

WATER FOR THE PEOPLE.

Construction Starts on Lake Ralph Hall.



ANNUAL OPERATING & CAPITAL BUDGETS.

OCTOBER 1, 2021 – SEPTEMBER 30, 2022

TREATED WATER
LONG-RANGE WATER SUPPLY
WATER RECLAMATION
NON-POTABLE WATER REUSE

WATERSHED PROTECTION
WATER CONSERVATION
HOUSEHOLD HAZARDOUS
WASTE DISPOSAL



UPPER TRINITY REGIONAL WATER DISTRICT | LEWISVILLE, TX

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

OPERATING AND CAPITAL BUDGETS

FISCAL YEAR 2021 - 2022

OCTOBER 1, 2021 – SEPTEMBER 30, 2022

Record Vote for Operating Budget

For: **19**
Against: **0**
Absent: **4**

Record Vote for Capital Budget

For: **19**
Against: **0**
Absent: **4**

**Adopted by the Board of Directors
September 2, 2021**

UPPER TRINITY REGIONAL WATER DISTRICT
BOARD OF DIRECTORS
Fiscal Year 2021 – 2022

Brian Roberson, President – Aubrey
Bob Hart, Vice President – Corinth
Clay Riggs, Treasurer – Flower Mound
Lyle Dresher, Secretary – Northlake

Troy Norton – Argyle
Del Knowler – Bartonville
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(Vacant) – Double Oak
Richard Lubke – Highland Village
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Greg Scott – Justin
(Vacant) – Krum
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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Upper Trinity Regional Water District
Texas**

For the Fiscal Year Beginning

October 1, 2020

Executive Director

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READER'S GUIDE

Welcome to the Upper Trinity Regional Water District's (UTRWD's) FY 2022 Budget document. This document is intended to provide practical and pertinent information about the District's financial planning, policies, goals, and priorities for FY 2022, but also provides insight through FY 2026.

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 2022. 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 2021 and FY 2022. 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 2, 2021

SUBJECT: FY 2021 - 2022 PROPOSED BUDGETS

I respectfully submit the proposed Operating and Capital Budgets for the Fiscal Year beginning October 1, 2021 for your consideration. These proposed budgets will fund ongoing operations, keep our critically important capital improvement program moving forward, and prepare the District to respond to continued growth within our service area while also preparing for future 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 action on priority regional projects to meet on-going needs within the District's service area. Key projects are listed in the Executive Summary of the FY 2021 – 2022 Budget document.

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

EXECUTIVE SUMMARY

Staff is pleased to propose the FY 2021-2022 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.

The adopted operating budgets (unchanged from the proposed operating budgets) for the District's utility systems total \$68.92 million for the fiscal year, an overall increase of 3.2% compared to last year's proposed budget of \$66.75 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 \$241.16 million, a 37.2% increase from last year's budget of \$175.84 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	3.75%
Northeast Regional Water Reclamation System	3.00%
Lakeview Regional Water Reclamation System	2.50%
Peninsula Water Reclamation Plant	3.00%
Administration	0.00%
Non-Potable Water System	2.16%
Household Hazardous Waste	0.00%

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

- Five additional positions will be required to keep up with the increasing workload as the District continues to grow. The five requested positions are:
 - A Northeast Maintenance Supervisor (Half-year funded) to provide maintenance supervisory support to the District's northeast service area, which has experienced tremendous growth in water and wastewater flows.
 - A Wastewater Operator (Half-year funded) to be shared between the Lakeview and Peninsula Water Reclamation Plants to provide operational support for the ever-increasing amount of flows, particularly at the Peninsula Plant.
 - A Wastewater Operator (Half-year funded) to be shared between the Riverbend and Doe Branch Water Reclamation Plants to provide operational support due to tremendous growth in flows experienced over the past several years.
 - A Lake Ralph Hall (LRH) Assistant Construction Manager (CIP Funded) to assist the LRH Construction Manager with this expanding, multi-year project, for the construction of a lake and supporting facilities.

- A Lake Ralph Hall (LRH) Secretary (CIP Funded) needed for increased project administrative duties as the LRH project activities continue to expand.
- The proposed budget includes an allowance of 4.0% to cover promotions, merit increases and other increases in employee compensation.
- A projected Healthcare cost increase of 10.0% from FY 2021.
- The proposed budget for the Regional Treated Water reflects a 15.8% cost increase for raw water from Dallas Water Utilities and the City of Denton. The proposed budget is based on anticipated water purchases from the various sources as follows:

<u>Source</u>	<u>Average Usage</u>
Dallas Water Utilities	17.76 MGD
Denton	5.47 MGD
Chapman Lake	9.50 MGD
Reuse	3.52 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 \$0.015 / 1,000 gallons, a \$0.005 / 1,000 gallon decrease from FY 2021.
 - General planning for Future Water Resources at \$0.02 / 1,000 gallons, no change from FY 2021.
 - Watershed Protection Program at \$0.015 / 1,000 gallons, a \$0.005 / 1,000 gallon decrease from FY 2021.
- Reserves are an important component of the District's core business:
 - Propose to contribute to the long-term reserve for future replacement of aging facilities (Capital Replacement Reserve) at \$0.11 / 1,000 gallons 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.
 - Propose 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, \$0.01 / 1,000 gallons in the Northeast Regional Water Reclamation System, and \$0.02 / 1,000 gallons for the Peninsula Water Reclamation Plant.
- Within the Household Hazardous Waste Program, the District continues to provide an interim service until cities choose to host their own programs, generally through their solid waste providers.
- Certain elements of the budgets are provided by Interfund transfers:
 - O&M Reserves for all operations are projected to be fully funded at FY 2022 year-end.
 - Pro-rata contributions will be made from all funds to the Vehicle and Equipment Replacement Fund to assist in future replacement of vehicles and heavy equipment as necessary.

- Debt Service for FY 2022 includes:
 - The Regional Treated Water System has an estimated Commercial Paper interest rate of 0.80%. In addition, we plan to convert approximately \$22.50 million to long-term debt in late FY 2022, which includes a partial-year interest payment of \$375,000. The fourth year of a deferred interest payment on the TWDB Board Participation Loan (2015 Issue) for Lake Ralph Hall, increases by \$62,575. Additionally, a principal and interest payment of \$865,000 will be due for the third issue of TWDB Subsidized Interest funding (\$15.84 million) for the Parallel Pipeline Project, issued in November 2020 (FY 2021).
 - The Lakeview Regional Water Reclamation System will utilize Non-Bond Capital Reserve funds for continued design and to begin construction of improvements for the expansion of treatment capacity at the Lakeview Plant from 5.5 to 7.5 MGD.
 - The Northeast Regional Water Reclamation System (Riverbend Plant) debt service will reflect a decrease of \$13,315 due to having repaid all previous deferred interest amounts related to the Series 2002 State Participation issued to construct joint facilities of the Riverbend Plant. Continued payments for this debt issue are comprised of principal and interest.
 - The Peninsula Water Reclamation Plant will continue to utilize customer contributions for continued construction of facilities to expand the treatment capacity of the Peninsula Plant from 0.94 to 2.0 MGD.

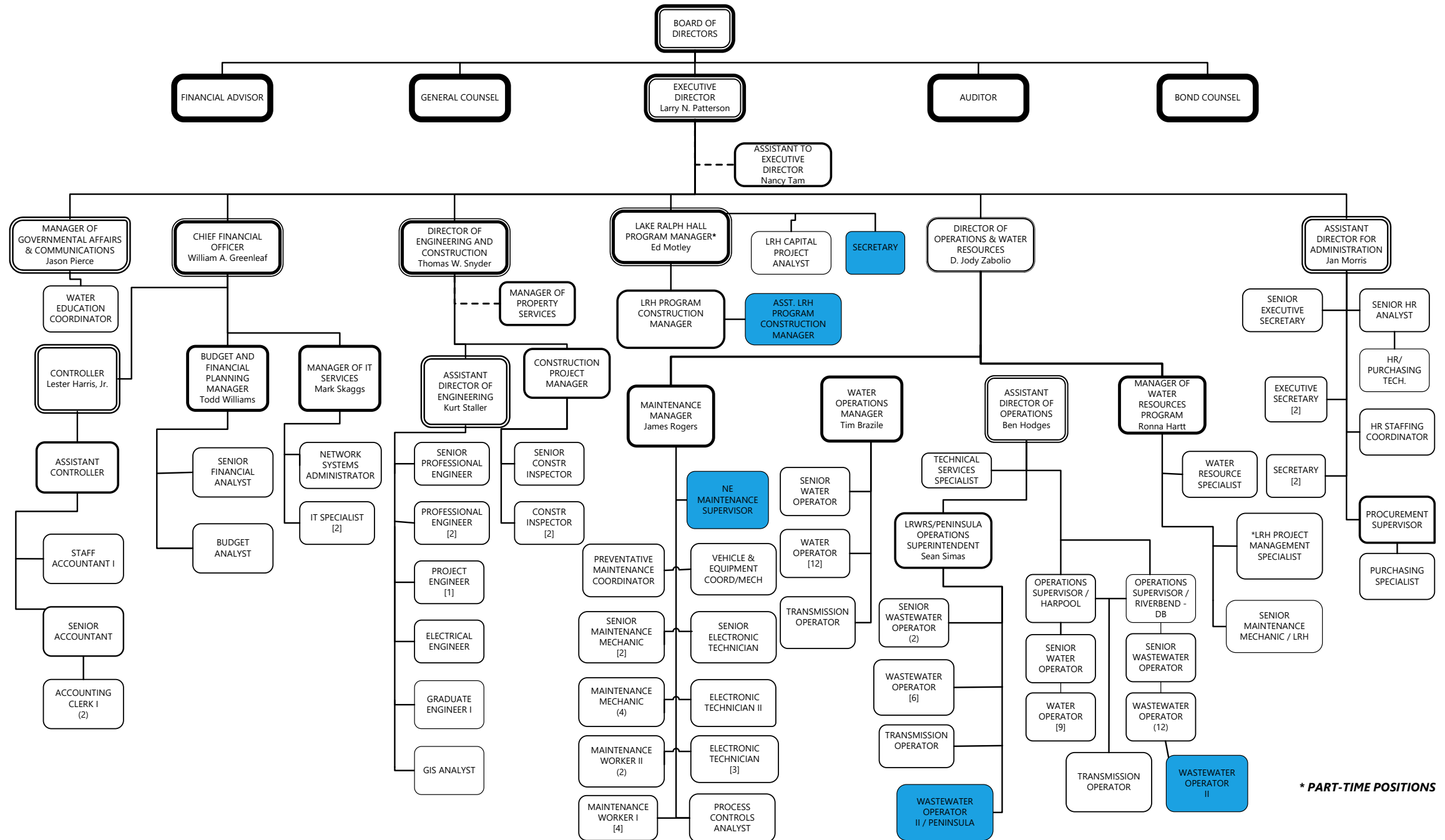
CAPITAL IMPROVEMENT PROGRAMS

Key capital projects include:

- Southwest Pump Station, Phase 1 project consists of design / engineering and acquisition of land / easements to construct 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 land acquisitions, design / engineering, and construction activities of various segments of the lake and its supporting facilities (i.e., dam, pump station, pipelines, roadways, and bridges).
- 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.
- Harpool RWTP Phased Treatment Expansion, Phase I project includes expanded administration and maintenance facilities, increased raw water handling, improvements / expansion of membrane water treatment capabilities, and construction of critical infrastructure improvements to provide for a phased-in treatment capacity expansion to 30.0 MGD by 2025.
- Harpool RWTP North Transmission Main, Phase 1 will include design / engineering and construction of a regional treated water transmission main to deliver water to Mustang Special Utility District's third point of delivery and other customers north of the Harpool RWTP.
- Harpool RWTP Northeast Transmission Pipeline, Phases 1 and 2 will continue with 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.
- TxDOT / IH-35 Project will include easement acquisition, 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 activities will include design / engineering and construction to expand the treatment capacity from 5.5 to 7.5 MGD.
- System Interceptor and Odor Control Improvements Project will include design / engineering and construction of improvements to correct piping, transporting, and odor control issues for the Lakeview System's collection system.
- Riverbend Plant Expansion, Phase 3 project will complete upgrades and improvements related to the prior expansion of the Riverbend Regional Water Reclamation Plant from 2.0 to 4.0 MGD.
- Doe Branch Plant Expansion, Phase 2 project will complete construction to expand the treatment capacity from 2.0 to 4.0 MGD.
- Doe Branch Plant Expansion, Phase 3 project will include preliminary design and engineering for the further expansion of Plant's treatment capacity from 4.0 to 8.0 MGD due to the tremendous population growth in the Northeast service area.
- Phase 1, Parallel Interceptor will include continued design / engineering activities, purchases of rights-of-way, and begin construction of a parallel interceptor from approximately Fishtrap Road south to the Doe Branch Water Reclamation Plant for additional capacity to transport the ever-increasing wastewater flows from the Northeast service area.
- Relocation / TxDOT U.S. Hwy 380 Project (Doe Branch Plant) will complete coordination activities with Texas Department of Transportation's U.S. Hwy 380 project for the relocation of the Doe Branch Plant's wastewater pipelines and related facilities due to roadway improvements.
- Peninsula WRP Expansion project will continue with design / engineering and construction to expand the treatment capacity from 0.94 to 2.0 MGD.

