDOT U.S. Hwy. 380 project. Previous outstanding loan amounts representing shared debt service payments from the Administration Fund, Lakeview Regional Water Reclamation System, Non-Potable Water System, Northeast Regional Water Reclamation System, and the Peninsula Water Reclamation Plant for funding the purchase of the 802 N. Kealy Street (Annex) building and for prior funding of the Operations Data Management Improvements capital project, were paid off at mid-year 2023 from excess working capital identified in those systems from FY 2022 operations.
- The O&M Reserve is projected to be 100.0% funded at the end of FY 2024 without a contribution. At mid-year FY 2023, an additional contribution (\$250,000) was made to the O&M Reserve from excess working capital identified from FY 2022 operations.
- Funding for the Capital Replacement Reserve is provided for in the volume rate at \$0.12 / 1,000 gallons, representing a \$0.01 / 1,000-gallon increase from FY 2023.
- The Transfer Out to the Vehicle and Equipment Replacement Reserve is calculated according to the quantity and age of District owned vehicles and equipment. With the inception of a vehicle lease program for District vehicles, this annual contribution was decreased due to no longer owning certain vehicles used in operations. However, the District still owns specialized heavy-duty equipment such as cranes, vacuum trucks, and forklifts that will continue to require annual contributions for their eventual replacement. This amount is funded according to an established replacement schedule.
- There is no contribution from rates to the Lake Ralph Hall Reserve for FY 2024. The FY 2023 contribution reflects a deposit of \$3.2 million of excess working capital identified from FY 2022 operations.
- Funding for the Raw Water Holding Pond Dredging Reserve is at \$0.01 / 1,000 gallons, a \$0.0025 / 1,000-gallon increase from FY 2023. This reserve was established to accumulate funds for future raw water holding pond dredging activities at the Taylor and Harpool Regional Treated Water Plants. The FY 2023 contribution reflects a deposit of \$1.0 million of excess working capital identified from FY 2022 operations.
- Funding for the Water Conservation Program is at \$0.02 / 1,000 gallons, same as FY 2023.
- Funding for the Watershed Protection Program is at \$0.02 / 1,000 gallons, same as FY 2023.
- Funding for the Future Water Program is at \$0.02 / 1,000 gallons, same as FY 2023.
- A Transfer Out to the Administration Fund is the portion of the customer surcharge to fund administration services.

MAINTENANCE EXPENSE

- This allocation represents 46.0% of the adopted Maintenance budget.

ADMINISTRATION FUND OVERHEAD EXPENSE

- Allocation of Administration Fund expenses to operations.

INFORMATION TECHNOLOGY

- Allocation of Information Technology Fund expenses to operations.

ACCOMPLISHMENTS FOR FY 2022-2023

- ✓ Provide all District customers with dependable, high-quality water.
- *The District's Operations staff employ technologies and monitoring programs to ensure the finished water is safe and healthy. Daily, monthly, and semi-annual testing confirms that the water meets and exceeds the high standards of drinking water required by EPA and TCEQ regulations.*
 - *Taylor and Harpool Plants follow TCEQ approved monitoring plans. These plans ensure that all required testing is conducted and provides transparency of means and methods for meeting or exceeding all standards and regulations.*
 - *Updated Taylor Plant CT Study to confirm TCEQ guidelines are met following clearwell improvements.*
 - *Continually confirm that laboratory testing, both in-house and contracted, follow EPA or TCEQ required testing guidelines and methods.*
 - *Maintained compliance and performance during challenging events such as construction shutdowns, plant improvements, and record high demand on the water system.*
 - *Construction of the Leon Hurse Dam for Lake Ralph Hall has commenced, with expected completion by 2026. Design of the associated raw water pump station, raw water pipeline, and balancing reservoirs is complete and construction is underway.*
 - *The District continues to coordinate and provide data to assist the Region C Water Planning Group in its preparation of future Region C Water Plans.*
 - *The District continues to monitor three water rights permit applications (Kiamichi River, Muddy Boggy Creek, and Lake Texoma) filed with the Oklahoma Water Resources Board (OWRB) seeking a total of 115,000 acre-feet/year of raw water from any combination of these sources.*
 - *Performed inspection of the raw water inlet structure at the Harpool Emergency Storage Lake to assess condition of the structure and identify signs of potential zebra mussels. The inlet structure is in good condition and no zebra mussels were found.*
 - *Continued partnership with Texas Parks and Wildlife Department that includes the Harpool Emergency Storage Lake in the statewide zebra mussel testing and monitoring program.*
 - *GIS program for all District pipelines was completed. GPS data points continue to be collected on new and existing pipelines and facilities to improve GIS system accuracy.*
 - *The District, working with all customer cities, developed, and implemented our Emergency Preparedness Plan to ensure facilities are prepared for, and able to, maintain operability during emergency events.*
 - *Continued cross-training program of water system plant staff to maintain good operational redundancy.*
 - *Taylor Plant High Service Pump Station and Stonehill Pump Station Pumping Improvements Project, Southwest Pump Station and Storage Facility Project, and RTWS Hydraulic and Resiliency Project are underway.*
 - *Removal and Upsizing of Section of Phase 1A Water Transmission Pipeline project is substantially complete and the new line is in service.*
 - *Design of the Taylor Plant Expansion project to increase plant capacity from 70mgd to 85mgd has commenced.*
 - *The Harpool Operations and Maintenance Team conducted annual full-scale condition audit of all the membrane filtration units during December 2022. Unscheduled membrane maintenance and downtime continues to be near zero as a result of the coordinated and strategic planning of this work.*

- *Harpool operations have continued a water quality monitoring plan for manganese that provides data to engineering to develop treatment options to minimize finished water aesthetic issues.*
- *Planning is underway on a second raw water storage lake one mile north of the Harpool Plant.*
- *A pilot plant to test the pressure membrane system modules for the next Harpool plant expansion began in April 2023.*
- *Construction began on the Harpool Diurnal Pond to provide additional raw water storage, pretreatment, and plant operational flexibility. Expected completion is Summer 2024.*
- *The Harpool plant started and completed their recovery pond dredging project from April 2023 – July 2023. Preliminary engineering & planning efforts for this dredging project began in late FY 2022.*
- *In July 2023, the Harpool plant implemented a new high service pump control program as an early milestone of the ongoing diurnal pond project. This allows the use of 2 high service pumps simultaneously on the North discharge line and has enabled the District to continue to meet the ever-growing demands of the customers on that service line.*

✓ Minimize the impact of water treatment costs to offset water rate increases.

- *Reservoir levels were continuously monitored, and water sources were optimally used to provide the lowest raw water costs possible while managing our available water supply.*
- *Reuse program modifications and updates have been ongoing during FY'23. Final completion and implementation scheduled for the beginning of FY'24. This will lead to substantial annual raw water savings.*
- *Reuse permit amendment application for Chapman Lake to add additional WRF's to the permit is currently under review by TCEQ. Projected date of permit approval FY'24. Lake Ralph Hall reuse permit to be submitted to TCEQ in FY'24.*
- *Taylor Plant GAC filter media level measurements and other filter testing to determine backwash efficiency and underdrain integrity are performed several times per year. Results of this testing indicate that it is time for removal of degraded media and replacement (topping off) of GAC media to return all filters to full level are scheduled for winter/spring of 2024.*
- *Taylor Plant sodium hypochlorite generation system is routinely monitored, and cells are repaired or replaced as needed. Preventive repairs and maintenance are performed on the system to maintain efficient function and to ensure proper water quality is being fed to the generation cells.*
- *Performed preventive maintenance on the variable frequency drives at Taylor Plant High Service Pump Station.*
- *Completed numerous repairs and modifications to Stonehill High Service Pumps to provide more efficient pumping of finished water to customers.*
- *Numerous other projects are underway to provide redundancy and more efficient delivery of water to customers, including a large scale RTWS transmission system leak detection program to establish a pipeline testing schedule over the course of the next several years.*
- *Maintained 100% billing meter accuracy for the sixth consecutive year.*
- *The very successful Operations/Maintenance cross-training program for new staff members continued in 2023 with plans to expand this program in 2024.*
- *The District's Transmission and Collection System's preventive maintenance program has had another successful year. This program is allowing our staff to quickly identify and address problems before they become emergencies. In most of our system, all pipeline appurtenances are easily identified and all easements easily navigable. The goal for 2024 is to get the entire system 100% accessible and easily navigable.*

- Continued to maintain and expand spare parts inventory of key operational equipment at all facilities.
- Utilizing hydraulic modeling and long-range flow projections, the District is developing transmission system improvements and treatment plant needs to facilitate CIP planning.
- Complete recommissioning of the Harpool plant emergency generator switchgear was performed in April 2023, enabling the plant to regain the ability to utilize those generators in an automatic transfer capacity as well as participate in the cost saving energy conservation program.

✓ Maintain security/safety of systems and resources.

- The SCADA upgrade to System Platform to unify the design and function of SCADA for all District plants has been completed.
- All treatment facilities are linked to all the plants in the District with cameras and/or SCADA monitoring.
- Numerous cameras are installed throughout the District to improve site security.
- Operations data and records such as meter readings and laboratory test results have now been fully migrated to a SQL Server, with redundancy. This improves data integrity and security for both historical and current records, while still maintaining a high degree of usability.
- Tableau continues to be used as the operational data visualization and analyzation tool, with favorable results. Further implementation is expected this year.
- Data Management User-Interface is underway to aid in the ease and accuracy of data capture.
- Cybersecurity measures have been put in place to ensure the security of District Networks. These include Dual Factor Authentication being utilized for accessing all District SCADA, LAN and VPN connections, separation of networks, and employee training programs.
- Harpool operations group has begun organizing its historical data to be migrated to SQL server. This process has allowed for the creation of multiple weekly and monthly data reports for raw water flows, electrical usage, customer flows and Lake Jim Chapman raw water storage to help optimize every component of treatment operations.

HOUSEHOLD HAZARDOUS WASTE

The District is committed to providing safe and efficient collection, transportation, and disposal of household hazardous materials for our members and customers.

MISSION

Our mission is to safely collect and properly dispose of hazardous household wastes, and to educate citizens about the potential threat these materials pose to our water sources.

GOALS AND OBJECTIVES

- Promote Customer participation in the District's Household Hazardous Waste Collection Program (HHW Program).
 - Promote area wide collection events instead of individual events, when possible, to improve efficiency and reduce costs.
 - Provide current HHW information on the District's website, including additional information on paint disposal.
 - Update the District's Board of Directors annually about the HHW program.
 - Host at least 2 mobile collection events next year.
- Encourage District employees to participate in the HHW Program.
 - Actively recruit employees to become HHW collection team members.
 - Train HHW team members through certification and refresher courses.
 - Educate employees about the importance of the HHW program and ways to participate by conducting informative talks at employee luncheons or through printed material.
 - Provide containers to collect household batteries at District facilities.

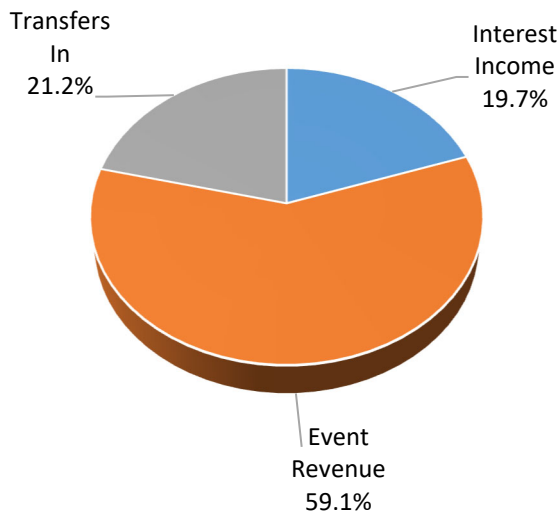
PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2022 Actuals	FY 2023 Estimates	FY 2024 Target
Program Summary	Maintain current information about HHW program on the District's website.	100%	100%	100%
Program Promotion	Continue promoting HHW program throughout service area.	100%	100%	100%
Team Member's Training	Keep all staff current on HHW training.	100%	100%	100%
Processing and Collecting Equipment	Continue to improve event protocol and acquire needed equipment for efficient and safe collection events.	100%	95%	100%

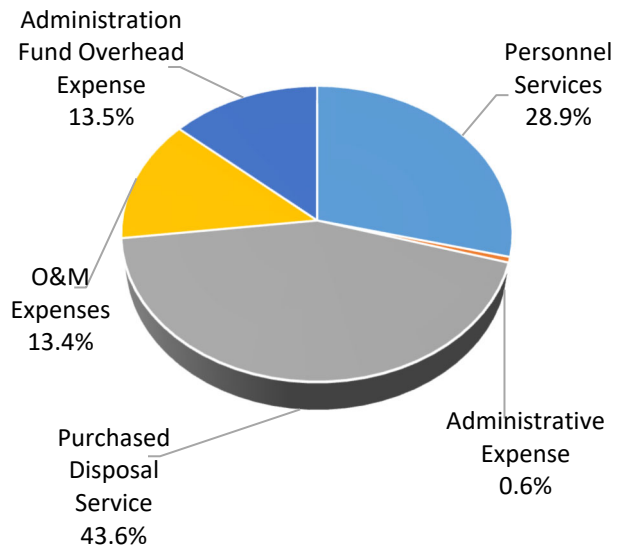
BUDGET SUMMARY

	FY 2022 Actuals	FY 2023 Adopted	FY 2023 Estimates	FY 2024 Adopted
Beginning Balance (Operating Cash)	\$ 137,092	\$ 128,717	\$ 133,331	\$ 132,356
Transfer to Operations	\$ (11,000)	\$ (11,750)	\$ (11,750)	\$ (8,000)
Beginning Balance (Operating Cash) Revised	\$ 126,092	\$ 116,967	\$ 121,581	\$ 124,356
Operating Revenue				
Event Revenue	\$ 21,699	\$ 18,910	\$ 25,725	\$ 22,330
Interest Income	962	1,200	5,595	7,455
Transfers In - Working Capital	11,000	11,750	11,750	8,000
Total Operating Revenue	\$ 33,661	\$ 31,860	\$ 43,070	\$ 37,785
Operating Expense				
Personnel Services	\$ 5,488	\$ 9,085	\$ 10,000	\$ 10,720
Administrative Expense	-	200	175	200
Purchased Disposal Service	12,800	12,750	12,850	16,150
O&M Expenses	3,134	4,240	4,270	4,975
Administration Fund Overhead Expense	5,000	5,000	5,000	5,000
Total Operating Expense	26,422	31,275	32,295	37,045
Ending Balance (Operating Cash)	\$ 133,331	\$ 117,552	\$ 132,356	\$ 125,096

Operating Revenues



Operating Expenditures



SUMMARY OF MAJOR CHANGES

HOUSEHOLDS

Entity	FY 2023 Budget	FY 2024 Budget
Cross Roads	40 households	40 households
Denton County	125 households	125 households
District Vouchers	5 households	5 households
Total	170 households	170 households

RATE STRUCTURE

	FY 2023 Budget	Adopted FY 2023 Budget
Collection Events & Disposal	\$101 / household	\$132 / household
Ft. Worth Voucher	\$75 / household	\$110 / household
Event Voucher	\$101 / household	\$132 / household

*minimum 25 households per event

REVENUES

- A Transfer In (\$8,000) is being made from working capital of the Household Hazardous Waste program.
- Two participating members indicate they plan to hold events during the fiscal year.
- Interest income is representative of current market conditions.

EXPENSES

OPERATING EXPENSES

- The adopted budget includes funding for staffing the HHW events.
- Landfill disposal fee from City of Fort Worth will increase from \$50 to \$95 per voucher for FY 2024.
- O&M Expense includes a 10% increase for Insurance – General Liability and Property / Vehicle and an increase for Vehicle Maintenance and Fuel cost for FY 2024.

ADMINISTRATION FUND OVERHEAD EXPENSE

- Allocation of Administration Fund expenses to operations.

ACCOMPLISHMENTS FOR FY 2022-2023

- ✓ Continue voucher program.
 - *Processed Eight Fort Worth voucher participants.*
- ✓ Hold at least 2 mobile events each fiscal year.
 - *Hosted 2 mobile events, with 140 households participating. A total of 11,930 lbs. of household hazardous waste was collected at these mobile events.*
- ✓ Collected HHW materials from District employees.
 - *District employees continue to properly dispose of hazardous materials used and collected at the various District facilities, including light bulbs, used oil, and batteries.*

OTHER FUNDS

The District accounts for appropriations from operating funds for operations and maintenance expenditures, capital asset replacements, healthcare claim expenditures and liabilities, and deposits from developers and / or District participants in several reserve funds for various District needs.

Each operating fund (system) includes its own group of Reserve Funds in which transfers in and out are made to offset certain non-routine expenditures (O&M Reserve) or to accumulate funds for the replacement of certain assets.

OPERATIONS AND MAINTENANCE RESERVE FUND

To account for contributions from a system based on a portion of the total variable charge per 1,000 gallons of water delivered or wastewater treated. The District's requirement is to fund this reserve to yield 25.0% of the operating expenditures of a system, less debt service made from annual contributions, and is a contractual obligation with District members / participants. Interest is earned on these contributions and is retained in this fund until the fund has reached the 25.0% level. This account can be utilized to stabilize rates and charges from year to year by transferring funds from this reserve to operating cash to assist with one-time capital purchases and/or unpredictable expenditures that arise during a fiscal year.

CAPITAL REPLACEMENT RESERVE FUND

To account for contributions from a system based on a portion of the total variable charge per 1,000 gallons of water delivered or wastewater treated. The District's current goal is to fund this type of reserve to yield an annual contribution that will accumulate over time to fund a portion of the future replacement of District infrastructure (i.e., pipelines, plants, lift stations, pump stations).

RAW WATER HOLDING POND DREDGING RESERVE FUND

This is a new fund created in FY 2022. This fund is to account for contributions from the RTWS based on a portion of the total variable charge per 1,000 gallons of water delivered. Funds accumulated in this fund will be used to periodically remove silt at the District's raw water holding ponds to increase their storage capacity.

WATERSHED PROTECTION PROGRAM FUND

To account for contributions from the Regional Treated Water System (RTWS) based on a portion of the total variable charge per 1,000 gallons of water delivered. Funds accumulated in this fund are used for designated District operating expenses incurred for the promotion of educational, research and community activities related to the protection of the District's watershed.

WATER CONSERVATION PROGRAM FUND

To account for contributions from the RTWS based on a portion of the total variable charge per 1,000 gallons of water delivered. Funds accumulated in this fund are used to promote water conservation initiatives.

FUTURE WATER PROGRAM FUND

To account for contributions from the RTWS based on a portion of the total variable charge per 1,000 gallons of water delivered. Funds accumulated in this fund are used for future water initiatives.

LAKE RALPH HALL RESERVE FUND

To account for deposits earmarked to provide funding, at the discretion of the District's Board of Directors, to offset future rate impacts to participants in the Regional Treated Water System.

NORTHEAST CONTRIBUTION RESERVE FUND

To account for deposits made by District participants (Fresh Water Supply Districts #8A, #10, and #11A and Providence Village) as its Alternative Project Payment required by the Contract for its original minimum demand of 1.52 mgd in the RTWS. These funds are to be used by the District for the security and efficiency of District facilities in the northeastern portion of Denton County.

GAS LEASE RESERVE FUND

To account for lease payments received for the use of District land for natural gas drilling activities. These funds are used at the discretion of the District for various needs. This reserve fund is found only in the RTWS.

NON-BOND CAPITAL RESERVE FUND

To account for deposits earmarked to provide funding, at the discretion of the District's Board of Directors, for the Capital Improvement Program, or other District needs.

PLANT PERMITTING RESERVE FUND

To account for annual deposits to accumulate over time so that funding is available for the renewal of the Texas Commission on Environmental Quality (TCEQ) water reclamation plant permitting process every three years.

BUILDING ACTIVITY FEE RESERVE FUND

To account for fees paid to the District from participants in the Northeast Regional Water Reclamation System for each building permit issued on newly constructed houses in Fresh Water Supply Districts #8A, #10, #11A, and Providence Village. Funds received from Mustang Special Utility District were transferred to the Peninsula Construction Cash Reserve fund in FY 2020 to be used as a contribution source for the expansion of the Peninsula Water Reclamation Plant. This fee is no longer collected from Mustang SUD per contract amendment. These funds are used at the discretion of the District for various needs.

VEHICLE AND EQUIPMENT REPLACEMENT FUND

To account for contributions from all operating systems, based on an established replacement schedule. The District's goal is to fund this type of reserve to yield an annual contribution to replace District vehicles and/or equipment according to policy.

CAPITAL FACILITIES EQUIPMENT FUND

To account for contributions from all operating systems, based on an anticipated inventory needs. The District's goal is to have certain replacement inventory items on hand in the event of an equipment failure in order to maintain Operations with minimal disruption.

SELF-INSURANCE FUND

To account for funds set aside for partially self-funded health insurance liabilities. The District pays medical claims throughout the year up to an established stop-loss amount which is set as a maximum per contract with the District's carrier. At year end, dollars remaining in the fund are shown in the individual system funds which together account for all cash on-hand in the District's bank account.

UPPER TRINITY CONSERVATION TRUST FUND (THE TRUST)

Initially funded for FY 2011 with seed money transferred from the Project Development and Watershed Protection Program Funds. This Trust will be used to protect water quality in streams and lakes and water resource assets in local watersheds; and, to encourage conservation of water and land resources with watersheds from which water is provided for the service area of the District. The primary goal and function of the Trust is to educate various stakeholders (i.e., landowners, civic groups, community leaders and local governments) about the importance of watershed protection and how the Trust can be a tool in protecting water quality in local streams and lakes. The Trust is a component unit of the District and is accounted for as a discretely presented component unit in the District's Annual Comprehensive Financial Report.

OPERATING AND MAINTENANCE RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 7,078,029	\$ 7,961,659	\$ 8,080,831	\$ 8,570,866
REVENUES				
Transfer In - Operations	1,338,700	41,500	291,500	28,000
Interest Income	56,061	112,045	328,535	206,375
TOTAL REVENUES	\$ 1,394,761	\$ 153,545	\$ 620,035	\$ 234,375
EXPENDITURES				
Transfer Out - Operations	391,959	-	130,000	-
TOTAL EXPENDITURES	\$ 391,959	\$ -	\$ 130,000	\$ -
ENDING CASH BALANCE 9/30	\$ 8,080,831	\$ 8,115,204	\$ 8,570,866	\$ 8,805,241

CAPITAL REPLACEMENT RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 7,219,930	\$ 8,856,590	\$ 8,913,872	\$ 10,572,502
REVENUES				
Transfer In - Operations	1,693,942	1,515,180	1,658,630	1,814,635
TOTAL REVENUES	<u>\$ 1,693,942</u>	<u>\$ 1,515,180</u>	<u>\$ 1,658,630</u>	<u>\$ 1,814,635</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u>\$ 8,913,872</u>	<u>\$ 10,371,770</u>	<u>\$ 10,572,502</u>	<u>\$ 12,387,137</u>

FY 2024 Ending Balance increase of \$2,015,367 is a result of reflecting FY 2024 transactions for this reserve. Additionally, FY 2023 flows were higher than originally projected, therefore increasing the FY 2023 contribution amount by \$143,450.

RAW WATER HOLDING POND DREDGING RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ -	\$ 2,008,295	\$ 2,012,161	\$ 2,662,006
Transfer to Operations		\$ (1,489,530)		
BEGINNING CASH BALANCE Revised		\$ 518,765		
REVENUES				
Transfers In				
Operations	2,000,000	103,310	1,113,090	151,220
Working Capital	-	1,489,530	-	-
Interest Income	12,161	7,160	36,755	90,025
TOTAL REVENUES	\$ 2,012,161	\$ 1,600,000	\$ 1,149,845	\$ 241,245
EXPENDITURES				
Transfer Out - Operations	-	1,600,000	500,000	-
TOTAL EXPENDITURES	\$ -	\$ 1,600,000	\$ 500,000	\$ -
ENDING CASH BALANCE 9/30	\$ 2,012,161	\$ 518,765	\$ 2,662,006	\$ 2,903,251

FY 2024 Ending Balance increase of \$2,384,486 is due to the transfer of excess FY 2022 working capital of \$1,000,000 and lower than anticipated expenses in FY 2023 .

WATERSHED PROTECTION PROGRAM FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 330,921	\$ 312,071	\$ 343,380	\$ 323,280
			\$ (20,100)	\$ (3,060)
BEGINNING CASH BALANCE Revised			\$ 323,280	\$ 320,220
REVENUES				
Transfers In				
Operations	230,992	275,485	301,570	302,440
Working Capital	-	-	20,100	3,060
TOTAL REVENUES	\$ 230,992	\$ 275,485	\$ 321,670	\$ 305,500
EXPENDITURES				
Personnel Services	84,357	90,000	90,000	90,000
Administrative	8,357	7,500	6,500	7,500
Program Expenses (Public Information)				
Public Information	-	10,000	-	5,000
Media Campaigns	69,219	80,000	140,125	115,000
Watershed Signs	-	2,000	-	2,000
Program Expenses (Public Outreach)				
Public Information				
Texas Parks and Wildlife				
Zebra Mussels	5,000	5,000	5,000	5,000
Festivals	-	1,985	-	2,000
Sponsorships	250	7,500	-	7,500
Professional Services				
USGS Monitoring Program	19,080	19,500	19,500	19,500
Greenbelt Plan Implementation	-	15,000	15,000	15,000
Water Quality Monitoring	-	5,000	5,000	5,000
Other Outside Services	1,264	-	7,045	-
Overhead Allocation	6,006	7,000	8,500	7,000
Interfund Transfer - Upper Trinity Conservation Trust	25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	\$ 218,533	\$ 275,485	\$ 321,670	\$ 305,500
ENDING CASH BALANCE 9/30	\$ 343,380	\$ 312,071	\$ 323,280	\$ 320,220

WATER CONSERVATION PROGRAM FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 275,090	\$ 207,410	\$ 200,043	\$ 159,448
Transfer to Operations	\$ (75,047)	\$ (67,680)	\$ (40,595)	\$ (41,485)
BEGINNING CASH BALANCE Revised	\$ 200,043	\$ 139,730	\$ 159,448	\$ 117,963
REVENUES				
Transfers In				
Operations	230,992	275,485	301,570	302,440
Working Capital	75,047	67,680	40,595	41,485
TOTAL REVENUES	\$ 306,039	\$ 343,165	\$ 342,165	\$ 343,925
EXPENDITURES				
Personnel Services	86,913	90,000	85,000	90,000
Administrative	17,138	5,925	5,925	5,925
Program Expenses	193,585	240,240	240,240	240,000 *
Overhead Allocation	8,403	7,000	11,000	8,000
TOTAL EXPENDITURES	\$ 306,039	\$ 343,165	\$ 342,165	\$ 343,925
ENDING CASH BALANCE 9/30	\$ 200,043	\$ 139,730	\$ 159,448	\$ 117,963

FY 2024 Ending Balance decrease of \$21,767 is due to the FY 2023 and FY 2024 expenditures exceeding contributions.

*** - FY 2024 Program Expenses**

Water My Yard	
Annual Renewal of AgriLife	\$ 5,500
Weather Station Maintenance	2,000
Media Campaigns	170,000
Public Information	5,000
Public Outreach	
Sponsorships	4,000
Festivals	1,000
School Outreach Program	5,000
Regional Symposium	4,000
GreenPros Program	1,000
Irrigation System Check-Ups	
Administration Fee	7,500
Check-Ups	30,000
Industrial, Commercial, & Institutional Audit Program	5,000
Total	\$ 240,000

FUTURE WATER PROGRAM FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 387,954	\$ 511,429	\$ 521,767	\$ 551,337
Transfer to Operations				\$ (40,560)
BEGINNING CASH BALANCE Revised				\$ 510,777
REVENUES				
Transfers In				
Operations	307,990	275,485	301,570	302,440
Working Capital	-	-	-	40,560
TOTAL REVENUES	\$ 307,990	\$ 275,485	\$ 301,570	\$ 343,000
EXPENDITURES				
Personnel Services	17,160	30,000	30,000	30,000
Administrative	2,653	10,000	48,000	48,000
Professional Services	149,052	200,000	180,000	250,000
Overhead Expenses	5,312	14,000	14,000	15,000
TOTAL EXPENDITURES	\$ 174,177	\$ 254,000	\$ 272,000	\$ 343,000
ENDING CASH BALANCE 9/30	\$ 521,767	\$ 532,914	\$ 551,337	\$ 510,777

LAKE RALPH HALL RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 16,987,668	\$ 19,814,933	\$ 19,850,794	\$ 24,011,849
REVENUES				
Transfer In - Operations	2,724,920	-	3,178,115	-
Interest Income	138,206	312,085	982,940	1,200,590
TOTAL REVENUES	\$ 2,863,126	\$ 312,085	\$ 4,161,055	\$ 1,200,590
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 19,850,794	\$ 20,127,018	\$ 24,011,849	\$ 25,212,439

FY 2024 Ending Balance increase of \$5,085,421 is due primarily to the transfer of excess FY 2022 working capital of \$3,178,115 in FY 2023 and higher interest earnings projected for FY 2024.

NORTHEAST CONTRIBUTION RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 573,893	\$ 573,893	\$ 573,893	\$ 573,893
REVENUES	-	-	-	-
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u><u>\$ 573,893</u></u>	<u><u>\$ 573,893</u></u>	<u><u>\$ 573,893</u></u>	<u><u>\$ 573,893</u></u>

GAS LEASE RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 656,783	\$ 660,053	\$ 661,308	\$ 689,133
REVENUES				
Interest Income	4,525	5,775	27,825	28,565
TOTAL REVENUES	<u>\$ 4,525</u>	<u>\$ 5,775</u>	<u>\$ 27,825</u>	<u>\$ 28,565</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u><u>\$ 661,308</u></u>	<u><u>\$ 665,828</u></u>	<u><u>\$ 689,133</u></u>	<u><u>\$ 717,698</u></u>

Non-Bond Capital Reserve Fund

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 11,327,000	\$ 10,181,950	\$ 13,100,455	\$ 13,854,140
REVENUES				
Deposit - TxDOT Reimbursement for Projects	208,067	6,121,055	3,870,495	1,634,000
Transfers In				
Regional Treated Water System Operations				
Working Capital	3,000,000	-	3,354,250	-
Loan Repayments	23,730	23,730	-	-
Northeast Regional Water Reclamation System				
Operations (Loan Interest)	-	48,750	13,325	159,900
Doe Branch Construction Cash Fund (Loan Repayment)	-	3,000,000	-	3,000,000
Interest Income	66,292	176,460	626,550	653,090
TOTAL REVENUES	\$ 3,298,089	\$ 9,369,995	\$ 7,864,620	\$ 5,446,990
EXPENDITURES				
Transfers Out				
Regional Treated Water System Reserve Funds				
Operations	284,679	-	42,975	-
Construction Cash Fund	1,239,955	6,726,205	4,067,960 *	5,007,040
Capital Facilities Equipment Fund **	-	45,000	-	35,000
Northeast Regional Water Reclamation System Reserve Fund				
Doe Branch Construction Cash Fund (Loan)	-	-	3,000,000	-
TOTAL EXPENDITURES	\$ 1,524,634	\$ 6,771,205	\$ 7,110,935	\$ 5,042,040
ENDING CASH BALANCE 9/30	\$ 13,100,455	\$ 12,780,740	\$ 13,854,140	\$ 14,259,090

FY 2024 Ending Balance increase of \$805,165 is largely due reimbursements totaling \$1,634,000 projected to be received from the Texas Department of Transportation (TxDOT) in FY 2024 for a current pipeline relocation project (21-51TN). FY 2024 funding for RTWS capital projects are as follows: \$267,500 - Operations Remote Communications Improvement Project (519C), \$2,140,000 - 802 Kealy Phase 2 Improvements (51W4), \$100,000 - Treated Water Optimization and Implementation Plan (516N), \$10,000 - Roadway Improvements Coordination Adjustments (513W), \$5,000 - Lewisville Lake / USACE Dam Coordination (51W3), \$50,000 - U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project (51T7), \$5,000 - Relocation / TxDOT US Hwy 380 Project (Collin County) (51T9), \$100,000 - TxDOT / IH-35W and FM 407 Project (51TA), \$2,245,610 - TxDOT / IH-35 Project (5TN), and \$83,930 (of \$100,000 shown in CIP Budget) - Contingency Improvements (51WI). The total of these project expenditures is \$5,007,040.

* Amount also contains expenditures: \$10,000 - RTWS General Treatment and Pumping Improvements (5168), \$155,000 - SCADA System Improvements - Wonderware (519Q), \$2,500 - Elevated Water Storage Tank Site Evaluation Study (514G), \$2,500 - Relocation / TxDOT US Hwy 380 Project (Denton County) (51T8), \$50,000 - Cathodic Protection System Assessment (513G). These projects are expected to be completed in FY 2023 and are not shown on the accompanying 5-Year list of capital improvements projects.

** Funding provided for the purchase of spare equipment for Operations.

OPERATING AND MAINTENANCE RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 861,630	\$ 865,605	\$ 867,566	\$ 1,033,276
REVENUES				
Transfer In - Operations	-	28,500	128,500	-
Interest Income	5,936	12,515	37,210	33,065
TOTAL REVENUES	\$ 5,936	\$ 41,015	\$ 165,710	\$ 33,065
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 867,566	\$ 906,620	\$ 1,033,276	\$ 1,066,341

FY 2024 Ending Balance increase of \$159,721 is due to the transfer of excess working capital of \$100,000 in FY 2023, as well as interest income.
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CAPITAL REPLACEMENT RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 952,940	\$ 1,099,690	\$ 1,098,732	\$ 1,258,032
REVENUES				
Transfer In - Operations	145,792	169,230	159,300	169,960
TOTAL REVENUES	<u>\$ 145,792</u>	<u>\$ 169,230</u>	<u>\$ 159,300</u>	<u>\$ 169,960</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u><u>\$ 1,098,732</u></u>	<u><u>\$ 1,268,920</u></u>	<u><u>\$ 1,258,032</u></u>	<u><u>\$ 1,427,992</u></u>

FY 2024 Ending Balance increase of \$159,072 is due to the addition of contributions for FY 2024 at a rate of \$0.10 / 1,000 gallons.

Non-Bond Capital Reserve Fund

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 7,261,589	\$ 6,742,519	\$ 7,015,853	\$ 7,736,338
Transfer to Operations	\$ (245,736)	\$ (4,518,605)		\$ (6,043,310)
BEGINNING CASH BALANCE Revised	\$ 7,015,853	\$ 2,223,914		\$ 1,693,028
REVENUES				
Transfers In				
Operations	1,149,345	200,000	743,580	200,000
Construction Cash Fund	68,392	305,000	308,490	-
Working Capital	245,736	4,518,605	-	6,043,310
Interest Income	47,402	94,395	339,910	247,565
TOTAL REVENUES	\$ 1,510,875	\$ 5,118,000	\$ 1,391,980	\$ 6,490,875
EXPENDITURES				
Transfers Out				
Construction Cash Fund	1,510,875	4,950,000	492,325	6,490,875
Capital Facilities Equipment Fund *	-	168,000	179,170	-
TOTAL EXPENDITURES	\$ 1,510,875	\$ 5,118,000	\$ 671,495	\$ 6,490,875
ENDING CASH BALANCE 9/30	\$ 7,015,853	\$ 2,223,914	\$ 7,736,338	\$ 1,693,028

FY 2024 Ending Balance decrease of \$530,886 is due to a shift in the timeline for the Plant Expansion, Phase 3, offset by funding the following LRWRS capital projects: \$3,440,875 - Plant Expansion, Phase 3 (51L2), \$3,000,000 - Lift Station Improvements (5179), and \$50,000 - Contingency Improvements (51LM).

* Funding provided for the purchase of spare equipment for Operations.

PLANT PERMITTING RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 56,000	\$ 59,000	\$ 59,000	\$ 22,000
Transfer to Operations		\$ (37,000)	\$ (37,000)	\$ (14,000)
BEGINNING CASH BALANCE Revised		\$ 22,000	\$ 22,000	\$ 8,000
REVENUES				
Transfers In				
Operations	3,000	3,000	3,000	6,000
Working Capital	-	37,000	37,000	14,000
TOTAL REVENUES	\$ 3,000	\$ 40,000	\$ 40,000	\$ 20,000
EXPENDITURES				
Transfer Out - Construction Cash Fund	-	40,000	40,000	20,000
TOTAL EXPENDITURES	\$ -	\$ 40,000	\$ 40,000	\$ 20,000
ENDING CASH BALANCE 9/30	\$ 59,000	\$ 22,000	\$ 22,000	\$ 8,000

FY 2024 Ending Balance decrease of \$14,000 is due to continuing the next renewal of the Texas Pollutant Discharge Elimination System permit in FY 2024.
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OPERATING AND MAINTENANCE RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 28,846	\$ 29,026	\$ 29,045	\$ 30,275
REVENUES				
Interest Income	199	305	1,230	1,400
TOTAL REVENUES	\$ 199	\$ 305	\$ 1,230	\$ 1,400
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 29,045	\$ 29,331	\$ 30,275	\$ 31,675

CAPITAL REPLACEMENT RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 322,110	\$ 351,585	\$ 351,585	\$ 381,060
REVENUES				
Transfer In - Operations	29,475	29,475	29,475	29,475
TOTAL REVENUES	\$ 29,475	\$ 29,475	\$ 29,475	\$ 29,475
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 351,585	\$ 381,060	\$ 381,060	\$ 410,535

NON-BOND CAPITAL RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 407,720	\$ 422,860	\$ 391,571	\$ 489,811
REVENUES				
Transfer In - Operations	45,540	25,000	94,420	25,000
Interest Income	911	1,560	3,820	4,000
TOTAL REVENUES	\$ 46,451	\$ 26,560	\$ 98,240	\$ 29,000
EXPENDITURES				
Transfer Out - Operations	62,600	-	-	-
TOTAL EXPENDITURES	\$ 62,600	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 391,571	\$ 449,420	\$ 489,811	\$ 518,811

FY 2024 Ending Balance increase is due to the transfer in of \$62,600 to offset a transfer out that was not needed from FY 2022, \$6,820 from excess working capital generated from FY 2022 operational activities, and another annual deposit of \$25,000 for FY 2024.

OPERATING AND MAINTENANCE RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,215,450	\$ 1,447,895	\$ 1,450,787	\$ 1,744,997
REVENUES				
Transfer In - Operations	225,750	143,500	243,500	42,500
Interest Income	9,587	22,280	50,710	57,200
TOTAL REVENUES	\$ 235,337	\$ 165,780	\$ 294,210	\$ 99,700
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 1,450,787	\$ 1,613,675	\$ 1,744,997	\$ 1,844,697

FY 2024 Ending Cash increase of \$231,022 is due to including the required transfer of \$42,500 for FY 2024 to meet the required reserve balance equivalent to 25.0% of operating expenses plus a transfer of excess working capital of \$100,000 in FY 2023.

CAPITAL REPLACEMENT RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 90,600	\$ 182,865	\$ 187,984	\$ 302,999
REVENUES				
Transfer In - Operations	97,384	87,235	115,015	122,455
TOTAL REVENUES	<u>\$ 97,384</u>	<u>\$ 87,235</u>	<u>\$ 115,015</u>	<u>\$ 122,455</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u><u>\$ 187,984</u></u>	<u><u>\$ 270,100</u></u>	<u><u>\$ 302,999</u></u>	<u><u>\$ 425,454</u></u>

FY 2024 Ending Cash increase of \$155,354 is due to FY 2024 funding based on \$0.05 / 1,000 gallons of annual treatment flows and increased FY 2023 flows.
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NON-BOND CAPITAL RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,742,513	\$ 1,218,718	\$ 1,532,849	\$ 1,370,129
Transfer to Operations	\$ (209,664)	\$ (61,590)	\$ (221,970)	\$ (134,905)
BEGINNING CASH BALANCE Revised	\$ 1,532,849	\$ 1,157,128	\$ 1,310,879	\$ 1,235,224
REVENUES				
Deposits				
TxDOT Reimbursement - US Hwy 380 Projects (51B8 and 51R8)	305,315	-	936,940	-
Transfers In				
Operations	702,110	17,445	472,150	48,985
Working Capital	209,664	61,590	221,970	134,905
Riverbend Plant Construction Cash Fund	-	100,000	-	-
Doe Branch Plant Construction Cash Fund	-	350,000	262,250	-
Interest Income	12,641	17,655	80,880	56,765
TOTAL REVENUES	\$ 1,229,730	\$ 546,690	\$ 1,974,190	\$ 240,655
EXPENDITURES				
Transfers Out				
Operations	-	425,000	-	-
Riverbend Plant Construction Cash Fund	27,915	-	2,500 *	-
Doe Branch Plant Construction Cash Fund	1,201,815	-	1,850,000	-
Capital Facilities Equipment Fund **	-	121,690	62,440	240,655
TOTAL EXPENDITURES	\$ 1,229,730	\$ 546,690	\$ 1,914,940	\$ 240,655
ENDING CASH BALANCE 9/30	\$ 1,532,849	\$ 1,157,128	\$ 1,370,129	\$ 1,235,224

* Amount contains expenditures: \$2,500 - Relocation / TxDOT US Hwy 380 Project (51R8). This project is to be completed by the end of FY 2023 and is not shown on the 5-Year list of capital improvement projects in the CIP Funds section of the budget document for the Northeast Regional Water Reclamation System.

** Funding provided for the purchase of spare equipment for Operations.

PLANT PERMITTING RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 38,202	\$ 47,622	\$ 57,202	\$ 66,202
REVENUES				
Transfer In - Operations	19,000	19,000	19,000	19,000
TOTAL REVENUES	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000
EXPENDITURES				
Transfer Out - Riverbend Plant Construction Cash Fund	-	5,000	10,000 *	-
TOTAL EXPENDITURES	\$ -	\$ 5,000	\$ 10,000	\$ -
ENDING CASH BALANCE 9/30	\$ 57,202	\$ 61,622	\$ 66,202	\$ 85,202

FY 2024 Ending Balance increase of \$23,580 is due to the annual deposit from operations shown for FY 2024, in order to accumulate funds for the next renewal of the Texas Pollutant Discharge Elimination System (TPDES) for the Riverbend and Doe Branch Plants, while completing the current renewal of the TPDES permit. The next renewal period is scheduled for fiscal years 2026 through 2028.

* Amount shown for FY 2023 reflects funding for the renewal of the Riverbend Plant's TPDES permit, shown as 14-51RL on the accompanying 5-Year list of capital improvement projects.

BUILDING ACTIVITY FEE RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 316,305	\$ 324,405	\$ 324,405	\$ 328,605
REVENUES				
Deposit - Building Activity Fees	8,100	6,750	4,200	4,250
TOTAL REVENUES	\$ 8,100	\$ 6,750	\$ 4,200	\$ 4,250
EXPENDITURES				
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 324,405	\$ 331,155	\$ 328,605	\$ 332,855

OPERATING AND MAINTENANCE RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 231,787	\$ 263,947	\$ 264,538	\$ 350,688
REVENUES				
Transfer In - Operations	31,000	32,000	82,000	105,000
Interest Income	1,751	4,145	4,150	14,580
TOTAL REVENUES	\$ 32,751	\$ 36,145	\$ 86,150	\$ 119,580
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 264,538	\$ 300,092	\$ 350,688	\$ 470,268

FY 2024 Ending Balance increase of \$170,176 is due to including the required contribution for FY 2024, so that the reserve balance is equivalent to 25% of the total operating expenses.

CAPITAL REPLACEMENT RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 102,920	\$ 119,375	\$ 120,043	\$ 139,108
REVENUES				
Transfer In - Operations	17,123	15,515	19,065	21,900
TOTAL REVENUES	<u>\$ 17,123</u>	<u>\$ 15,515</u>	<u>\$ 19,065</u>	<u>\$ 21,900</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u><u>\$ 120,043</u></u>	<u><u>\$ 134,890</u></u>	<u><u>\$ 139,108</u></u>	<u><u>\$ 161,008</u></u>

FY 2024 Ending Balance increase of \$26,118 is largely due to the FY 2024 contribution amount of \$21,900 in addition to a higher FY 2023 contribution amount from increased treatment flows.

Non-Bond Capital Reserve Fund

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 749,291	\$ 896,681	\$ 898,683	\$ 929,123
REVENUES				
Transfer In - Operations	143,225	6,205	35,635	21,900
Interest Income	6,167	12,415	12,830	30,435
TOTAL REVENUES	\$ 149,392	\$ 18,620	\$ 48,465	\$ 52,335
EXPENDITURES				
Transfer Out - Capital Facilities Equipment Fund *	-	16,200	18,025	-
TOTAL EXPENDITURES	\$ -	\$ 16,200	\$ 18,025	\$ -
ENDING CASH BALANCE 9/30	\$ 898,683	\$ 899,101	\$ 929,123	\$ 981,458

* Funding provided for the purchase of spare equipment for Operations.

PLANT PERMITTING RESERVE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 17,000	\$ 2,000	\$ 22,000	\$ 28,575
REVENUES				
Transfer In - Operations	5,000	12,000	12,000	12,000
TOTAL REVENUES	\$ 5,000	\$ 12,000	\$ 12,000	\$ 12,000
EXPENDITURES				
Transfer Out - Construction Cash Fund	-	-	5,425	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ 5,425	\$ -
ENDING CASH BALANCE 9/30	\$ 22,000	\$ 14,000	\$ 28,575	\$ 40,575

FY 2024 Ending Balance increase of \$26,575 is due to the annual deposit from operations shown for FY 2023 and 2024, in order to accumulate funds for the next renewal of the Texas Pollutant Discharge Elimination System (TPDES).

VEHICLE AND EQUIPMENT REPLACEMENT FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 2,794,559	\$ 3,199,529	\$ 3,199,529	\$ 3,117,479
REVENUES				
Transfers In				
RTWS Operations	236,075	57,770	57,770	73,085
Lakeview Operations	98,735	65,900	65,900	36,765
NERWRS Operations	83,525	47,880	47,880	54,860
Peninsula Operations	17,030	14,040	14,040	18,995
	\$ 435,365	\$ 185,590	\$ 185,590	\$ 183,705
EXPENDITURES				
Ford F350 (Repl. for Vehicle #055)	30,395	-	-	-
Maintenance Crane Truck	-	220,000	250,000	-
UTV (Repl. for Vehicle #053)	-	17,640	17,640	-
TOTAL EXPENDITURES	\$ 30,395	\$ 237,640	\$ 267,640	\$ -
ENDING CASH BALANCE 9/30	\$ 3,199,529	\$ 3,147,479	\$ 3,117,479	\$ 3,301,184

CAPITAL FACILITIES EQUIPMENT FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ -	\$ -	\$ -	\$ -
REVENUES				
Transfers In				
RTWS Non-Bond Capital Reserve	-	45,000	-	35,000
Lakeview Non-Bond Capital Reserve	-	168,500	179,170	-
NERWRS Non-Bond Capital Reserve	-	121,690	62,440	240,655
Peninsula Non-Bond Capital Reserve	-	16,200	18,025	-
TOTAL REVENUES	\$ -	\$ 351,390	\$ 259,635	\$ 275,655
EXPENDITURES				
RTWS				
Nova Cells	-	45,000	-	-
Quincy Compressors	-	-	-	20,000
CIP Pump	-	-	-	15,000
Lakeview				
Blower	-	100,000	115,930	-
Scum Pit Pump	-	19,000	17,645	-
Basin Return Pump	-	9,000	10,855	-
Wash Water Pump Belt Press	-	5,500	-	-
Back Wash Pump	-	5,000	5,000	-
Sludge Pump	-	30,000	29,740	-
NERWRS				
Submersible Mixer	-	29,290	28,505	-
Aerator Mixer	-	15,000	-	-
Liquid Polymer Activation System	-	27,400	-	-
Spare Parts	-	50,000	10,720	-
Invent Gear Drive	-	-	23,215	-
Aeration Blower	-	-	-	100,000
Aerzen blower spare parts	-	-	-	33,890
Spare North Lift Station Pump	-	-	-	38,075
Invent mixer body and shaft parts	-	-	-	53,385
AUMA air valve	-	-	-	8,895
AUMA grit valve	-	-	-	6,410
Peninsula				
Back Wash Pump	-	9,000	10,495	-
Wash Water Pump	-	7,200	7,530	-
TOTAL EXPENDITURES	\$ -	\$ 351,390	\$ 259,635	\$ 275,655
ENDING CASH BALANCE 9/30	\$ -	\$ -	\$ -	\$ -

This Fund was established in FY 2023 to allow for the purchase of Inventory items to have on hand in the event of an equipment failure. Funding for the purchase of all spare equipment is provided by each operating system's Non-Bond Capital Reserve Fund. When spare equipment items are placed into service, the operating system owning the equipment will reimburse its NBCR for the initial cost of each item from excess working capital in the subsequent fiscal year.

SELF-INSURANCE FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 2,516,899	\$ 3,248,354	\$ 3,248,351	\$ 3,926,336
REVENUES				
Transfers In				
Administration Fund	665,676	703,770	666,300	666,255
NPWS Operations	2,549	4,495	6,760	5,770
RTWS Operations	1,388,867	1,235,175	1,606,195	1,213,350
Lakeview Operations	308,917	251,120	305,295	298,875
NERWRS Operations	543,745	581,025	682,815	619,735
Peninsula Operations	134,178	72,755	101,685	132,085
TOTAL REVENUES	\$ 3,043,932	\$ 2,848,340	\$ 3,369,050	\$ 2,936,070
EXPENDITURES				
Administration Fund	646,419	703,770	657,270	666,255
NPWS Operations	3,957	4,495	5,625	5,770
RTWS Operations	871,941	1,235,175	1,141,920	1,213,350
Lakeview Operations	225,208	251,120	242,220	298,875
NERWRS Operations	413,525	581,025	561,150	619,735
Peninsula Operations	58,267	72,755	82,880	132,085
Stop Loss "Carve-Out"	93,163	-	-	-
TOTAL EXPENDITURES	\$ 2,312,480	\$ 2,848,340	\$ 2,691,065	\$ 2,936,070
ENDING CASH BALANCE 9/30	\$ 3,248,351	\$ 3,248,354	\$ 3,926,336	\$ 3,926,336

FY 2024 Ending Balance increase of \$677,982 is due to lower than anticipated claims payout in FY 2023.

UPPER TRINITY CONSERVATION TRUST

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 89,158	\$ 86,913	\$ 98,194	\$ 98,419
Transfer to Operations		\$ (10,000)	\$ (5,000)	\$ (10,000)
BEGINNING CASH BALANCE Revised		\$ 76,913	\$ 93,194	\$ 88,419
REVENUES				
Charitable Contributions	500	1,500	3,500	1,500
Watershed Partners Program	5,025	3,875	4,575	3,875
Transfers In				
Working Capital	-	10,000	5,000	10,000
Watershed Protection Program	25,000	25,000	25,000	25,000
Interest Income	235	360	850	1,020
TOTAL REVENUES	\$ 30,760	\$ 40,735	\$ 38,925	\$ 41,395
EXPENDITURES				
Personnel Services	10,499	20,000	19,640	20,500
Administrative	1,335	5,000	5,560	5,425
Grant Program	-	10,000	5,000	10,000
Professional Services	9,890	5,000	3,500	4,600
TOTAL EXPENDITURES	\$ 21,724	\$ 40,000	\$ 33,700	\$ 40,525
ENDING CASH BALANCE 9/30	\$ 98,194	\$ 77,648	\$ 98,419	\$ 89,289

FY 2024 Ending Balance increase of \$11,641 is due to actual program expenditures for FY 2022 being less than originally estimated.

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) is a planning and budgeting tool that provides information about the Upper Trinity Regional Water District's infrastructure needs. It identifies requirements for sustaining, restoring, modernizing, and expanding the facilities that support water supply, treatment / delivery, and wastewater collection / treatment. It also prioritizes and schedules projects for funding and execution through a multi-year plan. Additionally, the District's Board of Directors conduct weighted votes for expenditure of funds throughout the fiscal year for capital improvement projects.

District staff utilize several sources for the development of the annual CIP budget. These include, but are not limited to:

- Annual Member / Customer surveys.
- North Central Texas Council of Governments (NCTCOG) data.
- Texas Water Development Board State Plan (Region C Water Planning Group).
- Engineering studies for improving / upgrading District operations.
- Population / Demographics / Housing starts data.
- Monthly meetings between District Engineering, Operations, and Business staff for planning, development, and on-going maintenance of the annual CIP budget.

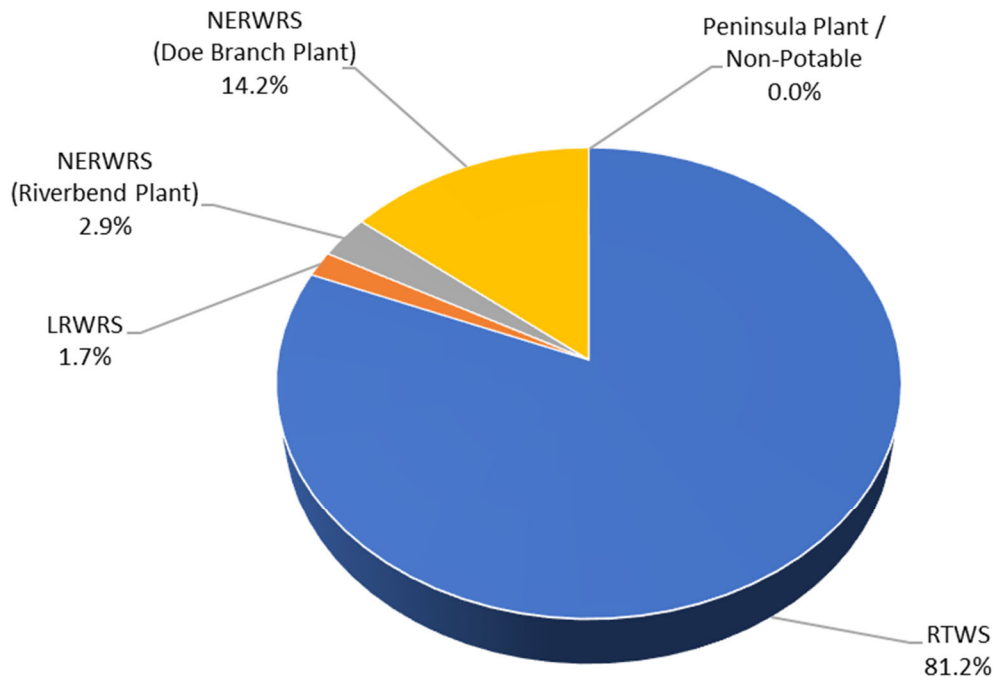
The FY 2024 CIP supports the following systems / plants:

- Regional Treated Water System
- Non-Potable Water System
- Lakeview Regional Water Reclamation System
- Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants)
- Peninsula Water Reclamation Plant

BUDGETED EXPENDITURES

The District's FY 2024 Capital Improvements Program includes only the highest priority projects for on-going needs within our regional service area. The total District capital budget for FY 2024 is \$375,683,620. This budget amount is \$99,257,695 (35.9%) higher than the prior year capital budget of \$276,425,925, due to continuing the construction phase on various segments of the Lake Ralph Hall project, as well as ramping up construction on the Harpool, Taylor, and Doe Branch Plant expansion projects.

The graph below shows the FY 2024 Budgeted Capital expenditures by system.



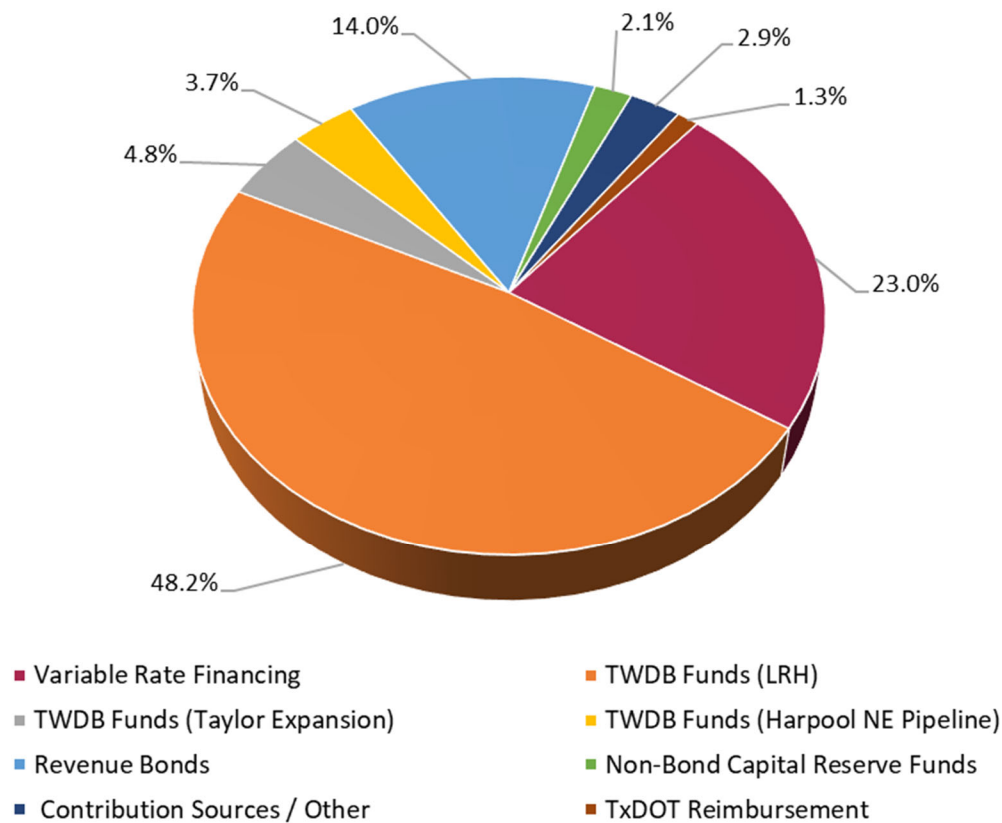
FUNDING

Funding for capital projects falls primarily into four general categories:

- Revenue Bonds (considered Senior Lien Debt)
- Texas Water Development Board (TWDB) Funding consists of:
 - State Water Implementation Fund for Texas (SWIFT) Deferred Interest and Subsidized Interest Loans (considered Senior Lien Debt)
 - Board Participation / State Participation Funding (considered Junior Lien Debt),
- Variable Rate Financing which currently includes the Direct Purchase program (considered Junior Lien Debt), and
- Internally generated capital funds (Non-Bond Capital Reserve funds).

Other funding methods include use of rate revenues / cash from operations, as well as contributions from District participants and customers.

When the District's operating systems were initially established, participating entities agreed to contracts that would assure the District a stable and dependable source of revenue to cover each entity's proportionate share for the cost of administration and planning, along with the costs of operating, maintaining, and financing each project. In addition, the District has entered into contractual agreements with certain Fresh Water Supply Districts (FWSDs) and others, to provide initial funding of infrastructure costs for portions of the District's Northeast Regional Water Reclamation System and the Peninsula Plant. Under these agreements, the District will own and operate the regional system and may extend service to others. These funds are subject to reimbursement when local development provides a dependable revenue stream that is adequate to support debt service on the permanent financing.



CONSTRUCTION CASH FUNDS

Construction Cash Funds are utilized to account for financial resources used for the acquisition and construction of major capital facilities and infrastructure. The primary source of funding for District Capital Improvement Programs in FY 2024 is from the use of TWDB Board Participation funds. Treated Water and Water Reclamation System Revenue Bonds are specifically issued for improvements and are repaid from the operating revenue generated by water and water reclamation sales. Other sources of construction funding are variable rate financing, revenue bonds, reserve funds, and contributions from developers and District participants. Interest earned on these funds is retained in this fund and is subject to Internal Revenue Service arbitrage rules, except for reserve funds and contributions from developers and participants.

ALLOCATION OF DEBT SERVICE AND EFFECT ON DISTRICT OPERATING BUDGET

A project detail sheet is included for each capital project with funding for FY 2024. This detail sheet includes a project description, the annual project expenditures (by category) and its annual funding sources. In addition, for those capital projects placed into service between FY 2024 and FY 2028 that will affect the District's operating budget, estimates are provided for their annual operating expenses.

For purposes of reflecting a construction project's share of a system's annual debt service, allocated annual debt service amounts are provided for projects funded by Variable Rate Financing, Revenue Bonds, Texas Water Development Board Funds and / or Water Infrastructure Funds. Debt service assigned to a project is its proportionate share of debt service expense based on its actual expenditures. For example, if revenue bonds were issued to fund one project, that project would be assigned 100% of the annual debt service. Additionally, if variable rate financing was used to fund 10 projects, each of those projects would be assigned a portion of the total annual expense related to the use of variable rate financing (i.e., interest, letter of credit costs, dealer fees, etc.), based on each projects' actual expenditures (current year plus prior years).

A summary sheet reflecting estimated operating and debt expense estimates from capital projects, along with their effect on each system's operating budget, is also included.

ENGINEERING

The District is committed to providing engineering services for the provision and transportation of safe, adequate, efficient, and reliable raw and finished water, collection of wastewater flows, and treatment facilities for water and wastewater that meet the long-term needs of the growing region.

MISSION

Our mission is to provide planning, design, construction management, and field inspection services for capital projects, and to ensure that projects are completed on schedule, within budget, and comply with professional services and construction contracts.

GOALS AND OBJECTIVES

- Maintain a Capital Improvement Plan that provides adequate facilities to the existing and planned development areas in a manner that does not exceed the District's financial capability.
 - All capital improvements shall continue to be developed through an assessment of existing capacity, existing demand, and projected demand over the next five years (or other appropriate period).
- Conduct project management with respect to adhering to the scope of the project, project timelines, and financial restraints.
 - Compare construction contract requirements to the actual work performed on a timely basis to ensure that the contractor continues to follow the scope of the project, within the agreed timelines and budget.
 - Manage projects in the best interest of the District.
- Provide up-to-date information on the progress of projects that are currently under design or construction during Board of Director briefings.
 - For major projects, provide periodic updates to the Board at their meetings.
- Identify future right-of-way needs and the impact to future capital improvement projects.
 - Appraisal preparation and review of right-of-way acquisition should begin timely following a project being identified and all acquisition complete prior to the construction contract being awarded.

PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2022 Actuals	FY 2023 Estimates	FY 2024 Target
Projects completed within Construction and Engineering estimates	Percent variation to cost estimates	-6%	+/- 10%	+/- 10%
Change orders processed on completed construction projects	Percent variation on completed construction project amounts	1%	+/- 10%	+/- 10%
Construction contract awards approved by the Board	Number of contracts awarded	11	6	6
Construction contracts accepted by Board as complete	Number of contracts accepted	5	5	5
Right of way parcels acquired	Number of parcels acquired	LRH=90 Other=5	LRH=66 Other=20	LRH=12 Other=22
Right of way parcels acquired according to budget and construction timelines	Percent of properties acquired on time and within budget	100.0%	100.0%	> 90.0%

PERSONNEL SUMMARY

ENGINEERING POSITIONS

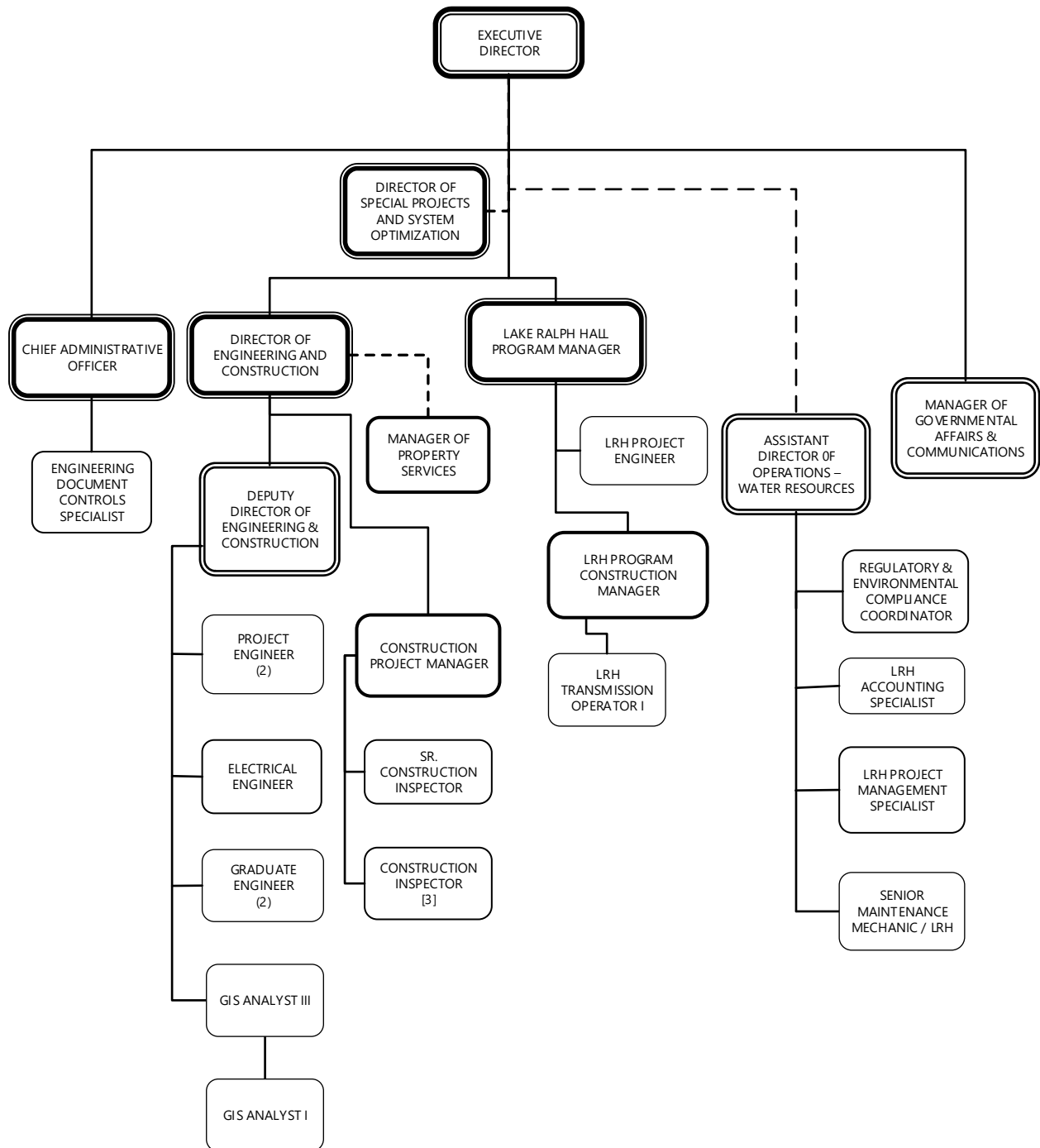
Positions	FY 2022 Actuals	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
Executive Director	.25	.25	.25	.25
Director of Engineering & Construction	.90	.90	.90	.90
Director of Special Projects & System Optimization	0	0	0	.90
Deputy Director of Engineering & Construction	0	0	0	.90
Manager of Gov. Affairs / Communication	.15	.25	.25	.25
Assistant Director of Engineering & Construction	.90	.90	.90	0
Senior Professional Engineer	.90	.90	.90	0
Electrical Engineer	.40	.40	.40	.40
Project Engineer	.90	.90	.90	1.80
Professional Engineer	1.80	.90	.90	0
Graduate Engineer	.90	1.80	1.80	1.80
GIS Analyst	.45	.90	.90	.90
Manager of Property Services	.90	.90	.90	.90
Construction Project Manager	.90	.90	.90	.90
Senior Construction Inspector	.90	.90	.90	.90
Construction Inspector	1.80	2.70	2.70	2.70
Engineering Documents Control Specialist	0	0	0	.90
Total FTEs	12.05	13.50	13.50	14.40

LAKE RALPH HALL POSITIONS

Positions	FY 2022 Actuals	FY 2023 Budget	FY 2023 Revised	FY 2024 Budget
Assistant Director of Operations - Water Resources	0	.80	.80	.80
Manager of Water Resources	.80	0	0	0
LRH Program Manager	.80	.80	.80	.80
LRH Program Construction Manager	1	1	1	1
LRH Project Engineer	0	1	1	1
Asst. LRH Program Construction Manager	1	0	0	0
LRH Transmission Operator	0	0	0	1
Capital Project Analyst	1	1	1	0
Senior Maintenance Mechanic	1	1	1	1
LRH Project Management Specialist	.50	.50	.50	.50
Regulatory & Environmental Compliance Coordinator	0	.75	.75	.85
Water Resource Specialist	.70	0	0	0
LRH Accounting Specialist	0	0	0	1
LRH Secretary	1	1	1	0
Total FTEs	7.80	7.85	7.85	7.95

Additional Positions (contract): Lake Ralph Hall Secretary, LRH Field Service Coordinator

ORGANIZATIONAL CHART



BUDGET SUMMARY

	FY 2022 Actuals	FY 2023 Adopted	FY 2023 Estimates	FY 2024 Adopted
Beginning Balance	\$ -	\$ -	\$ -	\$ -
Operating Expense				
Personnel Services	\$ 2,737,849	\$ 3,651,705	\$ 3,550,280	\$ 3,875,680
Total Operating Expense	\$ 2,737,849	\$ 3,651,705	\$ 3,550,280	\$ 3,875,680
Transfer to Capital Projects	(1,245,696)	(1,874,640)	(1,914,223)	(2,203,060)
Transfer to Lake Ralph Hall Project	(1,492,153)	(1,777,065)	(1,636,057)	(1,672,620)
Ending Balance	\$ -	\$ -	\$ -	\$ -

PERSONNEL SERVICES

90.0% of the Engineering Division's staff-time (Non-Lake Ralph Hall) is allocated to all capital projects, while 10.0% of their time, along with 100.0% of Administrative and O&M Expenses, is included in the Administration Fund budget. Subsequently, 95.0% of all Administration Fund expenses are then allocated to the Operating Funds (Systems) and individual capital projects. This was done so that a portion of the Engineering Division's expenses would become a revenue requirement and, thus, funded via Rates and Charges from Operating Systems.