FY 2022 ADOPTED ORGANIZATIONAL CHART



*** PART-TIME POSITIONS**

SUMMARY OF AUTHORIZED POSITIONS

	2020 Adopted Budget	2021 Adopted Budget	2022 Adopted Budget		2020 Adopted Budget	2021 Adopted Budget	2022 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	Assistant Director of Operations	1	1	1
Manager of Governmental Affairs and Communications	1	1	1	Technical Services Specialist	1	1	1
Water Education Coordinator	1	1	1	Process Controls Analyst	1	1	1
Senior Executive Secretary	1	1	1	Maintenance Manager	1	1	1
Executive Secretary	2	2	2	Northeast Maintenance Supervisor *	0	0	1
Assistant Director for Administration	1	1	1	Preventative Maintenance Coordinator	1	1	1
Senior HR Analyst	1	1	1	Vehicle & Equipment Coordinator / Mechanic	1	1	1
HR Staffing / Coordinator	0	1	1	Senior Electronic Technician	1	1	1
HR Generalist	1	0	0	Electronic Technician II	1	1	1
HR / Purchasing Technician	0	1	1	Electronic Technician I	2	3	3
Procurement Supervisor	1	1	1	Senior Maintenance Mechanic	2	2	2
Purchasing Specialist	1	1	1	Maintenance Mechanic	4	3	4
Secretary	2	2	2	Maintenance Worker II	1	4	2
Total	14	15	15	Maintenance Worker I	4	3	4
				Total	22	24	25
Business/Finance							
Chief Financial Officer	1	1	1	Northeast Water/Wastewater Reclamation System			
Controller	1	1	1	Operations Supervisor	1	1	1
Assistant Controller	1	1	1	Senior Water Operator	1	1	1
Senior Accountant	1	1	1	Water Operator III	4	4	4
Staff Accountant I	1	1	1	Water Operator II	4	3	3
Accounting Clerk II	1	1	0	Water Operator I	1	2	2
Accounting Clerk I	1	1	2	Operations Supervisor	0	1	1
Budget and Financial Planning Manager	1	1	1	Senior Wastewater Operator	1	1	1
Senior Financial Analyst	1	1	1	Wastewater Operator III	6	6	7
Financial Analyst	1	1	0	Wastewater Operator II	2	4	2
Budget Analyst	0	0	1	Wastewater Operator II *	0	0	1
Manager of IT Services	1	1	1	Wastewater Operator I	4	2	3
Network Systems Administrator	1	1	1	Transmission Operator	0	0	1
IT Specialist	2	2	2	Total	24	25	27
Total	14	14	14				
Engineering/Construction				Lakeview Regional Water Reclamation System			
Director of Engineering and Construction	1	1	1	LRWRS / Peninsula Operations Superintendent	1	1	1
Assistant Director of Engineering and Construction	1	1	1	Senior Wastewater Operator	1	1	2
Senior Professional Engineer	1	1	1	Wastewater Operator III	5	4	2
Project Engineer	3	2	1	Wastewater Operator II	1	2	2
Professional Engineer	0	0	2	Wastewater Operator II *	0	0	1
Electrical Engineer	0	1	1	Wastewater Operator I	1	1	2
Graduate Engineer I / Graduate Engineer II	2	2	1	Transmission Operator	1	1	1
GIS Analyst	1	1	1	Total	10	10	11
Manager of Property Services	1	1	1				
Construction Project Manager	1	1	1	Regional Treated Water System			
Senior Construction Inspector	1	1	1	Water Operations Manager	1	1	1
Construction Inspector	2	2	2	Senior Water Operator	1	1	1
Total	14	14	14	Water Operator III	6	8	8
				Water Operator II	1	3	4
Lake Ralph Hall				Water Operator I	5	1	0
Manager of Water Resources Program	1	1	1	Transmission Operator	2	2	1
Water Resource Specialist	1	1	1	Total	16	16	15
Lake Ralph Hall (LRH) Program Manager	1	1	1				
Project Funding Accountant - LRH (CIP)	0	1	0	Total Authorized Positions	117	125	130
LRH Capital Project Analyst*	0	0	1				
LRH Program Construction Manager (CIP)	0	1	1	* Requested Positions (5)			
Senior Maintenance Mechanic (LRH)	0	1	1				
LRH Project Management Specialist (CIP)	0	1	1				
LRH Project Assistant Construction Manager *	0	0	1				
LRH Project Secretary *	0	0	1				
Total	3	7	9				

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 34 entities (23 cities and towns, 1 utility authority, 3 water supply corporations, 5 fresh water supply districts, 1 utility 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 25 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.

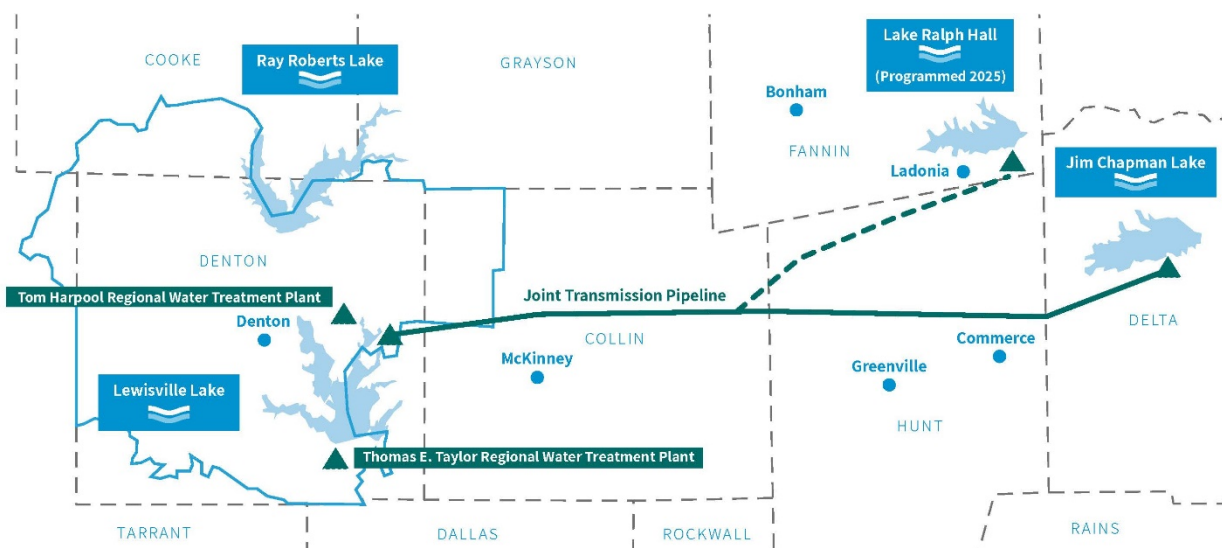
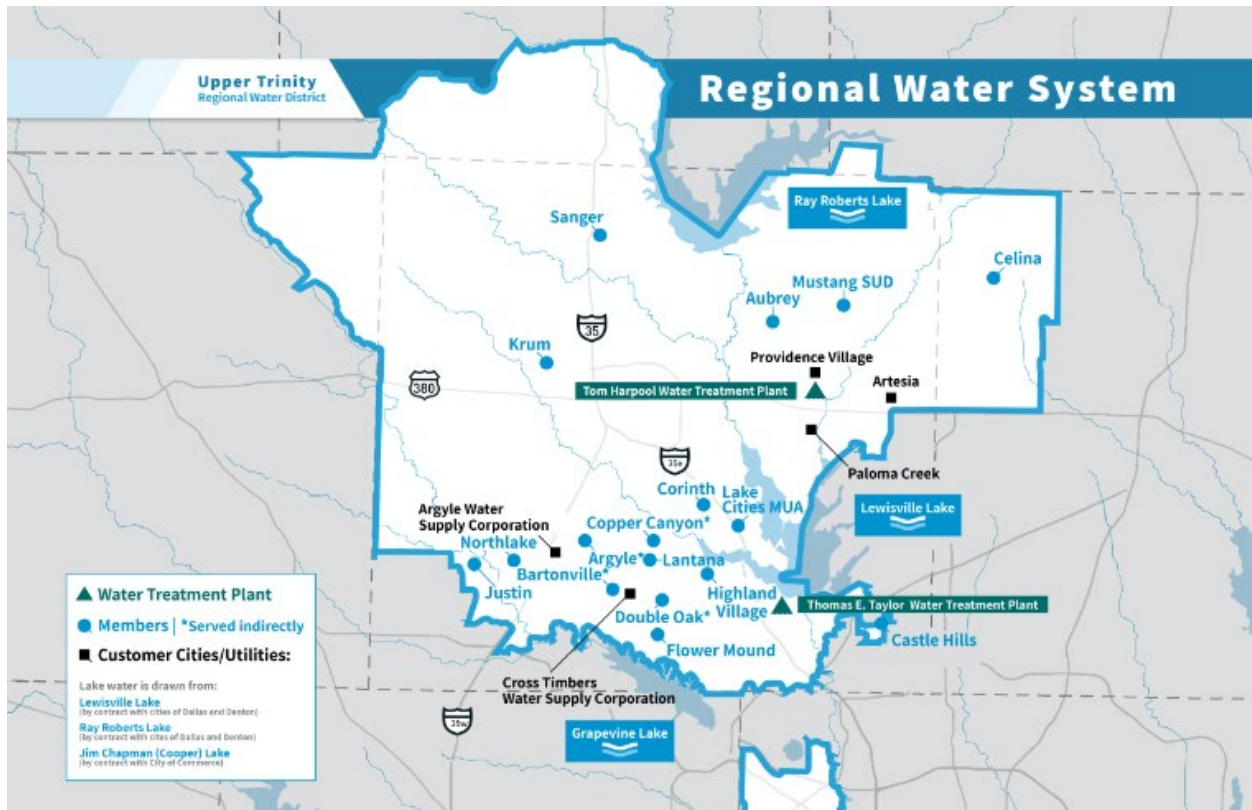
Using state-of-the-art technology and processes, the District prides itself in delivering high quality drinking water, while holding ourselves to higher water quality standards than what is traditionally required by state and federal regulations.

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. Present supplies are adequate for about 5-7 years and additional water is needed to comply with the 50-year state water planning criteria.

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.



These water supply sources will be adequate for about 5-7 years, after which time additional water supplies will be needed. More water conservation and more reuse of existing supplies are part of the answer. However, additional water sources are absolutely critical. The District is working to develop a new source of water in Fannin County -- Lake Ralph Hall.

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 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 25 MGD. The expansion of administration and maintenance facilities, increased raw water handling, and treatment capability will lead to a 30 MGD capacity by 2025. 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 106.9 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 2022.

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). 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 are being made to the Plant (and surrounding property) that are projected to be completed by the end of FY 2022.

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 Denton County Fresh Water Supply District #10 (Artesia community) and Mustang Special Utility District. Similar to the Riverbend Plant service area, the Doe Branch Plant service area has experienced tremendous population growth. Therefore, construction to expand this Plant's treatment capacity from 2.0 to 4.0 mgd began in FY 2020 and is projected to be substantially complete and on-line in November 2021 (FY 2022).

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 to be available in FY 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.

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 66 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.



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.

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. Therefore, the Trust is accounted for on a cost of services or "economic resources" measurement focus, using the Accrual basis of accounting (revenues are recognized when earned and expenses are recognized with incurred). However, the annual budget of the Trust is assembled using the Cash basis of accounting, whereby its cash inflows (Revenues) and outflows (Expenses) recognize only those revenues when collected and expenses when paid, by the District.