The increase in Personnel Services is driven by growing staffing requirements as Capital Improvement Projects continue to expand. While there are no new positions requested for the FY 2024 Adopted Budget, existing positions have been reclassified to meet these needs. Lake Ralph Hall (LRH) staff-time is fully assigned to this capital project which entered the Construction phase in FY 2022.

TRANSFER TO CAPITAL PROJECTS

Throughout the year, these expenditures are directly expensed to capital projects, as well as operating systems based on actual activities. All remaining expenditures (indirect) are allocated to all capital projects having incurred expenses during the fiscal year.

TRANSFER TO LAKE RALPH HALL PROJECT

As the Lake Ralph Hall project progressed, dedicated staff became necessary to meet the demands of the project. These associated costs represent the Transfer to Lake Ralph Hall.

ACCOMPLISHMENTS FOR FY 2022-2023

- ✓ Maintain a Capital Improvement Plan that provides adequate facilities to serve the existing and planned areas in a manner that does not exceed the District's financial ability.
 - *The Capital Improvement Program includes major rehabilitations and expansions to existing facilities, as well as providing for new facilities when necessary to meet the needs of the District's customers / participants. This program is updated frequently throughout the year with adjustments presented to the District's Board of Directors (for approval) in April (mid-year) and in September (for budget adoption).*
- ✓ Conduct project management with respect to adhering to the scope of the project, project timelines and financial restraints.
 - *Ongoing, monthly meetings are scheduled to review the status of each current project.*
- ✓ For major projects, provide up-to-date information on the progress of projects that are currently under design or construction during Board of Director briefings.
 - *Several times during the fiscal year status reports are provided to the Board on current projects during their regular scheduled meetings.*
- ✓ Identify future right-of-way needs and the impact for future capital improvement projects.
 - *Upon the completion of alignment studies, rights-of-way are identified.*
- ✓ Strive to make substantial progress and / or complete capital improvement projects.
 - *Regional Treated Water System*
 - *Lake Ralph Hall is well into year two of construction with progress visible on several fronts. The Leon Hurse Dam is 34% complete progressing through embankment and spillway construction. The Roadway Relocations are almost complete. Traffic has been diverted onto all the new roadways. Likewise utility relocations are complete, except for a few power lines. Construction has commenced on the Raw Water Pump Station and the Raw Water Pipeline. The Mitigation Contractor has mobilized to the site and has commenced clearing and fence construction, and the Clearing Contractor has cleared most of the area east of SH 34.*
 - *Completed construction of a regional treated water transmission main to deliver water to Mustang Special Utility District's third point of delivery and other District customers north of Harpool Regional Water Treatment Plant.*
 - *A pipeline extension and meter vault were also constructed to serve this third point of delivery for treated water service to MSUD.*
 - *Completed initial design / engineering for the future construction of a strategic raw water pipeline from the raw water storage site at the future Silverado Development to the Harpool Regional Water Treatment Plant.*
 - *Transitioned water system operational data from Excel spreadsheets to a Microsoft Structured Query Language (SQL) centralized database for improved reliability and accuracy of data, as well as improved operational efficiency.*

- Completed final punch list items for the Parallel Pipeline from the Taylor plant to the Stone Hill pump station to provide additional capacity to meet customer needs.
 - Coordinated with the Texas Department of Transportation's US Hwy 380 project for the relocation of water pipelines due to roadway improvements.
 - Completed assessment of soil and water conditions at locations identified as corrosive to determine if any additional protection means are required or if repairs to the cathodic protection monitoring system or pipelines are necessary.
 - Made significant progress on the removal and replacement of treated water pipeline along a segment of Phase 1A to provide redundancy and flexibility for the Regional Treated Water System.
- Lakeview Regional Water Reclamation System
 - Completed a lift station assessment study and developed a rehab plan for all system lift stations.
- Northeast Regional Water Reclamation System - Riverbend Plant
 - Completed final punch list items for the Riverbend Plant Expansion, Phase 3 project.
 - Successfully renewed the Texas Pollutant Elimination System permit required by the Texas Commission on Environmental Quality.
 - Coordinated with the Texas Department of Transportation's US Hwy 380 road improvements project for the substantial completion of relocating the District's wastewater pipelines.
- Northeast Regional Water Reclamation System - Doe Branch Plant
 - Successfully renewed the Texas Pollutant Elimination System permit required by the Texas Commission on Environmental Quality.
 - Completed final improvements of the Doe Branch Plant Expansion to provide increased capacity from 2.0 to 4.0 MGD.
- Peninsula Water Reclamation Plant
 - Completed the expansion of the Peninsula Water Reclamation Plant to provide increased capacity from 0.94 to 2.0 MGD.

REGIONAL TREATED WATER SYSTEM

The Regional Treated Water System comprises the majority of the Capital Improvement Program's budgeted expenditures for FY 2024. As shown in the five-year capital improvement program, the FY 2024 adopted capital budget for the Regional Treated Water System is \$304,999,745; an increase of \$50,550,060 from the previous year adopted capital budget of \$254,449,685. This increase is primarily due to continuing construction on certain segments of the Lake Ralph Hall project.

FY 2024 funding consists of the following:

Funding Sources	FY 2024 Budget
Variable Rate Financing	\$86,520,515
TWDB Funds (Lake Ralph Hall)	\$181,039,510
TWDB Funds (Taylor Plant Expansion)	\$18,080,000
TWDB Funds (Harpool Northeast Transmission Pipeline)	\$14,000,000
Non-Bond Capital Reserve Funds (net of TxDOT Reimbursements)	\$2,945,991
Contribution Sources	\$286,610
Customer Reimbursements	\$50,000
Growth Program	\$16,070
TxDOT Reimbursements	\$2,061,049

CURRENT PROJECTS

Southwest Pump Station, Phase 1 – Due to growth in the southwest service area of the Regional Treated Water System, as well as to increase the capacity and pumping pressure for water sent to the farthest edges of this area, funding is needed for continued design / engineering activities and construction of ground storage tanks and a pump station. This project will also include a screening wall and fence to provide a barrier for a nearby subdivision.

- FY 2024 Budget: \$18,629,460
- Funding Source: Variable Rate Financing

Lake Ralph Hall – The District is continuing with its strategic planning activities to ensure an adequate supply of water resources for the next 50 years. The District was previously awarded a water rights permit by the Texas Commission on Environmental Quality (TCEQ) to enable the District to construct a new water supply lake -- Lake Ralph Hall -- with a tentative completion date of FY 2030. The proposed lake, located in Fannin County in the Sulphur River Basin, will provide the District with approximately 35.0 mgd of raw water. In February 2020, the District received the coveted Section 404 Clean Water Act permit from the U.S. Corps of Engineers. This was the final permit needed to begin construction on the Lake. In FY 2021, construction began on segments of the proposed Lake Ralph Hall and associated transmission pipelines. For FY 2024, funding provides for continued construction on the dam and raw water pump station and pipelines.

- FY 2024 Budget: \$196,883,145

- Funding Sources: Variable Rate Financing (\$15,843,635) and TWDB Funds (Present \$133,039,510, Anticipated \$48,000,000)

RTWS General Treatment and Pumping Improvements – Due to continued increases to demand for treated water from the District’s customer base, funding is needed to continue design / engineering for a multi-year project for the upgrade and improvement of several components of this plant that include additional / new pumps and electrical equipment at the Raw Water Intake Structure, Taylor RWTP, and Stone Hill Pump Station. This project also includes a second point of delivery and metering station in Providence Village.

- FY 2024 Budget: \$11,711,520
- Funding Source: Variable Rate Financing

Thomas E. Taylor WTP Expansion, Phase 3 (from 70.0 to 85.0 MGD) – Due to increased demand for treated water from the District’s customer base, funding is needed for design / engineering and construction for a multi-year project providing improvements to filters basins, settled water bypass, pumps, electrical, Lewisville Lake Intake Pump Station Improvements, Raw Water Pipeline and Meter Vault, Flocculation and Sedimentation Basins, Backwash Supply Tank Fill Pump Station, Backwash Recovery Basin and Recycle Pump Station, Onsite Sodium Hypochlorite Generation, Sodium Hydroxide and Liquid Ammonium Sulfate, Ozone System Expansion, Replacement and Ozone Injection Improvements, and Electrical Service Upgrades and Backup Generators.

- FY 2024 Budget: \$25,900,000
- Funding Sources: Variable Rate Financing, TWDB Board Participation Funds

Lake Lewisville Raw Water Pump Station Improvements – Due to the age of this pump station, upgrades to electrical, pumping, and other critical components of the Lake Lewisville raw water intake pump station are necessary. Funding is provided to continue design / engineering and begin construction of this multi-year project.

- FY 2024 Budget: \$1,620,535
- Funding Source: Variable Rate Financing

Northeast RTWS Pump Station and Ground Storage Tanks – Funding needed to purchase land and begin design / engineering for the construction of a ground water tank and pumping improvements in the northeast service area.

- FY 2024 Budget: \$1,000,000
- Funding Source: Variable Rate Financing

Replacement / Upsizing of Section of Phase 1-A Treated Water Pipeline – To provide redundancy and flexibility for the Regional Treated Water System’s pumping and distribution abilities in the Lantana area, District staff began design / engineering for the removal of a segment of the Phase 1A pipeline in FY 2020. For FY 2024, funding is provided to complete construction to replace the 18” and 16” portions of this pipeline with larger diameter (36”) sections to increase pipeline capacity for additional treated water demand in this area.

- FY 2024 Budget: \$477,755
- Funding Source: Variable Rate Financing

Harpool RWTP Phased Treatment Expansion, Phase 1 – Due to projected population growth in the northeast service area, funding is provided to continue a phased expansion of the Harpool Regional Water Treatment Plant to include expanded administration, maintenance, and water treatment facilities, leading to an expanded plant capacity of 30.0 mgd by 2025.

- FY 2024 Budget: \$19,000,000
- Funding Source: Variable Rate Financing

Harpool RWTP Phased Treatment Expansion, Phase 2 – As service area population continues to increase, funding is provided to continue phase 2 of the Harpool Regional Water Treatment Plant expansion. This expansion will increase plant capacity by 30.0 mgd, leading to a total of 60.0 mgd at the plant.

- FY 2024 Budget: \$6,000,000
- Funding Source: Variable Rate Financing

Lake Ralph Hall Terminal Storage – In FY 2010, the District purchased approximately 60 acres of land in the Silverado Development area for the construction of raw water storage facilities that will serve the Harpool Regional Water Treatment Plant as a secondary raw water storage source.

- FY 2024 Budget: \$722,250
- Funding Source: Variable Rate Financing

Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2 – Due to increasing population growth and treated water demand from the City of Celina, the Artesia Community, and other customers around this area, funding is provided to continue with design / engineering activities, acquire rights-of-way and easements, and begin construction of a 36" diameter water transmission pipeline extending northeast from the Harpool Water Treatment Plant to a future secondary point of delivery in this area.

- FY 2024 Budget: \$14,000,000
- Funding Sources: Variable Rate Financing, TWDB Board Participation Funds

Harpool RWTP Northeast Transmission Pipeline, Phase 3 – Funding provided to complete an alignment study, acquire rights-of-way and easements, and begin preliminary design for the next phases of treated water pipelines generally to connect Aubrey and other members and customers.

- FY 2024 Budget: \$3,600,000
- Funding Sources: Variable Rate Financing, TWDB Board Participation Funds

RTWS Southwest Transmission Pipelines, Phase 4 – Funding provided to continue design and engineering for the future construction of a phased treated water transmission pipeline extending west from the Southwest Pump Station to serve Town of Northlake, Argyle Water Supply Corporation, Town of Flower Mound, City of Justin and other customers.

- FY 2024 Budget: \$95,360
- Funding Source: Variable Rate Financing

Celina 2nd Point of Delivery – Funding provided for design / engineering to construct a second point of delivery with metering facilities to provide additional treated water to the City of Celina.

- FY 2024 Budget: \$286,610
- Funding Source: Contribution Sources

Treated Water Optimization and Implementation Plan – Provides for Strategic planning for Regional Treated Water System capital improvement projects that includes hydraulic modeling assistance and customer and member coordination.

- FY 2024 Budget: \$100,000
- Funding Source: Non-Bond Capital Reserve Funds

Operations Remote Communications Improvement Project – Funding provided to upgrade and improve all District remote site communication equipment including PLCs, water and wastewater metering sites, and points of entry and delivery. Upon completion, each District system will reimburse for their share of project costs.

- FY 2024 Budget: \$267,500
- Funding Source: Non-Bond Capital Reserve Funds

802 Kealy Annex Building Improvements, Phase 2 – Design, permitting, and construction of second phase remodel of 802 Annex building (approximately 2,000 sq ft), which includes a new clear-story section of the roof and removing the existing clear story roof, new design and construction of training center in the existing open space, removal of existing overhead door and replace with storefront door system, awning, and new exterior siding material for north side of building. All systems / funds to reimburse for their allocated ownership share of project costs.

- FY 2024 Budget: \$2,140,000
- Funding Source: Non-Bond Capital Reserve Funds

Roadway Improvements Coordination Adjustments – District staff will also be continuing their coordination with other public entities to identify conflicts between proposed roadway improvements and District facilities.

- FY 2024 Budget: \$10,000
- Funding Source: Non-Bond Capital Reserve Funds

Lewisville Lake / USACE Dam Coordination – To allow District staff to coordinate with the U.S. Corps of Engineers' utility relocation regarding the District's water pipelines located in the vicinity of the Lewisville Lake Dam.

- FY 2024 Budget: \$5,000
- Funding Source: Non-Bond Capital Reserve Funds

U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project – To complete appurtenances adjustments for the Southwest Pipeline as a result of TxDOT's widening project along U.S. Hwy 377 from FM 1171 to Country Club Road in Flower Mound, Texas.

- FY 2024 Budget: \$50,000
- Funding Source: Non-Bond Capital Reserve Funds

Relocation / TxDOT U.S. Hwy 380 Project (Collin County) – Funding is provided for the District to continue coordination with TxDOT regarding the possible relocation of District water pipelines in conjunction with their U.S. Highway 380 roadway project. This project extends from Collin and Denton Counties to the City of Irving, Texas.

- FY 2024 Budget: \$5,000
- Funding Source: Non-Bond Capital Reserve Funds

TxDOT / IH-35 Project – Funding provided for easement acquisition, engineering services, and construction for TxDOT’s IH-35 widening project from Milam Road in Denton, TX north to Cowling Road in Sanger, Texas. Approximately 90% of project costs are reimbursable by TxDOT.

- FY 2024 Budget: \$2,245,610
- Funding Sources: Non-Bond Capital Reserve Funds, TxDOT reimbursement

TxDOT / IH-35W and FM 407 Project – Funding provides for coordination and pipeline modifications due to Texas Department of Transportation's widening projects along IH-35 and FM 407. 40% of project costs are anticipated to be reimbursable by the Texas Department of Transportation.

- FY 2024 Budget: \$100,000
- Funding Sources: Non-Bond Capital Reserve Funds, TxDOT reimbursement

Customer Pipeline Extensions – To adequately plan for new pipeline extensions for current and / or future customers of the Regional Treated Water System, the FY 2024 capital budget includes funding (reimbursable by any requesting customer / member) to offset costs for District efforts. Annual funding of \$50,000 is provided through FY 2028 to continue these activities.

- FY 2024 Budget: \$50,000
- Funding Source: Customer Reimbursement

Contingency Improvements – To allow for various projects that may be identified throughout the fiscal year, annual funding of \$100,000 is provided through FY 2028 to continue these activities.

- FY 2024 Budget: \$100,000
- Funding Sources: Non-Bond Capital Reserve Funds, Growth Program funds

FUTURE PROJECTS

Pilot Point Pipeline – This project is to begin in FY 2028 and entails the eventual construction of a pipeline to deliver treated water to the City of Pilot Point, Texas.

Harpool Membrane Replacement Project – Replacement of submerged membranes at the Harpool Regional Water Treatment Plant as existing membranes are expected to reach the end of their useful life in FY 2028. These membranes generally need to be replaced every 10-15 years.

Pipeline from Lake Ralph Hall Terminal Storage to the Harpool RWTP – This pipeline will connect the future raw water storage facilities in the Silverado Development area to the Harpool Regional Water Treatment Plant and is anticipated to begin in FY 2026.

Harpool RWTP Northeast Transmission Pipeline, Phase 4 and 5 – Due to customer growth and requirements, two additional phases of the Northeast Transmission Pipeline are necessary to extend the existing pipeline in the northern service area. This path is still preliminary and is anticipated to begin in FY 2028.

RTWS Southwest Transmission Pipelines, Phase 5 – The Southwest Transmission Pipelines will move onto the next phase of future pipeline from the Southwest Pump Station to FM 407 beginning in FY 2028.

CONSTRUCTION CASH FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 50,271,725	\$ 73,184,775	\$ 76,792,622	\$ 102,966,637
Transfer to Operations				\$ (91,419,530)
BEGINNING CASH BALANCE Revised				\$ 11,547,107
REVENUES				
Variable Rate Financing	22,500,000	74,500,000	62,500,000	86,300,000
Texas Water Development Board				
SWIFT Funds				
Deferred Interest Loan	9,484,864	10,268,040	2,755,000	-
Subsidized Interest Loan	-	-	699,250	-
Board Participation Funds	110,019,175	162,002,970	137,894,675	118,950,000
Transfers In				
CIP Projects Funding - Operations	26,006	-	-	-
Non-Bond Capital Reserve Fund	1,239,955	6,726,205	4,067,960	5,007,040
Growth Program	14,715	15,250	15,250	16,070
Working Capital	-	-	-	91,419,530
Contribution Sources	-	286,565	286,565	-
TxDOT Reimbursements	303,867	6,121,055	3,870,495	1,634,000
Customer Reimbursements	-	50,000	80,000	336,610
Interest Revenue	773,962	678,995	3,457,640	4,285,180
TOTAL REVENUES	\$ 144,362,544	\$ 260,649,080	\$ 215,626,835	\$ 307,948,430
EXPENDITURES				
Construction Improvement Projects	117,633,580	254,449,685	185,582,325 *	304,999,745
Transfers Out				
Non-Bond Capital Reserve Fund	208,067	6,121,055	3,870,495	1,634,000
Operations	-	-	-	1,314,685
TOTAL EXPENDITURES	\$ 117,841,647	\$ 260,570,740	\$ 189,452,820	\$ 307,948,430
ENDING CASH BALANCE 9/30	\$ 76,792,622	\$ 73,263,115	\$ 102,966,637	\$ 11,547,107

FY 2024 Ending Balance decrease of \$61,716,008 is largely due to FY 2024 expenditures.

* Amount also contains expenditures: \$10,000 - RTWS General Treatment and Pumping Improvements (5168), \$155,000 - SCADA System Improvements - Wonderware (519Q), \$2,500 - Elevated Water Storage Tank Site Evaluation Study (514G), \$2,500 - Relocation / TxDOT US Hwy 380 Project (Denton County) (51T8), \$50,000 - Cathodic Protection System Assessment (513G), \$80,715 - Mustang 3rd Point of Delivery (51M3), \$40,000 - Parallel Pipeline from Taylor RTWP to Stone Hill Pump Station (51PS) and \$200,000 - Harpool RTWP North Transmission Main, Ph 1 (51H1). These projects are expected to be completed in FY 2023 and are not shown on the accompanying 5-Year list of capital improvements projects.

FY 2024 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2028

Project Acct	Project	Prior Expenditures	Estimated FY 2023	Adopted FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
51WP	Southwest Pump Station, Phase 1 *	\$ 1,722,382	\$ 2,000,000	\$ 18,629,460	\$ 14,389,125	\$ 7,849,330	\$ -	\$ -	\$ 44,590,297
51RH	Lake Ralph Hall Project *	242,242,531	143,001,245	196,883,145	151,243,000	40,692,075	3,525,960	-	777,587,956
5166	Pilot Point Pipeline *	4,929	-	-	-	-	-	125,000	129,929
519Y	RTWS General Treatment and Pumping Improvements *	10,831,944	10,500,000	11,711,520	5,605,180	1,000,000	1,000,000	1,000,000	41,648,644
514R	Thomas E. Taylor WTP Expansion, Phase 3 (from 70.0 to 85.0 MGD)	-	2,500,000	25,900,000	40,000,000	27,600,000	5,309,570	-	101,309,570
51TP	Lake Lewisville Raw Water Pump Station Improvements	131,058	150,000	1,620,535	2,118,940	1,479,465	-	-	5,499,998
51GT	Northeast RTWS Pump Station and Ground Storage Tanks	-	-	1,000,000	1,050,000	2,400,000	10,000,000	10,000,000	24,450,000
517F	Replacement / Upsizing of Section of Phase 1-A Treated Water Pipeline	5,274,299	4,981,805	477,755	-	-	-	-	10,733,859
51HO	Harpool RWTP Phased Treatment Expansion, Phase 1 (from 20.0 to 30.0 MGD)	13,687,183	12,000,000	19,000,000	6,621,005	-	-	-	51,308,188
512H	Harpool RWTP Phased Treatment Expansion, Phase 2 (from 30.0 to 60.0 MGD)	-	1,000,000	6,000,000	30,000,000	40,000,000	25,000,000	10,000,000	112,000,000
513M	Harpool Membrane Replacement Project	-	-	-	-	-	-	4,000,000	4,000,000
51HR	Lake Ralph Hall Terminal Storage	665,624	25,000	722,250	-	-	-	-	1,412,874
51HP	Pipeline from Lake Ralph Hall Terminal Storage to the Harpool RWTP	1,603,076	-	-	-	1,600,000	6,470,790	5,000,000	14,673,866
514N	Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2 *	538,334	3,540,350	14,000,000	17,500,000	3,241,315	-	-	38,819,999
515N	Harpool RWTP Northeast Transmission Pipeline, Phase 3 *	100,102	1,000,000	3,600,000	11,400,000	25,000,000	10,000,000	-	51,100,102
TBD	Harpool RWTP Northeast Transmission Pipeline, Phase 4	-	-	-	-	-	-	50,000	50,000
51NS	Harpool RWTP Northeast Transmission Pipeline, Phase 5	-	-	-	-	-	-	50,000	50,000
51PG	RTWS Southwest Transmission Pipelines, Phase 4	-	400,000	95,360	4,776,610	4,681,075	-	-	9,953,045
TBD	RTWS Southwest Transmission Pipelines, Phase 5	-	-	-	-	-	-	50,000	50,000
51C2	Celina 2nd Point of Delivery	-	70,000	286,610	668,750	477,680	-	-	1,503,040
516N	Treated Water Optimization and Implementation Plan	35,217	259,185	100,000	-	-	-	-	394,402
519C	Operations Remote Communications Improvement Project	-	-	267,500	856,000	-	-	-	1,123,500
51W4	802 Kealy Annex Building Improvements, Phase 2	-	54,000	2,140,000	918,060	-	-	-	3,112,060
513W	Roadway Improvements Coordination Adjustments *	85,462	10,000	10,000	10,000	10,000	10,000	10,000	145,462

FY 2024 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2028

Project Acct	Project	Prior Expenditures	Estimated FY 2023	Adopted FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
51W3	Lewisville Lake / USACE Dam Coordination	5,241	3,000	5,000	5,000	5,000	5,000	5,000	33,241
51T7	U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project	85,485	89,110	50,000	50,000	-	-	-	274,595
51T9	Relocation / TxDOT U.S. Hwy 380 Project (COLLIN COUNTY)	120	5,000	5,000	5,000	-	-	-	15,120
51TN	TxDOT / IH-35 Project *	573,583	3,296,915	2,245,610	3,822,500	-	-	-	9,938,608
51TA	TxDOT / IH-35W and FM 407 Project *	-	100,000	100,000	-	-	-	-	200,000
5138	Customer Pipeline Extensions	-	10,000	50,000	50,000	50,000	50,000	50,000	260,000
51WI	Contingency Improvements *	-	46,000	100,000	100,000	100,000	100,000	100,000	546,000
Total		\$ 277,586,570	\$ 185,041,610	\$ 304,999,745	\$ 291,189,170	\$ 156,185,940	\$ 61,471,320	\$ 30,440,000	\$ 1,306,914,355

Funding Sources:

Variable Rate Financing **	\$ 74,734,085	\$ 46,959,718	\$ 86,520,515	\$ 61,833,700	\$ 53,132,250	\$ 29,058,665	\$ 18,275,000	\$ 370,513,933
Variable Rate Financing (Reimb)	-	-	-	(348,770)	(348,770)	(348,770)	(348,770)	(1,395,080)
Revenue Bonds	24,185	-	-	-	-	-	-	24,185
Texas Water Development Board Funds								
Lake Ralph Hall (Present)	201,457,073	131,483,417	133,039,510	-	-	-	-	465,980,000
Lake Ralph Hall (Anticipated)	-	-	48,000,000	139,177,815	25,822,185	-	-	213,000,000
Thomas E. Taylor WTP Expansion (514R)	-	-	18,080,000	31,847,345	22,080,000	4,247,655	-	76,255,000
Harpool RWTP Northeast Transmission Pipeline (514N) (515N)	490,910	2,655,265	14,000,000	22,245,000	22,508,825	8,000,000	-	69,900,000
Harpool WTP Expansion, Phase 2 (512H)	-	-	-	29,600,000	32,000,000	20,000,000	8,000,000	89,600,000
Non-Bond Capital Reserve Funds	781,238	3,847,960	5,007,040	5,750,490	98,930	98,930	98,930	15,683,518
Non-Bond Capital Reserve Reimbursement	-	(3,523,448)	(2,061,049)	(3,440,250)	-	-	-	(9,024,747)
Contribution Sources								
RTWS General Treatment and Pumping Improvements (519Y)	-	-	-	348,770	348,770	348,770	348,770	1,395,080
Celina 2nd Point of Delivery (51C2)	-	70,000	286,610	668,750	477,680	-	-	1,503,040
Customer Reimbursement (5138)	-	10,000	50,000	50,000	50,000	50,000	50,000	260,000
Capital Replacement Reserve Funds	-	-	-	-	-	-	4,000,000	4,000,000
Donated Assets	11,230	-	-	-	-	-	-	11,230
Operating Funds	87,849	-	-	-	-	-	-	87,849
Growth Program	-	15,250	16,070	16,070	16,070	16,070	16,070	95,600
TxDOT Reimbursements	-	3,523,448	2,061,049	3,440,250	-	-	-	9,024,747
Total	\$ 277,586,570	\$ 185,041,610	\$ 304,999,745	\$ 291,189,170	\$ 156,185,940	\$ 61,471,320	\$ 30,440,000	\$ 1,306,914,355

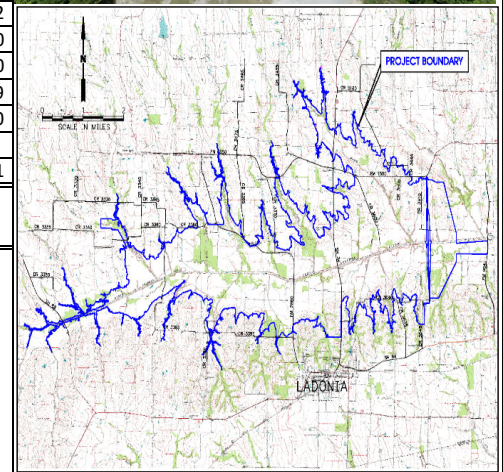
* - Multiple Funding Sources

** - Variable Rate Financing Refunding anticipated in FY 2024 to remain within current limit:

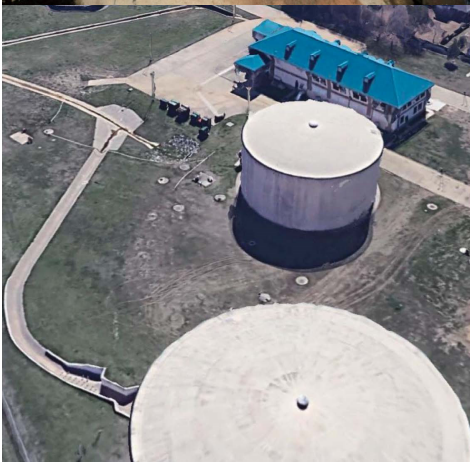

Project Title								Department		
Southwest Pump Station, Phase 1								51WP		
Description Funding provides for continued design / engineering and construction of ground storage tanks and a pump station, including a screening wall and fencing.					Operating Budget Impact					
					2024		2025	2026	2027	2028
					Personnel Services	\$ -	\$ -	\$ -	\$ 8,580	\$ 13,890
					Admin. / Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	-	65,800	86,750
					Debt Service	1,002,785	1,037,620	1,466,930	2,099,235	2,525,105
					Furniture and Equipment	-	-	-	-	-
					Maintenance / OH Allocation	-	-	-	5,205	7,045
Total					\$ 1,002,785	\$ 1,037,620	\$ 1,466,930	\$ 2,178,820	\$ 2,632,790	
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total		
			2024	2025	2026	2027	2028 to Completion			
	Design/Engineering	\$ 1,118,434	\$ 1,350,000	\$ 750,000	\$ 300,000	\$ 50,000	\$ -		\$ -	\$ 3,568,434
	Land/Right of Way	427,635	-	-	-	-	-		-	427,635
	Construction	-	435,720	16,660,710	13,147,780	7,285,820	-		-	37,530,030
	Admin/Inspection	176,313	214,280	1,218,750	941,345	513,510	-		-	3,064,198
	Legal									
	Furniture/Equipment									
Total Costs	\$ 1,722,382	\$ 2,000,000	\$ 18,629,460	\$ 14,389,125	\$ 7,849,330	\$ -	\$ -	\$ 44,590,297		
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total		
			2024	2025	2026	2027	2028 to Completion			
	Variable Rate Financing	\$ 1,703,126	\$ 2,000,000	\$ 18,629,460	\$ 14,389,125	\$ 7,849,330	\$ -		\$ -	\$ 44,571,041
	Revenue Bonds	19,256	-	-	-	-	-		-	19,256
	Non-Bond Capital Rsrv Funds									
	TWDB Funds									
	Contribution Sources									
	Total Sources	\$ 1,722,382	\$ 2,000,000	\$ 18,629,460	\$ 14,389,125	\$ 7,849,330	\$ -		\$ -	\$ 44,590,297
Project Schedule		Project Start Date	Project Completion Date	Site Information Town of Northlake and Argyle Water Supply Corporation (Denton County, Texas)						
Design/Engineering		Mar-13	2026							
Land/Right of Way		Apr-13	Aug-22							
Construction		Dec-22	2026							
Admin/Inspection		Mar-03	2026							
Legal										
Furniture/Equipment										
Total Project			2026							



Project Title								Department
Lake Ralph Hall Project								51RH
Description				Operating Budget Impact				
Funding provides for continued design / engineering and construction of various components of the proposed Lake Ralph Hall, including dams, roadways, raw water pump station, raw water pipeline, mitigation, cultural resources, and support facilities.					2024	2025	2026	2027
				Personnel Services	\$ -	\$ -	\$ 620,000	\$ 1,085,000
				Admin. / Office Expenses	-	-	12,000	20,000
				Professional Services	-	-	55,000	120,000
				Operating and Maintenance	-	-	488,660	998,530
				Debt Service	5,981,150	7,745,905	10,068,275	11,744,235
				Furniture and Equipment	-	-	-	-
				Maintenance / OH Allocation	-	-	82,295	155,645
				Total	\$ 5,981,150	\$ 7,745,905	\$ 11,326,230	\$ 14,123,410
								2028
								\$ 1,756,550
								42,800
								200,000
								1,020,225
								15,359,175
								-
								211,370
								\$ 18,590,120
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total
			2024	2025	2026	2027	2028 to Completion	
Total Costs	\$242,242,531	\$143,001,245	\$196,883,145	\$151,243,000	\$ 40,692,075	\$ 3,525,960	\$ 3,381,705	\$ 780,969,661
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total
			2024	2025	2026	2027	2028 to Completion	
Variable Rate Financing	\$ 40,690,249	\$ 11,517,828	\$ 15,843,635	\$ 12,065,185	\$ 14,869,890	\$ 3,525,960	\$ 3,381,705	\$ 101,894,452
TWDB Funds - Present	201,457,073	131,483,417	133,039,510	-	-	-	-	465,980,000
TWDB Funds - Anticipated	-	-	48,000,000	139,177,815	25,822,185	-	-	213,000,000
Operating Funds	83,979	-	-	-	-	-	-	83,979
Donated Assets	11,230	-	-	-	-	-	-	11,230
Total Sources	\$242,242,531	\$143,001,245	\$196,883,145	\$151,243,000	\$ 40,692,075	\$ 3,525,960	\$ 3,381,705	\$ 780,969,661
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering		Jul-03	2025					
Land/Right of Way		Dec-08	Sep-23					
Construction		Jul-20	2030					
Admin/Inspection		May-03	2030					
Legal		May-12	Jun-17					
Furniture/Equipment								
Total Project			2030					




Project Title								Department		
RTWS General Treatment and Pumping Improvements								519Y		
Description Continue with engineering, design, and construction of multi-year projects to upgrade and improve components of the Regional Treated Water System. Improvements include treatment process replacement / optimization, modifying or installing new / additional pumps, and electrical component upgrades at the Taylor Regional Water Treatment Plant (RWTP), Stone Hill Pump Station, and related conveyance system. Also includes a second point of delivery and metering station to be reimbursed by Providence Village.				Operating Budget Impact						
					2024	2025	2026	2027	2028	
				Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	
				Admin. / Office Expenses	-	-	-	-	-	
				Professional Services	-	-	-	-	-	
				Operating and Maintenance	-	-	-	-	-	
				Debt Service	1,618,340	1,544,880	1,901,665	2,254,980	2,403,170	
				Furniture and Equipment	-	-	-	-	-	
Maintenance / OH Allocation	-	-	-	-	-					
Total				\$ 1,618,340	\$ 1,544,880	\$ 1,901,665	\$ 2,254,980	\$ 2,403,170		
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total		
			2024	2025	2026	2027	2028 to Completion			
	Design/Engineering	\$ 1,390,012	\$ 525,000	\$ 200,000	\$ 50,000	\$ 50,000	\$ 50,000		\$ 2,315,012	
	Land/Right of Way									
	Construction	8,622,385	8,850,000	10,745,345	5,188,485	884,580	884,580		36,059,955	
	Admin/Inspection	819,547	1,125,000	766,175	366,695	65,420	65,420		3,273,677	
	Legal									
Furniture/Equipment										
Total Costs	\$ 10,831,944	\$ 10,500,000	\$ 11,711,520	\$ 5,605,180	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 41,648,644		
Source of Funds	Appropriations through FY 2022	Estimated Appropriation s FY 2023	Future Planned Appropriations					Project Total		
			2024	2025	2026	2027	2028 to Completion			
	Variable Rate Financing	\$ 10,831,944	\$ 10,500,000	\$ 11,711,520	\$ 5,605,180	\$ 1,000,000	\$ 1,000,000		\$ 1,000,000	\$ 41,648,644
	Variable Rate Financing (Reimb)	-	-	-	(348,770)	(348,770)	(348,770)		(697,540)	(1,743,850)
	Revenue Bonds									
	Non-Bond Capital Rsrv Funds									
	TWDB Funds									
Contrib. Source - Providence Village	-	-	-	348,770	348,770	348,770	697,540	1,743,850		
Total Sources	\$ 10,831,944	\$ 10,500,000	\$ 11,711,520	\$ 5,605,180	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 41,648,644		
Project Schedule	Project Start Date	Project Completion Date	Site Information							
Design/Engineering	Sep-20	2028	Various areas in the District's Regional Treated Water System							
Land/Right of Way										
Construction	Dec-20	2028								
Admin/Inspection	Sep-20	2028								
Legal										
Furniture/Equipment										
Total Project		2028								