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*				
Blackrock WSC				
Celina				
Copper Canyon*				
Corinth				
Cross Roads*				
Cross Timbers WSC				
Denton	***			
Denton County				
Denton County FWSD #1A				
Denton County FWSD #7				
Denton County FWSD #8A				
Denton County FWSD #10				
Denton County FWSD #11A				
Double Oak*				
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 2022 budget presents a comprehensive projection of Upper Trinity Regional Water District (UTRWD) operations from October 1, 2021 through September 30, 2022. This budget overview describes the key recommendations encompassing the FY 2022 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 revenues and expenses are projected based on when cash is received or paid). This differs from the Accrual method (recognizing revenues when services have been rendered or when expenses have been incurred), which is used by District staff when preparing its financial statements. There are also Internal Service funds (Administration, Information Technologies, and Maintenance) that support the District's four core businesses. These core businesses consist of:

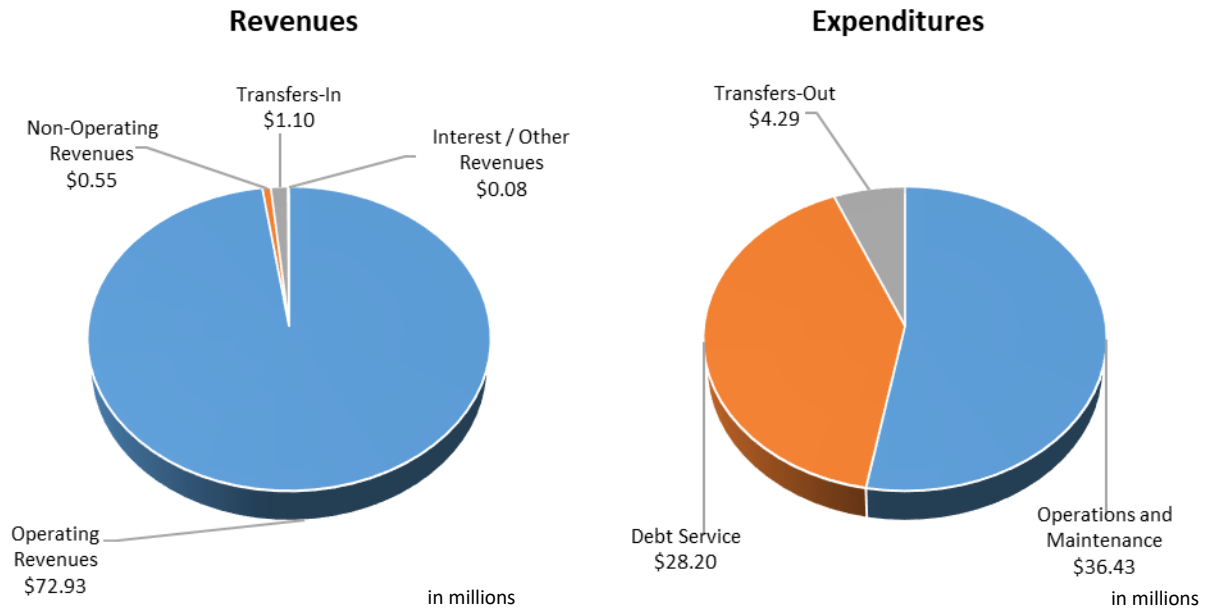
- **Water System** – the Regional Treated Water System includes functions related to the development and provision of additional water resources, pumping of raw water from existing sources, treatment of raw water, and distribution of treated water to members / customers of the System. Additionally, this 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 2022 Operating budget, adopted by its Board of Directors on September 2, 2021, totals \$68,916,430, an overall increase of 3.2% from the 2021 budget total of \$66,753,975. A District-wide summary of FY 2022 revenue requirements (expenses), as well as the sources of funding to meet these requirements (revenues) is provided in the following table. FY 2021 data is also provided for comparison purposes.

UTRWD Operating Systems				\$ in Millions			
				FY 2021 Budget	FY 2022 Budget	\$ Change	% Change
Revenues							
	Operating Revenues			\$ 67.67	\$ 72.93	\$ 5.26	7.8%
	Non-Operating Revenues			1.31	0.54	(0.77)	(58.5%)
	Transfers-In						
	Internal Reserve Funds			2.20	0.90	(1.30)	(59.0%)
	Other Systems			0.57	0.20	(0.37)	(65.2%)
	Interest / Other Revenues			0.36	0.08	(0.28)	(79.2%)
	Total			\$ 72.11	\$ 74.66	\$ 2.54	3.5%
Expenditures							
	Operations and Maintenance			\$ 33.19	\$ 36.43	\$ 3.24	9.8%
	Debt Service and Related Expenses			28.42	28.20	(0.22)	(0.8%)
	Transfers-Out						
	Internal Reserve Funds			4.46	4.02	(0.44)	(9.8%)
	Other Systems			0.68	0.27	(0.41)	(61.1%)
	Total			\$ 66.75	\$ 68.92	\$ 2.17	3.2%

The FY 2022 budget presents a financial plan designed to continue UTRWD's mission to develop and manage water and wastewater services in the interest of its members, using consensus-based strategies that are environmentally and economically sound. Some key objectives of the plan are:

- The addition of five new positions to keep up with the increasing workload as the District continues to grow.
 - 6-months of costs included for a new Northeast Maintenance Supervisor.
 - 6-months of costs included for a new Wastewater Operator (shared between the Lakeview and Peninsula Plants) due to the tremendous amount of treatment flows and associated biosolids processing workload at the Peninsula Plant.
 - 6-months of costs included for a new Wastewater Operator position (shared between the Riverbend and Doe Branch Plants) due to the continued growth in treatment flows in the Northeast Regional Water Reclamation System.
 - A new Lake Ralph Hall Project Assistant Construction Manager (full-year funding from the Capital Improvement Program).
 - A new Lake Ralph Hall Project Secretary (full-year funding from the Capital Improvement Program).
- A total of 130 positions are reflected in the FY 2022 budget.
- Continue to adequately fund the District's reserves as supported and encouraged by the District's Board of Directors.
- Continue to attract and retain a high-quality workforce with the inclusion of a 4% increase to Personnel cost for merit raises and promotions.
- Projection of a 10% increase for the District's healthcare expense.
- Continue to repair and replace aging infrastructure, as needed.



OPERATING REVENUES

FY 2022 District operating revenues reflect a 7.8% increase from FY 2021 due to the combination of increases to the 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 that are established by the District for System 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.), fees for Administration and Planning (Administration Fund), and charges for Household Hazardous Waste.

The following table represents District-wide Operating Revenues for FY 2021 and FY 2022:

UTRWD Operating Revenues					\$ in Millions			
					FY2021 Budget	FY 2022 Budget	\$ Change	% Change
	Demand Revenues				\$ 36.35	\$ 38.22	\$ 1.87	5.1%
	Fixed O&M Revenues				5.84	7.01	1.17	20.0%
	Volume Revenues				13.96	16.16	2.20	15.7%
	Treatment / Transportation Revenues				4.29	4.73	0.44	10.2%
	Capital Charges: Jt. and Individual Facilities				7.06	6.64	(0.42)	(5.9%)
	Administration & Planning Fees				0.16	0.16	-	0.0%
	Charges for Household Hazardous Waste				0.01	0.01	-	0.0%
	Total				\$ 67.67	\$ 72.93	\$ 5.26	7.8%

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 58.9% from FY 2021 largely due to no longer receiving a \$647,085 credit from

Dallas Water Utilities (related to escrow funds being charged to the District for a lawsuit between Dallas and one of its raw water suppliers) in the RTWS.

The following table represents District-wide Non-Operating Revenues for FY 2021 and FY 2022:

UTRWD Non-Operating Revenues					\$ in Millions			
					FY2021 Budget	FY 2022 Budget	\$ Change	% Change
	Contract Payments				\$ 0.41	\$ 0.27	\$ (0.14)	(35.0%)
	Dallas Water Utilities Raw Water Credit				0.65	-	(0.65)	(100.0%)
	Rental Revenues				0.18	0.19	0.01	6.4%
	Shared Debt Payments				0.08	0.08	-	0.0%
	Total				\$ 1.32	\$ 0.54	\$ (0.78)	(58.9%)

TRANSFERS-IN

FY 2022 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 60.3% from FY 2021 largely due to a reduction of \$770,000 of O&M Reserve funding (from \$1.48 to \$0.71 million) to complete a raw water holding pond dredging project in the Regional Treated Water System in FY 2022. Also, there is a \$600,000 reduction from FY 2021 of Non-Bond Capital Reserve funding not required as a rate stabilization tool for the Northeast Regional Water Reclamation System in FY 2022. However, a transfer of \$42,000 of Non-Bond Capital Reserve funding for rate stabilization is shown for FY 2022 at the Peninsula Water Reclamation Plant.

FY 2022 District Transfers-In from Other Systems consist of loan payments from other System participants for prior year funding of capital projects by RTWS 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 2021 and FY 2022:

UTRWD Transfers-In					\$ in Millions			
					FY2021 Budget	FY 2022 Budget	\$ Change	% Change
	From Internal Reserve Funds							
	Non-Bond Capital Reserve				\$ 0.60	\$ 0.04	\$ (0.56)	(93.0%)
	O&M Reserve				1.47	0.70	(0.77)	(52.6%)
	Series 2000-A Bonds Reserve				0.12	0.12	(0.00)	(0.9%)
	Vehicle / Equipment Replacement Reserve				-	0.03	0.03	N/A
	Working Capital				0.01	0.01	-	0.0%
	From Other Systems							
	Customer Rate Surcharge Revenue				0.12	0.14	0.02	13.0%
	Loan Payments / Debt Service Payment				0.44	0.05	(0.39)	(88.8%)
	Sludge Processing Payment				0.01	0.01	0.00	26.1%
	Total				\$ 2.77	\$ 1.10	\$ (1.67)	(60.3%)

INTEREST AND OTHER REVENUES

FY 2022 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 decrease 79.2% from FY 2021 due to the dramatic decrease in investment and savings interest rates due to the on-going COVID-19 pandemic.

The following table represents District-wide Interest and Other Revenue for FY 2021 and FY 2022:

UTRWD Interest and Other Revenues					\$ in Millions			
					FY 2021	FY 2022		
					Budget	Budget	\$ Change	% Change
	Interest Revenue				\$ 0.33	\$ 0.05	\$ (0.28)	(85.9%)
	Other Revenues				0.03	0.03	0.00	1.5%
	Total				\$ 0.36	\$ 0.08	\$ (0.28)	(79.2%)

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

OPERATIONS AND MAINTENANCE (O&M) BUDGET HIGHLIGHTS

The FY 2022 O&M budget totals \$36.43 million. This is an increase of \$3.24 million, or 9.8%, compared to \$33.19 million in FY 2021. The table below summarizes the primary drivers for the change in the O&M budget from FY 2021 to FY 2022:

	\$ in Millions
FY 2021 O&M Budget	\$ 33.19
Personnel Services	\$ 0.64
Insurance (Prop./Gen. Liability)	0.15
Raw Water Purchases	1.77
Biosolids Disposal	0.12
Chemicals	0.35
Electricity	0.22
Other O&M Changes (Net)	(0.01)
Net Increase in O&M	<u>\$ 3.24</u>
FY 2022 O&M Budget	<u>\$ 36.43</u>

The most significant increase (\$1.77 million) to the District's operating costs for FY 2022 is due to a 15.8% per 1,000-gallon rate increase from Dallas Water Utilities (DWU) for their raw water. Additionally, the District is charged a rate that is 85.0% of the DWU rate from Denton Water Utilities for their raw water. For FY 2022, Dallas raw water makes up roughly 49.0%, with Denton raw water representing 15.1%, 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.

The District's Personnel Services expense is projected to increase \$0.64 million for FY 2022 (5.6%), which includes a 4.0% increase for merit raises and promotions, along with a 10.0% increase for projected healthcare costs. In addition, six-months of expense for three new positions (Northeast Maintenance Supervisor and a Wastewater Operator for the Northeast Regional Water Reclamation System, another that is shared between the Lakeview Regional Water Reclamation System and Peninsula Water Reclamation Plant).

Insurance expense, which includes Property, General Liability, Vehicle, and Cybersecurity, is projected to increase by \$0.15 million (19.5%) from FY 2021. This increase includes an approximate 13.5% rate increase for existing UTRWD operations, and a 5.9% increase (\$44,430) for additional insurance cost related to the value of new assets being put into operations from the completion of a 2.0 mgd treatment capacity expansion at the Doe Branch Water Reclamation Plant (Northeast Regional Water Reclamation System). The District participates in the Texas Municipal League Intergovernmental Risk Pool to manage risks associated with District property and for the liabilities related to District operations.

In previous years, disposal of solid byproducts from the District's water reclamation operations were made at a landfill owned by the City of Lewisville, Texas. District staff projects a \$0.12 million increase (12.3%) for FY 2022 due to the need to transport these materials to a more distant landfill after being notified by the landfill owner that these materials would no longer be accepted as of January 2022.

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. As market prices for oil and petroleum related products have increased over the past fiscal year, many of the District's chemical providers have increased their contract prices for these products. In anticipation of additional rate increases for contracted chemicals, as well as for the increased quantity of chemicals needed for the increases to projected water and wastewater flows for FY 2022, the chemical expense budget reflects a \$0.35 million (18.0%) increase from FY 2021.

Although the District has a long-term electricity contract with Direct Energy for its Regional Treated Water System (Raw Water Intake Structure and Taylor Water Treatment Plant) and its Lakeview Regional Water Reclamation Plant to provides a fixed kilowatt hour rate through April 2023, the budget includes increases to electricity rates for the District's other facilities that are not under a long-term contract. Projected rate increases (on a per 1,000-gallon unit amount), as well as increased usage for the increased amount of projected water and wastewater flows for FY 2022, yield an overall electricity cost increase of \$0.22 million (11.1%).

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 2022 Debt Service for the District is \$28.20 million, a decrease of \$0.22 million (0.8%) from FY 2021.

A summary of the FY 2022 UTRWD debt service requirements (by type of funding), as well as total Commercial Paper expense (interest and associated fees) are provided in the following table.

UTRWD Debt Service and Related Expenses				\$ in Millions			
				FY 2021	FY 2022		
				Budget	Budget	\$ Change	% Change
Senior Lien Debt Expense							
	Revenue / Refunding Bonds			\$ 22.56	\$ 23.46	\$ 0.90	4.0%
	TWDB "D" Fund Bonds			1.26	1.26	-	0.0%
	Water Infrastructure Fund Bonds			1.17	-	(1.17)	(100.0%)
	Subsidized Interest Bonds			2.16	2.14	(0.02)	0.9%
	Total Senior Lien Debt			\$ 27.15	\$ 26.88	\$ (0.27)	1.0%
Junior Lien Debt Expense							
	Board Participation Bonds			\$ 0.19	\$ 0.25	\$ 0.06	31.6%
	State Participation Bonds			0.23	0.22	(0.01)	4.3%
	Commercial Paper Expense			0.81	0.81	-	0.0%
	Total Junior Lien Debt			\$ 1.23	\$ 1.28	\$ 0.05	4.1%
Fiscal Agent Fees				\$ 0.04	\$ 0.04	-	0.0%
	Total			\$ 28.42	\$ 28.20	\$ (0.22)	(0.8%)

Overall District debt service for FY 2022 decreased from FY 2021 due to the refunding of Series 2008 Texas Water Development Board (TWDB) Water Infrastructure Fund Bonds with the issuance of Series 2021 Refunding Bonds in the Regional Treated Water System. This issue also included the conversion of \$30.0 million of outstanding Commercial Paper into long-term debt.