Project Title							Department									
Thomas E. Taylor WTP Expansion, Phase 3 (from 70.0 to 85.0 MGD)							514R									
Description Funding provides for continued design and engineering and construction of improvements to filters basins, settled water bypass, pumps, electrical, Lewisville Lake Intake Pump Station Improvements, Raw Water Pipeline and Meter Vault, Flocculation and Sedimentation Basins, Backwash Supply Tank Fill Pump Station, Backwash Recovery Basin and Recycle Pump Station, Onsite Sodium Hypochlorite Generation, Sodium Hydroxide and Liquid Ammonium Sulfate, Ozone System Expansion, Replacement and Ozone Injection Improvements, and Electrical Service Upgrades and Backup Generators.				Operating Budget Impact												
				2024		2025		2026		2027		2028				
				Personnel Services		\$	-	\$	-	\$	-	\$	86,680	\$	165,600	
				Admin. / Office Expenses			-		-		-		-		-	
				Professional Services			-		-		-		-		-	
				Operating and Maintenance			-		-		-		254,490		298,660	
				Debt Service			449,950		517,620		766,145		1,248,745		1,711,455	
				Furniture and Equipment			-		-		-		-		-	
Maintenance / OH Allocation			-		-		-		23,880		32,500					
Total		\$	449,950	\$	517,620	\$	766,145	\$	1,613,795	\$	2,208,215					
Project Costs		Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total							
				2024	2025	2026	2027	2028 to Completion								
Design/Engineering		\$	-	\$	730,000	\$	1,925,000	\$	2,500,000	\$	2,500,000	\$	-	\$	10,155,000	
Land/Right of Way																
Construction			-		1,500,000		23,200,000		36,500,000		24,100,000		2,239,570		-	87,539,570
Admin/Inspection			-		270,000		775,000		1,000,000		1,000,000		570,000		-	3,615,000
Legal																
Furniture/Equipment																
Total Costs		\$	-	\$	2,500,000	\$	25,900,000	\$	40,000,000	\$	27,600,000	\$	5,309,570	\$	-	\$ 101,309,570
Source of Funds		Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total							
				2024	2025	2026	2027	2028 to Completion								
Variable Rate Financing		\$	-	\$	2,500,000	\$	7,820,000	\$	8,152,655	\$	5,520,000	\$	1,061,915	\$	-	\$ 25,054,570
Revenue Bonds																
Non-Bond Capital Rsrv Funds																
TWDB Board Part. Funds			-		-		18,080,000		31,847,345		22,080,000		4,247,655		-	76,255,000
Contribution Sources																
Total Sources		\$	-	\$	2,500,000	\$	25,900,000	\$	40,000,000	\$	27,600,000	\$	5,309,570	\$	-	\$ 101,309,570
Project Schedule		Project Start Date		Project Completion Date		Site Information										
Design/Engineering		Jun-23		2027												
Land/Right of Way																
Construction		Sep-23		2027												
Admin/Inspection		Jan-23		2027												
Legal																
Furniture/Equipment																
Total Project				2027												



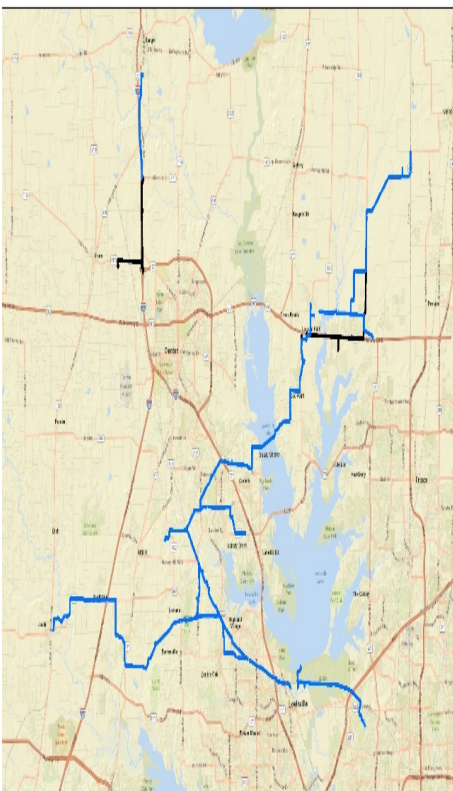


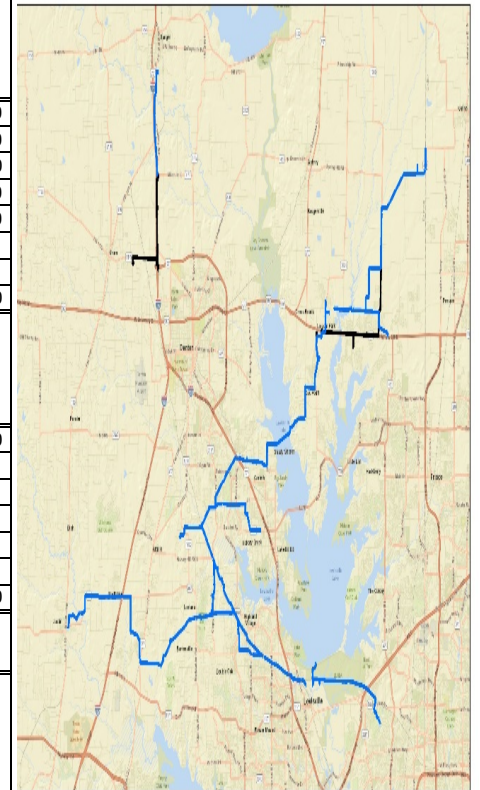
Project Title								Department		
Lake Lewisville Raw Water Pump Station Improvements								51TP		
Description Continue design / engineering and begin construction of a multi-year project that upgrades / updates electrical, pumping, and other critical components of the Lake Lewisville raw water intake pump station.					Operating Budget Impact					
					2024		2025	2026	2027	2028
					Personnel Services	\$ -	\$ -	\$ -	\$ (35,855)	\$ (84,150)
					Admin. / Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	-	(55,865)	(68,500)
					Debt Service	85,060	110,395	161,150	232,760	301,670
					Furniture and Equipment	-	-	-	-	-
					Maintenance / OH Allocation	-	-	-	(6,420)	(10,685)
Total					\$ 85,060	\$ 110,395	\$ 161,150	\$ 134,620	\$ 138,335	
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total		
			2024	2025	2026	2027	2028 to Completion			
Design/Engineering	\$ 120,398	\$ 133,930	\$ 257,625	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ 551,953		
Land/Right of Way										
Construction	-	-	1,256,895	1,960,320	1,362,680	-	-	4,579,895		
Admin/Inspection	10,660	16,070	106,015	138,620	96,785	-	-	368,150		
Legal										
Furniture/Equipment										
Total Costs	\$ 131,058	\$ 150,000	\$ 1,620,535	\$ 2,118,940	\$ 1,479,465	\$ -	\$ -	\$ 5,499,998		
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total		
			2024	2025	2026	2027	2028 to Completion			
Variable Rate Financing	\$ 131,058	\$ 150,000	\$ 1,620,535	\$ 2,118,940	\$ 1,479,465	\$ -	\$ -	\$ 5,499,998		
Revenue Bonds										
Non-Bond Capital Rsrv Funds										
TWDB Funds										
Contribution Sources										
Total Sources	\$ 131,058	\$ 150,000	\$ 1,620,535	\$ 2,118,940	\$ 1,479,465	\$ -	\$ -	\$ 5,499,998		
Project Schedule	Project Start Date	Project Completion Date	Site Information							
Design/Engineering	May-22	2026	1500 N. Mill St Lewisville, TX 75057							
Land/Right of Way										
Construction	2024	2026								
Admin/Inspection	Jan-22	2026								
Legal										
Furniture/Equipment										
Total Project		2026								



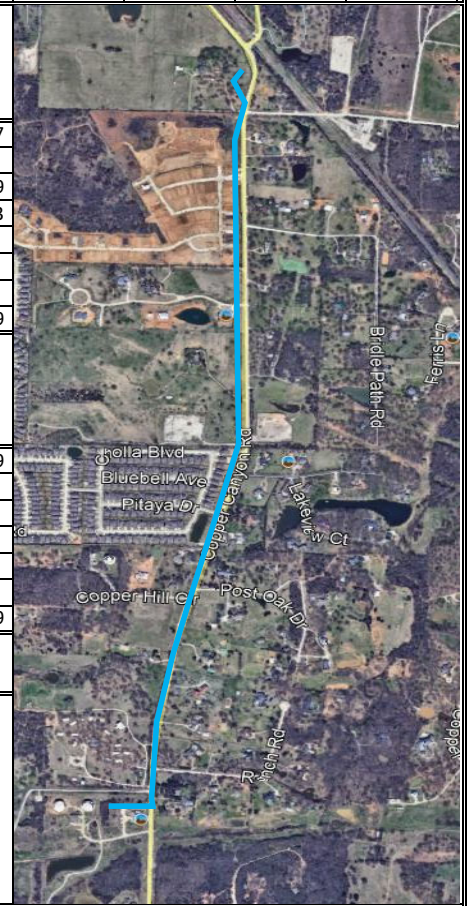


Project Title								Department							
Northeast RTWS Pump Station and Ground Storage Tanks								51GT							
Description Begin design and engineering for the construction of new storage tanks for the Regional Treated Water System, northeast of Lewisville Lake, to provide increased pressure and improved distribution of treated water for customers / members in the northeast service area.					Operating Budget Impact										
					2024		2025	2026	2027	2028					
					Personnel Services		\$	-	\$	-	\$	-	\$	-	
					Admin. / Office Expenses			-		-		-		-	
					Professional Services			-		-		-		-	
					Operating and Maintenance			-		-		-		-	
					Debt Service		43,600		52,685		115,715		371,975		655,040
					Furniture and Equipment			-		-		-		-	
Maintenance / OH Allocation			-		-		-		-						
Total		\$	43,600	\$	52,685	\$	115,715	\$	371,975	\$	655,040				
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total							
			2024	2025	2026	2027	2028 to Completion								
Design/Engineering	\$ -	\$ -	\$ -	\$ 681,250	\$ 1,500,000	\$ 250,000	\$ 150,000	\$ 2,581,250							
Land/Right of Way	-	-	915,000	285,000	-	-	-	1,200,000							
Construction	-	-	-	-	718,000	8,998,500	9,098,500	18,815,000							
Admin/Inspection	-	-	75,000	78,750	180,000	750,000	750,000	1,833,750							
Legal	-	-	10,000	5,000	2,000	1,500	1,500	20,000							
Furniture/Equipment															
Total Costs	\$ -	\$ -	\$ 1,000,000	\$ 1,050,000	\$ 2,400,000	\$ 10,000,000	\$ 10,000,000	\$ 24,450,000							
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total							
			2024	2025	2026	2027	2028 to Completion								
Variable Rate Financing	\$ -	\$ -	\$ 1,000,000	\$ 1,050,000	\$ 2,400,000	\$ 10,000,000	\$ 10,000,000	\$ 24,450,000							
Revenue Bonds															
Non-Bond Capital Rsrv Funds															
TWDB Funds															
Contribution Sources															
Total Sources	\$ -	\$ -	\$ 1,000,000	\$ 1,050,000	\$ 2,400,000	\$ 10,000,000	\$ 10,000,000	\$ 24,450,000							
Project Schedule	Project Start Date		Project Completion Date		Site Information										
Design/Engineering	2024		2028												
Land/Right of Way	2024		2025												
Construction	2026		2028												
Admin/Inspection	2024		2028												
Legal	2024		2028												
Furniture/Equipment															
Total Project			2028												





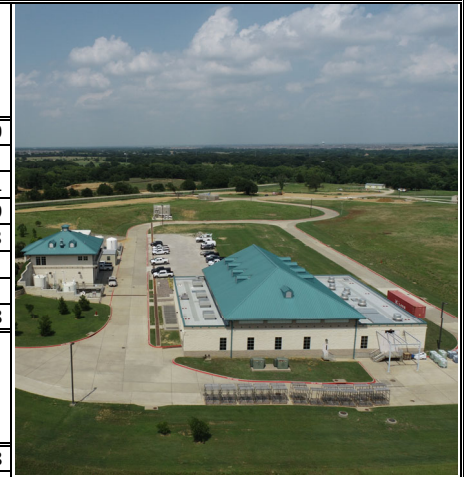


Project Title								Department
Replacement / Upsizing of Section of Phase 1A Treated Water Pipeline								517F
Description				Operating Budget Impact				
Complete the removal of a segment of Phase 1A, which includes 18-inch and 16-inch treated water pipeline and replace with larger diameter (36-inch) water pipeline, to provide redundancy and flexibility for the Regional Treated Water System.					2024	2025	2026	2027
				Personnel Services	\$ -	\$ -	\$ 2,385	\$ 2,505
				Admin. / Office Expenses	-	-	-	-
				Professional Services	-	-	-	-
				Operating and Maintenance	-	-	7,450	7,750
				Debt Service	554,495	542,205	634,885	644,030
				Furniture and Equipment	-	-	-	-
				Maintenance / OH Allocation	-	-	690	720
				Total	\$ 554,495	\$ 542,205	\$ 645,410	\$ 655,005
Project Costs		Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures				Project Total
				2024	2025	2026	2027	2028 to Completion
Design/Engineering	\$ 672,197	\$ 200,000	\$ 91,000	\$ -	\$ -	\$ -	\$ -	\$ 963,197
Land/Right of Way								
Construction	4,302,899	4,250,000	355,500	-	-	-	-	8,908,399
Admin/Inspection	299,203	531,805	31,255	-	-	-	-	862,263
Legal								
Furniture/Equipment								
Total Costs	\$ 5,274,299	\$ 4,981,805	\$ 477,755	\$ -	\$ -	\$ -	\$ -	\$ 10,733,859
Source of Funds		Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations				Project Total
				2024	2025	2026	2027	2028 to Completion
Variable Rate Financing	\$ 5,274,299	\$ 4,981,805	\$ 477,755	\$ -	\$ -	\$ -	\$ -	\$ 10,733,859
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Funds								
Contribution Sources								
Total Sources	\$ 5,274,299	\$ 4,981,805	\$ 477,755	\$ -	\$ -	\$ -	\$ -	\$ 10,733,859
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering		Jun-20	2024	Phase 1A pipeline from intersection of Copper Canyon Rd. and Hickory Hill Rd., south to Lantana's meter vault.				
Land/Right of Way								
Construction		Feb-22	2024					
Admin/Inspection		Jun-20	2024					
Legal								
Furniture/Equipment								
Total Project			2024					



Project Title							Department		
Harpool RWTP Phased Treatment Expansion, Phase 1 (from 20.0 to 30.0 MGD)							51HO		
Description Funding provides for a phased expansion of the Harpool RTWP, including expanded administration and maintenance facilities, increased raw water handling and water treatment capability (filter membranes and diurnal pond), leading to an expanded plant capacity of 30.0 MGD by 2025.				Operating Budget Impact					
					2024	2025	2026	2027	2028
				Personnel Services	\$ 35,000	\$ 36,750	\$ 38,590	\$ 40,520	\$ 42,545
				Admin. / Office Expenses	-	-	8,500	8,925	9,370
				Professional Services	-	-	25,000	26,250	27,565
				Operating and Maintenance	-	65,000	100,000	105,000	110,250
				Debt Service	2,172,830	1,993,890	2,461,055	2,951,700	3,078,490
				Furniture and Equipment	-	-	-	-	-
				Maintenance / OH Allocation	2,450	7,125	12,045	12,650	13,280
Total				\$ 2,210,280	\$ 2,102,765	\$ 2,645,190	\$ 3,145,045	\$ 3,281,500	
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total	
			2024	2025	2026	2027	2028 to Completion		
Design/Engineering	\$ 1,558,380	\$ 1,200,000	\$ 1,800,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 5,058,380	
Land/Right of Way									
Construction	11,177,856	9,515,000	15,957,010	5,687,855	-	-	-	42,337,721	
Admin/Inspection	945,589	1,285,000	1,242,990	433,150	-	-	-	3,906,729	
Legal	5,358	-	-	-	-	-	-	5,358	
Furniture/Equipment									
Total Costs	\$ 13,687,183	\$ 12,000,000	\$ 19,000,000	\$ 6,621,005	\$ -	\$ -	\$ -	\$ 51,308,188	
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total	
			2024	2025	2026	2027	2028 to Completion		
Variable Rate Financing	\$ 13,687,183	\$ 12,000,000	\$ 19,000,000	\$ 6,621,005	\$ -	\$ -	\$ -	\$ 51,308,188	
Revenue Bonds									
Non-Bond Capital Rsrv Funds									
TWDB Funds									
Contribution Sources									
Total Sources	\$ 13,687,183	\$ 12,000,000	\$ 19,000,000	\$ 6,621,005	\$ -	\$ -	\$ -	\$ 51,308,188	
Project Schedule	Project Start Date	Project Completion Date	Site Information						
Design/Engineering	Aug-18	2025	11500 Fishtrap Road Aubrey, TX						
Land/Right of Way									
Construction	Sep-19	2025							
Admin/Inspection	Sep-17	2025							
Legal	Jun-19	Sep-20							
Furniture/Equipment									
Total Project		2025							



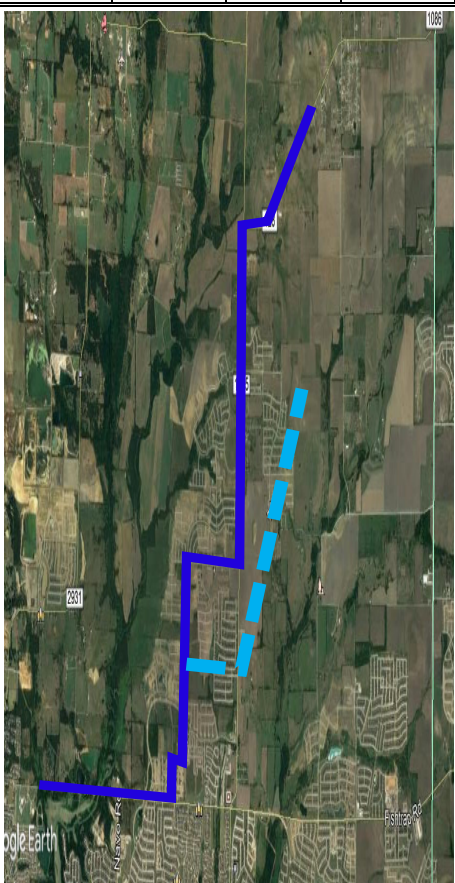


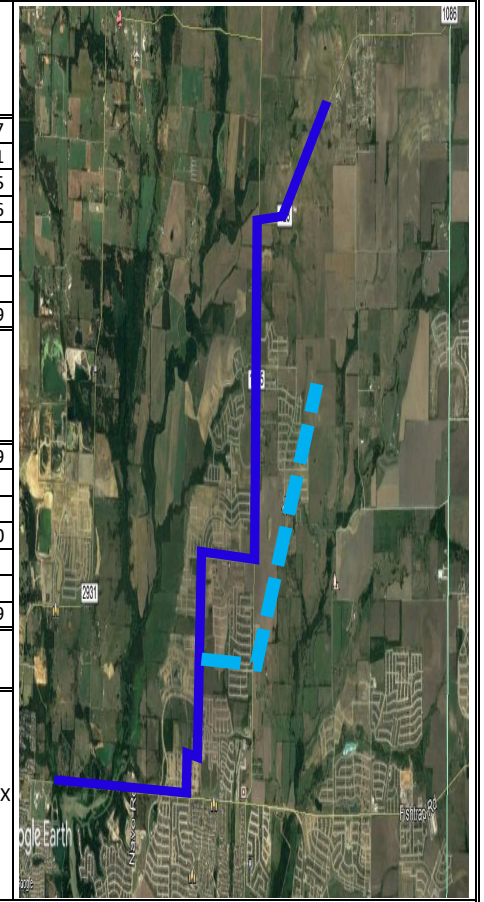
Project Title								Department
Harpool RWTP Phased Treatment Expansion, Phase 2 (from 30.0 to 60.0 MGD)								512H
Description				Operating Budget Impact				
Funding provided for the continued expansion of the Harpool RWTP to include site and plant piping, raw water delivery, new membrane complex, advanced treatment, new finished water pump station, new clearwell, recovery pond, chemical and disinfection, electrical, instrumentation and control as well as other necessary improvements to expand the plant and comply with TCEQ design standards.					2024	2025	2026	2027
				Personnel Services	\$ -	\$ -	\$ -	\$ 65,000
				Admin. / Office Expenses	-	-	-	7,865
				Professional Services	-	-	-	16,580
				Operating and Maintenance	-	-	-	-
				Debt Service	305,200	207,330	487,380	718,440
				Furniture and Equipment	-	-	-	-
				Maintenance / OH Allocation	-	-	-	6,260
				Total	\$ 305,200	\$ 207,330	\$ 487,380	\$ 814,145
								\$ 2,246,585
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total
			2024	2025	2026	2027	2028 to Completion	
Design/Engineering	\$ -	\$ 894,000	\$ 2,000,000	\$ 2,200,000	\$ 2,200,000	\$ 2,000,000	\$ 750,000	\$ 10,044,000
Land/Right of Way								
Construction	-	-	3,357,000	26,600,000	36,600,000	22,000,000	8,700,000	97,257,000
Admin/Inspection	-	106,000	643,000	1,200,000	1,200,000	1,000,000	550,000	4,699,000
Legal								
Furniture/Equipment								
Total Costs	\$ -	\$ 1,000,000	\$ 6,000,000	\$ 30,000,000	\$ 40,000,000	\$ 25,000,000	\$ 10,000,000	\$ 112,000,000
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total
			2024	2025	2026	2027	2028 to Completion	
Variable Rate Financing	\$ -	\$ 1,000,000	\$ 6,000,000	\$ 400,000	\$ 8,000,000	\$ 5,000,000	\$ 2,000,000	\$ 22,400,000
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Board Part. Funds	-	-	-	29,600,000	32,000,000	20,000,000	8,000,000	89,600,000
Contribution Sources								
Total Sources	\$ -	\$ 1,000,000	\$ 6,000,000	\$ 30,000,000	\$ 40,000,000	\$ 25,000,000	\$ 10,000,000	\$ 112,000,000
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering		May-23	2028					
Land/Right of Way								
Construction		2024	2028					
Admin/Inspection		Apr-23	2028					
Legal								
Furniture/Equipment								
Total Project			2028					



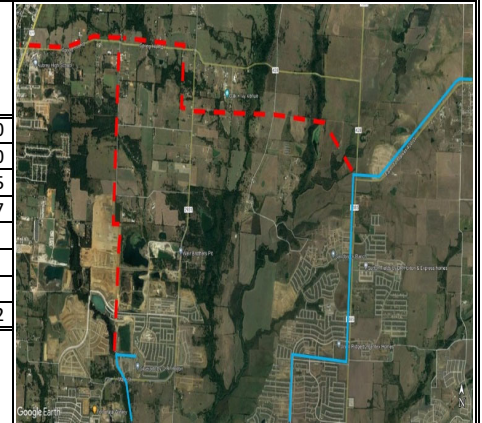
Project Title								Department
Lake Ralph Hall Terminal Storage								51HR
Description				Operating Budget Impact				
Funding provides for the District's participation to complete the construction of the Lake Ralph Hall Terminal Storage Pond.					2024	2025	2026	2027
				Personnel Services	\$ -	\$ 6,500	\$ 6,825	\$ 7,165
				Admin. / Office Expenses	-	550	570	595
				Professional Services	-	-	-	-
				Operating and Maintenance	-	3,500	3,640	3,785
				Debt Service	72,520	59,570	70,940	84,770
				Furniture and Equipment	-	-	-	-
				Maintenance / OH Allocation	-	740	770	810
				Total	\$ 72,520	\$ 70,860	\$ 82,745	\$ 97,125
					\$ 97,695			
Project Costs		Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures				Project Total
				2024	2025	2026	2027	2028 to Completion
Design/Engineering		\$ 25,646	\$ 21,000	\$ 27,500	\$ -	\$ -	\$ -	\$ -
Land/Right of Way		485,312	-	-	-	-	-	-
Construction		-	-	647,500	-	-	-	-
Admin/Inspection		148,801	4,000	47,250	-	-	-	-
Legal		5,865	-	-	-	-	-	-
Furniture/Equipment								
Total Costs		\$ 665,624	\$ 25,000	\$ 722,250	\$ -	\$ -	\$ -	\$ -
								\$ 1,412,874
Source of Funds		Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations				Project Total
				2024	2025	2026	2027	2028 to Completion
Variable Rate Financing		\$ 665,624	\$ 25,000	\$ 722,250	\$ -	\$ -	\$ -	\$ -
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Funds								
Contribution Sources								
Total Sources		\$ 665,624	\$ 25,000	\$ 722,250	\$ -	\$ -	\$ -	\$ -
								\$ 1,412,874
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering		Sep-20	2024	Northeast Denton County Aubrey, TX				
Land/Right of Way		Dec-09	Dec-09					
Construction		2024	2024					
Admin/Inspection		Dec-09	2024					
Legal		May-10	Jul-21					
Furniture/Equipment								
Total Project			2024					

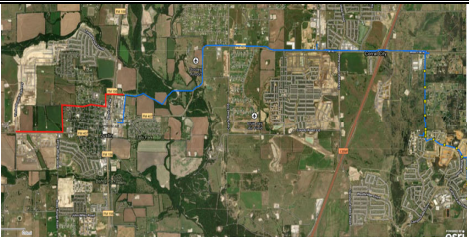


Project Title							Department				
Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2							514N				
Description Continue with design / engineering and purchasing rights-of-way / easements and begin construction for the future 36-inch diameter treated water transmission pipeline extending northeast from the Harpool Water Treatment Plant to serve the Town of Celina, Artesia community, and other customers.				Operating Budget Impact							
					2024	2025	2026	2027	2028		
				Personnel Services	\$ -	\$ -	\$ 6,585	\$ 12,500	\$ 13,125		
				Admin. / Office Expenses	-	-	1,500	2,500	2,600		
				Professional Services	-	-	2,500	2,625	2,755		
				Operating and Maintenance	-	-	48,650	92,350	112,550		
				Debt Service	194,035	307,900	466,640	689,810	1,002,340		
				Furniture and Equipment	-	-	-	-	-		
Maintenance / OH Allocation				-	-	4,145	7,700	9,175			
Total				\$ 194,035	\$ 307,900	\$ 530,020	\$ 807,485	\$ 1,142,545			
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total			
			2024	2025	2026	2027	2028 to Completion				
	Design/Engineering	\$ 481,267	\$ 392,710	\$ 2,270,000	\$ 125,000	\$ 165,420	\$ -			\$ -	\$ 3,434,397
	Land/Right of Way	111	2,760,820	2,800,000	-	-	-			-	5,560,931
	Construction	-	-	8,014,110	16,230,140	2,863,845	-			-	27,108,095
	Admin/Inspection	56,956	386,820	915,890	1,144,860	212,050	-			-	2,716,576
	Legal										
	Furniture/Equipment										
	Total Costs	\$ 538,334	\$ 3,540,350	\$ 14,000,000	\$ 17,500,000	\$ 3,241,315	\$ -			\$ -	\$ 38,819,999
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total			
			2024	2025	2026	2027	2028 to Completion				
	Variable Rate Financing	\$ 47,424	\$ 885,085	\$ 3,500,000	\$ 4,375,000	\$ 897,490	\$ -		\$ -	\$ 9,704,999	
	Revenue Bonds										
	Non-Bond Capital Rsrv Funds										
	TWDB Board Part. Funds	490,910	2,655,265	10,500,000	13,125,000	2,343,825	-		-	29,115,000	
	Contribution Sources										
	Total Sources	\$ 538,334	\$ 3,540,350	\$ 14,000,000	\$ 17,500,000	\$ 3,241,315	\$ -		\$ -	\$ 38,819,999	
	Project Schedule	Project Start Date	Project Completion Date	Site Information							
Design/Engineering	Sep-20	2026	Northeast from Aubrey, TX (Navo Road) to the City of Celina, TX								
Land/Right of Way	Jun-20	2024									
Construction	2024	2026									
Admin/Inspection	Sep-20	2026									
Legal											
Furniture/Equipment											
Total Project		2026									



Project Title								Department
Harpool RWTP Northeast Transmission Pipeline, Phase 3								515N
Description				Operating Budget Impact				
Funding provided to complete an alignment study and begin preliminary design for the future construction of the next phases of treated water pipelines generally to connect Aubrey and other members and customers.					2024	2025	2026	2027
				Personnel Services	\$ -	\$ -	\$ -	\$ 12,500
				Admin. / Office Expenses	-	-	-	2,500
				Professional Services	-	-	-	2,880
				Operating and Maintenance	-	-	-	86,650
				Debt Service	53,965	110,020	224,485	362,850
				Furniture and Equipment	-	-	-	-
				Maintenance / OH Allocation	-	-	-	7,315
				Total	\$ 53,965	\$ 110,020	\$ 224,485	\$ 474,695
								\$ 740,510
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total
			2024	2025	2026	2027	2028 to Completion	
Design/Engineering	\$ 96,545	\$ 900,000	\$ 2,729,485	\$ 1,490,000	\$ 75,000	\$ 85,000	\$ -	\$ 5,376,030
Land/Right of Way	-	-	635,000	1,000,000	965,000	-	-	2,600,000
Construction	-	-	-	8,164,205	22,324,485	9,260,795	-	39,749,485
Admin/Inspection	3,557	100,000	235,515	745,795	1,635,515	654,205	-	3,374,587
Legal								
Furniture/Equipment								
Total Costs	\$ 100,102	\$ 1,000,000	\$ 3,600,000	\$ 11,400,000	\$ 25,000,000	\$ 10,000,000	\$ -	\$ 51,100,102
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total
			2024	2025	2026	2027	2028 to Completion	
Variable Rate Financing	\$ 100,102	\$ 1,000,000	\$ 100,000	\$ 2,280,000	\$ 4,835,000	\$ 2,000,000	\$ -	\$ 10,315,102
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Board Part. Funds	-	-	3,500,000	9,120,000	20,165,000	8,000,000	-	40,785,000
Contribution Sources								
Total Sources	\$ 100,102	\$ 1,000,000	\$ 3,600,000	\$ 11,400,000	\$ 25,000,000	\$ 10,000,000	\$ -	\$ 51,100,102
Project Schedule	Project Start Date	Project Completion Date	Site Information					
Design/Engineering	Sep-22	2027	Generally northwest from Fishtrap Rd to the Town of Aubrey, TX					
Land/Right of Way	2024	2026						
Construction	2025	2027						
Admin/Inspection	Sep-22	2027						
Legal								
Furniture/Equipment								
Total Project		2027						

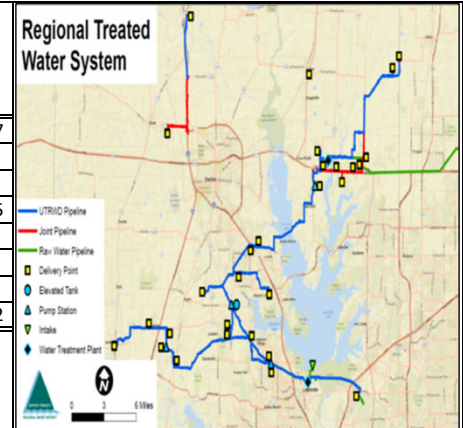


Project Title							Department			
RTWS Southwest Transmission Pipelines, Phase 4							51PG			
Description Begin design and purchase rights-of-way / easements for the future construction of a phased treated water transmission pipeline extending west from the Southwest Pump Station to serve Town of Northlake, Argyle Water Supply Corporation, Town of Flower Mound, City of Justin and other customers.				Operating Budget Impact						
				2024		2025	2026	2027	2028	
				Personnel Services		\$ -	\$ -	\$ -	\$ 1,200	\$ 1,565
				Admin. / Office Expenses		-	-	-	235	285
				Professional Services		-	-	-	1,000	1,250
				Operating and Maintenance		-	-	-	36,875	42,560
				Debt Service		21,600	142,350	233,125	326,425	507,540
				Furniture and Equipment		-	-	-	-	-
				Maintenance / OH Allocation		-	-	-	2,750	3,195
Total		\$ 21,600	\$ 142,350	\$ 233,125	\$ 368,485	\$ 556,395				
Project Costs		Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures				Project Total		
				2024	2025	2026	2027			2028 to Completion
Design/Engineering		\$ -	\$ 32,140	\$ 86,785	\$ 500,000	\$ 400,000	\$ -	\$ -		\$ 1,018,925
Land/Right of Way		-	300,000	-	500,000	-	-	-		800,000
Construction		-	-	-	3,461,785	3,972,500	-	-		7,434,285
Admin/Inspection		-	42,860	6,075	312,325	306,075	-	-		667,335
Legal		-	25,000	2,500	2,500	2,500	-	-		32,500
Furniture/Equipment										
Total Costs		\$ -	\$ 400,000	\$ 95,360	\$ 4,776,610	\$ 4,681,075	\$ -	\$ -		\$ 9,953,045
Source of Funds		Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations				Project Total		
				2024	2025	2026	2027		2028 to Completion	
Variable Rate Financing		\$ -	\$ 400,000	\$ 95,360	\$ 4,776,610	\$ 4,681,075	\$ -	\$ -	\$ 9,953,045	
Revenue Bonds										
Non-Bond Capital Rsrv Funds										
TWDB Funds										
Contribution Sources										
Total Sources		\$ -	\$ 400,000	\$ 95,360	\$ 4,776,610	\$ 4,681,075	\$ -	\$ -	\$ 9,953,045	
Project Schedule		Project Start Date		Project Completion Date		Site Information Approximate location I-35 and FM 407				
Design/Engineering		Sep-23		2026						
Land/Right of Way		Aug-23		2025						
Construction		2025		2026						
Admin/Inspection		Aug-23		2026						
Legal		Sep-23		2026						
Furniture/Equipment										
Total Project				2026						