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 transferred out of these reserve funds to the operating system in lieu of a rate requirement (Transfers-In).

The following table represents District-wide Transfers-Out for FY 2021 and FY 2022:

UTRWD Transfers-Out				\$ in Millions			
				2021	2022		
				Budget	Budget	\$ Change	% Change
	To Internal Reserve Funds						
	O&M Reserve			\$ 0.22	\$ 0.91	\$ 0.69	319.4%
	Capital Replacement Reserve			1.69	1.69	-	0.0%
	Watershed Protection Program			0.24	0.19	(0.05)	(21.2%)
	Water Conservation Program			0.24	0.19	(0.05)	(21.2%)
	Future Water Program			0.24	0.25	0.01	4.2%
	Lake Ralph Hall Reserve			0.65	-	(0.65)	(100.5%)
	Northeast Contribution Reserve			0.11	-	(0.11)	(103.8%)
	Gas Lease Reserve			0.12	-	(0.12)	(101.1%)
	Non-Bond Capital Reserve			0.46	0.32	(0.14)	(30.2%)
	Plant Permitting Reserve			0.04	0.03	(0.01)	(24.4%)
	Vehicle / Equipment Replacement Reserve			0.45	0.44	(0.01)	(2.2%)
	To Other Systems						
	Administration (Customer Rate Surcharge)			0.13	0.14	0.01	8.0%
	Internal Loan / Shared Debt Service Payments			0.56	0.13	(0.43)	(76.6%)
	Total			\$ 5.15	\$ 4.29	\$ (0.86)	(16.7%)

The largest variance (319.4%) shown above is the change in contributions to District O&M Reserve Funds from FY 2021 to FY 2022. 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 increase of \$0.91 million from FY 2021 to FY 2022 is largely the result of a \$0.74 million increase for the Regional Treated Water System since there was no contribution in 2021 from rate revenues. However, \$1.25 million was deposited to this System's O&M Reserve at mid-year 2021 from excess working capital. The following information reflects the FY 2022 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	\$0.74 million	100.0%
Lakeview Regional Treated Water System	\$0.00 million	100.0%
Northeast Regional Treated Water System	\$0.14 million	100.0%
Peninsula Water Reclamation Plant	\$0.03 million	100.0%
Non-Potable Water System	\$0.00 million	100.0%

Additionally, the FY 2022 budget does not include a transfer to the Lake Ralph Hall Reserve Fund (Regional Treated Water System) because of no longer receiving a raw water credit from Dallas Water Utilities, as was received in FY 2021. There are no contributions to the Northeast Contribution and Gas Lease Reserve Funds (Regional Treated Water System) in FY 2022, due to no longer receiving payments City of Celina for a prior year loan to construct the Doe Branch Interceptor, Phase 2 project (Northeast Regional Water Reclamation System).

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

RATE IMPACTS 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 3.75% for FY 2022:

- The Volume Rate adopted for members is \$1.25 / 1,000 gallons (a 7.8% increase from the FY 2021 rate of \$1.16 / 1,000 gallons) and for customers is \$1.34 / 1,000 gallons (a 7.2% increase from the FY 2021 rate of \$1.25 / 1,000 gallons).
- The Demand Charge increased to \$466,055 per mgd of contracted system capacity, a 2.4% increase over the FY 2021 charge of \$455,150 per mgd.
- The Flat Rate / Temporary Service Rate adopted by the Board is \$4.92 / 1,000 gallons, representing a 3.8% increase from the prior year rate of \$4.74 / 1,000 gallons.

FY 2022 operating expenditures reflect an overall increase of 3.9% from the prior year total. This is largely due to the 15.8% rate increase received from Dallas Water Utilities for the per 1,000-gallon rate for raw water. This yielded a combined 26.4% increase for Dallas and Denton raw water cost from FY 2021.

LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

The following rates and charges are established to keep the overall average rate impact at 2.50% for FY 2022:

- The adopted Treatment Rate adopted is \$1.25 / 1,000 gallons and is unchanged from the FY 2021 rate.
- The adopted Fixed O&M Charge is \$423,500 per mgd of contracted system capacity, representing a 4.9% increase from the FY 2021 charge of \$403,500 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 2022 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 2022 operating expenditures reflect an overall decrease of 2.6%, largely due to the reduction of the annual contribution to the Non-Bond Capital Reserve Fund of \$100,000, as well as no contribution being required for the O&M Reserve Fund for FY 2022. However, Biosolids Disposal expense reflects a projected increase of approximately \$20,000 related to the upcoming closure of the City of Lewisville Landfill, requiring transport of these materials to a more remote landfill. Allocated Administration, Information Technology, and Maintenance Funds expense decreased by approximately \$35,285 from FY 2021 due to the increase of operating expenses found in other District operating systems.

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM — RIVERBEND AND DOE BRANCH PLANTS

The following rates and charges are established to keep the overall average rate impact at 3.00% for FY 2022:

- The adopted Treatment Rate for members remains at \$1.25 / 1,000 gallons and for customers at \$1.34 / 1,000 gallons.
- The adopted Fixed O&M Charge is \$589,650 per mgd of contracted system capacity, representing a 4.6% increase from the FY 2021 charge of \$463,500 per mgd.

- Capital Charges for Joint / Individual facilities are assessed to recover debt service costs associated with capital facilities for each customer. The FY 2022 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 2022 operating expenditures for the Northeast Regional Water Reclamation System reflect an overall increase of 2.2%. Biosolids Disposal expense reflects a projected increase of approximately \$94,000 related to the upcoming closure of the City of Lewisville Landfill, requiring transport of these materials to a more remote landfill. In addition, these costs reflect an increase due an approximate 15.1% increase in projected treatment flows from FY 2021. Other variable expenses such as electricity and chemical expense are projected to increase by an additional \$90,000 also due to the increase treatment flows to be treated for FY 2022.

PENINSULA WATER RECLAMATION PLANT

The following rates and charges are established to keep the overall average rate impact at 3.00% for FY 2022:

- The adopted Treatment Rate for members is \$1.61 / 1,000 gallons, representing a 1.9% increase from the FY 2021 rate of \$1.58 / 1,000 gallons.
- The adopted Fixed O&M Charge of \$680,250 per mgd of contracted system capacity, representing a 3.8% increase from the FY 2021 charge of 655,100 per mgd.

Operating expenses for the Peninsula Plant reflect an overall increase of 18.6% from FY 2021, primarily due to reallocating a larger portion of Personnel Services expense (\$142,000) from the Lakeview Regional Water Reclamation System to the Peninsula based on the increased workload caused from extreme growth in treatment flows from prior years. Additionally, due to the large increase in projected treatment flows for FY 2022 over FY 2021 (26.2%), Sludge Hauling and Biosolids Disposal expense reflects an increase of 44,420 (24.0%).

ADMINISTRATION FUND

By Contract, each Member and Contract Utility pays for administration and planning costs of the District, generally according to population. The FY 2022 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.

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. 60.0% of the 95.0% allocation total is then budgeted to the District's Operating Systems, while the remaining 40% of this total is allocated to the Capital Improvement Program budget. While expenses for the Information Technology Division are shown separately for tracking purposes, total expenses are then 100.0% allocated back to the Administration Fund for further allocation to the District's operating and capital improvement program budgets.

The FY 2022 Administration budget includes a transfer of \$85,000 (Regional Treated Water System) and \$55,000 and from the Riverbend Plant (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. 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.

FY 2022 expenditures reflect an overall 5.9% increase due to projecting a 10.0% increase for employee health insurance costs and a 79.0% increase in Building Maintenance and Improvements to repair the HVAC ductwork and to purchase new modular workspace furniture for the Business Division office.

NON-POTABLE WATER SYSTEM

The following rates and charges are established that reflect an overall average rate impact at 2.16% for FY 2022:

- The adopted Treated Effluent Water Rate is \$0.49 / 1,000 gallons, representing an 8.9% increase from the FY 2021 rate of \$0.45 / 1,000 gallons.
- The adopted Raw Water Rate is \$1.08 / 1,000 gallons, representing a 10.2% increase from the FY 2021 rate of \$0.98 / 1,000 gallons.
- The adopted Demand Charge of \$125,000 per mgd of contracted system capacity and is unchanged from FY 2021.

Operating expenses for the Non-Potable Water System reflect an overall decrease of 3.7% from FY 2021, primarily due to decreasing the allocated percentage of Administration, Information Technology, and Maintenance Fund expenses by \$12,015 from FY 2021. Additionally, Treated Effluent Water expense reflects a \$4,365 increase from FY 2021 due to a 9.7% rate increase for this type of water from Dallas Water Utilities. FY 2022 Raw Water expense reflects a \$495 increase due to 15.8% rate increase from Dallas Water Utilities from FY 2021.

HOUSEHOLD HAZARDOUS WASTE FUND

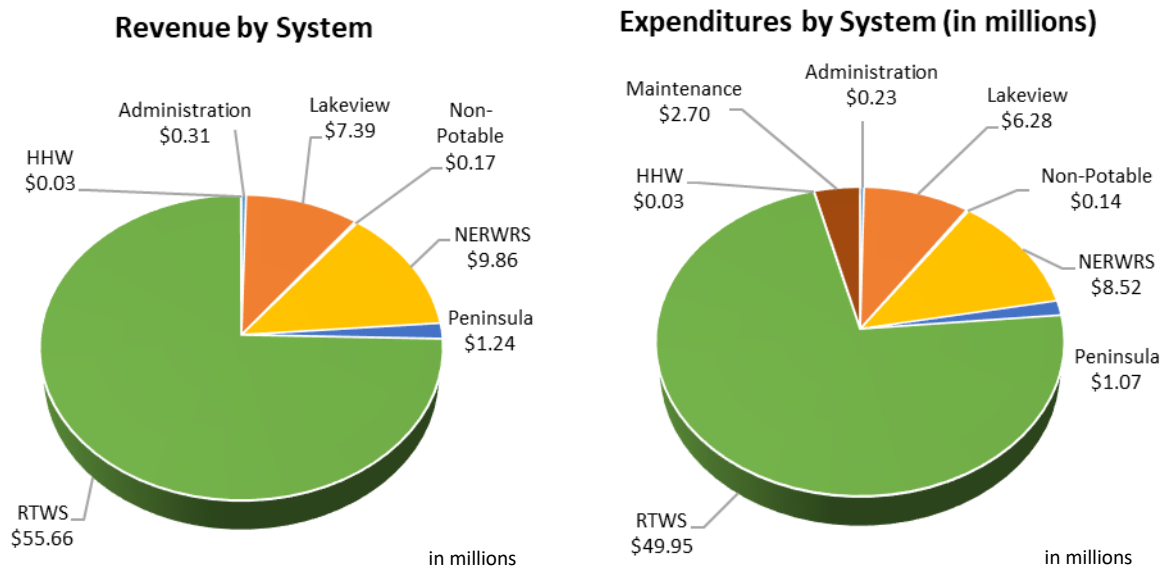
The collection and disposal rate of \$91 per household and the individual voucher rate of \$61 per household, remains unchanged for FY 2022. The projected level of participation in the Household Hazardous Waste Program is also unchanged for FY 2022. The District's program has been providing this service 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 – 52.0%, Lakeview Water Reclamation System – 14.0%, Northeast Water Reclamation System – Riverbend and Doe Branch Plants – 26.5%, Peninsula Water Reclamation Plant – 5.00%, Non-Potable Water System – 0.5%, and Administration – 2.0%.

Total expenditures reflect an 8.9% increase over the prior year's adopted budget. Six months of expense (\$64,500) is provided for a new position for FY 2022 – a Northeast Maintenance Supervisor – to assist with increasing growth in the District's northeast service area. Within the adopted budget, the furniture and equipment over \$5,000 budget reflects an \$84,000 increase from FY 2021 due to the purchase of a new half-ton truck for the new supervisor position, the purchase of a new Mini-Track Excavator and spare rubber tracks, and the installation of a new Elevator / Manlift at the Maintenance Building.