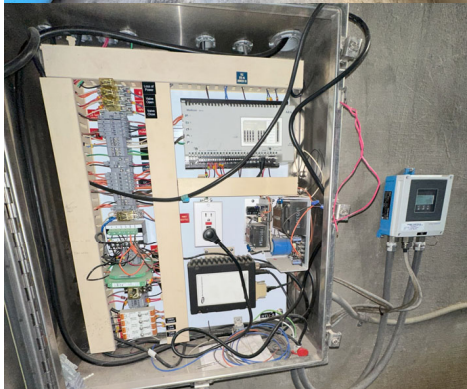

Project Title							Department		
Celina 2nd Point of Delivery							51C2		
Description Funding provided for design / engineering to construct a second point of delivery with metering facilities to provide additional treated water to the City of Celina.					Operating Budget Impact				
					2024	2025	2026	2027	2028
					Personnel Services				
					Admin. / Office Expenses				
					Professional Services				
					Operating and Maintenance				
					Debt Service				
Furniture and Equipment									
Maintenance / OH Allocation									
Total									
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total	
			2024	2025	2026	2027	2028 to Completion		
Design/Engineering	\$ -	\$ 65,420	\$ 95,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ 170,420	
Land/Right of Way									
Construction	-	-	172,860	620,000	441,430	-	-	1,234,290	
Admin/Inspection	-	4,580	18,750	43,750	31,250	-	-	98,330	
Legal									
Furniture/Equipment									
Total Costs	\$ -	\$ 70,000	\$ 286,610	\$ 668,750	\$ 477,680	\$ -	\$ -	\$ 1,503,040	
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total	
			2024	2025	2026	2027	2028 to Completion		
Variable Rate Financing									
Revenue Bonds									
Non-Bond Capital Rsrv Funds									
TWDB Funds									
Contribution Sources	\$ -	\$ 70,000	\$ 286,610	\$ 668,750	\$ 477,680	\$ -	\$ -	\$ 1,503,040	
Total Sources	\$ -	\$ 70,000	\$ 286,610	\$ 668,750	\$ 477,680	\$ -	\$ -	\$ 1,503,040	
Project Schedule	Project Start Date	Project Completion Date	Site Information						
Design/Engineering	Jul-23	2026	Approximate location is Celina road and FM 428 Celina, TX						
Land/Right of Way									
Construction	2024	2026							
Admin/Inspection	Aug-23	2026							
Legal									
Furniture/Equipment									
Total Project		2026							

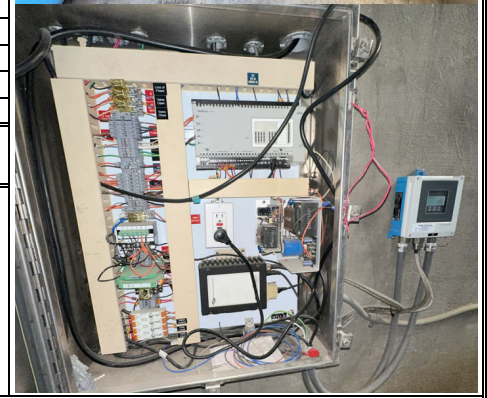


Project Title								Department
Treated Water Optimization and Implementation Plan								516N
Description				Operating Budget Impact				
Completion of a strategic plan for Regional Treated Water System capital improvement projects (CIP) that includes hydraulic modeling assistance for, and in coordination with, customer and member entities.				2024	2025	2026	2027	2028
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total
			2024	2025	2026	2027	2028 to Completion	
Design/Engineering	\$ 31,722	\$ 231,415	\$ 88,000	\$ -	\$ -	\$ -	\$ -	\$ 351,137
Land/Right of Way								
Construction								
Admin/Inspection	3,495	27,770	12,000	-	-	-	-	43,265
Legal								
Furniture/Equipment								
Total Costs	\$ 35,217	\$ 259,185	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 394,402
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total
			2024	2025	2026	2027	2028 to Completion	
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	\$ 35,217	\$ 259,185	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 394,402
TWDB Funds								
Contribution Sources								
Total Sources	\$ 35,217	\$ 259,185	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 394,402
Project Schedule	Project Start Date	Project Completion Date	Site Information					
Design/Engineering	May-22	2024	Various locations in the District's service area					
Land/Right of Way								
Construction								
Admin/Inspection	May-22	2024						
Legal								
Furniture/Equipment								
Total Project		2024						

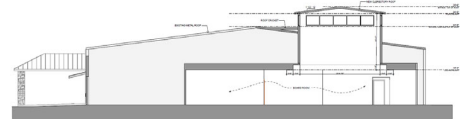


Project Title							Department						
Operations Remote Communications Improvement Project							519C						
Description Funding provided to upgrade and improve all District remote site communication equipment including PLCs, water and wastewater metering sites, and points of entry and delivery. Upon completion, each District system will reimburse for their share of project costs.					Operating Budget Impact								
					2024					2025	2026	2027	2028
					Personnel Services								
					Admin. / Office Expenses								
					Professional Services								
					Operating and Maintenance								
					Debt Service								
Furniture and Equipment													
Maintenance / OH Allocation													
Total													
Project Costs		Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total				
				2024	2025	2026	2027	2028 to Completion					
Design/Engineering		\$ -	\$ -	\$ 40,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 140,000				
Land/Right of Way													
Construction													
Admin/Inspection		-	-	17,500	56,000	-	-	-	73,500				
Legal													
Furniture/Equipment		-	-	210,000	700,000	-	-	-	910,000				
Total Costs		\$ -	\$ -	\$ 267,500	\$ 856,000	\$ -	\$ -	\$ -	\$ 1,123,500				
Source of Funds		Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total				
				2024	2025	2026	2027	2028 to Completion					
Variable Rate Financing													
Revenue Bonds													
Non-Bond Capital Rsrv Funds		\$ -	\$ -	\$ 267,500	\$ 856,000	\$ -	\$ -	\$ -	\$ 1,123,500				
TWDB Funds													
Contribution Sources													
Total Sources		\$ -	\$ -	\$ 267,500	\$ 856,000	\$ -	\$ -	\$ -	\$ 1,123,500				
Project Schedule		Project Start Date		Project Completion Date		Site Information							
Design/Engineering		2024		2025		Various locations within the District's service area.							
Land/Right of Way													
Construction													
Admin/Inspection		2024		2025									
Legal													
Furniture/Equipment		2024		2025									
Total Project		2024		2025									






Project Title								Department						
802 Kealy Annex Building Improvements, Phase 2								51W4						
Description Design, permitting, and construction of second phase remodel of 802 Annex building (approximately 2,000 sq ft), which includes a new clear-story section of the roof and removing the existing clear story roof, new design and construction of training center in the existing open space, removal of existing overhead door and replace with storefront door system, awning, and new exterior siding material for north side of building. All systems / funds to reimburse for their allocated ownership share of project costs.						Operating Budget Impact								
						2024					2025	2026	2027	2028
						Personnel Services								
						Admin. / Office Expenses								
						Professional Services								
						Operating and Maintenance								
						Debt Service								
						Furniture and Equipment								
Maintenance / OH Allocation														
Total														
Project Costs		Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total					
				2024	2025	2026	2027	2028 to Completion						
Design/Engineering									\$ -					
Land/Right of Way														
Construction		\$ -	\$ -	\$ 1,900,000	\$ 800,000	\$ -	\$ -	\$ -	\$ 2,700,000					
Admin/Inspection		-	5,700	140,000	60,060	-	-	-	205,760					
Professional Services		-	48,300	100,000	58,000	-	-	-	206,300					
Furniture/Equipment														
Total Costs		\$ -	\$ 54,000	\$ 2,140,000	\$ 918,060	\$ -	\$ -	\$ -	\$ 3,112,060					
Source of Funds		Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total					
				2024	2025	2026	2027	2028 to Completion						
Variable Rate Financing														
Revenue Bonds														
Non-Bond Capital Rsrv Funds		\$ -	\$ 54,000	\$ 2,140,000	\$ 918,060	\$ -	\$ -	\$ -	\$ 3,112,060					
TWDB Funds														
Contribution Sources														
Total Sources		\$ -	\$ 54,000	\$ 2,140,000	\$ 918,060	\$ -	\$ -	\$ -	\$ 3,112,060					
Project Schedule		Project Start Date		Project Completion Date		Site Information								
Design/Engineering														
Land/Right of Way						802 N Kealy St Lewisville, TX								
Construction		2024		2025										
Admin/Inspection		May-23		2025										
Professional Services		May-23		2025										
Furniture/Equipment														
Total Project				2025										

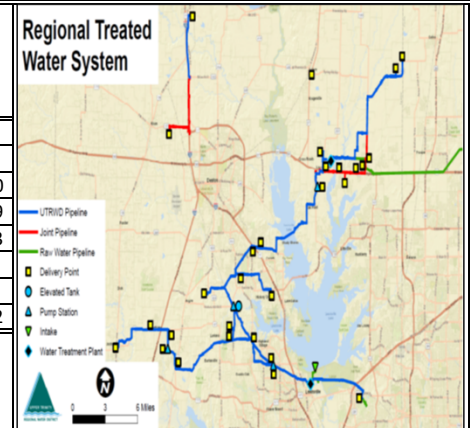


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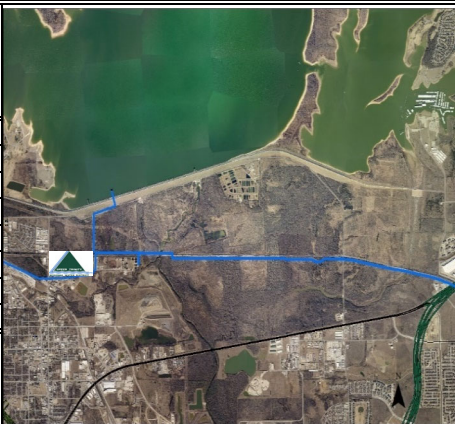
UPPER TRINITY
REGIONAL WATER
DISTRICT
LEWISVILLE, TX

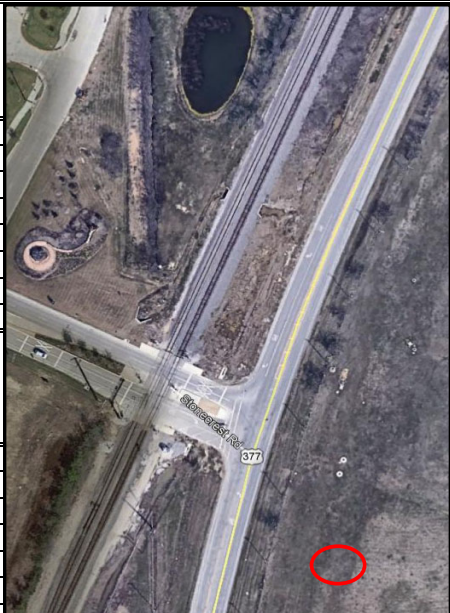



Project Title								Department
Roadway Improvements Coordination Adjustments								513W
Description				Operating Budget Impact				
Continue to coordinate with other public entities to identify potential conflicts between proposed roadway improvements and the District's facilities. (Does not include funding for modifications to District facilities.)				2024	2025	2026	2027	2028
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total
			2024	2025	2026	2027	2028 to Completion	
Design/Engineering								
Land/Right of Way								
Construction	\$ 1,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,860
Admin/Inspection	80,499	9,000	9,000	9,000	9,000	9,000	9,000	134,499
Legal	3,103	1,000	1,000	1,000	1,000	1,000	1,000	9,103
Furniture/Equipment								
Total Costs	\$ 85,462	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 145,462
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total
			2024	2025	2026	2027	2028 to Completion	
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	\$ 81,592	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 141,592
Operating Funds	3,870	-	-	-	-	-	-	3,870
Contribution Sources								
Total Sources	\$ 85,462	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 145,462
Project Schedule	Project Start Date	Project Completion Date	Site Information					
Design/Engineering			Various areas in the District's service area					
Land/Right of Way								
Construction	Sep-16	Sep-16						
Admin/Inspection	Oct-10	Ongoing						
Legal	Feb-11	Ongoing						
Furniture/Equipment								
Total Project		Ongoing						



Project Title								Department							
Lewisville Lake / USACE Dam Coordination								51W3							
Description Continue coordination with the U.S. Army Corps of Engineers (USACE) on utility relocations, including engineering / design and construction activities for the District's water pipelines in the vicinity of the Lewisville Lake Dam.						Operating Budget Impact									
						2024		2025		2026		2027		2028	
						Personnel Services									
						Admin. / Office Expenses									
						Professional Services									
						Operating and Maintenance									
						Debt Service									
Furniture and Equipment															
Maintenance / OH Allocation															
Total															
Project Costs		Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total						
				2024	2025	2026	2027	2028 to Completion							
Design/Engineering															
Land/Right of Way															
Construction															
Admin/Inspection		\$ 5,241	\$ 3,000	5,000	5,000	5,000	5,000	5,000	\$ 33,241						
Legal															
Furniture/Equipment															
Total Costs		\$ 5,241	\$ 3,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 33,241						
Source of Funds		Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total						
				2024	2025	2026	2027	2028 to Completion							
Variable Rate Financing															
Revenue Bonds															
Non-Bond Capital Rsrv Funds		\$ 5,241	\$ 3,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 33,241						
TWDB Funds															
Contribution Sources															
Total Sources		\$ 5,241	\$ 3,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 33,241						
Project Schedule		Project Start Date		Project Completion Date		Site Information									
Design/Engineering															
Land/Right of Way						Near the Lake Lewisville intake pump station and intake pipeline in Lewisville, TX									
Construction															
Admin/Inspection		Oct-18		Ongoing											
Legal															
Furniture/Equipment															
Total Project				Ongoing											



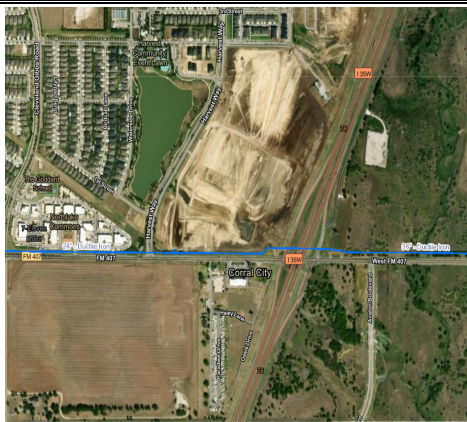
Project Title							Department						
U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project							51T7						
Description Funding provides for appurtenance adjustments for the Southwest Pipeline as a result of the Texas Department of Transportation's widening project along U.S. Hwy 377 from FM 1171 to Country Club Road.					Operating Budget Impact								
					2024					2025	2026	2027	2028
					Personnel Services								
					Admin. / Office Expenses								
					Professional Services								
					Operating and Maintenance								
					Debt Service								
Furniture and Equipment													
Maintenance / OH Allocation													
Total													
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total					
			2024	2025	2026	2027	2028 to Completion						
Design/Engineering	\$ 51,650	\$ 25,000	\$ 3,700	\$ -	\$ -	\$ -	\$ -	\$ 80,350					
Land/Right of Way													
Construction	-	54,110	41,000	44,700	-	-	-	139,810					
Admin/Inspection	33,835	10,000	5,300	5,300	-	-	-	54,435					
Legal													
Furniture/Equipment													
Total Costs	\$ 85,485	\$ 89,110	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 274,595					
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total					
			2024	2025	2026	2027	2028 to Completion						
Variable Rate Financing													
Revenue Bonds													
Non-Bond Capital Rsrv Funds	\$ 85,485	\$ 89,110	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	274,595					
TWDB Funds													
Contribution Sources													
Total Sources	\$ 85,485	\$ 89,110	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 274,595					
Project Schedule	Project Start Date	Project Completion Date	Site Information										
Design/Engineering	Aug-20	2024	East Side of US 377, near intersection of Stonecrest and US 377 Flower Mound, Tx										
Land/Right of Way													
Construction	Sep-23	2025											
Admin/Inspection	Aug-20	2025											
Legal													
Furniture/Equipment													
Total Project		2025											

Project Title								Department						
Relocation / TxDOT U.S. Hwy 380 Project (Collin County)								51T9						
Description Funding provides for continued coordination with the Texas Department of Transportation's (TxDOT) U.S. Hwy 380 project (Collin County portion) and the City of Irving, Texas.						Operating Budget Impact								
						2024					2025	2026	2027	2028
						Personnel Services								
						Admin. / Office Expenses								
						Professional Services								
						Operating and Maintenance								
						Debt Service								
Furniture and Equipment														
Maintenance / OH Allocation														
Total														
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total						
			2024	2025	2026	2027	2028 to Completion							
Design/Engineering														
Land/Right of Way														
Construction														
Admin/Inspection	\$ 120	\$ 5,000	5,000	5,000	-	-	-	15,120						
Legal														
Furniture/Equipment														
Total Costs	\$ 120	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ 15,120						
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total						
			2024	2025	2026	2027	2028 to Completion							
Variable Rate Financing														
Revenue Bonds														
Non-Bond Capital Rsrv Funds	\$ 120	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	15,120						
TWDB Funds														
Contribution Sources														
Total Sources	\$ 120	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ 15,120						
Project Schedule	Project Start Date		Project Completion Date		Site Information									
Design/Engineering					Selected areas along U.S. Hwy 380 Collin County, TX									
Land/Right of Way														
Construction														
Admin/Inspection	Jul-19		2025											
Legal														
Furniture/Equipment														
Total Project			2025											

Project Title								Department
TxDOT / IH-35 Project								51TN
Description				Operating Budget Impact				
Funding provided for easement acquisition, engineering services, and construction for the Texas Department of Transportation's IH-35 widening project from Milam Road in Denton, TX north to Cowling Road in Sanger, TX. 90% of project costs are reimbursable by the Texas Department of Transportation.				2024	2025	2026	2027	2028
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total
			2024	2025	2026	2027	2028 to Completion	
Design/Engineering	\$ 501,618	\$ 1,198,915	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 1,720,533
Land/Right of Way	-	1,745,000	-	-	-	-	-	1,745,000
Construction	-	-	2,088,700	3,562,430	-	-	-	5,651,130
Admin/Inspection	71,965	353,000	146,910	250,070	-	-	-	821,945
Legal								
Furniture/Equipment								
Total Costs	\$ 573,583	\$ 3,296,915	\$ 2,245,610	\$ 3,822,500	\$ -	\$ -	\$ -	\$ 9,938,608
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total
			2024	2025	2026	2027	2028 to Completion	
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	\$ 573,583	\$ 3,296,915	\$ 2,245,610	\$ 3,822,500	\$ -	\$ -	\$ -	\$ 9,938,608
Non-Bond Capital Rsrv Reimbursement	-	(3,483,448)	(2,021,049)	(3,440,250)	-	-	-	(8,944,747)
TxDOT Reimbursement	-	3,483,448	2,021,049	3,440,250	-	-	-	8,944,747
Total Sources	\$ 573,583	\$ 3,296,915	\$ 2,245,610	\$ 3,822,500	\$ -	\$ -	\$ -	\$ 9,938,608
Project Schedule	Project Start Date	Project Completion Date	Site Information					
Design/Engineering	Nov-20	2025	IH-35 (Milam Road in Denton to Cowling Road in Sanger) Denton County, TX					
Land/Right of Way	Sep-23	Sep-23						
Construction	2024	2025						
Admin/Inspection	Nov-20	2025						
Legal								
Furniture/Equipment								
Total Project		2025						

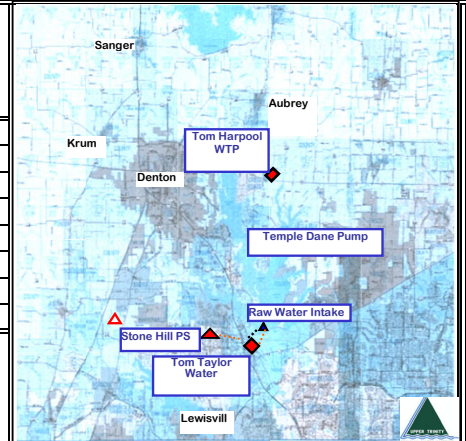


Project Title							Department	
TxDOT / IH-35W and FM 407 Project							51TA	
Description Funding provides for coordination and pipeline modifications due to Texas Department of Transportation's widening projects along IH-35 and FM 407. 40% of project costs are anticipated to be reimbursable by the Texas Department of Transportation.				Operating Budget Impact				
				2024	2025	2026	2027	2028
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total
			2024	2025	2026	2027	2028 to Completion	
Design/Engineering	\$ -	\$ 89,300	\$ 89,300	\$ -	\$ -	\$ -	\$ -	\$ 178,600
Land/Right of Way								
Construction								
Admin/Inspection	-	10,700	10,700	-	-	-	-	21,400
Legal								
Furniture/Equipment								
Total Costs	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total
			2024	2025	2026	2027	2028 to Completion	
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Non-Bond Capital Rsrv Reimbursement	-	(40,000)	(40,000)	-	-	-	-	(80,000)
TxDOT Reimbursement	-	40,000	40,000	-	-	-	-	80,000
Total Sources	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Project Schedule	Project Start Date	Project Completion Date	Site Information					
Design/Engineering	Jun-23	2024	Approximate location I-35 and FM 407 Lewisville, TX					
Land/Right of Way								
Construction								
Admin/Inspection	Sep-23	2024						
Legal								
Furniture/Equipment								
Total Project		2024						



Project Title								Department
Customer Pipeline Extensions								5138
Description				Operating Budget Impact				
Provides funding for District efforts to coordinate and plan for future water pipeline extensions for current and / or future customers of the Regional Treated Water System.				2024	2025	2026	2027	2028
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total
			2024	2025	2026	2027	2028 to Completion	
Design/Engineering								
Land/Right of Way								
Construction/Other	\$ -	\$ 10,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 260,000
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Costs	\$ -	\$ 10,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 260,000
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total
			2024	2025	2026	2027	2028 to Completion	
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Funds								
Customer Reimbursements	\$ -	\$ 10,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 260,000
Total Sources	\$ -	\$ 10,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 260,000
Project Schedule	Project Start Date	Project Completion Date	Site Information					
Design/Engineering			Various areas in the District's service area.					
Land/Right of Way								
Construction/Other	Sep-23	Ongoing						
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Project		Ongoing						

Legend
Existing WTP
Existing Pump Station
Future Pump Station



Legend
 Existing WTP
 Existing Pump Station
 Future Pump Station

Project Title								Department
Contingency Improvements								51WI
Description					Operating Budget Impact			
To allow for various projects that may be identified throughout the year.					2024	2025	2026	2027
					2028			
					Personnel Services			
					Admin. / Office Expenses			
					Professional Services			
					Operating and Maintenance			
					Debt Service			
					Furniture and Equipment			
					Maintenance / OH Allocation			
					Total			
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total
			2024	2025	2026	2027	2028 to Completion	
Design/Engineering								
Land/Right of Way								
Construction/Other	\$ -	\$ 46,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 546,000
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Costs	\$ -	\$ 46,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 546,000
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total
			2024	2025	2026	2027	2028 to Completion	
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	\$ -	\$ 30,750	\$ 83,930	\$ 83,930	\$ 83,930	\$ 83,930	\$ 83,930	\$ 450,400
Growth Program Funds	-	15,250	16,070	16,070	16,070	16,070	16,070	95,600
Contribution Sources								
Total Sources	\$ -	\$ 46,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 546,000
Project Schedule	Project Start Date	Project Completion Date	Site Information					
Design/Engineering			Various areas in the District's service area.					
Land/Right of Way								
Construction	2023	Ongoing						
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Project		Ongoing						



ESTIMATED ANNUAL OPERATING EXPENSE (WITH DEBT SERVICE) FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	5-Year Total
51WP	Southwest Pump Station, Phase 1	\$ 1,002,785	\$ 1,037,620	\$ 1,466,930	\$ 2,178,820	\$ 2,632,790	\$ 8,318,945
51RH	Lake Ralph Hall Project	5,981,150	7,745,905	11,326,230	14,123,410	18,590,120	57,766,815
519Y	RTWS General Treatment and Pumping Improvements	1,618,340	1,544,880	1,901,665	2,254,980	2,403,170	9,723,035
514R	Thomas E. Taylor WTP Expansion, Phase 3 (from 70.0 to 85.0 MGD)	449,950	517,620	766,145	1,613,795	2,208,215	5,555,725
51TP	Lake Lewisville Raw Water Pump Station Improvements	85,060	110,395	161,150	134,620	138,335	629,560
51GT	Northeast RTWS Pump Station and Ground Storage Tanks	43,600	52,685	115,715	371,975	655,040	1,239,015
517F	Replacement / Upsizing of Section of Phase 1-A Treated Water Pipeline	554,495	542,205	645,410	655,005	655,470	3,052,585
51HO	Harpool RWTP Phased Treatment Expansion, Phase 1 (from 20.0 to 30.0 MGD)	2,210,280	2,102,765	2,645,190	3,145,045	3,281,500	13,384,780
512H	Harpool RWTP Phased Treatment Expansion, Phase 2 (from 30.0 to 60.0 MGD)	305,200	207,330	487,380	814,145	2,246,585	4,060,640
51HR	Harpool RWTP Raw Water North Storage	72,520	70,860	82,745	97,125	97,695	420,945
514N	Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2	194,035	307,900	530,020	807,485	1,142,545	2,981,985
515N	Harpool RWTP Northeast Transmission Pipeline, Phase 3	53,965	110,020	224,485	474,695	740,510	1,603,675
51PG	RTWS Southwest Transmission Pipelines, Phase 4	21,600	142,350	233,125	368,485	556,395	1,321,955
Total		\$ 12,592,980	\$ 14,492,535	\$ 20,586,190	\$ 27,039,585	\$ 35,348,370	\$ 110,059,660

* - Negative amounts reflect projected overall savings to Operations for the completion of a project.

Methodology:

Operating expense estimates based on comparable (if any) operating assets in operation with regard to flow capability, inspection requirements, size, electricity and chemical use / requirements, etc.

Debt Service amounts are based on projected interest rates for Variable Rate Financing, Revenue Bonds, timing of Variable Rate Financing converted into long-term debt, estimated debt service amounts prepared by the District's financial advisors, and actual debt service amounts for bonds / debt already issued.

Personnel expense estimates based on additional hiring of water operators (Salary and Benefits).

Maintenance and Administration Overhead Allocation amounts are based on 7% of total operating expenses (excluding debt service).

LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

The FY 2024 adopted capital budget for the Lakeview Regional Water Reclamation System is \$6,510,875, an increase of \$1,520,755 from the previous year adopted capital budget of \$4,990,000. This increase is primarily due to the addition of a new project to rehabilitate various lift stations within the Lakeview service area.

FY 2024 funding consists of the following:

Funding Source	FY 2024 Budget
Non-Bond Capital Reserve Funds	\$6,490,875
Plant Permitting Reserve Funds	\$20,000

CURRENT PROJECTS

Permit Renewal – Every 5 years, the District is required to renew the Texas Pollutant Discharge Elimination System Permit as required by the Texas Commission on Environmental Quality for the Lakeview Regional Water Reclamation Plant. Funding is provided to complete the renewal process.

- FY 2024 Budget: \$20,000
- Funding Source: Plant Permitting Reserve Funds

Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) – Growth in the Lakeview Regional Water Reclamation Systems' service area has steadily increased over the past 3-5 years. As wastewater flows increase to a level equal to 90% of the plant's treatment capacity of 5.5 mgd, the District is required by the Texas Pollutant Discharge Elimination Permit to begin planning for the next expansion of the plant. Funding is provided to continue design / engineering and begin construction for the expansion of the Lakeview Regional Water Reclamation Plant treatment capacity from 5.5 to 7.5 mgd.

- FY 2024 Budget: \$3,440,785
- Funding Source: Non-Bond Capital Reserve Funds

Lift Station Improvements – Based on recommendations from the Lift Station Condition Assessment Study, funding is needed for design and construction of proposed improvements to lift stations in the Lakeview Regional Water Reclamation System. Non-Bond funding to be utilized and subsequently reimbursed by individual lift station users throughout the fiscal year.

- FY 2024 Budget: \$3,000,000
- Funding Source: Non-Bond Capital Reserve Funds

Contingency Improvements – Finally, the FY 2024 capital budget contains annual expenditures for Contingency Improvements to allow for various projects that may be identified throughout the fiscal year. Annual funding of \$50,000 is provided through FY 2028 to continue these activities.

- FY 2024 Budget: \$50,000
- Funding Source: Non-Bond Capital Reserve Funds

FUTURE PROJECTS

System Interceptor and Odor Control Improvements – Due to a confluence of many entities’ pipelines and connections in the vicinity of IH-35E and Swisher Road (Corinth, Texas), the District is reconfiguring and improving its water reclamation pipeline infrastructure by replacing and upgrading fittings and appurtenances on the trunk main and connections in this area to increase ease of flow and to better control odors emanating from this infrastructure.

CONSTRUCTION CASH FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,209,629	\$ 43,989	\$ 44,550	\$ 46,880
Transfer to Operations	\$ (1,165,079)			
BEGINNING CASH BALANCE Revised	\$ 44,550			
REVENUES				
Deposit				
Texas Department of Transportation - Reimbursements for 11-57W and 11-51H Projects	68,392	-	-	-
Transfers In				
Non-Bond Capital Reserve Fund	1,510,875	4,950,000	492,325	6,490,875
Plant Permitting Reserve Fund	-	40,000	40,000	20,000
Operating Cash	424	-	-	-
Working Capital	1,165,079	-	-	-
Member / Customer Reimbursements	-	305,000	308,490	-
Interest Income	1,037	770	2,330	2,815
TOTAL REVENUES	\$ 2,745,807	\$ 5,295,770	\$ 843,145	\$ 6,513,690
EXPENDITURES				
Construction Improvement Projects	2,677,415	4,990,000	532,325	6,510,875
Transfer Out - Non-Bond Capital Reserve Fund (Transfer of TxDOT and Member Reimbursement)	68,392	305,000	308,490	-
TOTAL EXPENDITURES	\$ 2,745,807	\$ 5,295,000	\$ 840,815	\$ 6,510,875
ENDING CASH BALANCE 9/30	\$ 44,550	\$ 44,759	\$ 46,880	\$ 49,695


FY 2024 Ending Balance increase of \$4,936 is due to increased interest income.

FY 2024 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2028

Acct	Project	Prior Expenditures	Estimated FY 2023	Adopted FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
51LL	Permit Renewal	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 40,000	\$ 100,000
51L2	Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements *	3,085,832	300,000	3,440,875	4,338,080	10,461,165	16,557,015	-	38,182,967
513B	System Interceptor and Odor Control Improvements	101,029	5,000	-	370,005	1,912,305	-	-	2,388,339
5179	Lift Station Improvements	-	187,325	3,000,000	3,000,000	-	-	-	6,187,325
51LM	Contingency Improvements	-	10,000	50,000	50,000	50,000	50,000	50,000	260,000
	Total	\$ 3,186,861	\$ 542,325	\$ 6,510,875	\$ 7,758,085	\$ 12,423,470	\$ 16,607,015	\$ 90,000	\$ 47,118,631
Funding Sources:									
	Revenue Bonds (Plant Expansion, Phase 3)	\$ -	\$ -	\$ -	\$ 4,338,080	\$ 4,461,165	\$ 16,557,015	\$ -	\$ 25,356,260
	Construction Cash Funds	1,898,174	-	-	-	-	-	-	1,898,174
	Non-Bond Capital Reserve Funds	1,288,687	502,325	6,490,875	3,420,005	7,962,305	50,000	50,000	19,764,197
	Non-Bond Capital Reserve Reimbursement	-	-	-	(6,000,000)	-	-	-	(6,000,000)
	Customer Reimbursement	-	-	-	6,000,000	-	-	-	6,000,000
	Plant Permitting Reserve Funds	-	40,000	20,000	-	-	-	40,000	100,000
	Total	\$ 3,186,861	\$ 542,325	\$ 6,510,875	\$ 7,758,085	\$ 12,423,470	\$ 16,607,015	\$ 90,000	\$ 47,118,631

* - Multiple Funding Sources

Project Title								Department							
Permit Renewal								51LL							
Description Complete renewal of the Texas Pollutant Discharge Elimination System permit as required by the Texas Commission on Environmental Quality, with subsequent renewals required every five years, and funded from rates via the Plant Permitting Reserve Fund.				Operating Budget Impact											
				2024		2025		2026		2027		2028			
				Personnel Services		\$	-	\$	-	\$	-	\$	-	\$	-
				Admin. / Office Expenses		-	-	-	-	-	-	-	-		
				Professional Services		-	-	-	-	-	-	-	-		
				Operating and Maintenance		-	-	-	-	-	-	-	-		
				Debt Service		-	-	-	-	-	-	-	-		
				Trsfr to Plant Permitting Rsrv		6,000	8,000	10,000	12,000	12,000					
Maintenance / OH Allocation		420	560	700	840	840									
Total		\$	6,420	\$	8,560	\$	10,700	\$	12,840	\$	12,840				
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total							
			2024	2025	2026	2027	2028 to Completion								
Design/Engineering	\$ -	\$ 30,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000							
Land/Right of Way															
Construction															
Admin/Inspection	-	10,000	5,000	-	-	-	-	15,000							
Legal															
Furniture/Equipment															
Total Costs	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000							
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total							
			2024	2025	2026	2027	2028 to Completion								
Revenue Bonds															
Non-Bond Capital Rsrv Fund															
Plant Permitting Reserve Fund	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000							
Contribution Sources															
O&M Reserve Funds															
Total Sources	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000							
Project Schedule	Project Start Date		Project Completion Date		Site Information										
Design/Engineering	2023		2024		689 North Lakeview Drive Lake Dallas, TX										
Land/Right of Way															
Construction															
Admin/Inspection	2023		2024												
Legal															
Furniture/Equipment															
Total Project			2024												





Project Title								Department
Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements								51L2
Description				Operating Budget Impact				
Continue with design / engineering and begin construction for the next expansion of the Lakeview Regional Water Reclamation Plant treatment capacity from 5.5 to 7.5 MGD.					2024	2025	2026	2027
				Personnel Services	\$ -	\$ -	\$ -	\$ -
				Admin. / Office Expenses	-	-	-	-
				Professional Services	-	-	-	-
				Operating and Maintenance	-	-	-	-
				Debt Service	-	254,215	733,950	1,432,085
				Furniture and Equipment	-	-	-	-
				Maintenance / OH Allocation	-	-	-	-
				Total	\$ -	\$ 254,215	\$ 733,950	\$ 1,432,085
								\$ 2,147,950
Project Costs		Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures				Project Total
				2024	2025	2026	2027	2028 to Completion
Design/Engineering		\$ 2,927,939	\$ 267,855	\$ 200,000	\$ 200,000	\$ 50,000	\$ 50,000	\$ -
Land/Right of Way								
Construction		-	-	3,015,770	3,854,280	9,726,790	15,423,845	-
Admin/Inspection		157,893	32,145	225,105	283,800	684,375	1,083,170	-
Legal								
Furniture/Equipment								
Total Costs		\$ 3,085,832	\$ 300,000	\$ 3,440,875	\$ 4,338,080	\$ 10,461,165	\$ 16,557,015	\$ -
Source of Funds		Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations				Project Total
				2024	2025	2026	2027	2028 to Completion
Revenue Bonds		\$ -	\$ -	\$ -	\$ 4,338,080	\$ 4,461,165	\$ 16,557,015	\$ -
Non-Bond Capital Rsrv Fund		1,187,658	300,000	3,440,875	-	6,000,000	-	-
Const. Cash Funds (Prior Bond Proceeds)		1,898,174	-	-	-	-	-	-
Contribution Sources								
O&M Reserve Funds								
Total Sources		\$ 3,085,832	\$ 300,000	\$ 3,440,875	\$ 4,338,080	\$ 10,461,165	\$ 16,557,015	\$ -
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering		Sep-06	2027	North End of Lakeview Drive #1 Lake Dallas, TX				
Land/Right of Way								
Construction		2024	2027					
Admin/Inspection		Mar-05	2027					
Legal								
Furniture/Equipment								
Total Project			2027					



Project Title								Department
Lift Station Improvements								5179
Description				Operating Budget Impact				
Based on recommendations from the Lift Station Condition Assessment Study, proceed with design and construction of proposed improvements to lift stations in the Lakeview Regional Water Reclamation System. Non-Bond funding to be utilized and subsequently reimbursed by individual lift station users throughout the fiscal year.				2024	2025	2026	2027	2028
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total
			2024	2025	2026	2027	2028 to Completion	
Design/Engineering	\$ -	\$ 158,320	\$ 450,000	\$ 150,000	\$ -	\$ -	\$ -	\$ 758,320
Land/Right of Way								
Construction	-	-	2,400,000	2,700,000	-	-	-	5,100,000
Admin/Inspection	-	29,005	150,000	150,000	-	-	-	329,005
Legal								
Furniture/Equipment								
Total Costs	\$ -	\$ 187,325	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 6,187,325
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total
			2024	2025	2026	2027	2028 to Completion	
Revenue Bonds								
Non-Bond Capital Rsrv Funds	\$ -	\$ 187,325	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 6,187,325
Non-Bond Capital Rsrv Reimb	-	-	-	(6,000,000)	-	-	-	(6,000,000)
Customer Reimbursement	-	-	-	6,000,000	-	-	-	6,000,000
O&M Reserve Funds								
Total Sources	\$ -	\$ 187,325	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 6,187,325
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering		Sep-23	2025	Various lift station locations including Corinth, LCMUA, Hickory Creek, and Highland Village				
Land/Right of Way								
Construction		2024	2025					
Admin/Inspection		Sep-23	2025					
Legal								
Furniture/Equipment								
Total Project			2025					



Project Title								Department
Contingency Improvements								51LM
Description				Operating Budget Impact				
To allow for various projects that may be identified throughout the year.				2024	2025	2026	2027	2028
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total
			2024	2025	2026	2027	2028 to Completion	
Design/Engineering								
Land/Right of Way								
Construction/Other	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Costs	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total
			2024	2025	2026	2027	2028 to Completion	
Revenue Bonds								
Non-Bond Capital Rsrv Fund	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Plant Permitting Reserve Fund								
Contribution Sources								
O&M Reserve Funds								
Total Sources	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering				Various areas within the District's service area				
Land/Right of Way								
Construction/Other		2024	Ongoing					
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Project			Ongoing					



ESTIMATED ANNUAL OPERATING EXPENSE (WITH DEBT SERVICE) FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	5-Year Total
51LL	Permit Renewal	\$ 6,420	\$ 8,560	\$ 10,700	\$ 12,840	\$ 12,840	\$ 51,360
51L2	Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements	-	254,215	733,950	1,432,085	2,147,950	4,568,200
Total		\$ 6,420	\$ 262,775	\$ 744,650	\$ 1,444,925	\$ 2,160,790	\$ 4,619,560

Methodology:
Operating expense estimates based on comparable (if any) operating assets in operation with regard to flow capability, inspection requirements, size, electricity and chemical use / requirements, etc.