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

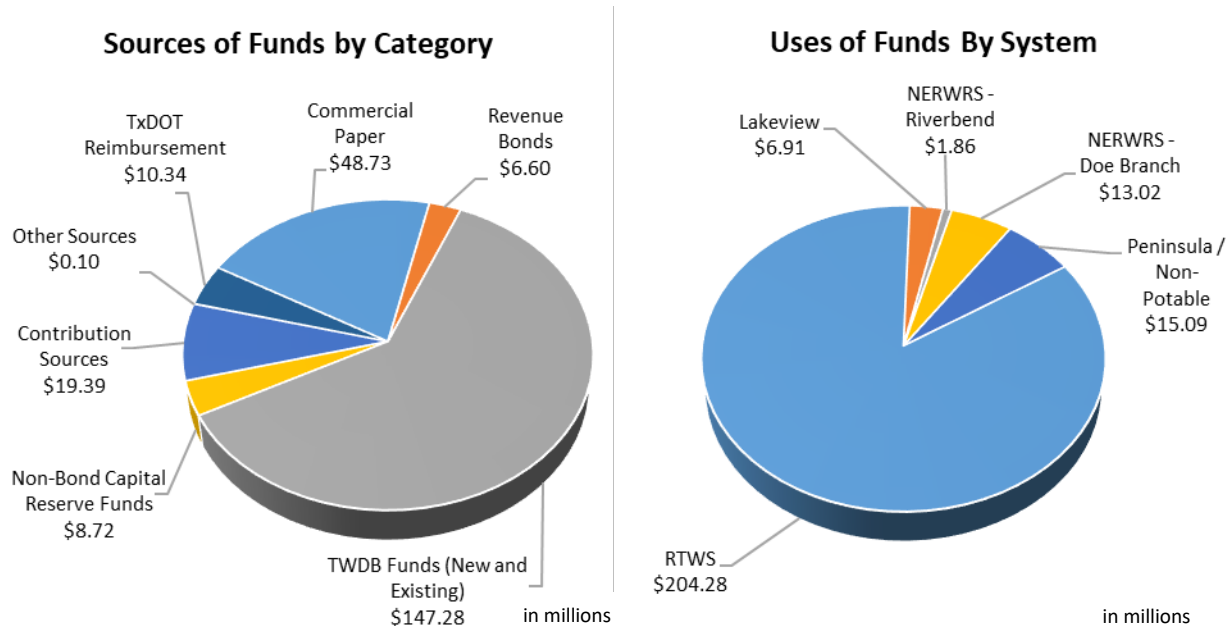


CAPITAL IMPROVEMENT PROGRAM (CIP) HIGHLIGHTS

The FY 2022 Capital Improvement Program totals \$241.16 million, an overall increase of \$65.33 million (37.2%) from FY 2021. The planned projects include:

- Continued construction of various segments (Dam, Roadways, Bridges) of the Lake Ralph Hall project.
- Continued construction of various pumping and water treatment (production) improvements at the Taylor Regional Treated Water Plant.
- Continued construction to expand the water treatment (production) capacity at the Harpool Regional Treated Water Plant.
- Completion of construction to expand the Doe Branch Regional Water Reclamation Plant from 2.0 to 4.0 mgd of treatment capacity.
- Continued construction to expand the Peninsula Water Reclamation Plant from 0.94 to 2.0 mgd of treatment capacity.
- Begin construction to expand the Lakeview Regional Water Reclamation Plant from 5.50 to 7.5 mgd of treatment capacity.
- Improvements to water and water reclamation treatment facilities.
- Water and sewer main relocations that support Denton and Collin Counties and the Texas Department of Transportation (TxDOT) highway widening and drainage improvements in the District's service area.
- Construction of finished water pipelines to increase system transmission capacity to current and new members / customers.

The District's CIP budget increase of \$65.33 million from FY 2021 is largely due to increased efforts associated with the construction of the various segments of the Lake Ralph Hall project. The FY 2022 Lake Ralph Hall budget increased approximately \$52.73 million from FY 2021. During FY 2021, the District's Board of Directors approved multi-year contracts totaling approximately \$272.85 million for engineering / design, construction, and other related services for the Lake Ralph Hall project and the FY 2022 budget for this project reflects the District's ever-increasing efforts to complete this project on-schedule.



The FY 2022 budget assumes that approximately 20.2% (\$48.73 million net of a \$0.58 million reimbursement from Mustang SUD) of the funds necessary to complete the 2022 CIP will be provided by the Regional Treated Water Systems' Commercial Paper program. The District has an authorized maximum commercial paper capacity level of \$75.0 million, with \$48.5 million projected to be outstanding at the end of FY 2022 (after conversion of \$22.50 million of outstanding commercial paper to long-term debt).

New Revenue Bond funding of \$3.72 million (1.5%) is required for FY 2022 CIP funding. Revenue Bond issues totaling approximately \$17.56 million are projected to be issued in FY 2022 to provide bond proceeds for capital projects in the Northeast Regional Water Reclamation System for FY 2022 through partial-FY 2024. \$2.88 million (1.2%) from previously issued Revenue Bonds is also on-hand for FY 2022 CIP funding.

35.6% (\$85.81 million) of required FY 2022 funding consists of previously secured funding from the Texas Water Development Board (TWDB) in the form of "D" Funds, Board Participation, and Deferred Interest funding from the State of Texas. Another 25.5% (\$61.48 million) of required funding is from new TWDB funding (Board Participation) to be received in FY 2022.

Internal Reserve funding (Non-Bond Capital Reserve Funds) total approximately \$19.06 million, which equates to approximately 7.9% of FY 2022 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. Additionally, a large portion of these internal funds are projected to be reimbursed by the Texas Department of Transportation (TxDOT) during FY 2022 and applied back to the District’s Non-Bond Capital Reserve funds. For FY 2022, a total of \$10.34 million of TxDOT reimbursements are expected to be received. However, the receipt date of reimbursements from the State of Texas are usually delayed past the end of the budgeted fiscal year. If TxDOT reimbursements are received timely (during the fiscal year), total net District Non-Bond Capital Reserve funding will be approximately \$8.72 million. Finally, contributions from District members / customers total approximately \$19.47 million (8.1%) of the required FY 2022 CIP funding total.

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. Then, a Budget Preparation Manual containing instructions from the Budget office is provided to Superintendents, Managers and Directors. This manual includes guidelines detailing 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 to be made in the budgets to accommodate changes in revenues and

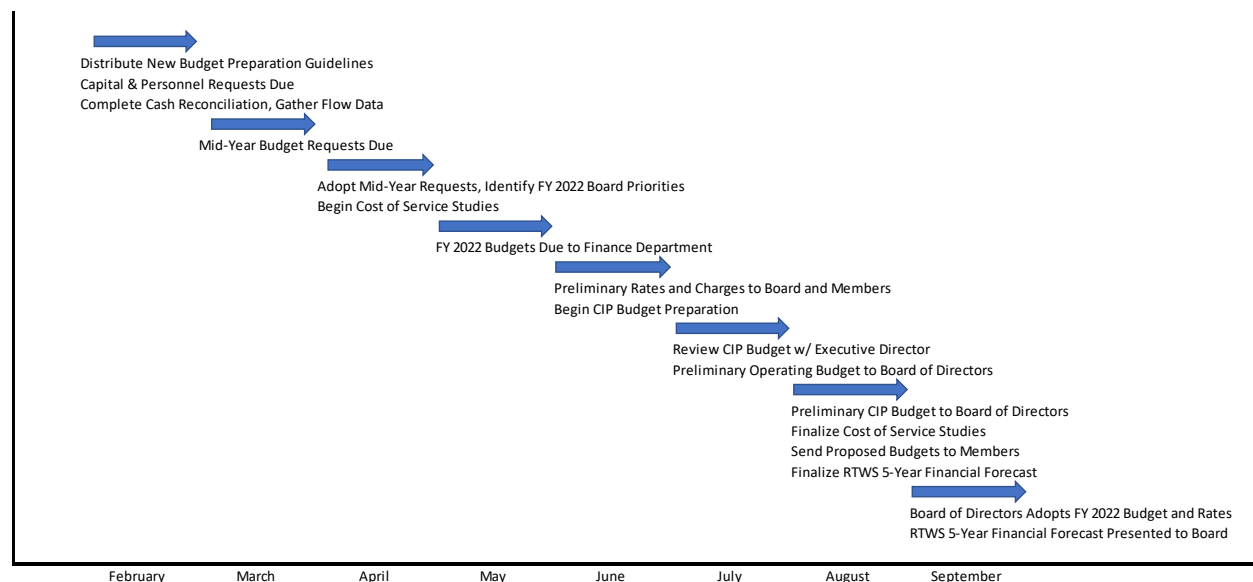
expenses for the remainder of the fiscal year. Mid-year budget amendments are then put together by the Budget Office for consideration. After review of the proposed mid-year budgets with the Executive Director in March, it is presented to the Board in April for review and adoption.

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 2021 mid-year budget and FY 2022 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 2021 mid-year budget requests due to Business Services FY 2022 new personnel requests due to Human Resources FY 2022 capital purchase requests due to Purchasing to assist in developing cost estimates FY 2022 Information Technology requests due
Mid-March	FY 2021 mid-year CIP meeting with Engineering Department FY 2021 mid-year budget salary and benefits forecast
Late March	Review proposed FY 2021 mid-year budget requests with Executive Director Complete FY 2021 mid-year budget amendments and resolution Receive flow data surveys
Early April	Adopt FY 2021 mid-year budget amendments and discuss FY 2022 budget priorities
Mid-April	FY 2022 budget request forms due to Directors Begin FY 2022 CIP review with Engineering Department FY 2022 budget request forms due to Business Services FY 2022 budget salary and benefit forecast
Mid-May	Review FY 2022 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 2022 preliminary operating budget

	Second review of FY 2022 preliminary operating budget with Executive Director
Early July	FY 2022 preliminary operating budget presented to Board of Directors
Mid-July	Finalize FY 2022 – 2026 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 2022 preliminary operating and capital budgets to members/customers Final review of FY 2022 proposed operating and capital budgets and rate, fees, and charges with Executive Director Finalize RTWS 5-Year Financial Forecast
September	Present FY 2022 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 Trust Indenture requirements.

These policies represent long-standing principles, traditions, and practices that have guided the District in the past and that 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 2022 budgets are projected to yield an increase in ending cash.

Change in Working Capital	FY 2022 Budget
Administration Fund	\$22,690
Lakeview Regional Water Reclamation System	\$738,095
Non-Potable Water System	\$18,190
Northeast Regional Water Reclamation System	\$625,260
Peninsula Water Reclamation Plant	\$34,775
Regional Treated Water System	\$4,305,555
Household Hazardous Waste	\$400

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, 2021, the weighted average yield to maturity for the District's investments was 0.079% with an investment mix of Local Government Investment Pools and Bank Deposits. This return was about 4 basis points below the average of all actively traded Treasury securities having the same time remaining to maturity for one-year Constant Maturity Securities. In addition, 39% of the District's investments are collateralized and 61% are AAA.

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

The District prepares a legally adopted budget each fiscal year for all Operating Funds on a **Cash** basis, whereby revenues (cash inflows) are budgeted as payments are received and expenditures (cash outflows) are budgeted as payments are made. **This basis (Cash) is NOT the same as the Accrual basis used by the Accounting Division, which recognizes revenues only when the services have been provided by the District (earned) and expenses only when services have been provided to the District (incurred).** Additionally, the District does not budget for depreciation on plant, property, and equipment, as these are non-cash related expenses.

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.

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, 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 used for direct capital investment via transfer to the Non-Bond Capital Reserve for rate stabilization, for funding capital improvement projects, for urgent repairs, or for necessary heavy maintenance items.

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 has been 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 2022 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.

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.

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.

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 Debt Coverage Ratio), but with a minimum of 1.15. Additionally, there is no specified debt limit established for the District. The Cash Debt Coverage Ratio (CDCR) and the Additional Bonds Test Coverage Ratio (ABTCR) are shown here for District Operating

Systems with outstanding debt. Refer to the Debt Summary section of this budget document for additional information.

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. The most recent bond refunding is as follows:

- In July 2021, the Regional Treated Water System issued \$40.02 million (par value) of Refunding Bonds to convert \$30.0 million of outstanding Commercial Paper to long-term debt. This issue also refinanced its Series 2008 Water Infrastructure Bonds (outstanding principal of \$5.90 million) and Series 2012 Revenue Bonds (outstanding principal of \$6.50 million) that yielded a net present value savings of 9.6%.

The District utilizes its Commercial Paper program 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. The District's maximum authorized level for this program is \$75.00 million.

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.

COMMERCIAL PAPER REPLACEMENT POLICIES

The District uses Commercial Paper as a strategy for interim financing of projects within the Regional Treated Water System. Furthermore, it is the District's policy that Commercial Paper 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 Commercial Paper should be converted to Revenue Bonds on an orderly basis.

As a general strategy, the amount of Commercial Paper that is proposed to be converted to Revenue Bonds in any given year 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.

- The Adopted FY 2022 Budget includes a \$22.50 million conversion of outstanding Commercial Paper to Revenue Bonds, scheduled for late FY 2022. Debt service of approximately \$0.38 million is budgeted for this conversion. The FY 2022 blended rate increase for the Regional Treated Water System is 3.75% from FY 2021. Refer to the Debt Summary section of this budget document for additional information regarding the District's Commercial Paper balance for FY 2022.

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 is 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. (Assets with a service life greater than one, but less than two years will be depreciated over one full year and a partial subsequent year.)

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 2026. 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 Comprehensive Annual 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 recognize 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 PLANNING

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 4, 2021 for the 2021 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 2021 - - with your help.

GENERAL WORK PLAN GUIDELINES FOR 2021

- 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.
- Encourage Continued Conversion from Ground Water to Surface Water.
- 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 2021

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>Exercise due diligence and proceed on an orderly basis 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. <p>Results / Reference(s): AUG21 Agenda.pdf (ctfassets.net) <i>Agenda Item #18A reflecting approval of a Resolution authorizing the Executive Director to apply to amend Water Use Permit #5821 with the Texas Commission on Environmental Quality.</i></p> <p>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"> Finalize discussions with Fannin County and the City of Ladonia regarding zoning around LRH and initiate the zoning program development. <p>Results / Reference(s): Project Overview / Lake Ralph Hall Lake Ralph Hall - Home / Facebook</p> <ul style="list-style-type: none"> Continue the preliminary planning / visioning for the area around Lake Ralph Hall. Initiate the development of a Conceptual plan for the overall lake site, including public access, water resource features and public amenities. <p>Results / Reference(s): Home / Lake Ralph Hall Lake Ralph Hall - Home / Facebook APR21 Minutes.pdf (ctfassets.net) <i>Agenda Item #12E reflecting approval of a Contract and Task Order #1 with Freese and Nichols, Inc. for professional services related to developing a comprehensive plan and zoning regulations within 5,000 feet of Lake Ralph Hall.)</i></p> <ul style="list-style-type: none"> Be progressive with outreach programs to District customers, elected officials, and the general-public, related to project construction and other key updates using the new Lake Ralph Hall website, electronic newsletter, and social media channels.

	<p>Results / Reference(s): Home / UTRWD Home / Lake Ralph Hall 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</p> <ul style="list-style-type: none"> Continue to install watershed markers in appropriate locations along public roads on District property throughout the project site. <p>Results / Reference(s): Education Public Awareness.pdf (ctfassets.net) <i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2020 – 2021, (Watershed Protection Program), Page #140.</i></p> <ul style="list-style-type: none"> As part of the District’s watershed protection program, 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>Continue to work with City of Irving to finalize plans and an agreement for transportation of water from LRH through Irving’s existing pipeline from Chapman Lake.</p> <p>Results / Reference(s): SEPT21 Minutes.pdf (ctfassets.net) <i>Agenda Item #16 reflecting approval of an agreement between the City of Irving and the District for transportation of transportation of water from LRH through Irving’s existing pipeline from Chapman Lake.</i></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): <i>See Operating Funds Detail section of this budget document – Regional Treated Water System, Accomplishments for FY 2020 – 2021, (Continued long-range planning for water supply), Page #196.</i></p>
Goal:	<p>Regarding Chapman Lake Reuse, secure an amendment to the Chapman Lake Reuse Permit (#5778) to include effluent from Mustang SUD’s Sandbrock Wastewater Treatment Plant.</p> <p>Results / Reference(s): <i>The amendment request is under technical review with the Texas Commission on Environmental Quality and the District has been notified that this should be completed soon.</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>District staff monitored the 87th Texas Legislature in cooperation with the Partners and was a resource of information as needed for local delegation as well as state agencies.</i> <i>This is on-going and is funded through the Future Water Program. See Other Funds section of this budget document – Future Water Program, Page #203 (Description) and Page #209 (Budget).</i></p>
Initiative: Monitor Legislation	
Goal:	<p>Monitor legislative activities during the 87th 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): <i>FEB21_Minutes.pdf (ctfassets.net)</i> <i>See Agenda item #4B (Executive Director's Status Report)</i></p> <p><i>APR21_Minutes.pdf (ctfassets.net)</i> <i>See Agenda item #4B (Executive Director's Status Report)</i></p> <p><i>Minutes May 6 2021.pdf (ctfassets.net)</i> <i>See Agenda item #4B(4) (Executive Director's Status Report)</i></p> <p><i>Minutes_BM_080521.pdf (ctfassets.net)</i> <i>See Agenda item #6B (Executive Director's Status Report)</i></p>
Initiative: Water Conservation / Drought Contingencies	
Goal:	<p>Continue to promote 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): <i>Conserving Water UTRWD</i> <i>Click on the "Water Conservation Plan" and "Drought Contingency" links for copies of the model plans and for more information.</i></p> <p><i>City & Utility Resources UTRWD</i> <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 working to assure a higher profile for the District's conservation program, 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): <i>UPPER TRINTIY REGIONAL WATER DISTRICT (ctfassets.net)</i> <i>City & Utility Resources UTRWD</i> <i>The District utilizes several mediums to promote its Water Conservation programs, 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 #203 (Description) and Page #208 (Budget).</i></p>

ORGANIZATIONAL ITEMS

Initiative: Administrative Directives	
Goal:	<p>Continue to review Administrative Directives and work with Executive Staff to bring them up to date or develop an alternative process.</p> <p>Results / Reference(s): <i>The Human Resources Department continues to review with Executive Staff the District's Administrative Directives and make updates as needed.</i></p>
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 superintendents communicate their staffing needs to the Director of Operations (subsequently to the Executive Director) when developing the preliminary budget (May through August) for the subsequent fiscal year. These requests are communicated to the District's Human Resource Department so that any requested positions are researched for salary classification / work duties / etc. Additional personnel requests can also be made at the mid-year point of the fiscal year.</i> <i>See Operating Funds Detail section of this budget document – Administration Fund, Performance Measures Section (Employment Rate), Page #133.</i> <i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2020 – FY 2021, (Recruit capable candidates for vacant positions), Page #139.</i></p>
Goal:	<p>Complete 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>Soil sampling and results throughout the District's facilities have been completed. Analysis is on-going and a consultant is working with staff to develop recommendations and an action plan. Upon installation of the new corrosion control systems, staff training and a formal monitoring plan will be provided.</i> <u>Minutes May 6 2021.pdf (ctfassets.net)</u> <i>Agenda item #12A reflecting approval of Task Order #3 with HDR Engineering, Inc. for engineering services related to detailed cathodic protection analysis.</i></p>
Goal:	<p>Continue to successfully utilize 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): <i>Completed robotic pipeline internal inspections of several key transmission lines, and based on those testing results, completed leak repairs. District staff also used drones to inspect pipeline easements and other remote facilities to identify and to schedule areas in need of maintenance. These activities are also included in the Adopted FY 2022 to continue with this program.</i> <i>See Operating Funds Detail section of this budget document – Regional Treated Water System (Pipeline Maintenance Expense Comment), Page #192.</i></p>

Initiative: Updated Emergency Operations Plan from the District's Risk and Resilience Assessment	
Goal:	<p>Provide an overview briefing for the Board and key staff members. Take steps to implement any required changes and initiate training exercise for staff.</p> <p>Results / Reference(s): <i>Completed and certified the mandated Risk and Resiliency Assessment and update of the District's Emergency Operations Plan. Created an Emergency Operations Committee of staff members to assist in the update and to begin training of staff. The District also hosted webinars and invited staff from District customers / members to assist their efforts to strengthen coordination during future emergency operations.</i></p>
Initiative: Training Program for Employees	
Goal:	<p>Continue to review and modify the annual training program according to future needs and goals.</p> <p>Results / Reference(s): <i>Continue to require cybersecurity online courses and begin developing Professional Competency Training Series.</i></p>
Initiative: District Personnel Policies	
Goal:	<p>Continue review of District Personnel Policies and make 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.</i></p>
Initiative: Electronic Filing System	
Goal:	<p>Continue implementation of the electronic filing systems and Laserfiche software to manage the ever-growing volume of paper files.</p> <p>Develop a trained staff capable of maintaining the system to insure full conversion of records to the electronic format.</p> <p>Results / Reference(s): <i>Trained staff have completed the conversion of most of the Administration files to electronic format. The Engineering Department has begun this conversion as well.</i></p>
Initiative: Data Retention	
Goal:	<p>Develop a data retention policy for district records, emails, and other data.</p> <p>Results / Reference(s): <i>The District relies on the State of Texas' retention policy for all data and documents and is currently developing an internal policy.</i> <u>Texas State Records Retention Schedule - 5th Edition / TSLAC</u></p>
Initiative: Additional Office Space	
Goal:	<p>Plan and coordinate completion of additional office space for the District at the 802 Annex.</p> <p>Results / Reference(s): <i>The Human Resources Department has established work areas (six cubicles) with all required computer and telephone connections at the 802 North Kealy Street annex building.</i></p>

Initiative: Strategic Planning Process	
Goal:	During the budget cycle, implement a strategic planning process to review operating budgetary needs over the next 5 years.
	Results / Reference(s): <i>See Strategic Planning section of this budget document, Page #79 – 81.</i>

FUNCTIONAL ITEMS

Initiative: Lake Ralph Hall	
Goal:	<p>Initiate planning, design and/or construction contracts for the following:</p> <ul style="list-style-type: none"> • Mitigation Full-Service Provider <p>Results / Reference(s): <i>District staff is currently working on an agreement / contract with a provider for this portion of the overall Lake Ralph Hall project.</i></p> <ul style="list-style-type: none"> • Dam Construction <p>Results / Reference(s): APR21_Minutes.pdf (ctfassets.net) <i>Agenda Item #12B reflecting approval to award a construction contract to Granite Construction Company for the construction of the Lake Ralph Hall –Leon Hurse Dam. Construction commenced in June 2021.</i></p> <ul style="list-style-type: none"> • Roadway Relocation Design-builder <p>Results / Reference(s): APR21_Minutes.pdf (ctfassets.net) <i>Agenda Item #12A reflecting approval of Task Order #2 for the existing Lake Ralph Hall Roadway Relocation Progressive Design-Build Agreement with Flatiron Constructors, Inc. Construction commenced in June 2021.</i></p> <p>Minutes_August_5_20210903.pdf (ctfassets.net) <i>Agenda Item #15A reflecting approval of Task Order #2 for the existing Lake Ralph Hall Roadway Relocation Progressive Design-Build Agreement with Flatiron Constructors, Inc.</i></p> <ul style="list-style-type: none"> • Conveyance System <p>Results / Reference(s): Education_Public_Awareness.pdf (ctfassets.net) Pipeline_deleivery_strategy_Posted.pdf (ctfassets.net)</p> <p>FEB21_Minutes.pdf (ctfassets.net) <i>Agenda Item #12A reflecting approval of Task Order #1 with Freese & Nichols, Inc. for professional engineering services to design the Lake Ralph Hall Raw Pump Station. Agenda Item #12B reflecting approval for District staff to proceed with a Construction Management at Risk procurement method for the construction of the Lake Ralph Hall Raw Water Pump Station.</i></p> <p>Minutes_August_5_20210903.pdf (ctfassets.net) <i>Agenda Item #15B reflecting approval for District staff to proceed with a Construction Management at Risk procurement method for the construction of the Lake Ralph Hall Raw Water Pipeline.</i></p> <p>NOV21_Agenda.pdf (ctfassets.net) <i>Agenda Item #15B reflecting approval for District staff to proceed with a Construction Management at Risk procurement method for the construction of the Lake Ralph Hall Raw Water Pipeline.</i></p>

	<ul style="list-style-type: none"> Start process for acquisition of pipeline ROW <p>Results / Reference(s): <i>The pipeline route and balancing reservoir has been identified. Rights-of-entry has been secured on 93% of property. 92 parcels (58% of surveys) have been completed and 7 Pipeline Easements have been acquired or are pending as of 10/1/2021.</i></p> <p><u>Pipeline delivery strategy Posted.pdf (ctfassets.net)</u></p> <ul style="list-style-type: none"> Reservoir area demolition and clearing <p>Results / Reference(s): <u>APR21 Minutes.pdf (ctfassets.net)</u> <i>Agenda Item #12D reflecting approval of contract and Task Order #1 with Jacobs Engineering for professional services relating to Lake Ralph Hall Reservoir Area Clearing and Demolition Design.</i></p> <ul style="list-style-type: none"> Reservoir support facilities and amenities <p>Results / Reference(s): <u>NOV21 Agenda.pdf (ctfassets.net)</u> <i>Agenda Item #21E to consider approval of Contract and Task Order #1 with Halff Associates, Inc. for Preliminary Design of the Lake Ralph Hall – Lake Support Services.</i></p>
Goal:	<p>Monitor and expedite, where possible, the U.S. Forest Service Federal Land Exchange Feasibility Analysis process.</p> <p>Results / Reference(s): <u>Minutes March 4 2021.pdf (ctfassets.net)</u> <i>Agenda Item #12 reflecting approval of a Resolution authorizing the Executive Director to execute an Agreement with the Texas Parks and Wildlife Department (TPWD) for inclusion of certain Lake Ralph Hall property into the Texas Parks and Wildlife Public Hunting and Public Lands Program. All land needed (approximately 1,000 acres) for exchange has been acquired. Consideration of Agreement to Initiate is anticipated for December 2021.</i></p>
Goal:	<p>Implement a communications plan for the LRH project and step up efforts to provide key informational highlights about the project status to the various stakeholders.</p> <p>Results / Reference(s): <i>A communications plan has been developed for the Lake Ralph Hall project that includes feedback from various stakeholder groups. District staff has begun implementing the plan by developing key messages, fact sheets, and updates to the Lake Ralph Hall website. In addition, social media channels have been established for the project.</i></p> <p><u>Home UTRWD</u> <u>Home Lake Ralph Hall</u> <u>Lake Ralph Hall - Home Facebook</u> <u>Lake Ralph Hall (@LakeRalphHall1) / Twitter</u> <u>Upper Trinity R Water District (@uppertrinitywater1989) • Instagram photos and videos</u> <u>Upper Trinity Regional Water District - YouTube</u></p>
Goal:	<p>Work with Texas Parks & Wildlife Fisheries Division to begin process for fish stocking of Lake Ralph Hall.</p> <p>Results / Reference(s): <i>District staff and the Texas Parks and Wildlife (TP&W) Fisheries Division have identified one potential brood pond that will be inundated by the project and stocking of fish will begin in 2022. Additionally, we</i></p>