Debt Service amounts are based on projected interest rates for Revenue Bonds through estimated debt service schedules prepared by the District's financial advisors, and actual debt service amounts for bonds / debt already issued.

Personnel expense estimates based on additional hiring of wastewater operators (Salary and Benefits).

Maintenance and Administration Overhead Allocation amounts are based on 7% of total operating expenses (excluding debt service).

NON-POTABLE WATER SYSTEM

The FY 2024 adopted capital budget for the Non-Potable Water System is \$3,000, no change from the previous budget.

FY 2024 funding consists of the following:

Funding Source	FY 2024 Budget
Construction Funds	\$3,000

CURRENT PROJECTS

Lake Lewisville / USACE Dam Coordination – The FY 2024 capital budget includes funding to allow District staff to continue coordinating with the U.S. Corps of Engineers’ utility relocation in the same vicinity as the District’s non-potable water pipeline at the Lewisville Lake Dam. Annual funding of \$3,000 is shown for this activity through FY 2028.

- FY 2024 Budget: \$3,000
- Funding Source: Construction Funds

FUTURE PROJECTS

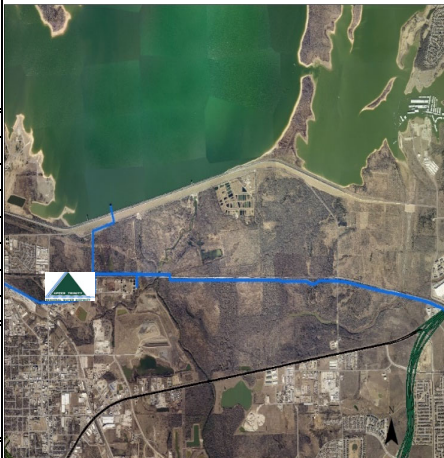
No other future capital projects are currently planned for the Non-Potable Water System for FY 2025 through FY 2028.

CONSTRUCTION CASH FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 404,566	\$ 406,726	\$ 407,159	\$ 421,019
REVENUES				
Interest Income	2,593	5,500	16,860	18,000
TOTAL REVENUES	\$ 2,593	\$ 5,500	\$ 16,860	\$ 18,000
EXPENDITURES				
Construction Improvement Project	-	3,000	3,000	3,000
TOTAL EXPENDITURES	\$ -	\$ 3,000	\$ 3,000	\$ 3,000
ENDING CASH BALANCE 9/30	\$ 407,159	\$ 409,226	\$ 421,019	\$ 436,019

FY 2024 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2028

Acct	Project	Prior Expenditures	Estimated FY 2023	Adopted FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
513N	Lake Lewisville / USACE Dam Coordination	\$ 1,946	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 19,946
	Total	\$ 1,946	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 19,946
Funding Source:									
	Construction Funds	\$ 1,946	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 19,946
	Total	\$ 1,946	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 19,946

Project Title								Department				
Lewisville Lake / USACE Dam Coordination								513N				
Description Continue coordinating with the U.S. Army Corps of Engineers (USACE) on utility relocations, including engineering / design and construction activities with regard to the District's non-potable water pipeline in the vicinity of the Lewisville Lake Dam.						Operating Budget Impact						
						2024	2025	2026	2027	2028		
						Personnel Services						
						Admin. / Office Expenses						
						Professional Services						
						Operating and Maintenance						
						Debt Service						
Furniture and Equipment												
Maintenance / OH Allocation												
Total												
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total				
			2024	2025	2026	2027	2028 to Completion					
Design/Engineering												
Land/Right of Way												
Construction												
Admin/Inspection	\$ 1,946	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 19,946				
Legal												
Furniture/Equipment												
Total Costs	\$ 1,946	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 19,946				
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total				
			2024	2025	2026	2027	2028 to Completion					
Revenue Bonds												
Non-Bond Capital Rsrv Fund												
Construction Funds	\$ 1,946	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 19,946				
Contribution Sources												
O&M Reserve Funds												
Total Sources	\$ 1,946	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 19,946				
Project Schedule		Project Start Date	Project Completion Date	Site Information								
Design/Engineering				FM 544 near Windhaven Parkway Lewisville, TX								
Land/Right of Way												
Construction												
Admin/Inspection		Sep-19	Ongoing									
Legal												
Furniture/Equipment												
Total Project			Ongoing									

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM- RIVERBEND PLANT

The FY 2024 adopted capital budget for the Northeast Regional Water Reclamation System – Riverbend Plant is \$11,010,000; an increase of \$9,046,330 from the previous year adopted capital budget of \$1,963,670. This increase is primarily due to the increase to the scope and cost of the West Influent Pump Station Improvements project. This project is still in its beginning stages, so full funding details have yet to be determined.

FY 2024 funding consists of the following:

Funding Sources	FY 2024 Budget
Revenue Bonds	\$11,000,000
Contribution Sources	\$10,000

CURRENT PROJECTS

West Influent Pump Station and Dewatering Improvements – Funding to design and construct a West Influent Lift Station to replace the existing lift station at the Riverbend Regional Water Reclamation Plant. Lift Station improvements will provide system reliability for the transfer of increased wastewater flows from the Northeast Water Reclamation System service area.

- FY 2024 Budget: \$11,000,000
- Funding Source: Revenue Bonds

Customer Pipeline Extensions – Contingent funding is shown for FY 2024 to coordinate and plan for future wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System. Annually, funding of \$10,000 is provided through FY 2028 to continue these activities.

- FY 2024 Budget: \$10,000
- Funding Source: Contribution Sources

FUTURE PROJECTS

Permit Renewal – Every 5 years, the District is required to renew the Texas Pollutant Discharge Elimination System permit as required by the Texas Commission on Environmental Quality for the Northeast Regional Water Reclamation System – Riverbend Plant. The next renewal period is anticipated to begin in FY 2027.

Riverbend Plant Expansion, Phase 4 project (from 4.0 to 8.0 mgd) – With continued population growth, it is necessary to begin design / engineering on the next phase of the Riverbend Plant expansion in FY 2027.

CONSTRUCTION CASH FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 2,149,079	\$ 2,190,359	\$ 2,180,035	\$ 1,251,620
Transfer to Operations		\$ (2,045,710)	\$ (928,415)	
BEGINNING CASH BALANCE Revised		\$ 144,649	\$ 1,251,620	
REVENUES				
Revenue Bonds	2,000,000	-	-	11,000,000
Transfers In				
Non-Bond Capital Reserve Fund	27,915	-	2,500	-
Plant Permitting Reserve Fund	-	5,000	10,000	-
Working Capital	-	2,045,710	928,415	-
Contribution Sources	-	10,000	-	10,000
Interest Income	5,731	2,960	93,835	45,060
TOTAL REVENUES	\$ 2,033,646	\$ 2,063,670	\$ 1,034,750	\$ 11,055,060
EXPENDITURES				
Construction Improvement Projects	2,002,690	1,963,670	1,034,750 *	11,010,000
Transfer Out - Non-Bond Capital Reserve Fund	-	100,000	-	-
TOTAL EXPENDITURES	\$ 2,002,690	\$ 2,063,670	\$ 1,034,750	\$ 11,010,000
ENDING CASH BALANCE 9/30	\$ 2,180,035	\$ 144,649	\$ 1,251,620	\$ 1,296,680

FY 2024 Ending Balance increase of \$1,152,031 is largely due to the continued funding of the West Influent Pump Station and Dewatering Improvements project (51IP).

* - Amount also contains expenditures: \$2,500 - Relocation / TxDOT US Hwy 380 Project (51R8), \$48,670 - Landscaping & Fencing Improvements (51RG), and \$10,000 - Riverbend Plant Expansion, Phase 2 (51R3). These projects are to be completed in FY 2023 and are not shown on the accompanying 5-Year list of capital improvement projects.


FY 2024 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2028



Acct	Project	Prior Expenditures	Estimated FY 2023	Adopted FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
51RL	Permit Re-Rating / Renewal	\$ 72,912	\$ 10,000	\$ -	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ 142,912
51R4	Plant Expansion, Phase 4 (from 4.0 to 12.0 MGD)	-	-	-	-	-	750,000	5,850,000	6,600,000
51IP	West Influent Pump Station and Dewatering Improvements	36,420	963,580	11,000,000	7,000,000	1,000,000	-	-	20,000,000
51RX	Customer Pipeline Extensions	-	-	10,000	10,000	10,000	10,000	10,000	50,000
Total		\$ 109,332	\$ 973,580	\$ 11,010,000	\$ 7,010,000	\$ 1,010,000	\$ 800,000	\$ 5,880,000	\$ 26,792,912

Funding Sources:

Revenue Bonds

West Influent Pump Station (51IP)	\$ 36,420	\$ 963,580	\$ 11,000,000	\$ 7,000,000	\$ 1,000,000	\$ -	\$ -	\$ 20,000,000
Plant Expansion, Phase 4 (51R4)	-	-	-	-	-	750,000	5,850,000	6,600,000
Plant Permitting Reserve Funds	72,912	10,000	-	-	-	40,000	20,000	142,912
Contribution Sources								
Customer Pipeline Extensions (51RX)	-	-	10,000	10,000	10,000	10,000	10,000	50,000
Total	\$ 109,332	\$ 973,580	\$ 11,010,000	\$ 7,010,000	\$ 1,010,000	\$ 800,000	\$ 5,880,000	\$ 26,792,912

Project Title								Department							
West Influent Pump Station and Dewatering Improvements								51IP							
Description Design and construct a West Influent Lift Station to replace the existing lift station at the Riverbend Regional Water Reclamation Plant to provide system reliability for the transfer of increased wastewater flows from the Northeast Water Reclamation System service area.						Operating Budget Impact									
						2024		2025		2026		2027		2028	
						\$ -		\$ -		\$ -		\$ -		\$ -	
						-		-		-		-		-	
						-		-		-		-		-	
						-		157,000		964,940		1,525,490		1,524,565	
						-		-		-		-		-	
						-		-		-		-		-	
Total						\$ -		\$ 157,000		\$ 964,940		\$ 1,525,490		\$ 1,524,565	
Project Costs		Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total						
				2024	2025	2026	2027	2028 to Completion							
Design/Engineering	\$ 31,780	\$ 300,000	\$ 1,000,000	\$ 330,000	\$ -	\$ -	\$ -	\$ 1,661,780							
Land/Right of Way															
Construction	-	560,380	9,280,375	6,212,055	934,580	-	-	16,987,390							
Admin/Inspection	4,640	103,200	719,625	457,945	65,420	-	-	1,350,830							
Legal															
Furniture/Equipment															
Total Costs	\$ 36,420	\$ 963,580	\$ 11,000,000	\$ 7,500,000	\$ 3,000,000	\$ -	\$ -	\$ 20,000,000							
Source of Funds		Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total						
				2024	2025	2026	2027	2028 to Completion							
Revenue Bonds	\$ 36,420	\$ 963,580	\$ 11,000,000	\$ 7,000,000	\$ 1,000,000	\$ -	\$ -	\$ 20,000,000							
Non-Bond Capital Rsrv Funds								-							
Contribution Sources								-							
O&M Reserve Funds															
Total Sources	\$ 36,420	\$ 963,580	\$ 11,000,000	\$ 7,000,000	\$ 1,000,000	\$ -	\$ -	\$ 20,000,000							
Project Schedule		Project Start Date		Project Completion Date		Site Information									
Design/Engineering		Sep-22		2025		1780 Navo Road Aubrey, TX									
Land/Right of Way															
Construction		Sep-23		2026											
Admin/Inspection		Nov-21		2026											
Legal															
Furniture/Equipment															
Total Project				2026											

Project Title								Department					
Customer Pipeline Extensions								51RX					
Description Coordinate and plan for future wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System (Riverbend Plant).						Operating Budget Impact		2024	2025	2026	2027	2028	
						Personnel Services							
						Admin. / Office Expenses							
						Professional Services							
						Operating and Maintenance							
						Debt Service							
						Furniture and Equipment							
						Maintenance / OH Allocation							
						Total							
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total					
			2024	2025	2026	2027	2028 to Completion						
Design/Engineering													
Land/Right of Way													
Construction/Other	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000					
Admin/Inspection													
Legal													
Furniture/Equipment													
Total Costs	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000					
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total					
			2024	2025	2026	2027	2028 to Completion						
Revenue Bonds													
Non-Bond Capital Rsrv Funds													
Contribution Sources	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000					
O&M Reserve Funds													
Total Sources	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000					
Project Schedule	Project Start Date	Project Completion Date	Site Information										
Design/Engineering			Various locations in the Northeast Regional Water Reclamation System (Riverbend Plant) service area.										
Land/Right of Way													
Construction/Other	2024	Ongoing											
Admin/Inspection													
Legal													
Furniture/Equipment													
Total Project		Ongoing											

ESTIMATED ANNUAL OPERATING EXPENSE (WITH DEBT SERVICE) FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	5-Year Total
51IP	West Influent Pump Station and Dewatering Improvements	\$ -	\$ 157,000	\$ 964,940	\$ 1,525,490	\$ 1,524,565	4,171,995
	Total	\$ -	\$ 157,000	\$ 964,940	\$ 1,525,490	\$ 1,524,565	\$ 4,171,995

Methodology:

Operating expense estimates based on comparable (if any) operating assets in operation with regard to flow capability, inspection requirements, size, electricity and chemical use / requirements, etc.

Debt Service amounts are based on projected interest rates for Revenue Bonds through estimated debt service schedules prepared by the District's financial advisors, and actual debt service amounts for bonds / debt already issued.

Personnel expense estimates based on additional hiring of wastewater operators (Salary and Benefits).

Maintenance and Administration Overhead Allocation amounts are based on 7% of total operating expenses (excluding debt service).

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM- DOE BRANCH PLANT

The FY 2024 adopted capital budget for the Northeast Regional Water Reclamation System – Doe Branch Plant is \$53,160,000; an increase of \$44,744,125 from the previous year adopted capital budget of \$8,415,875. This increase is primarily due to the increased scope and cost of the Plant Expansion, Phase 3 project. This project is still in its beginning stages, so total cost and funding details have yet to be determined.

FY 2024 funding consists of the following:

Funding Sources	FY 2024 Budget
Revenue Bonds	\$41,531,355
Construction Cash Funds	\$7,242,040
Non-Bond Capital Reserve Funds	(\$1,510,673)*
Loan from RTWS Non-Bond Capital Reserve Funds (net)	(\$1,360,673)**
TxDOT Reimbursements	\$2,616,970
Contribution Sources	\$4,498,853

*Non-Bond Capital Reserve Funds utilized for certain projects will be reimbursed by TxDOT and Contribution Sources in FY 2024.

**A \$3.0 million loan will be provided from the Regional Treated Water System’s Non-Bond Capital Reserve. This will be reimbursed by TxDOT throughout the year.

CURRENT PROJECTS

Plant Expansion, Phase 3 (from 4.0 to 12.0 MGD) – As the population continues to grow and following completion of Phase 2 of the plant expansion, funding is provided to continue design and engineering and begin construction for the third phase of expansion.

- FY 2024 Budget: \$46,000,000
- Funding Sources: Revenue Bonds, Construction Cash Funds

Phase 1, Parallel Interceptor – With the projected increase in wastewater flows from the Doe Branch service area, the District is planning for the construction of a parallel interceptor to deliver wastewater flows from various trunk mains to the Doe Branch Plant for treatment. Funding is provided to continue initial design / engineering and to begin construction of this parallel interceptor.

- FY 2024 Budget: \$7,000,000
- Funding Sources: Contribution Sources, Construction Cash Funds

Relocation / TxDOT US Hwy 380 Project – As stated previously, many active highway projects are under construction in the District’s northeast service area. The FY 2024 capital budget provides funding for District staff to coordinate with TxDOT regarding the possible relocation of District Doe Branch Plant wastewater pipelines in conjunction with their U.S. Highway 380 roadway project.

- FY 2024 Budget: \$150,000
- Funding Sources: RTWS Non-Bond Capital Reserve Interfund Loan, TxDOT Reimbursements

Customer Pipeline Extensions – In addition, funding is included for possible new wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System. Annual funding of \$10,000 is provided through FY 2028 to continue these activities.

- FY 2024 Budget: \$10,000
- Funding Source: Contribution Sources

FUTURE PROJECTS

Permit Renewal – Every 5 years, the District is required to renew the Texas Pollutant Discharge Elimination System permit as required by the Texas Commission on Environmental Quality for the Doe Branch Regional Water Reclamation Plant. The next renewal period is anticipated to begin in FY 2026.

Phase 2, Parallel Interceptor – Following the first phase of the parallel interceptor project, the second phase provides for an interceptor that extends from Fish Trap Road, north to the junction structure near Parvin and Good Hope Road in Little Elm, Tx.

CONSTRUCTION CASH FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 10,041,380	\$ 18,247,785	\$ 16,794,951	\$ 16,356,896
Transfer to Operations			\$ (438,055)	
BEGINNING CASH BALANCE Revised			\$ 16,356,896	
REVENUES				
Deposit - TxDOT Reimbursement				
Relocation / TxDOT U.S. Hwy 380 Project	-	3,000,000	-	3,000,000
Revenue Bonds				
Phase 1, Parallel Interceptor	-	-	-	-
Plant Expansion, Phase 3	8,000,000	32,000,000	-	60,000,000
Contribution Sources				
Phase 1, Parallel Interceptor	-	9,386,865	-	15,033,295
Customer Pipeline Extensions	-	10,000	-	10,000
Transfers In				
CIP Projects Funding - Operations	7,196	-	-	-
Non-Bond Capital Reserve Fund	1,201,815	-	1,850,000	-
Regional Treated Water System				
Non-Bond Capital Reserve Fund				
Loan for the Relocation / TxDOT U.S.				
Hwy 380 Project (14-5B8)	-	-	3,000,000	-
Working Capital	-	-	438,055	-
Interest Income	99,204	356,150	551,120	522,295
TOTAL REVENUES	\$ 9,308,215	\$ 44,753,015	\$ 5,839,175	\$ 78,565,590
EXPENDITURES				
Construction Improvement Projects	2,554,644	8,415,875	5,576,925 *	53,160,000
Refund to Elm Ridge WCID (from Contributions)	-	-	-	933,385
Transfers Out				
Northeast Regional Water Reclamation System				
Non-Bond Capital Reserve Fund	-	350,000	262,250	-
Regional Treated Water System				
Non-Bond Capital Reserve Fund				
Loan Repayment (U.S. Hwy 380 Project)	-	3,000,000	-	3,000,000
TOTAL EXPENDITURES	\$ 2,554,644	\$ 11,765,875	\$ 5,839,175	\$ 57,093,385
ENDING CASH BALANCE 9/30	\$ 16,794,951	\$ 51,234,925	\$ 16,356,896	\$ 37,829,101

FY 2024 Ending Balance decrease of \$13,405,824 is largely due to the continued funding of the Doe Branch Plant Expansion, Phase 3 and Phase 1, Parallel Interceptor.

* - Amount also contains expenditures: \$100,000 - Doe Branch Plant Expansion, Phase 2 (518T). This project is to be completed in FY 2023 and is not shown on the accompanying 5-Year list of capital improvement projects.

FY 2024 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2028

Acct	Project	Prior Expenditures	Estimated FY 2023	Adopted FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
51BL	Permit Re-Rating / Renewal	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ 60,000
518U	Plant Expansion, Phase 3 (from 4.0 to 12.0 MGD) *	42,509	1,557,490	46,000,000	80,000,000	23,000,000	-	-	150,599,999
511A	Phase 1, Parallel Interceptor *	262,248	850,890	7,000,000	12,386,865	1,000,000	-	-	21,500,003
512A	Phase 2, Parallel Interceptor	-	-	-	750,000	10,000,000	10,000,000	-	20,750,000
51B8	Relocation / TxDOT US Hwy 380 Project *	1,371,454	3,068,545	150,000	-	-	-	-	4,589,999
518X	Customer Pipeline Extensions	-	-	10,000	10,000	10,000	10,000	10,000	50,000
	Total	\$ 1,676,211	\$ 5,476,925	\$ 53,160,000	\$ 93,146,865	\$ 34,050,000	\$ 10,030,000	\$ 10,000	\$ 197,550,001


Funding Sources:

Revenue Bonds

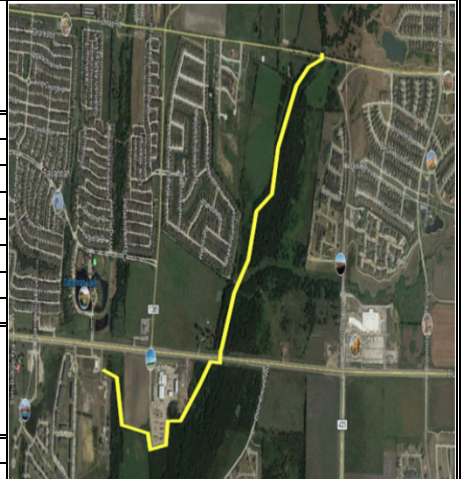
Plant Expansion, Phase 3 (518U)	\$ 42,509	\$ 1,557,490	\$ 41,531,355	\$ 80,000,000	\$ 23,000,000	\$ -	\$ -	\$ 146,131,354
Phase 2, Parallel Interceptor (512A)	-	-	-	750,000	10,000,000	10,000,000	-	20,750,000
Construction Cash Funds	-	850,890	7,242,040	-	-	-	-	8,092,930
Non-Bond Capital Reserve Funds	1,633,702	1,850,000	-	-	-	-	-	3,483,702
Non-Bond Capital Reserve Reimbursement	(258,166)	(888,665)	(1,510,673)	-	-	-	-	(2,657,504)
Plant Permitting Reserve Funds	-	-	-	-	40,000	20,000	-	60,000
RTWS NBCR Loan	-	1,218,545	150,000	-	-	-	-	1,368,545
RTWS NBCR Loan Repayment	-	-	(1,368,545)	-	-	-	-	(1,368,545)
TXDOT Reimbursement	258,166	888,665	2,616,970	-	-	-	-	3,763,801
Contribution Sources								
Phase 1, Parallel Interceptor (511A)	-	-	4,488,853	12,386,865	1,000,000	-	-	17,875,718
Customer Pipeline Extensions (518X)	-	-	10,000	10,000	10,000	10,000	10,000	50,000
Total	\$ 1,676,211	\$ 5,476,925	\$ 53,160,000	\$ 93,146,865	\$ 34,050,000	\$ 10,030,000	\$ 10,000	\$ 197,550,001

* Multiple Funding Sources

Project Title							Department		
Plant Expansion, Phase 3 (from 4.0 to 12.0 MGD)							518U		
Description Continue design / engineering and begin construction to expand the treatment capacity of the Doe Branch Regional Water Reclamation Plant from 4.0 to 12.0 MGD.				Operating Budget Impact					
					2024	2025	2026	2027	2028
				Personnel Services	\$ -	\$ -	\$ -	\$ 250,000	\$ 262,500
				Admin. / Office Expenses	-	-	-	2,000	2,100
				Professional Services	-	-	-	1,050	1,105
				Operating and Maintenance	-	-	-	50,000	52,500
				Debt Service	-	632,500	632,500	9,300,130	12,178,630
				Furniture and Equipment	-	-	-	2,500	2,500
				Maintenance / OH Allocation	-	-	-	21,390	22,450
Total				\$ -	\$ 632,500	\$ 632,500	\$ 9,627,070	\$ 12,521,785	
Project Costs		Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures				Project Total	
				2024	2025	2026	2027		2028 to Completion
Design/Engineering		\$ 40,364	\$ 1,390,615	\$ 3,000,000	\$ 4,000,000	\$ 2,000,000	\$ -	\$ -	\$ 10,430,979
Land/Right of Way									
Construction		-	-	39,990,655	70,766,355	19,495,325	-	-	130,252,335
Admin/Inspection		2,145	166,875	3,009,345	5,233,645	1,504,675	-	-	9,916,685
Legal									
Furniture/Equipment									
Total Costs		\$ 42,509	\$ 1,557,490	\$ 46,000,000	\$ 80,000,000	\$ 23,000,000	\$ -	\$ -	\$ 150,599,999
Source of Funds		Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations				Project Total	
				2024	2025	2026	2027		2028 to Completion
Revenue Bonds		\$ 42,509	\$ 1,557,490	\$ 41,531,355	\$ 80,000,000	\$ 23,000,000	\$ -	\$ -	\$ 146,131,353
Non-Bond Capital Rsrv Funds									
Plant Permitting Rsrv Funds									
Contribution Sources									
Construction Cash Funds		-	-	4,468,645	-	-	-	-	4,468,646
Total Sources		\$ 42,509	\$ 1,557,490	\$ 46,000,000	\$ 80,000,000	\$ 23,000,000	\$ -	\$ -	\$ 150,599,999
Project Schedule		Project Start Date		Project Completion Date		Site Information			
Design/Engineering		Sep-22		2026					
Land/Right of Way						27080 U.S. Highway 380 Little Elm, TX			
Construction		2024		2026					
Admin/Inspection		Sep-22		2026					
Legal									
Furniture/Equipment									
Total Project				2026					



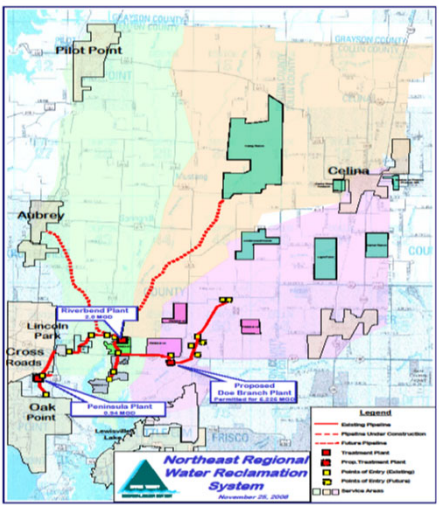


Project Title								Department									
Phase 1, Parallel Interceptor								511A									
Description Continue design / engineering and begin the construction of a parallel interceptor from approximately Fishtrap Road south to the Doe Branch Plant to provide additional capacity for the future increased treatment capacity upon completion of the Doe Branch Plant Phase 3 expansion from 4.0 to 12.0 MGD.						Operating Budget Impact											
						2024		2025		2026		2027		2028			
						Personnel Services		\$	-	\$	-	\$	25,000	\$	26,250	\$	27,565
						Admin. / Office Expenses			-		-		-		-		-
						Professional Services			-		-		-		-		-
						Operating and Maintenance			-		-		68,950		71,710		74,575
						Debt Service			-		-		-		-		-
						Furniture and Equipment			-		-		-		-		2,500
Maintenance / OH Allocation			-		-		6,575		6,855		7,325						
Total		\$	-	\$	-	\$	100,525	\$	104,815	\$	111,965						
Project Costs		Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total								
				2024	2025	2026	2027	2028 to Completion									
Design/Engineering	\$ 237,980	\$ 259,720	\$ 100,000	\$ 850,000	\$ 50,000	\$ -	\$ -	\$ 1,497,700									
Land/Right of Way	-	500,000	-	-	-	-	-	500,000									
Construction	-	-	6,442,055	10,726,510	884,580	-	-	18,053,145									
Admin/Inspection	24,268	91,170	457,945	810,355	65,420	-	-	1,449,157									
Legal																	
Furniture/Equipment																	
Total Costs	\$ 262,248	\$ 850,890	\$ 7,000,000	\$ 12,386,865	\$ 1,000,000	\$ -	\$ -	\$ 21,500,002									
Source of Funds		Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total								
				2024	2025	2026	2027	2028 to Completion									
Revenue Bonds																	
Non-Bond Capital Rsrv Funds	\$ 262,248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 262,248									
Non-Bond Capital Rsrv Reimb	-	-	(262,248)	-	-	-	-	(262,248)									
Contribution Sources	-	-	4,488,853	12,386,865	1,000,000	-	-	17,875,717									
Construction Cash Funds	-	850,890	2,773,395	-	-	-	-	3,624,285									
Total Sources	\$ 262,248	\$ 850,890	\$ 7,000,000	\$ 12,386,865	\$ 1,000,000	\$ -	\$ -	\$ 21,500,002									
Project Schedule		Project Start Date	Project Completion Date		Site Information Sewer Interceptor from Fishtrap south to the Doe Branch Regional Water Reclamation Plant 27080 U.S. Highway 380 Little Elm, TX												
Design/Engineering		Aug-21	2026														
Land/Right of Way		Sep-23	Sep-23														
Construction		2024	2026														
Admin/Inspection		Jul-21	2026														
Legal																	
Furniture/Equipment																	
Total Project			2026														

Project Title								Department
Relocation / TxDOT US Hwy 380 Project								51B8
Description Complete coordination with the Texas Department of Transportation's U.S. Hwy 380 project for the relocation of the Doe Branch Regional Water Reclamation Plant's wastewater pipelines and related facilities, due to roadway improvements. Upon project completion, the District will be reimbursed by the Texas Department of Transportation for approximately 82% of project costs.				Operating Budget Impact				
				2024	2025	2026	2027	2028
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total
			2024	2025	2026	2027	2028 to Completion	
Design/Engineering	\$ 375,002	\$ 580,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 955,002
Land/Right of Way	508,667	-	-	-	-	-	-	508,667
Construction	291,005	2,158,695	135,000	-	-	-	-	2,584,700
Admin/Inspection	164,423	329,850	15,000	-	-	-	-	509,273
Legal	32,357	-	-	-	-	-	-	32,357
Furniture/Equipment								
Total Costs	\$ 1,371,454	\$ 3,068,545	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 4,589,999
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total
			2024	2025	2026	2027	2028 to Completion	
Revenue Bonds								
RTWS NBCR Loan	\$ -	\$ 1,218,545	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 1,368,545
RTWS NBCR Loan Repayment	-	-	(1,368,545)	-	-	-	-	(1,368,545)
Non-Bond Capital Rsrv Funds	1,371,454	1,850,000	-	-	-	-	-	3,221,454
Non-Bond Capital Rsrv Reimb	(258,166)	(888,665)	(1,248,425)	-	-	-	-	(2,395,256)
TxDOT Reimbursement	258,166	888,665	2,616,970	-	-	-	-	3,763,801
Total Sources	\$ 1,371,454	\$ 3,068,545	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 4,589,999
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering		June-19	Sep-23	Project limits are from approximately Loop 288 to the Tollway (Denton County, TX)				
Land/Right of Way		Apr-22	Sep-22					
Construction		May-21	2024					
Admin/Inspection		Jun-19	2024					
Legal		Jun-19	May-22					
Furniture/Equipment								
Total Project			2024					



Project Title								Department
Customer Pipeline Extensions								518X
Description				Operating Budget Impact				
Coordinate and plan for future wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System (Doe Branch Plant).				2024	2025	2026	2027	2028
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2022	Estimated Expenditures FY 2023	Future Planned Expenditures					Project Total
			2024	2025	2026	2027	2028 to Completion	
Design/Engineering								
Land/Right of Way								
Construction/Other	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Costs	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
Source of Funds	Appropriations through FY 2022	Estimated Appropriations FY 2023	Future Planned Appropriations					Project Total
			2024	2025	2026	2027	2028 to Completion	
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
Plant Permitting Rsrv Funds								
Contribution Sources	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
O&M Reserve Funds								
Total Sources	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering				Various locations in the Northeast Regional Water Reclamation System (Doe Branch Plant) service area.				
Land/Right of Way								
Construction/Other		2024	Ongoing					
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Project			Ongoing					



ESTIMATED ANNUAL OPERATING EXPENSE (WITH DEBT SERVICE) FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	5-Year Total
518U	Plant Expansion, Phase 3 (from 4.0 to 12.0 MGD)	\$ -	\$ 632,500	\$ 632,500	\$ 9,627,070	\$ 12,521,785	\$ 23,413,855
511A	Phase 1, Parallel Interceptor	-	-	100,525	104,815	111,965	317,305
Total		\$ -	\$ 632,500	\$ 733,025	\$ 9,731,885	\$ 12,633,750	\$ 23,731,160

Methodology:

Operating expense estimates based on comparable (if any) operating assets in operation with regard to flow capability, inspection requirements, size, electricity and chemical use / requirements, etc.