	<i>are reviewing the lake footprint with the TP&W and others to determine where to take necessary actions to improve the fish habitat.</i>
Goal:	<p>Continue development and implementation of staffing requirements (contractors / employees) needed during the various phases of the Lake Ralph Hall Project.</p> <p>Results / Reference(s): <i>FEB21 Minutes.pdf (ctfassets.net)</i> <i>Agenda Item #12C reflecting approval of Task Order #3 for the existing contract with Freese and Nichols, Inc. for Construction Management Services for twelve months and Construction Phase Engineering Services relation to the Lake Ralph Hall – Leon Hurse Dam.</i></p> <p><i>APR21 Minutes.pdf (ctfassets.net)</i> <i>Agenda Item #12C reflecting approval of a Contract and Task Order #1 with Kleinfelder, Inc. for professional engineering services relating to construction Quality Management and Assurance Team for the Lake Ralph Hall Project.</i></p> <p><i>Minutes May 6 2021.pdf (ctfassets.net)</i> <i>Agenda Item #13 reflecting approval of Task Order #1 with Lamb-Star Engineering, LLC. for professional services relating to Construction, Engineering, and Inspection for Roadway Relocations associated with the Lake Ralph Hall Project.</i></p> <p><i>The Human Resources Department continues to work with the Lake Ralph Hall Project Manager to ensure staffing requirements are met when necessary. Existing District positions have been transferred to the Lake Ralph Hall Program (Program Construction manager and LRH Maintenance Mechanic).</i></p> <p><i>The District has advertised and are seeking to fill the Assistant Program Construction Manager and the LRH Program Secretary.</i></p>
Goal:	<p>Complete Financing Agreement and all documents needed by Texas Water Development Board for the multi-year commitment of SWIFT Funding for the reservoir project.</p> <p>Results / Reference(s): <i>NOV21 Agenda.pdf (ctfassets.net)</i> <i>Agenda Item #16A to consider approval of proposed Resolution and Master Agreement for Texas Water Development Board (TWDB) “Board Participation” funding for the Lake Ralph Hall Project, as previously approved in the amount of \$135.0 million.</i></p>
Goal:	<p>Implement the program delivery plan for Lake Ralph Hall with the goal of delivering water from the Lake in 2025.</p> <p>Results / Reference(s): <i>Awarded construction contracts and initiated construction on the Leon Hurse Dam, State Roadway Relocations and Utility relocations.</i></p> <p><i>Awarded Construction Manager at Risk Contract for the Raw Water Pump Station.</i></p> <p><i>Awarded Final Design contracts for the Raw Water Pump Station, Raw Water pipeline, Balancing Reservoir, LRH Delivery Point, and Reservoir Support Facilities and Amenities.</i></p> <p><i>Initiated Raw Water Pipeline rights-of-way easement acquisition.</i></p>

Goal:	<p>Continue coordination and initiate agreements for relocation of roadways and utilities impacted by Lake Ralph Hall.</p> <p>Results / Reference(s): <u>Minutes March 4 2021.pdf (ctfassets.net)</u> <i>Agenda Item #11A reflecting approval of an Agreement with AT&T for the design and construction of relocations for existing AT&T Infrastructure impacted by Lake Ralph Hall.</i></p> <p><i>Agenda Item #11B reflecting approval of an Agreement with Fannin County Electric Cooperative (FCEC) for the design of relocations for existing FCEC infrastructure impacted by Lake Ralph Hall.</i></p> <p><i>Agenda Item #11C reflecting approval of an Agreement with Oncor Electric Delivery Company, LLC, (Oncor) for relocations of existing Oncor infrastructure impact by Lake Ralph Hall.</i></p> <p><i>Agenda Item #11D reflecting approval of an Amendment to Reimbursement Agreement with Energy Transfer Fuel, LP, to fund construction of relocations for a 36 Inch natural gas pipeline.</i></p>
Goal:	<p>Complete Phase 2 Cultural Resource Studies in required areas and Complete Phase 1 Studies in the mitigation areas.</p> <p>Results / Reference(s): <u>https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes</u> <i>Refer to minutes (through above link) from June 2020 Board Meeting Item #14A for approval of a task order for cultural resource surveys for the Lake Ralph Hall project.</i></p> <p><i>Completed. The regulatory agencies have approved Phase 1 studies and report for the high priority areas (those impacted by construction) within the LRH footprint.</i></p> <p><i>Completed Phase 1 studies and the report for the low priority areas -- those not impacted by construction, but subject to inundation. Report pending regulatory agency approval.</i></p> <p><u>https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes</u> <i>Refer to minutes (through above link) from July 2020 Board Meeting Item #14B for approval of a task order for additional work required for cultural resource surveys and mitigation services to satisfy requirements of the Lake Ralph Hall Section 404 permit.</i></p> <p><i>Initiated phase 2 "Additional Testing Studies) for six sites that the regulatory agencies determined required additional data to make an eligibility determination.</i></p>
Goal:	<p>Complete contract amendment with the City of Ladonia regarding the lease of 100-acre tract of land owned by the City for construction offices and related construction activities, and the acquisition of land that now houses the Ladonia Fossil Park.</p> <p>Results / Reference(s): <u>Ladonia Fossil Park Lake Ralph Hall</u> <u>Minutes May 6 2021.pdf (ctfassets.net)</u> <i>Agenda Item #15 reflecting authorization of Executive Director to execute a lease agreement for the LRH Construction Office located at 8 East Plaza, Ladonia, Texas. The District's Board of Directors considered this Executive Session item at 11/5/2020 meeting. The lease of 70-acre Ladonia site was finalized on 4/15/2021. The purchase of the Fossil Park property was finalized on 3/5/2021.</i></p>

Goal:	<p>Conduct an appropriate groundbreaking event to start the construction of the Lake Ralph Hall Project.</p> <p>Results / Reference(s): Lake Ralph Hall set to break ground in 2021 - (kten.com) Lake Ralph Hall Groundbreaking Celebration - June 16, 2021 - YouTube</p>
Initiative: Security Matters	
Goal:	<p>Continue review of District progress and strategies for security to improve or supplement on-going security efforts, including both physical and cyber security.</p> <p>Results / Reference(s): Information Technology staff has continued installing access control systems at entry gates at all facilities, installed additional video surveillance at facilities that have recently been expanded, updated hybrid backup systems to provide additional backup capacity for business continuity and protection against server failures / ransomware, purchased industry-standard secure mobility client software to provide access to remove users, replaced Cisco ASA Security Appliance with Cisco New Generation Firewalls with Intrusion Prevention, changed endpoint protection to a cloud-based provider for enhanced protection against cyberattacks, installed a cloud-based console to monitor all endpoints, an evaluated multi-factor authentication (MFA) package with deployment expected in early FY 2022. See Operating Funds Detail section of this budget document – Information Technology Fund, Accomplishments for FY 2020 – 2021, (Continue to promote awareness and knowledge of potential cybersecurity issues), Page #146.</p>
Goal:	<p>Continue conversion to a new Wonderware SCADA “platform” to allow offsite access with reduced exposure to cyber problems.</p> <p>Results / Reference(s): See CIP Funds section of this budget document, Page #268. See Operating Funds Detail section of this budget document – Information Technology Fund, Accomplishments for FY 2020 – 2021, (Installed hardware and software in preparation for upgrade to System Platform), Page #146.</p>
Initiative: Northeast Regional Water Reclamation System	
Goal:	<p>Complete construction of the Doe Branch Plant Expansion to 4.0 MGD.</p> <p>Results / Reference(s): See CIP Funds section of this budget document, Page #306.</p>
Goal:	<p>Finalize installation of planned landscaping improvements along north and west boundaries of Doe Branch Plant site.</p> <p>Results / Reference(s): This project was completed in September 2021.</p>
Goal:	<p>Begin construction of additional improvements to the Riverbend WRP to include paving, sludge handling improvements, and a maintenance building.</p> <p>Results / Reference(s): See CIP Funds section of this budget document, Page #297. APR21 Minutes.pdf(ctfassets.net) Agenda Item #11A reflecting approval to award a Construction contract to Heritage Constructors, Inc. for construction of Riverbend Water Reclamation Plant Facility Improvements.</p>

Goal:	<p>Begin design of Doe Branch Parallel Interceptor, Phase 1.</p> <p>Results / Reference(s): See CIP Funds section of this budget document, Page #308.</p> <p>Minutes August 5 20210903.pdf (ctfassets.net) Agenda Item #13D reflecting approval of Task Order #3 with Freese and Nichols, Inc. for engineering services related to the preliminary design of Doe Branch Water Reclamation System Parallel Interceptor, Phase 1.</p>
Initiative: Regional Treated Water System	
Goal:	<p>Address the need to control Zebra Mussels in local lakes.</p> <ul style="list-style-type: none"> Continue to monitor measures for control / mitigation at the Lewisville Lake Intake Structure. Continue to monitor Chapman Lake for Zebra Mussels, and in the event 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): See Other Funds section of this budget document - Watershed Protection Program, Page #203 (Description) and Page #207 (Budget).</p>
Goal:	<p>In conjunction with the current developer and the Lakes of Aubrey Fresh Water Supply District, complete the design of a second ("north storage") raw water storage site near Harpool Plant; 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): See CIP Funds section of this budget document, Page #263.</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): See CIP Funds section of this budget document, Page #264.</p>
Goal:	<p>Complete construction of the Parallel Pipeline from the Taylor RTWP to the Stone Hill Pump Station.</p> <p>Results / Reference(s): 20_0203_UTRWD_Parallel_Pipeline_Fact_Sheet_Final_020320.pdf (ctfassets.net)</p> <p>See CIP Funds section of this budget document, Page #261.</p>

Goal:	<p>Complete construction 72" Taylor Plant on-site Parallel Pipeline and potable water system.</p> <p>Results / Reference(s): 20 0203 UTRWD Parallel Pipeline Fact Sheet Final 020320.pdf (ctfassets.net) <i>See CIP Funds section of this budget document, Page #261.</i></p>
Goal:	<p>Complete dredging of Taylor WTP sludge storage pond.</p> <p>Results / Reference(s): <i>See Operating Funds Detail section of this budget document – Regional Treated Water System (Other Outside Services Expense Comment), Page #192.</i></p>
Goal:	<p>Finalize design and begin construction of segment of Phase 1A Water Pipeline along Copper Canyon Road.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #260.</i></p>
Goal:	<p>Complete construction of treated water transmission pipeline upsize and relocation along FM 2181 (Swisher) between Lighthouse Drive and Hickory Creek Road in Denton, Texas.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #273.</i> Minutes March 4 2021.pdf (ctfassets.net) <i>Agenda Item #10B reflecting completion of project and acceptance of work from Acadia Services, LLC for this project (5T4).</i></p>
Goal:	<p>Complete construction of additional membranes, CIP tank, chemical tank replacement and operational improvements for increased capacity at the Harpool WTP.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #262. This project is a component of this overall capital improvement project (5HO).</i></p>
Goal:	<p>Begin design of next phase of Harpool WTP expansion to include diurnal pond, pond inflow structure, and administration building.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #262. This project is a component of this overall capital improvement project (5HO).</i></p>
Goal:	<p>Complete the evaluation, route study, and begin the design of a second water transmission pipeline to Celina's existing delivery point for resiliency and redundancy).</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #267.</i> Minutes August 5 20210903.pdf (ctfassets.net) <i>Agenda Item #13A reflecting approval of Task Order #2 with Kimley-Horn Associates, Inc. for engineering services related to design, easement assistance, bidding, and construction services for this capital project., along with preliminary design of Phase 2 of this project (54N & 55N).</i></p>

Goal:	<p>Complete construction of filter improvements at the Taylor WTP.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #255. This project is a component of this overall capital improvement project (59Y).</i></p> <p><u>AUG21 Agenda.pdf (ctfassets.net)</u> <i>Agenda Item #14B reflecting acceptance of completed work, final payment, and release of retainage for construction contract awarded to Red River Construction Co. for Taylor Water Treatment Plant Filter Improvements.</i></p>
Goal:	<p>Complete the Harpool Northeast Pipeline alignment evaluation, apply for State Participation Funding, and begin design.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #267.</i></p> <p><u>Minutes May 6 2021.pdf (ctfassets.net)</u> <i>Agenda Item #10 reflecting approval of a Resolution authorizing Staff to file an application with the Texas Water Development Board (TWDB) for financial assistance in support of the proposed Northeast Pipeline Project for the Regional Treated Water System.</i></p> <p><u>Minutes August 5 20210903.pdf (ctfassets.net)</u> <i>Agenda Item #13A reflecting approval of Task Order #2 with Kimley-Horn Associates, Inc. for engineering services related to design, easement assistance, bidding, and construction services for this capital project, along with preliminary design of Phase 2 of this project.</i></p>
Goal:	<p>Complete development of construction standards and overhead storage tank evaluation.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #258.</i></p>
Goal:	<p>Continue assessment of Regional Treated Water System high service pumping capacity and identify any necessary pump additions and upgrades to existing facilities needed to meet system water service demands and provide additional safeguards.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #256.</i></p> <p><u>Minutes August 5 20210903.pdf (ctfassets.net)</u> <i>Agenda Item #13B reflecting approval of Task Order #4 with Plummer Associates, Inc. for engineering services for final design and construction of pumping and related improvements at Taylor WTP and Stone Hill 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 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 section of this budget document, Page #273 - 277. District staff are still working with TxDOT staff for reimbursements due to the District for completed project costs.</i></p>