Debt Service amounts are based on projected interest rates for Revenue Bonds through estimated debt service schedules prepared by the District's financial advisors, and actual debt service amounts for bonds / debt already issued.

Personnel expense estimates based on additional hiring of wastewater operators (Salary and Benefits).

Maintenance and Administration Overhead Allocation amounts are based on 7% of total operating expenses (excluding debt service).

PENINSULA WATER RECLAMATION PLANT

There are no anticipated capital projects for the Peninsula Water Reclamation Plant in FY 2024. The prior year capital budget was \$6,603,695. This decrease is primarily due to the completion of the Plant Expansion, Phase 3 in FY 2023.

FUTURE PROJECTS

Permit Renewal – Every 5 years, the District is required to renew the Texas Pollutant Discharge Elimination System permit as required by the Texas Commission on Environmental Quality for the Peninsula Water Reclamation Plant. The next renewal period is anticipated to begin in FY 2026.

Plant Expansion, Phase 4 (from 2.0 to 4.0 MGD) – As the population continues to grow within the Peninsula service area, the District will need to begin initial design / engineering for the next expansion phase in FY 2026.

CONSTRUCTION CASH FUND

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
BEGINNING CASH BALANCE 10/01	\$ 19,723,224	\$ 6,708,179	\$ 8,594,274	\$ 157,404
Transfer to Operations	\$ (11,128,950)	\$ (6,594,555)	\$ (8,436,870)	
BEGINNING CASH BALANCE Revised	\$ 8,594,274	\$ 113,624	\$ 157,404	
REVENUES				
Transfer In				
Plant Permitting Reserve Fund	-	-	5,425	-
Working Capital	11,128,950	6,594,555	8,436,870	-
Interest Income	101,471	9,140	12,665	6,295
TOTAL REVENUES	\$ 11,230,421	\$ 6,603,695	\$ 8,454,960	\$ 6,295
EXPENDITURES				
Construction Improvement Projects	11,230,421	6,603,695	8,454,960	-
TOTAL EXPENDITURES	\$ 11,230,421	\$ 6,603,695	\$ 8,454,960	\$ -
ENDING CASH BALANCE 9/30	\$ 8,594,274	\$ 113,624	\$ 157,404	\$ 163,699

FY 2024 Ending Balance increase of \$50,075 is due to higher than anticipated interest income in FY 2022 and FY 2023.

FY 2024 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2028

Acct	Project	Prior Year Expenditures	Estimated FY 2023	Adopted FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
51PL	Permit Renewal	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ 60,000
TBD	Plant Expansion, Phase 4 (from 2.0 to 4.0 MGD)	-	-	-	-	400,000	12,500,000	8,500,000	21,400,000
	Total	\$ -	\$ -	\$ -	\$ -	\$ 440,000	\$ 12,520,000	\$ 8,500,000	\$ 21,460,000

Funding Sources:

Plant Permitting Reserve Funds	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ 60,000
Contribution Sources	-	-	-	-	-	12,500,000	8,500,000	21,000,000
	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 12,520,000	\$ 8,500,000	\$ 21,060,000

GROWTH PROGRAM FUND

The Growth Program was established to allow members not yet receiving services from the District to provide funding for land, rights-of-way and easement purchases associated with future projects for the District's service areas. In order to continue this effort, the FY 2024 budget contains a transfer to the Regional Treated Water System Construction Fund for capital project funding assistance.

MISSION

The mission is to adequately plan for the purchase of land, rights-of-way, and other costs necessary for future District facilities.

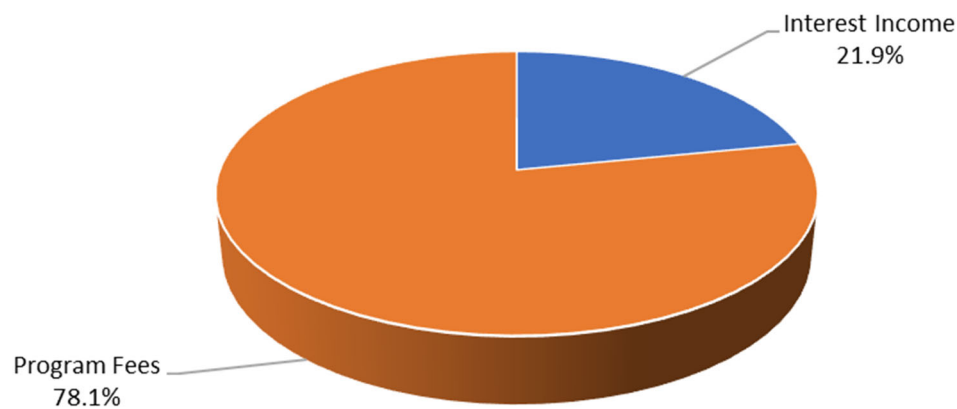
GOALS AND OBJECTIVE

- Provide accurate accounting of land, rights-of-way, and other costs associated with District construction projects.

BUDGET SUMMARY

		FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
Beginning Cash Balance (10/01)		\$ 58,071	\$ 58,481	\$ 58,582	\$ 61,682
Capital Revenue					
Program Fees	2024 Est. Pop.				
Argyle	5,747	\$ 3,544	\$ 3,825	\$ 3,825	\$ 4,600
Black Rock WSC	-	3,427	-	-	-
Copper Canyon	1,835	1,168	1,425	1,425	1,470
Pilot Point	5,218	5,000	5,000	5,000	5,000
Ponder	2,711	5,000	5,000	5,000	5,000
Total Program Fees	15,511	\$ 18,139	\$ 15,250	\$ 15,250	\$ 16,070
Interest Revenue		\$ 512	\$ 900	\$ 3,100	\$ 4,500
Total Capital Revenue		\$ 18,651	\$ 16,150	\$ 18,350	\$ 20,570
Capital Expense					
Transfer Out					
RTWS - Construction Cash		\$ 18,140	\$ 15,250	\$ 15,250	\$ 16,070
Total Capital Expense		\$ 18,140	\$ 15,250	\$ 15,250	\$ 16,070
Ending Balance		\$ 58,582	\$ 59,381	\$ 61,682	\$ 66,182

Capital Revenues



SUMMARY OF MAJOR CHANGES

- Program fees are budgeted at \$2.30/capita. For those entities that receive indirect service from the District's Water Project (Argyle and Copper Canyon), the fees are \$0.80/capita. A minimum fee of \$1,100 and a maximum fee of \$5,000 applies to all participants. As of FY 2023, Black Rock WSC is no longer a participant in the Growth Fund.
- Interest Income is representative of current market conditions.
- Transfer Out of Program Fees to the Regional Treated Water System Construction Cash for capital project improvement funding assistance.

Project/ Description	Year End FY 2023	FY 2024 Expenses	FY 2024 Reimbursements	Projected Year End FY 2024
Regional Treated Water System – CIP Projects	\$15,250	\$16,070	\$(0.00)	\$31,320

PROJECT DEVELOPMENT FUND

The purpose of the Project Development Fund is to account for appropriations from operating funds related to the feasibility of future capital projects for expansion of, and improvements to, District facilities. Also, it provides funding assistance for “start-up” facilities. Once projects are approved to begin, the Project Development Fund is reimbursed from the capital funds designated specifically for the project. This is a revolving fund which began with funding contributed by early members and continues with contributions from District systems.

MISSION

The mission is to adequately and efficiently conduct studies that will provide District management with sufficient decision-making information on the feasibility of projects that will be beneficial to the District and its members.

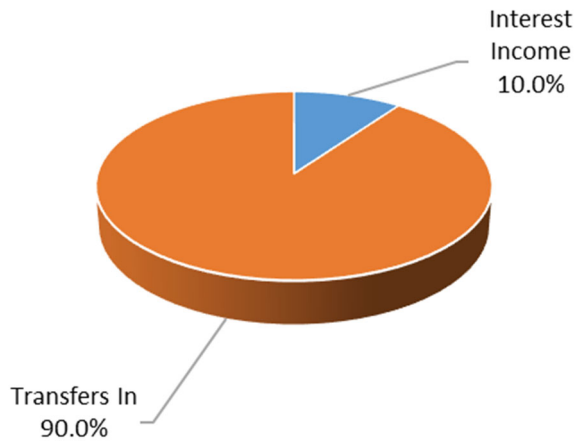
GOALS AND OBJECTIVE

- Provide accurate accounting of all activities associated with feasibility studies deemed necessary to determine the potential of future projects.

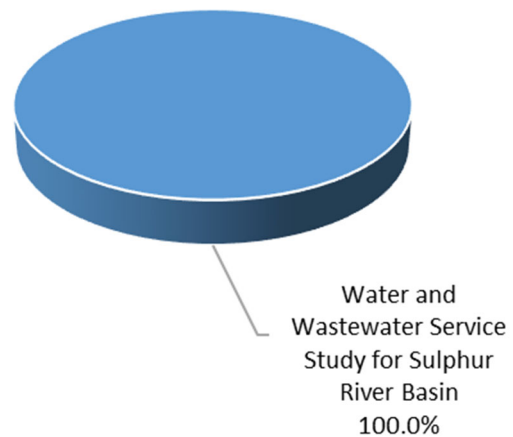
BUDGET SUMMARY

	FY 2022 Actuals	FY 2023 Budget	FY 2023 Estimates	FY 2024 Budget
Beginning Cash Balance (10/01)	\$ 633,702	\$ 436,617	\$ 451,842	\$ 521,962
Transfer to Operations	\$ (181,860)	\$ (334,950)		\$ (180,400)
Beginning Balance Revised	\$ 451,842	\$ 101,667		\$ 341,562
Capital Revenue				
Transfers In				
Lift Station Condition Assessments (Reimb.)				
Lakeview Regional Water Reclamation System	\$ -	\$ -	\$ 187,325	\$ -
Working Capital	181,860	334,950	-	180,400
Total Transfers In	\$ 181,860	\$ 334,950	\$ 187,325	\$ 180,400
Interest Revenue	\$ 3,467	\$ 5,050	\$ 18,395	\$ 20,000
Total Capital Revenue	\$ 185,327	\$ 340,000	\$ 205,720	\$ 200,400
Capital Expense				
Water Reclamation Lift Station Condition Assessments	\$ 185,327	\$ 90,000	\$ 2,000	\$ -
Water and Wastewater Service Study for Sulphur River Basin	-	250,000	133,600	200,400
Total Capital Expense	\$ 185,327	\$ 340,000	\$ 135,600	\$ 200,400
Ending Balance	\$ 451,842	\$ 101,667	\$ 521,962	\$ 341,562

Capital Revenues



Capital Expenditures



SUMMARY OF MAJOR CHANGES

- Interest Income is representative of current market conditions.
- Reimbursement for the Water Reclamation Lift Station Condition Assessments by the Lakeview Regional Water Reclamation System.
- The Water Reclamation Lift Station Condition Assessment to evaluate the condition of District lift stations and to prioritize necessary repairs and upgrades will be completed in FY 2023.
- Funding provided to complete a Water and Wastewater Service study for the Sulphur River Basin to evaluate future water and wastewater service in Fannin County.

MEMBER / CUSTOMER POPULATIONS

	2018	2019	2020	2021	2022	2023
Argyle WSC	7,113	7,695	8,130	8,430	10,239	11,211
Argyle	4,040	4,170	4,310	4,430	4,780	5,747
Aubrey	3,200	4,530	5,380	6,210	7,580	8,550
Bartonville	1,680	1,710	1,740	1,750	1,770	1,777
Blackrock WSC**	1,350	1,350	1,350	1,490	-	-
Celina	14,364	18,860	20,397	26,409	31,598	35,028
Copper Canyon	1,430	1,430	1,450	1,460	1,780	1,835
Corinth	21,030	21,260	22,160	22,655	24,199	24,199
Cross Timbers WSC	7,266	7,456	7,614	7,756	8,060	8,060
Denton	130,990	134,460	138,250	141,000	146,750	149,509
Denton County*	53,751	50,441	46,248	38,045	39,803	33,318
DCFWSD #1A	12,977	13,042	14,720	15,606	-	-
DCFWSD #7	12,000	12,000	12,000	12,300	13,191	13,325
DCFWSD #8A	5,794	6,219	6,197	5,865	3,050	5,853
Providence Village (DCFWSD#9)	6,550	6,630	6,700	6,910	8,260	9,298
Elm Ridge (DCFWSD #10)	3,729	4,290	5,282	5,064	5,348	5,524
DCFWSD #11A	8,739	9,272	9,660	9,492	10,509	10,083
Double Oak	2,960	2,970	2,990	2,990	3,080	3,081
Flower Mound	73,130	76,030	78,080	79,390	80,268	80,268
Highland Village	17,000	17,000	17,000	16,500	17,679	17,679
Irving	237,490	240,420	242,410	245,410	261,350	263,720
Justin	4,455	4,455	5,292	6,271	7,952	7,952
Krum	5,760	5,760	5,760	5,943	6,764	6,764
Lake Cities MUA	15,426	15,512	15,767	16,582	16,994	16,994
Lewisville	104,780	105,640	107,120	109,270	132,620	134,242
Mustang SUD	32,441	38,075	44,718	56,088	65,987	74,019
Northlake	4,500	4,500	8,898	15,336	16,830	16,830
Oak Point	3,440	3,680	3,930	4,110	5,000	5,492
Pilot Point	4,120	4,260	4,300	4,500	4,830	5,218
Ponder	2,330	2,390	2,400	2,400	2,450	2,711
Prosper	22,650	25,630	28,380	31,090	35,410	38,840
Sanger	7,991	8,800	9,080	9,640	10,463	10,463
TOTAL	834,475	859,937	887,713	920,392	984,594	1,007,590

*Includes only unincorporated areas within the County

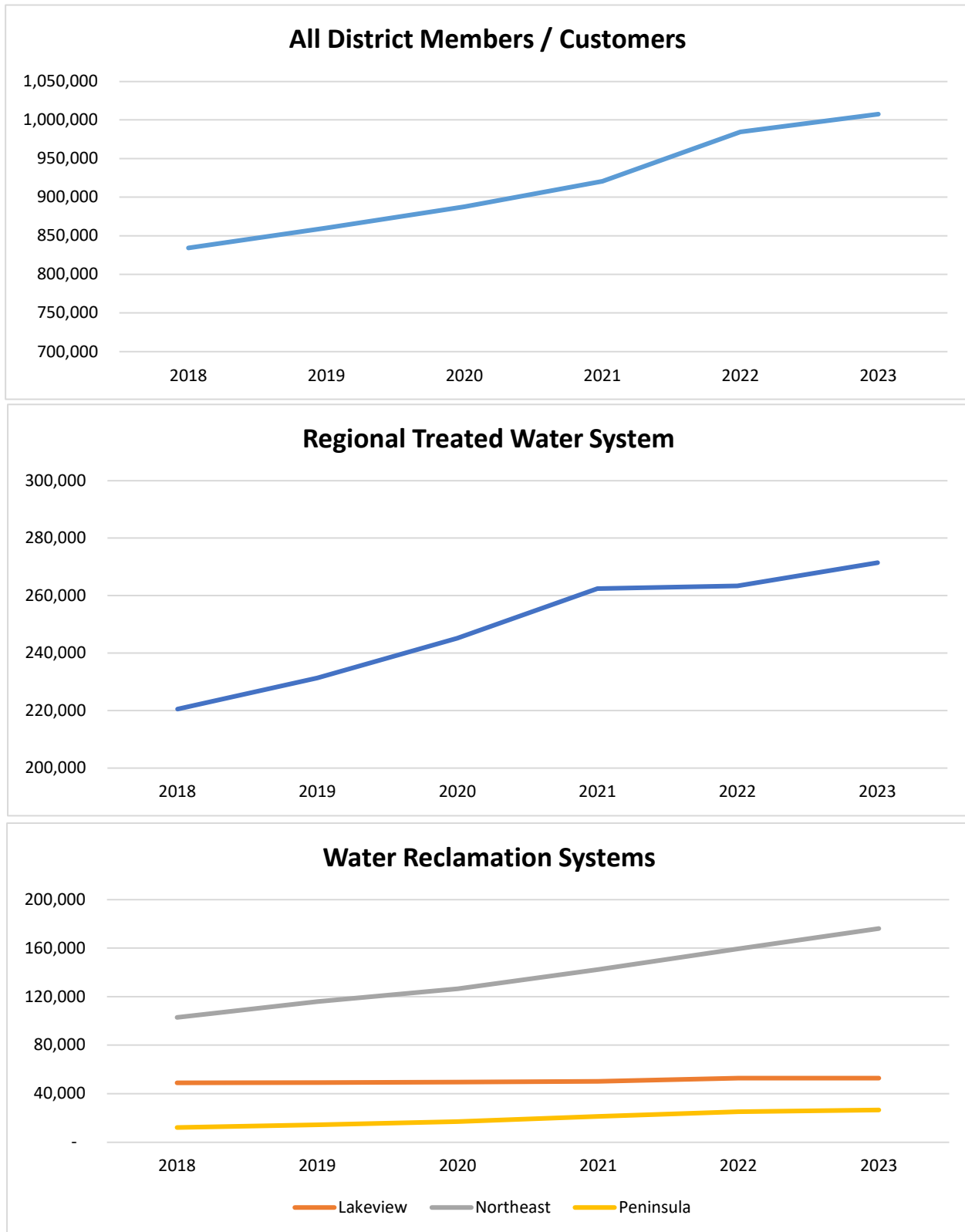
**Blackrock WSC has decided to terminate their contract with the Upper Trinity Regional Water District

Sources:

North Central Texas Council of Governments (NCTCOG)

UTRWD Annual Survey

POPULATION GROWTH



OPERATING INDICATORS BY SYSTEM

SYSTEM	Fiscal Year					
	2018	2019	2020	2021	2022	2023
Regional Treated Water System						
Wholesale Customers Contracted (See Note)	19	19	19	19	19	19
Total Towns, Cities and Others Served (See Note)	29	29	29	29	29	29
Total Customer Delivery Points	27	27	27	27	27	27
Total Yearly Billed Flows (millions of gallons)	11,241	10,419	12,042	12,391	15,399	16,343
Lakeview Regional Water Reclamation System						
Wholesale Customers Contracted (See Note)	6	6	6	6	6	6
Total Towns, Cities and Others Served (See Note)	9	9	9	9	9	9
Customer Points of Entry	10	10	10	10	10	10
Total Yearly Billed Flows (millions of gallons)	1,440	1,748	1,705	1,645	1,458	1,582
Northeast Regional Water Reclamation System						
Wholesale Customers Contracted (See Note)	7	7	7	7	7	7
Total Towns, Cities and Others Served (See Note)	9	10	10	10	10	11
Customer Points of Entry	15	15	15	15	15	15
Total Yearly Billed Flows (millions of gallons)	1,123	1,484	1,757	1,812	1,948	2,437
Peninsula Water Reclamation Plant						
Wholesale Customers Contracted (See Note)	1	1	1	1	1	1
Total Towns, Cities and Others Served (See Note)	2	2	2	2	2	2
Customer Points of Entry	2	2	2	2	2	2
Total Yearly Billed Flows (millions of gallons)	178	230	271	321	342	406

Note: Some contracting parties provide service to more than one town or city

Source: UTRWD Business Department

CAPACITY CONTRACTED BY PARTICIPANTS

Participant	Treated Water		Lakeview Wastewater Treatment		Northeast Wastewater Treatment		Peninsula Wastewater Treatment		Non-Potable Water	
	MGD	%	MGD	%	MGD	%	MGD	%	MGD	%
Argyle Water Supply Corp.	2.00	2.10	-	-	-	-	-	-	-	-
City of Aubrey	0.10	0.10	-	-	-	-	-	-	-	-
Cross Timbers Water Supply Corp.	2.50	2.62	-	-	-	-	-	-	-	-
Town of Bartonville	-	-	0.0378	0.71	-	-	-	-	-	-
City of Celina	8.50	8.92	-	-	1.51000	20.52	-	-	-	-
City of Corinth	7.50	7.87	1.6080	30.18	-	-	-	-	-	-
City of Denton	-	-	(1)	-	-	-	-	-	-	-
Denton County Fresh Water Supply Dist. #7	4.30	4.51	0.8440	15.84	-	-	-	-	-	-
Denton County Fresh Water Supply Dist. #8A	1.87	1.96	-	-	0.45375	6.17	-	-	-	-
Denton County Fresh Water Supply Dist. #11A	3.30	3.46	-	-	0.71575	9.73	-	-	-	-
Elm Ridge (Formerly DCFWSD #10)	1.02	1.07	-	-	0.38600	5.25	-	-	-	-
Town of Double Oak	-	-	0.0080	0.15	-	-	-	-	-	-
Town of Flower Mound	30.00	31.50	-	-	-	-	-	-	-	-
City of Highland Village	3.00	3.15	1.6500	30.96	-	-	-	-	-	-
City of Justin	1.75	1.84	-	-	-	-	-	-	-	-
City of Krum	0.40	0.42	-	-	-	-	-	-	-	-
Lake Cities Municipal Utility Authority	3.80	3.99	1.1810	22.16	-	-	-	-	-	-
Lewisville (Acquired DCFWSD #1A)	4.00	4.20	-	-	-	-	-	-	All	100.00
Mustang Special Utility District	10.10	10.60	-	-	2.61650	35.56	2.000	100.00	-	-
Town of Northlake	8.20	8.61	-	-	-	-	-	-	-	-
Town of Providence Village	2.40	2.52	-	-	0.55000	7.48	-	-	-	-
Town of Prosper	-	-	-	-	1.12500	15.29	-	-	-	-
City of Sanger	0.50	0.52	-	-	-	-	-	-	-	-
Total Subscriptions	95.24	100.00	5.3288	100.00	7.35700	100.00	2.000	100.00	All	100.00

(1) Service is provided via emergency interconnect according to need - no specific capacity

Source: UTRWD Business Department

CAPITAL ASSET (IN SERVICE) STATISTICS BY SYSTEM

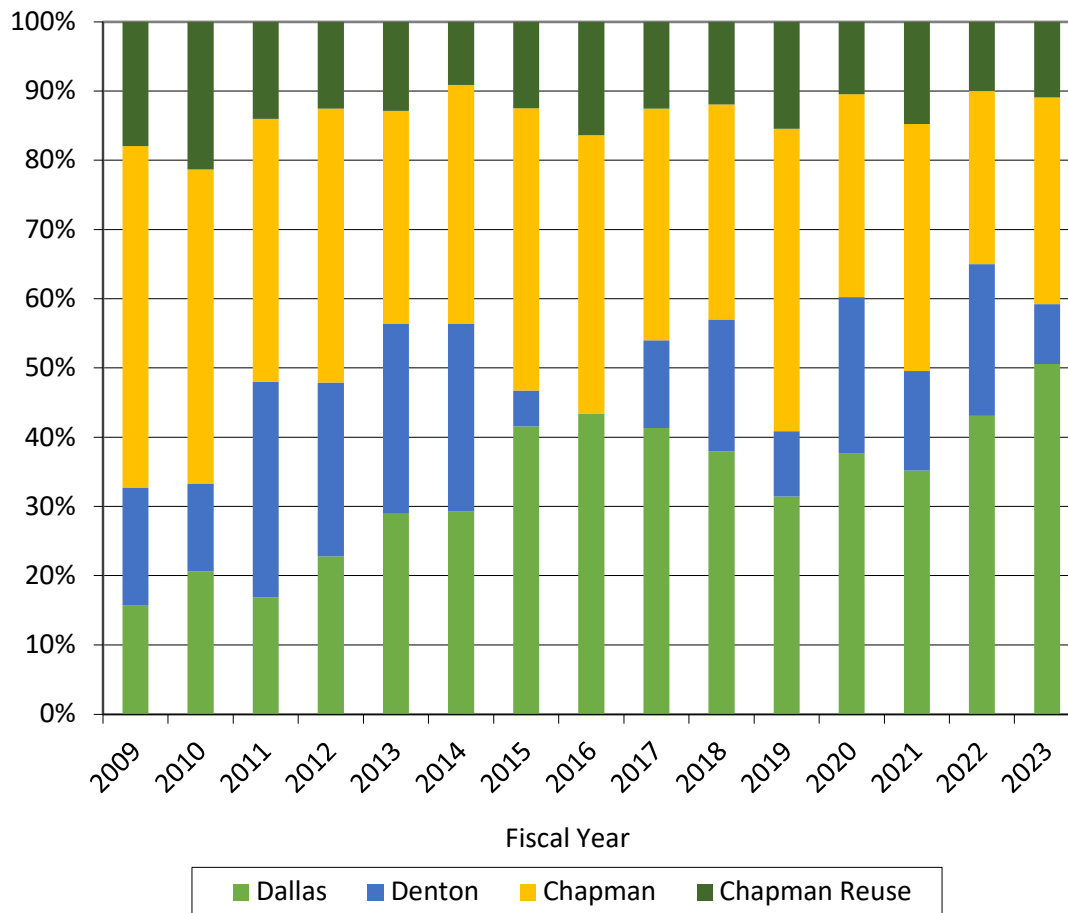
SYSTEM	Fiscal Year					
	2018	2019	2020	2021	2022	2023
<u>Regional Treated Water System</u>						
<u>Taylor Regional Treated Water Plant</u>						
Raw Water Intake Capacity	200 mgd	200 mgd	200 mgd	200 mgd	200 mgd	200 mgd
Water Treatment Plant Capacity	70 mgd	70 mgd	70 mgd	70 mgd	70 mgd	70 mgd
Treated Water Pumping Capacity (est.)	130 mgd	130 mgd	130 mgd	130 mgd	130 mgd	130 mgd
Transmission Pipelines (miles):						
12" to 20"	37.10	37.07	37.07	36.81	36.81	31.68
24" to 36"	43.34	43.77	43.77	45.18	47.55	48.02
42" to 72"	22.74	22.65	22.65	24.94	29.94	26.42
Treated Water Storage Tanks:						
Treatment Plant	4	4	4	4	4	4
Other	6	6	6	6	6	6
<u>Tom Harpool Water Treatment Plant</u>						
Raw Water Intake Capacity	45 mgd	45 mgd	45 mgd	45 mgd	45 mgd	45 mgd
Water Treatment Plant Capacity	20 mgd	20 mgd	24.5 mgd	25 mgd	25 mgd	30 mgd
Treated Water Pumping Capacity (est.)	16 mgd	16 mgd	28 mgd	28 mgd	28 mgd	28 mgd
<u>Lakeview Regional Water Reclamation System</u>						
Water Reclamation Plant Capacity	5.5 mgd	5.5 mgd	5.5 mgd	5.5 mgd	5.5 mgd	5.5 mgd
Interceptor Pipeline (miles):						
8" to 10"	1.25	1.25	1.25	1.25	1.25	1.25
12" to 14"	1.10	1.10	1.10	1.10	1.10	1.11
18" to 20"	7.60	7.60	7.60	7.60	7.60	7.60
24" to 27"	4.76	4.76	4.76	4.76	4.76	4.78
Wastewater Lift Stations	5	5	5	5	5	5
<u>Northeast Regional Water Reclamation System</u>						
Riverbend Water Reclamation Plant Capacity	2.0 mgd	4.0 mgd	4.0 mgd	4.0 mgd	4.0 mgd	4.0 mgd
Doe Branch Water Reclamation Plant Capacity	2.0 mgd	2.0 mgd	2.0 mgd	2.0 mgd	4.0 mgd	4.0 mgd
Interceptor Pipeline (miles):						
8" to 21"	6.09	6.54	6.54	6.54	6.54	6.04
24" to 36"	6.06	6.54	6.54	6.54	6.65	6.48
Wastewater Lift Stations	1	1	1	1	1	1
<u>Peninsula Water Reclamation Plant</u>						
Water Reclamation Plant Capacity	0.94 mgd	0.94 mgd	0.94 mgd	0.94 mgd	0.94 mgd	2.0 mgd
Interceptor Pipeline (miles):						
24" to 36"	0.01	0.16	0.16	0.16	0.16	0.16

Note: mgd is million gallons per day

Source: UTRWD Engineering Department

RAW WATER PURCHASES

Year	Dallas	Denton	Lake Chapman	Lake Chapman Reuse
2009	1,058,500	1,148,490	3,327,848	1,212,826
2010	1,329,068	812,700	2,928,090	1,374,011
2011	1,606,414	2,962,945	3,621,610	1,336,021
2012	1,989,791	2,185,143	3,450,510	1,095,823
2013	2,449,347	2,319,774	2,605,160	1,087,245
2014	2,486,465	2,290,683	2,930,600	772,568
2015	3,803,797	473,021	3,726,550	1,145,329
2016	4,126,720	-	3,832,100	1,558,496
2017	4,248,537	1,300,385	3,439,020	1,288,114
2018	4,412,500	2,214,086	3,611,900	1,388,286
2019	3,409,870	1,020,913	4,733,150	1,676,447
2020	4,653,429	2,795,362	3,628,180	1,294,559
2021	4,484,798	1,834,933	4,551,350	1,880,022
2022	7,259,181	3,201,710	3,940,390	1,630,904
2023	6,965,373	3,545,480	4,043,360	1,618,252



AWARDS AND HONORS

BUSINESS

Government Finance Officers Association (GFOA)
Certificate of Achievement for Excellence in Financial Reporting, 2000 – 2021
Distinguished Budget Presentation Award, 2010 – 2023
Special Capital Recognition, FY 2015, FY 2019, FY 2020, FY 2023

PURCHASING

Achievement in Excellence in Procurement Award, 2020

REGIONAL WATER TREATMENT PLANT

American Water Works Association (AWWA)
“Best Tasting Water” for the State of Texas, 2007, April 2012
Texas Water Utilities Association (TWUA)
“Best Tasting Water” for the North Texas Region, May 2012, 2017, 2019
“Best Tasting Surface Water” for the State of Texas, 2008, 2018
Texas Commission on Environmental Quality (TCEQ) Total Coliform Rule Award, 2003 – 2013
TCEQ “Innovative or Proactive Water System” Award, 2015
South Central Membrane Association Outstanding Membrane Plant Award, 2013, 2019
South Central Membrane Association “Best Tasting Water”, 2015, 2019
Association of Metropolitan Water Agencies (AMWA) Gold Award for Exceptional Utility Performance, 2023

LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

National Association of Clean Water Agencies (NACWA) Platinum Peak Performance Award, 1999-2023 (Platinum 24 years)

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM – RIVERBEND PLANT

WEAT George W. Burke Jr. Award, 2020
WEAT Municipal Wastewater Treatment Plant of the Year – Category 2 (1-15 MGD), 2019
WEF Safety Award, 2020
NACWA Platinum Peak Performance Award, 2008-2023 (Platinum 15 years)
NACWA Environmental Achievement Award, 2020

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM – DOE BRANCH PLANT

NACWA Gold Peak Performance Award, 2016-2021 (Platinum 6 years)

PENINSULA WATER RECLAMATION PLANT

Water Environment Association of Texas (WEAT)
Municipal Wastewater Treatment Plant of the Year – Category 1 (<1 MGD), 2010
NACWA Platinum Peak Performance Award, 2003-2023 (Platinum 20 years)

WATER / WATER CONSERVATION:

NACWA Excellence in Management – Platinum Award, 2020
NACWA Excellence in Management – Silver Award, 2019
NACWA National Environment Achievement Award, 2014

COMMUNICATIONS / OUTREACH

American Water Works Association – Texas Section (TAWWA) Texas Water Watermark Award for Multimedia, 2023

PERSONAL AWARDS:

Water Environment Association of Texas (WEAT)

- Lifetime Achievement Award – Larry N. Patterson, 2014
- Outstanding Operator of the Year – Joe Thompson, 2013
- Arthur Sidney Bedell Award – Jody Zabolio, 2013
- Texas Shootout Award – James Rogers, 2013
- William D. Hatfield Award – Ben Hodges, 2016
- Pillars of the Profession – Larry N. Patterson, 2020

Water Environment Federation (WEF) William D. Hatfield Award – Jody Zabolio, 2023

South Central Membrane Association (SCMA) Outstanding Plant Operator Award – Jeff Mlak, 2023

NACWA President's Award – Larry N. Patterson, 2015



RESOLUTION

RESOLUTION # 2023 – 51

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING WHOLESALE WATER RATES FOR PARTICIPATING MEMBERS AND CUSTOMERS OF THE REGIONAL TREATED WATER SYSTEM.

WHEREAS, the District, pursuant to participation contracts, provides wholesale treated water service for Members and Customers participating in the Regional Treated Water System; and,

WHEREAS, the District may enter into contracts for wholesale service with other Members and Customers in the future; and,

WHEREAS, the District desires that Participating Members and Customers maintain usage that will protect the Regional Treated Water System and generate an efficient load factor year around; and

WHEREAS, under guidelines promoted by State regulatory agencies, the District and its wholesale customers are expected to have rate structures that encourage conservation of water; and,

WHEREAS, each participant in the Regional Treated Water System is responsible for their pro-rata share of costs; and,

WHEREAS, as used in this Resolution, the term "Water Year" refers to the annual period from June 1 to May 31 of each year; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2023 – 2024 to determine current estimates of costs for FY 2023 – 2024; and,

WHEREAS, the District bills for Demand based on subscribed (contracted) capacity, or actual experience or need, whichever is greater, in accordance with provisions of water contracts. Demand may increase and be billed in increments of 100,000 gallons during the year. Initial subscriptions for new participants typically are based on estimated Demands over a three to five-year period. Increases in Demand requested during the Water Year may require retroactive payment of Demand charges for the amount being requested back to the beginning of the Water Year; and,

WHEREAS, the Executive Director recommends adoption of the following rates for wholesale water services of the System; and,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for wholesale water service provided to participants in the Regional Treated Water System:

Member Volume Charge: \$1.49 per 1,000 gallons of water delivered and metered.

Customer Volume Charge: \$1.60 per 1,000 gallons of water delivered and metered.

Demand Charge: \$500,155 per year, per million gallons per day (mgd) of contracted Demand, pro-rated on a monthly basis (based on actual experienced or needed Demand or subscribed capacity, whichever is greater).

SECTION 2. That, except as otherwise provided, the Board of Directors does hereby adopt the following optional wholesale water rate (flat rate) for Member entities contracted for 0.50 mgd or less of capacity, or for others requiring temporary water for construction or other purposes.

Volume Charge: \$5.47 per 1,000 gallons of water delivered and metered.

SECTION 3. That for every Water Year, each participant in the Regional Treated Water System shall be responsible for payment of a minimum daily volume of water from the System equal to eighteen percent (18%) of the highest peak Demand actually taken from the System over the preceding five (5) Water Years.

SECTION 4. That the Executive Director is hereby authorized to establish temporary minimum flow requirements for specific pipelines if the Executive Director determines such to be reasonable and necessary to maintain water quality requirements or to comply with State or Federal Water Quality Standards.

SECTION 5. That the rates and provisions set forth in Sections 1 through 4 shall become effective October 1, 2023, and shall remain in effect through September 30, 2024, or until revised by the Board of Directors.

SECTION 6. That such other fees and charges which the Board of Directors may establish from time to time for participation in the Regional Treated Water System, for participation in other projects, and for the cost of Administration and Planning shall apply, in addition to the rates, fees and charges established in this Resolution.

SECTION 7. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 7TH DAY OF SEPTEMBER 2023.

Recommended:


Larry N. Patterson, Executive Director

Executed:


Clay M. Riggs, President

Attest:


Allen L. McCracken, II, Secretary



RESOLUTION

RESOLUTION # 2023 – 52

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR WHOLESALE WASTEWATER TREATMENT SERVICES PROVIDED BY THE DISTRICT TO PARTICIPATING MEMBERS OF THE LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM.

WHEREAS, the District, pursuant to participation contracts, provides wholesale wastewater treatment service for Members participating in the Lakeview Regional Water Reclamation System; and,

WHEREAS, each participant in the System is responsible for a pro-rata share of System costs; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2023 – 2024 to determine current estimates of costs for FY 2023 – 2024; and,

WHEREAS, the Executive Director recommends adoption of rates for wholesale wastewater treatment services of the System.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for wholesale wastewater treatment service provided to participants in the Lakeview Regional Water Reclamation System:

Treatment / Transportation Rate:	\$ 1.35 per 1,000 gallons
Fixed O&M Charge:	\$458,180 per million gallons per day (mgd).
Facilities Capital Charge:	Joint and Individual Capital Charges are combined and identified below by individual entity.

Capital Charges for Joint / Individual Facilities:

Bartonville	\$ 15,080
Corinth	\$ 497,635
Denton County FWSD #7	\$ 677,800
Double Oak	\$ 11,665
Highland Village	\$ 631,910
Lake Cities MUA	\$ 345,735

SECTION 2. That should the Biochemical Oxygen Demand (BOD) or Total Suspended Solids (TSS) delivered by any participant to the System exceed 250 mg/l, the following surcharges will apply in addition to the rates set forth in Section 1:

Biochemical Oxygen Demand Surcharge:	\$ 0.007 x (BOD-250) per 1,000 gallons
Total Suspended Solids Surcharge:	\$ 0.005 x (TSS-250) per 1,000 gallons

SECTION 3. That Lake Cities Municipal Utility Authority will be given a credit on their flows delivered directly to the Plant at the estimated transportation cost of \$0.11 per 1,000 gallons. Individual transportation charges between Double Oak & Highland Village, between Bartonville & DCFWSD #7, and between Corinth & DCFWSD #7 are established pursuant to respective contracts.

SECTION 4. That the rates and charges set forth in Sections 1 and 2 shall become effective October 1, 2023, and shall remain in effect until September 30, 2024, or until revised by the Board of Directors.

SECTION 5. That such other fees and charges which the Board of Directors may establish from time to time for participation in the Lakeview Regional Water Reclamation System, for participation in other projects, and for the cost of Administration and Planning shall apply in addition to the rates and charges established in this Resolution.

SECTION 6. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 7TH DAY OF SEPTEMBER 2023.

Recommended:


Larry N. Patterson, Executive Director

Executed:


Clay M. Riggs, President

Attest:


Allen L. McCracken, II, Secretary



RESOLUTION

RESOLUTION # 2023 – 53

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR WHOLESALE WASTEWATER TREATMENT SERVICES PROVIDED BY THE DISTRICT FOR PARTICIPATING MEMBERS AND CUSTOMERS OF THE NORTHEAST REGIONAL WATER RECLAMATION SYSTEM.

WHEREAS, the District, pursuant to participation contracts, provides wholesale wastewater treatment service for Members and Customers participating in the Northeast Regional Water Reclamation System; and,

WHEREAS, each participant in the System is responsible for a pro-rata share of System costs; and,

WHEREAS, the participants of the Doe Branch Water Reclamation Plant will be charged a monthly Excess Flow Surcharge for each 1,000 gallons of wastewater flows in excess of their monthly contracted capacity in the System with all surcharge revenues being transferred to the O&M Reserve on a monthly basis; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2023 – 2024 to determine current estimates of costs for FY 2023 – 2024; and,

WHEREAS, the Executive Director recommends the adoption of rates for wholesale wastewater treatment services of the System.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for wholesale wastewater treatment services provided to Members and Customers in the Northeast Regional Water Reclamation System.

Treatment Rate (Member):	\$1.44 per 1,000 gallons
Treatment Rate (Customer):	\$1.55 per 1,000 gallons
Excess Flow Surcharge (Member or Customer)	\$0.36 per 1,000 gallons
Fixed O&M Costs:	\$620,000 per year per million gallons per day (mgd).

Capital Charges for Joint / Interim / Individual Facilities

Riverbend:

Denton County FWSD #8A	\$353,290
Denton County FWSD #11A	\$599,585
Elm Ridge WCID	\$ 12,535
Mustang SUD	\$868,075
Providence Village	\$605,465

Doe Branch:

Celina	\$1,672,180
Elm Ridge WCID	\$ 14,590
Mustang SUD	\$ 39,975
Prosper	\$ 189,485

SECTION 2. That should the Biochemical Oxygen Demand (BOD) or Total Suspended Solids (TSS) delivered by any participant to the Plant exceed 250 mg/l, the following surcharges will apply in addition to the rates set forth in Section 1:

Biochemical Oxygen Demand Surcharge:	\$ 0.007 x (BOD-250) per 1,000 gallons
Total Suspended Solids Surcharge:	\$ 0.005 x (TSS-250) per 1,000 gallons

SECTION 3. That the rates and charges set forth in Sections 1 and 2 shall become effective October 1, 2023, and shall remain in effect until September 30, 2024, or until revised by the Board of Directors.

SECTION 4. That such other fees and charges which the Board of Directors may establish from time to time for participation in the Northeast Regional Water Reclamation System, for participation in other projects, and for the cost of Administration and Planning shall apply in addition to the rates and charges established in this Resolution.

SECTION 5. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 7TH DAY OF SEPTEMBER 2023.

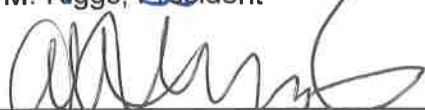
Recommended:


Larry N. Patterson, Executive Director

Executed:


Clay M. Riggs, President

Attest:


Allen L. McCracken, II, Secretary



RESOLUTION

RESOLUTION # 2023 – 54

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR WHOLESALE WASTEWATER TREATMENT SERVICES PROVIDED BY THE DISTRICT FOR PARTICIPATING MEMBER(S) OF THE PENINSULA WATER RECLAMATION PLANT.

WHEREAS, the District, pursuant to participation contracts, provides wholesale wastewater treatment service to Member(s) participating in the Peninsula Water Reclamation Plant; and,

WHEREAS, the Mustang Special Utility District is the sole participant in the Plant and is responsible for the costs; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2023 – 2024 to determine current estimates of costs for FY 2023 – 2024; and,

WHEREAS, the Executive Director recommends the adoption of rates for wholesale wastewater treatment services of the Plant.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for wholesale wastewater treatment services provided to Mustang Special Utility District in the Peninsula Water Reclamation Plant:

Treatment Rate (Member):	\$1.65 per 1,000 gallons
Fixed O&M Costs:	\$702,200 per year per million gallons per day (mgd) of contracted capacity in the Plant, billed on a monthly basis.
Capital Charge for Facilities	\$70,935

SECTION 2. That should the Biochemical Oxygen Demand (BOD) or Total Suspended Solids (TSS) delivered by any participant to the plant exceed 250 mg/l, the following surcharges will apply in addition to the rates set forth in Section 1:

Biochemical Oxygen Demand Surcharge:	\$ 0.007 x (BOD-250) per 1,000 gallons
Total Suspended Solids Surcharge:	\$ 0.005 x (TSS-250) per 1,000 gallons

SECTION 3. That the rates and charges set forth in Sections 1 and 2 shall become effective October 1, 2023, and shall remain in effect until September 30, 2024, or until revised by the Board of Directors.

SECTION 4. That such other fees and charges which the Board of Directors may establish from time to time for participation in the Peninsula Water Reclamation Plant, for participation in other projects, and for the cost of Administration and Planning shall apply in addition to the rates and charges established in this Resolution.

SECTION 5. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 7TH DAY OF SEPTEMBER 2023.

Recommended:



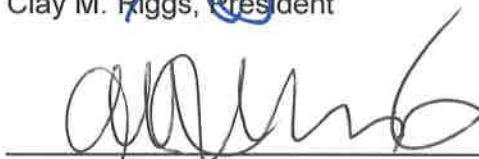
Larry N. Patterson, Executive Director

Executed:



Clay M. Riggs, President

Attest:



Allen L. McCracken, II, Secretary



RESOLUTION

RESOLUTION # 2023 – 55

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR NON-POTABLE WATER SERVICE.

WHEREAS, the District, pursuant to participation contracts, provides non-potable water service to the City of Lewisville; and,

WHEREAS, until other customers are added, the City of Lewisville is responsible for all costs of the facilities devoted to non-potable water service for the City of Lewisville; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2023 – 2024 to determine current estimates of costs for FY 2023 – 2024; and,

WHEREAS, the Executive Director recommends the adoption of revised rates for non-potable water service.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following non-potable water rates for service provided to the City of Lewisville:

Treated Effluent Volume Charge:	\$ 0.51 per 1,000 gallons of water delivered and metered
Raw Water Volume Charge:	\$ 1.18 per 1,000 gallons of water delivered and metered
Demand Charge	\$ 125,000 per year, billed on a monthly basis

SECTION 2. That the rates set forth in Section 1 shall become effective October 1, 2023, and shall remain in effect through September 30, 2024, or until revised by the Board of Directors.

SECTION 3. That such other fees and charges which the Board of Directors may establish from time to time for participation in the Non-Potable Water System, for participation in other projects, and for the cost of Administration and Planning shall apply in addition to the rates, fees, and charges established in this Resolution.

SECTION 4. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 7TH DAY OF SEPTEMBER 2023.

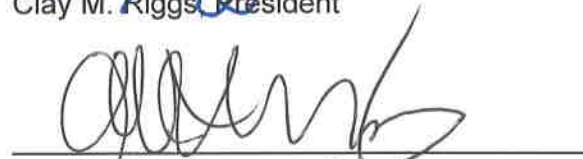
Recommended:


Larry N. Patterson, Executive Director

Executed:


Clay M. Riggs, President

Attest:


Allen L. McCracken, II, Secretary



RESOLUTION

RESOLUTION # 2023 – 56

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR COLLECTION AND DISPOSAL OF HOUSEHOLD HAZARDOUS WASTE.

WHEREAS, the District, pursuant to participation contracts, provides collection and disposal services for participants in the Household Hazardous Waste Program; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2023 – 2024 to determine current estimates of costs for FY 2023 – 2024; and,

WHEREAS, the Executive Director recommends the adoption of rates for the Household Hazardous Waste Program.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for collection and disposal of household hazardous wastes pursuant to contracts with Participating Entities. Individual vouchers may be purchased from the District or from the Participating Entity pursuant to rules established by District.

Event Collection and Disposal:	\$132.00 per household – Participating Entities
Event Voucher:	\$132.00 per household – Citizen delivers to a scheduled Event
Fort Worth Voucher:	\$110.00 per household – Citizen delivers to the Fort Worth Environmental Site

SECTION 2. That the rates and charges set forth in Section 1 shall become effective October 1, 2023, and shall remain in effect until September 30, 2024, or until revised by the Board of Directors.

SECTION 3. That such other fees and charges which the Board of Directors may establish from time to time for participation in the program, and for the cost of Administration and Planning shall apply in addition to the rates and charges established in this Resolution.

SECTION 4. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 7TH DAY OF SEPTEMBER 2023.

Recommended:

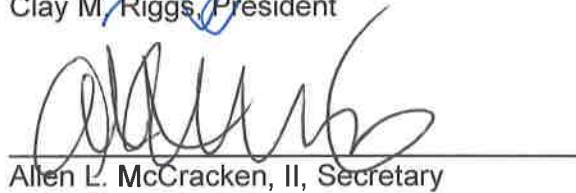


Larry N. Patterson, Executive Director

Executed:


Clay M. Riggs, President

Attest:


Allen L. McCracken, II, Secretary



RESOLUTION

RESOLUTION # 2023 – 57

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT APPROVING AND ADOPTING THE ANNUAL OPERATING AND CAPITAL BUDGETS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024.

WHEREAS, for FY 2023 – 2024, Staff has proposed an Operating Budget totaling \$88,938,825 encompassing the Administration Fund, Regional Treated Water System Fund, Lakeview Regional Water Reclamation System Fund, Northeast Regional Water Reclamation System Fund, Peninsula Water Reclamation Plant Fund, Non-Potable Water System Fund, Maintenance Fund, Information Technology Fund, and the Household Hazardous Waste Fund; and,

WHEREAS, Staff has compiled a proposed Capital Budget which totals \$375,683,620 to provide necessary funding for projects in the following capital funds: Regional Treated Water System Fund, Lakeview Regional Water Reclamation System Fund, Northeast Regional Water Reclamation System Fund, Peninsula Water Reclamation Plant Fund and Non-Potable Water System -- plus the Growth Program Fund and Project Development Fund for \$216,470; and,

WHEREAS, the Upper Trinity Conservation Trust Budget is recommended at \$40,525; and,

WHEREAS, the Executive Director recommends approval of the Budgets as proposed by Staff.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors hereby approves and adopts the Operating and Capital Budgets and approves the Upper Trinity Conservation Trust Budget for FY 2023 – 2024 for all purposes provided therein.

SECTION 2. That the Board of Directors hereby approves and/or adopts said budgets as recommended by Staff, with modification, if any, as may be incorporated by the Board.

SECTION 3. That the Operating and Capital Budgets shall become effective October 1, 2023 for the Fiscal Year ending September 30, 2024.

SECTION 4. That any remaining balance at the end of FY 2022 – 2023 in appropriations for capital projects are hereby re-appropriated for continued use for those same respective projects in FY 2023 – 2024.

SECTION 5. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 7TH DAY OF SEPTEMBER 2023.

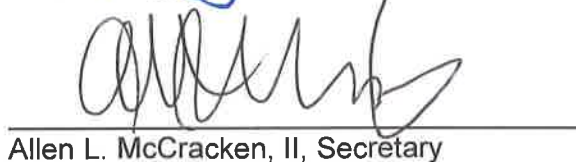
Recommended:


Larry N. Patterson, Executive Director

Executed:


Clay M. Riggs, President

Attest:


Allen L. McCracken, II, Secretary

GLOSSARY OF TERMS

A

ABTCR – An acronym for Additional Bonds Test Coverage Ratio. The ratio of annual Net Revenues (from all sources) divided by Average Annual Debt Service

Account – A record of a business transaction of money received or paid.

Accrual Basis of Accounting – A basis of accounting under which increases and decreases in economic resources are recognized as soon as the underlying event or transaction occurs. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

Accrual – The recognition of a revenue or expense in a budget year even though the actual cash may not be received or paid until the following budget year.

ACFR – An acronym for Annual Comprehensive Financial Report which is a set of U.S. government financial statements comprising the financial report of a state, municipal, or other governmental entity that complies with accounting requirements promulgated by the Governmental Accounting Standards Board (GASB) and is comprised of three sections: Introductory, Financial, and Statistical and combines the financial information of fund accounting and enterprise authorities accounting.

Acre-foot of Water – The volume of water that covers one acre to a depth of one foot; 43,560 cubic feet; 1,233.5 cubic meters; 325,872 gallons.

Actual – The final audited revenue/expenditure results of operations for the fiscal year indicated.

Adjustment for Accrued Expenditures – The adjustment necessary to align the Ending Balance on a cash basis vs. accrual basis used by accounting.

Adoption – Formal action by the Board of Directors which sets the spending limits for the fiscal year.

Arbitrage – The gain that may be realized by borrowing funds at tax-exempt rates and investing those funds at taxable rates.

Assets – Resources owned or held by the District which have monetary value.

Audit – An examination of the books and records of the District to determine financial status and results of operations (excess or loss).

Average Annual Debt Service – At the time of calculation (after the reporting year), the sum of the Annual Debt Service for the remaining years of outstanding Senior Lien Debt issues to the last scheduled maturity of the bonds divided by the number of those years.

B

Balance Sheet – A statement showing the financial position at a given time, disclosing assets, liabilities and fund balances.

Balanced Budget – A budget in which revenues are sufficient to meet all expenditure and debt service requirements.

Basin – A shallow depression or tank through which liquids may be passed or in which they are detained for treatment or storage.

Basis Point – One-hundredth of a percentage point (i.e., the difference between interest rates of 10.5% and 10.0% is 50 basis points).

Benefits – Consist of employee benefits directly related to salary allocation.

Biosolids – The nutrient-rich organic materials resulting from the treatment of domestic sewage in a wastewater treatment facility. This organic material (sludge) that has been treated to reduce pathogens, organics, and odors, forms a reusable agricultural product.

Board of Directors – The District is governed by a Board, the members of which are appointed by the governing bodies of Members and by the County. The Board sets policy and provides overall leadership for District including the mission, goals, priorities and resource allocation.

Bond – A written promise to pay a specific amount of money (called the principal) with interest within a specific time period, usually long-term. In the budget document, these payments are identified as debt service.

Bond Counsel – An attorney who prepares the legal opinion concerning a bond issue.

Bond Issuance Costs – The costs incurred by the bond issuer during the planning, marketing and sale of a bond issue.

Bonds Issued – Bonds that are sold.

Budget – A balanced financial plan for a given period of time, which includes appropriations and rate and fee resolutions for the various sources of revenue which finance the various funds. The budget is not only a financial plan; it also services as a policy guide, as an operations guide and as a communications medium.

Budget Adjustment – Adjust current base budget figures for a given account from available cash.

Budget Calendar – The schedule of key dates or milestones which the District follows in the preparation, adoption, and administration of the budget.

C

Capacity – The ability of available water / wastewater utility resources to meet the quantity, quality, and peak loads of the various customers or members served.

Capital Equipment (Assets) – Fixed assets such as vehicles, computers, furniture, technical instruments, etc., which have a life expectancy greater than one year and a cost of \$5,000 or greater.

Capital Improvement Program – A long-range plan of the District for the construction, rehabilitation and modernization of District-owned and operated infrastructure and facilities.

Capital Project – A project requiring relatively large expenditures to acquire, develop, improve, and/or maintain a capital asset (such as land, buildings, dykes, roads).

Capitalized Interest – Funds provided from the proceeds of a bond issue to cover interest payments until revenue sources to repay debt are available.

Carryforward– The term used to denote amounts which were expected to be expended during one fiscal year on a contract, or obligation or purchase but were not expended for various reasons. Amounts are “carried over” into the subsequent fiscal year.

Cash Basis of Accounting – A basis of accounting that recognizes revenues and expenses at the time cash is received or paid out. This contrasts with accrual accounting, which recognizes income at the time the revenue is earned and records expenses when liabilities are incurred regardless of when cash is received or paid.

CBDCCR – An acronym for Cash Basis Debt Coverage Ratio. The ratio of annual Net Operating Revenues divided by Net Annual Debt Service (net of Capitalized Interest) actually paid.

Cash Flows – The movement of cash in and out of the District from day-to-day activities.

Clean Water Act – Legislation passed by the U.S. Congress designed to control water pollution.

Collection System – A system of underground conduits/sewers collecting wastewater from a source and conveying it to the treatment facility.

Commercial Paper – Short-term (usually less than 270 days) notes issued by the District to provide interim financing of its capital improvement program. Commercial paper typically carries lower interest rates than long-term debt and is issued on a subordinate basis.

Constant Maturity Securities – Fixed financial instruments having a quoted yield that compares the instrument to other fixed financial instruments of different maturities. This allows the investor to compare various securities to each other, provided that they have the same maturity date.

Contributions – The transfer, promise or pledge of money, credit, property, financial assistance of any kind or value in response to a solicitation.

Current Assets – Cash plus assets that are expected to be converted to cash, sold or consumed during the next 12 months or as a part of the normal operating cycle.

Current Liabilities – Obligations that will become due within the next year or within the normal operating cycle.

Customers – Any non-member wholesale user of the services provided by the District which provides retail utility service within its boundaries.

D

DCFWS – An acronym for Denton County Fresh Water Supply District (see “Fresh Water Supply District”), various Districts that help provide water to different areas of Denton County.

Debt – An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Debt Coverage Ratio – A ratio that expresses the relationship of total net revenue to existing debt.

Debt Service – The payment of principal and interest on any short-term and long-term debt.

Debt Service Requirements – The amount of money required to pay interest and principal on outstanding debt.

Demand – The amount of flow expressed in MGD mutually established by Member and District that is or may be taken by Member within a Water Year.

Depreciation – A method of allocating the cost of a tangible asset over its useful life.

Design Capacity – The maximum rate of flow which a treatment plant is capable of treating, on a long-term basis, to continuously attain required water or effluent quality.

Dewatering – Water removal or concentration of solids by filtration, centrifugation, or drying.

E

Easement – An acquired legal right to the use of land owned by others.

Effluent – The resulting end product of the wastewater treatment process.

Elevated tank – A tank used for storage in a water distribution system, which is raised above the surface of the ground.

Encumbrance – Obligations incurred in the form of purchase orders, contracts and similar items that will become payable when goods are delivered, or services rendered.

Ending Balance (Operating Cash) – The total amount of cash available to a business for its daily operations, investments, and other financial activities. This balance also includes the Interest and Sinking Reserve Fund balance.

Enterprise Fund – A fund established to account for the operation of self-supporting enterprises.

Equity – The net value of an asset or business (i.e., assets minus liabilities).

Expenditures – A decrease in net financial resources, actual payment for goods and services received.

F

Financial Advisor – Provides expertise to the debt issuer in matters of financial activities, the marketing and sale of debt and the preparation of required disclosure statements.

Financial Statement – A set of summary documents which pertain to financial information that consist of the following: Balance Sheet or Combining Schedule of Net Assets, Income Statement or Combining Schedule of Revenues and Expenses, Statement of Cash Flows, Notes of Financial Statements and, in the District's case, various Supplements, Schedules, etc.

Fiscal Year – A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The District's fiscal year is October 1 through September 30.

Fixed Assets – Long-term tangible assets that have a normal use expectancy of more than one year and do not lose their individual identity through use. Fixed assets include primarily buildings, equipment, and land.

Fixed O&M Costs – Operating and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

Fixed Capital Project Costs – Capital costs, including debt service, reserves for the payment of debt service and other payments under the bond resolution which do not vary with the amount of water delivered or wastewater treated to the project members/customers.

Flow – The actual amount of water flowing by a particular point over some specified time. Flow is frequently expressed in millions of gallons per day (MGD).

FWSD – An acronym for Fresh Water Supply District. Is a district created to provide and distribute water for domestic and commercial use. The districts are organized on much the same basis as the water improvement districts and have no limitation on bonds or taxation.

FTE – An acronym for Full Time Equivalent. Full-time employees work 40 hours per week and are eligible for full benefits.

Fund – A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance – The cumulative difference of all revenues and all expenditures of the fund from the time the District was established. Fund balance is also considered to be the difference between fund assets and fund liabilities.

G

General Revenue Bonds – Bonds which are obligations of the issuer on which revenues received from operations are pledged for the payment of the principal and interest thereon.

GAAP – An acronym for Generally Accepted Accounting Principles. Uniform minimum standards of, and guidelines for, external financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations. The primary authoritative statement on the application of GAAP to state and local governments is Government Accounting Standards Board (GASB) pronouncements.

GIS – An acronym for Geographic Information System. An organized collection of computer hardware, software and geographic data designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information.

Goals – General statements of desired state, condition, or situation to be achieved, which may be viewed from a short- or long-term perspective.

GASB – An acronym for Governmental Accounting Standards Board. Their mission is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports.

GFOA – An acronym for Governmental Finance Officers of America. Their purpose is to enhance and promote the professional management of governments for the public benefit. The GFOA accomplishes this mission by identifying and developing financial policies and practices and promoting them through education, training and leadership.

Groundwater – Water produced by pumping from underground.

H

Household Hazardous Waste – Common materials in your home such as cleaning products, paint, paint thinner, aerosol cans and lawn fertilizers that can pollute the water in area creeks and lakes if not disposed of properly.

I

Independent Auditor – External public accounting firm hired to audit the annual financial statements and express an opinion on those statements as to conformity with generally accepted accounting principles.

Infiltration/Inflow – Infiltration is groundwater that leaks into the sewerage system through pipe joints and defects. Inflow refers to water that enters sewers from improperly connected catch basins, sump pumps, and defective manholes.

Influent – Wastewater or other liquid flowing into a reservoir, basin or treatment plant.

Infrastructure – District owned capital assets that provide services to the members/customers.

Interceptors – Large pipes that intercept the wastewater from smaller and or local sewers to one of the District's wastewater treatment plants.

Interest Income – Income derived by investing a certain fund balance in interest-yielding securities in compliance with the provisions of the District's Investment Policy.

Internal Control – Methods and procedures that are primarily concerned with the authorization of transactions, safeguarding of assets, and accuracy of financial records.

Inventories – Items held for future use.

J

Junior Lien Debt – Borrowing that occurs after a first lien is already in place. It subsequently refers to the ranking of the debt in the event of a bankruptcy and liquidation as coming after senior lien debt is fully repaid.

K

L

LCMUA – An acronym for Lake Cities Municipal Utility Authority, a water and wastewater member of the District.

Liabilities – Obligations incurred in past or current transactions requiring present or future settlement.

Line items – Expenditure classifications established to account for and budget the appropriations approved.

Liquidity – The ability to convert an asset to cash.

Local Government Investment Pool – a state or local government pool offered to public entities for the investment of public funds and that offers safety and a competitive yield.

Long-Term Debt – Debt with a maturity of more than one year after the date of issuance.

LRWRS – An acronym for Lakeview Regional Water Reclamation System.

M

Maintenance – The upkeep necessary for efficient operation of physical properties. It involves labor and materials but is not to be confused with replacement or retirement.

Members – An entity that contracts with the District for wholesale service.

Membranes – Engineers classify membranes in many different ways, including describing them to be used for separating materials in water treatment, the membranes most widely used are broadly described as pressure driven.

Meter – An instrument for measuring the flow of water/wastewater.

MGD – An acronym for *Million Gallons per Day*. Used in measuring volume of water and wastewater flow.

Mid-Year Review – Midway through the fiscal year the current year budget is evaluated based on spending to date and current projections. The primary areas reviewed and analyzed are year-to-date expenditure and revenue status plus expenditure and revenue projections for the remainder of the year and data to support recommendations for budget adjustments.

Modified Accrual Basis of Accounting – A basis of accounting that combines cash basis and accrual basis of accounting. It requires recording revenues when they are available and measurable, and expenditures when liabilities are incurred, except for some short-term events that are recorded on a cash basis. Modified Accrual accounting was created by the Government Accounting Standards Board (GASB) and is commonly used by government agencies.

N

NACWA – An acronym for National Association of Clean Water Agencies, a dynamic national organization, involved in all facets of water quality protection, represents the collective interest of America's clean water utilities, and is the leading advocate for responsible national policies that advance clean water.

NERWRS – An acronym for Northeast Regional Water Reclamation System, the system includes the Riverbend Water Reclamation Plant and the Doe Branch Plant.

Net Present Value – A mathematical formula used to measure the expected return on investments by calculating how much money needs to be invested today to result in a certain sum at a future time.

Non-Bond Capital Reserve – A reserve fund used to account for deposits earmarked to provide funding for the capital improvement program.

NPWS – An acronym for Non-Potable Water Supply, a water supply that is not treated to drinking water standards and is not meant for human consumption.

NCTCOG – An acronym for North Central Texas Council of Governments. The North Central Texas Council of Governments is a voluntary association of, by and for local governments, established to assist in regional planning. NCTCOG's purpose is to strengthen both the individual and collective power of local governments and to help them recognize regional opportunities, eliminate unnecessary duplication, and make joint decisions.

O

O&M – An acronym for Operations and Maintenance, relates to the day-to-day operations of the District.

Objective – A statement of purpose defined more specifically than goals, defining the result-oriented activities necessary to achieve a stated goal.

Obligation – Amounts which the District may be legally required to meet out of its resources and includes not only actual liabilities, but also encumbrances not yet paid.

Operating Expense – All costs required for the daily operation of the District necessary to provide services and maintain the systems in good operating condition that are not considered capital improvements or debt repayments. These expenses are separated into fixed and variable costs for purposes of structuring rates.

Operating Reserves – an unrestricted fund balance set aside to provide a cushion against future expenses or losses.

P

Performance Measure – Performance measures quantify how well or how poorly an alternative has met a specific objective. Good performance measures are quantifiable, have a specific target, indicate when a target has been reached, and measure the degree to which the goal has been met.

Point(s) of Delivery – The point designated in a contract where treated water will be delivered from the System.

Potable Water – Water that is safe for human consumption.

Pro - Rata – In proportion to, as determined by a specific factor.

Projected – An estimate of revenues or expenditures based on past trends, the present economic situation and future financial forecasts.

Pump Station – Structure containing pumps and accessory piping, valves and other mechanical and electrical equipment for pumping water, wastewater or other liquids.

Q

R

Raw Water – Water obtained from natural sources such as streams or reservoirs.

Reclaimed Water – Water that has received at least secondary treatment and basic disinfection and is reused after flowing out of a domestic wastewater treatment facility.

Reconciliation – The process of analyzing two related records and, if differences exist between them, finding the cause and bringing the two records into agreement. A common example of reconciliation is the comparison of an up-to-date checkbook with a monthly statement from the financial institution holding the account.

Refunding Bonds – Bonds issued to retire bonds that are already outstanding.

Reimbursements – Payment made to someone for out-of-pocket expenses incurred.

Reserves – An account used to indicate that a portion of a fund's assets are restricted for a specific purpose.

Reservoir – A pond, lake, or basin, either natural or man-made, for the collection, storage, regulation and control of water.

Resolution – A special or temporary order approved by the District's Board of Directors.

Reuse – The deliberate application of reclaimed water for a beneficial purpose.

Revenue – An inflow of assets, not necessarily in cash, in exchange for services.

Revenue Bonds – A particular kind of bond in which the revenue to pay back the bond and interest comes from the project that the borrowed money was used to create, expand, or improve.

Right of Way – A legal right of passage over another person's ground.

Riparian Zones – The part of the watershed immediately adjacent to the stream channel.

Risk Management – A coordinated effort to minimize costs – typically where insurance policies are purchased to manage the District’s exposure to various risks of loss- Workers’ Compensation; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters.

RTWP – An acronym for Regional Treated Water Plant which includes the Thomas E. Taylor Regional Treatment Water Plant and the Tom Harpool Regional Water Treatment Plant.

RTWS – An acronym for Regional Treated Water System, includes the two treatment plants – Thomas E. Taylor Regional Treatment Water Plant and the Tom Harpool Regional Water Treatment Plant.

S

SCADA System – An acronym for Supervisory Control and Data Acquisition System. The computer system that collects data, processes the data and allows operating personnel to take corrective actions.

Senior Lien Debt – Debt and obligations which are prioritized for repayment in the case of bankruptcy.

Sludge – Solid residue from wastewater treatment.

State (or Board) Participation Funds – The State (or Board) Participation Program enables the Texas Water Development Board (TWDB) to assume a temporary ownership interest in a regional project when the local sponsors are unable to assume debt for the optimally sized facility. The TWDB may acquire an ownership interest in property and treatment works. The loan repayments that would have been required, if the assistance had been from a loan, are deferred. Ultimately, the cost of the funding is repaid to the TWDB based upon purchase payments, which allow the TWDB to recover its principal and interest costs and issuance expenses, etc., but on a deferred timetable.

The intent of this program is to allow for optimization of regional projects through state participation where the benefits can be documented, and such development is unaffordable without state participation. The goal is to allow for the "Right Sizing" of projects in consideration of future growth.

Strategic Goal – The long-range plans and direction of the District.

Surface Water – Natural sources of water, such as rivers and lakes.

SWIFT – An acronym for State Water Implementation Fund of Texas, a funding program created by the Texas Legislature and administered by the Texas Water Development Board (TWDB), to provide affordable, ongoing state financial assistance for projects in the state water plan. Passed by the Legislature and approved by Texas voters through a constitutional amendment, the SWIFT helps communities develop and optimize water supplies at cost-effective rates. The program provides low-interest loans, extended repayment terms, deferral of loan repayments, and incremental repurchase terms for projects with state ownership aspects.

SWP – An acronym for State Water Plan. Development of the state water plan is central to the mission of the TWDB. Based on 16 regional water plans, the plan addresses the needs of all water user groups in the state – municipal, irrigation, manufacturing, livestock, mining, and steam-electric power – during a repeat of the drought of record that the state suffered in the 1950s. At the end of each five-year regional water planning cycle, agency staff compiles information from the approved regional water plans and other

sources to develop the state water plan, which is presented to TWDB's governing Board for adoption. The final adopted plan is then submitted to the Governor, Lieutenant Governor, and the Texas Legislature.

T

Texas National Resources Conservation Commission (TNRCC) – See Texas Commission on Environment Quality (TCEQ)

TWDB – An acronym for Texas Water Development Board. This Board was established by the State to provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas.

Tranche – A apportion of something, especially money.

Treated Water – Water that has been processed through the District's water treatment plant(s) or imported from other utilities, to supplement the District's water supplies.

TIC – An acronym for True Interest Cost. A method of computing the interest expense of bonds and is defined as the rate, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds. TIC computations produce a figure slightly different from the "net interest cost" (NIC) method because TIC considers the time value of money while NIC does not.

U

Unaccounted Water – Difference between amount of water treated and the amount of water sold. The difference is caused by system losses, leakage, unbilled public usage, and water used during construction projects.

U.S. Army Corps of Engineers – The Corps' mission is to provide quality, responsive engineering services to the nation including planning, designing, building and operating water resources and other civil works projects (Navigation, Flood Control, Environmental Protection, Disaster Response, etc.)

V

Variable Operating Expenses – Operations and maintenance expenses which vary directly in proportion to the amount of water delivered.

Variance – The dollar and/or percentage difference between two sets of figures.

W

Wastewater – The waterborne discharge from residences, commercial buildings, industrial plants and institutions.

Wastewater Treatment – Processes which involve physical removal of contaminants from the wastewater.

Water Conservation – Reducing the demand for water through activities that alter water use practices, e.g., improving efficiency in water use, and reducing losses of water from leaks.

Water Quality – The chemical, physical and biological characteristics of water with respect to its suitability for a particular purpose. The same water may be of good quality for one purpose or use, and bad for another, depending on its characteristics and the requirements for the particular use.

Water Reclamation – A process by which water used in houses and businesses goes down the drain and becomes wastewater, which is then cleaned using biological and chemical processes so the water can be returned to the environment safely to augment the natural systems from which it came.

Water Rights – A legally protected right, granted by law, to take possession on water occurring in a water supply and to guide the water and put it to beneficial use.

Water Year – The period of June 1 of each calendar year through May 31 of the following calendar year.

Watershed – Area from which water drains to the nearest stream, or lake, eventually to the ocean. Also referred to as a drainage basin.

Well – A vertical drilled hole into an underground formation, usually to obtain a source of water, to monitor ground water quality or to determine the position of the water table.

Working Capital – Budgeted working capital is calculated as a fund's current assets less current liabilities plus current portion of long-term debt.

X

Y

Yield – The rate of return on an investment if it is held to maturity.

Z