	<p><u>Minutes May 6 2021.pdf (ctfassets.net)</u> <i>Agenda Item #16 reflecting approval of a Resolution deeming necessity and authority acquisition of property including exercising the Power of Eminent Domain for construction of water and wastewater pipeline relocations for TxDOT U.S. 380 Widening Project.</i></p>
Goal:	<p>Submit abridged and final application to the Texas Water Development Board for State Water Implementation Fund of Texas (SWIFT) Funding for the Harpool Northeast Transmission Pipeline.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #267.</i></p> <p><u>NOV21 Agenda.pdf (ctfassets.net)</u> <i>Agenda Item #16B to consider approval of proposed Resolution and Master Agreement for Texas Water Development Board (TWDB) "Board Participation" funding for the Regional Treated Water System Northeast Pipeline Project, as previously approved in the amount of \$10.61 million.</i></p>
Initiative: Lakeview Regional Water Reclamation System and Peninsula Water Reclamation Plant	
Goal:	<p>Continue high priority focus on the preventive maintenance program for District lift stations and metering stations.</p> <p>Results / Reference(s): <i>This is an activity that has been on-going for several years. The District has three transmission operators whose tasks include visiting the remote facilities regularly and actively exercising and inspecting them for preventive maintenance needs.</i></p>
Goal:	<p>Based on a recently completed analysis, initiate design of recommended strategies for the Force Mains and System hydraulics and proceed with construction of improvements to the Lakeview Pipeline System.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #285.</i></p> <p><u>Minutes August 5 20210903.pdf (ctfassets.net)</u> <i>Agenda Item #12 reflecting receipt of report from RJN Group, Inc. related to this project (53B).</i></p> <p><i>Agenda Item #13C reflecting approval of Task Order #2 with Carollo Engineers, Inc. for engineering services related to the design, bidding, and construction of the Lakeview WRP Expansion from 5.5 mgd to 7.5 mgd (5L2) and collection system improvements (53B).</i></p>
Goal:	<p>Begin design of Lakeview WRP to 7.5 mgd.</p> <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #284.</i></p> <p><u>Minutes August 5 20210903.pdf (ctfassets.net)</u> <i>Agenda Item #13C reflecting approval of Task Order #2 with Carollo Engineers, Inc. for engineering services related to the design, bidding, and construction of the Lakeview WRP Expansion from 5.5 mgd to 7.5 mgd (5L2) and collection system improvements (53B).</i></p>

Goal:	<p>With regards to the Peninsula Water Reclamation: In collaboration with Mustang SUD, begin construction to expand the Plant from 0.94 to 2.0 MGD.</p> <p>Results / Reference(s): See CIP Funds section of this budget document, Page #316. APR21_Minutes.pdf(ctfassets.net) Agenda Item #12B reflecting approval of a Resolution awarding a Construction contract to Eagle Contracting, L.P. for the Peninsula WRP Expansion.</p>
Initiative: Priority of Capital Improvement Program Projects	
Goal:	<p>Continue to use the results of the recent study of condition assessment of select District facilities to prioritize on-going capital improvement projects and manage maintenance and operation of the facilities.</p> <p>Results / Reference(s): This is on-going. After the completion of the District's Conditions Assessment Study in FY 2018, District management developed a District-wide maintenance plan to address various District infrastructure leaks and corrosion issues.</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): District Management / Staff actively communicates this information to City of Irving Management / Staff on an on-going basis.</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, City of Celina, and developers concerning planned extension of water services.</p> <ul style="list-style-type: none"> • Begin construction of a water pipeline and new Point of Delivery for Mustang SUD, north of FM 2931. <p>Results / Reference(s): See CIP Funds section of this budget document, Page #265. Minutes_March_4_2021.pdf(ctfassets.net) Agenda Item #10A reflecting approval of a Resolution to award a Construction contract to S.J. Louis Construction of Texas, LTD for this project (5H1).</p> <ul style="list-style-type: none"> • Complete route study and begin design for updated water delivery service to Artesia and City of Celina. <p>Results / Reference(s): See CIP Funds section of this budget document, Page #267. Minutes_August_5_20210903.pdf(ctfassets.net) Agenda Item #13A reflecting approval of Task Order #2 with Kimley-Horn Associates, Inc. for engineering services related to design, easement assistance, bidding, and construction services for this capital project., along with preliminary design of Phase 2 of this project (54N & 55N).</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 section of this budget document, Page #278. Funding reflected for Customer Pipeline extensions (538).</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.</i></p>
Goal:	<p>In coordination with City of Justin and the Town of Northlake, 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.</p> <p>Results / Reference(s): <i>District Management / Staff are actively working with the City of Justin and Town of Northlake regarding the extension of services to additional entities along the FM 407 route into the District's western service area.</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 with the Town of Providence are currently on-going.</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 and Doe Branch Site Discharge Permits	
Goal:	<p>Continue to work with TCEQ to support submitted applications for discharge permits for the Riverbend and Doe Branch sites to adjust permits to recognize ultimate flows.</p>

	Results / Reference(s): <i>Draft permits have been proposed and reviewed for the Doe Branch and Peninsula plants. The Riverbend Plant permit is still under technical review by the Texas Commission on Environmental Quality.</i>
Goal:	Begin the application process for a discharge permit for the Peninsula Plant to adjust the permit to recognize ultimate flows. Results / Reference(s): <i>See CIP Funds section of this budget document, Page #315.</i> <u>APR21_Minutes.pdf(ctfassets.net)</u> <i>Agenda Item #13 reflecting approval of Task Order #4 to existing contract with Plummer Associates, Inc. for professional services related to amend the Texas Pollutant Discharge Elimination System (TPDES) permit for the Peninsula WRP to address continued growth in the area.</i>
Initiative: Zoning of District administration facilities	
Goal:	Work with the City of Lewisville and other Members, as appropriate, to evaluate and implement strategic inter-connections between water systems that provide reliability and redundancy for both parties. Results / Reference(s): <i>District Management / Staff are actively working with the City of Lewisville (and are prepared to discuss with other parties) regarding the construction of an inter-connect that would be beneficial for both parties.</i>
Goal:	In coordination with the City of Lewisville, take the necessary steps to change the zoning of the District's administration facilities (Headquarters' office and 802 N. Kealy Street buildings) to the appropriate zoning for government agencies. Results / Reference(s): <i>This was completed during FY 2021.</i>
Initiative: Protect District Pipelines	
Goal:	Continue to coordinate with USACE to protect District pipelines during the Lewisville Lake Dam Safety Rehabilitation Project. Results / Reference(s): <i>See CIP Funds section of this budget document, Page #272 (5W3) and #291 (53N).</i>
Initiative: 24-Hour Service for District's Northeast Service Area Facilities	
Goal:	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. Results / Reference(s): <i>24-hour staffing was initiated in the Northeast Service area during FY 2021.</i>
Initiative: Ground Storage Tank Construction for the Town of Providence Village and the City of Justin	
Goal:	Continue coordinating with the Town of Providence and the City of Justin to determine the timing of the required Ground Storage Tank construction for each entity. Results / Reference(s): <i>District staff has provided review and comments and construction should begin in FY 2022. See CIP Funds section of this budget document, Page #259.</i>

FINANCIAL ITEMS

Initiative: Rate Impact Strategies	
Goal:	<p>Continue implementation of strategies to minimize the impact of the Lake Ralph Hall Project on future rates for the Regional Treated Water System by utilizing funding from the Texas Water Development Board to the maximum extent possible.</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></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.</i> Minutes May 6 2021.pdf (ctfassets.net) <i>Agenda Item #11 reflecting approval of a Resolution authorizing the Pricing Committee (Executive Director and Treasurer or other Board Officer) to award this refunding in accordance with specified parameters.</i> <i>In June 2021, the District completed a refunding of future principal payments totaling \$6.49 million (Series 2012 Refunding Bonds) and \$5.90 million (Series 2008 Revenue Bonds from the TWDB WIF Program) that yielded net present value savings of 13.5% (Series 2012 Issue) and 7.8% (Series 2008 Issue) in the Regional Treated Water System. The District's minimum present value savings parameter for debt refunding is 3.0% to 3.5%.</i> Minutes August 5 20210903.pdf (ctfassets.net) <i>Refer to minutes (through the above link) from the August 2021 Board Meeting Agenda Item #8 regarding the quarterly investment report reflecting the performance of invested District capital.</i></p>
Initiative: Management Reports	
Goal:	<p>Develop format for Management Reports to provide additional information related Operations and Engineering & 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>Begin work to upgrade Financial System to Incode's new web-based software to include formulating budget requests for FY 2022.</p> <p>Results / Reference(s): <i>Due to the impact of the Covid pandemic affecting the scheduling of Tyler Technologies (Incode) staff, the District's plan to incorporate the upgrade of its financial software will be postponed to FY 2023.</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>Minutes BM 080521.pdf (ctfassets.net)</i> <i>Agenda Item #18A & 18B reflecting approval of a Resolution authorizing use of current funds via a loan from the Regional Treated Water System Non-Bond Capital Reserve to provide interim funding for the Relocation / TxDOT U.S. Hwy 380 Project (Doe Branch Plant).</i></p> <p><i>Agenda Item #18B reflecting approval of a Resolution to enable reimbursement of funds from reimbursements from TxDOT and / or future bond proceeds, including contribution sources from Doe Branch Plant Participants.</i></p>
Initiative: Commercial Paper Refunding	
Goal:	<p>Prepare for issuance of RTWS Revenue Bonds to refund a portion of the outstanding balance of Commercial Paper.</p> <p>Results / Reference(s): <i>Minutes May 6 2021.pdf (ctfassets.net)</i> <i>Agenda Item #11 reflecting approval of a Resolution authorizing the Pricing Committee (Executive Director and Treasurer or other Board Officer) to award this refunding in accordance with specified parameters.</i></p> <p><i>In June 2021, the District completed a refunding of future principal payments totaling \$6.49 million (Series 2012 Refunding Bonds) and \$5.90 million (Series 2008 Revenue Bonds from the TWDB WIF Program) that yielded net present value savings of 13.5% (Series 2012 Issue) and 7.8% (Series 2008 Issue) in the Regional Treated Water System. The District's minimum present value savings parameter for debt refunding is 3.0% to 3.5%. This bond issue also included \$30.0 million for the conversion of outstanding Commercial Paper to long-term debt via RTWS Refunding and Revenue Bonds.</i></p> <p><i>The Adopted FY 2022 Budget also includes plans to convert \$22.5 million of outstanding Commercial Paper to long-term debt via the issuance of Refunding Bonds in the Regional Treated Water System.</i></p> <p><i>See Executive Summary in the Introduction section of the budget document, Page #13.</i></p>
Initiative: Renewal of Commercial Paper Program	
Goal:	<p>Begin looking into possible renewal of RTWS Commercial Paper Program or development of another similar financing product.</p> <p>Results / Reference(s): <i>District Financial Management worked with District Financial Advisor regarding State of Texas legislation for the possibility of said legislation negatively affecting the District's use of commercial paper and to develop an alternative source. Currently, there is a list of exemptions being developed that will allow the District to utilize its current commercial paper program. The District's currently commercial paper contract with Bank of America expires on December 30, 2022.</i></p>

PARTNERSHIP ITEMS

Initiative: Member and Customer Entities	
Goal:	Continue to develop and improve working relationships with Member/Customer entities for mutual benefit.

	<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	
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. For-now water from Dallas purchases out of Lewisville and Ray Roberts Lakes. <p>Results / Reference(s): <i>Staff has met with Dallas and Denton staff and draft agreements have been presented on all items. Currently, the District is awaiting action from both parties.</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).</p> <p>Results / Reference(s): <i>Coordinated with regional providers to develop a scope of work for an additional study to determine the available supply in the Sulphur River Basin. This study should begin in November or December 2021.</i></p> <p><i>NOV21 Agenda.pdf (ctfassets.net)</i> <i>Agenda Item #11B to consider approval of an Interlocal Agreement between the North Texas Municipal Water District, Sulphur River Basin Authority, Tarrant Regional Water District, Upper Trinity Regional Water District, City of Dallas, and City of Irving, for developing future water supplies in the Sulphur River Basin.</i></p> <p><i>This is on-going and is funded through the Future Water Program. See Other Funds section of this budget document – Future Water Program, Page #203 (Description) and Page #209 (Budget).</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 communicates 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: 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></p>

	<p>Minutes March 4 2021.pdf (ctfassets.net) See Agenda item #4B (Executive Director's Status Report)</p> <p><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>
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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): Upper Trinity Conservation Trust :: Lewisville, Texas (utct.org) <i>To promote the District's regional Watershed Protection program, District staff provides administrative support to the Upper Trinity Conservation Trust.</i></p> <p><i>See Other Funds section of this budget document – Upper Trinity Conservation Trust Page #204 (Description) and Page #232 (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): Upper Trinity Conservation Trust :: Lewisville, Texas (utct.org) Partner's Brochure 2019 updates.pdf (utct.org)</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</p> <p><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></p> <p><i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2020 – 2021, (Watershed Protection Program), Page #140.</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): Upper Trinity Conservation Trust :: Lewisville, Texas (utct.org) <i>This is a continued, long-term goal of the Upper Trinity Conservation Trust and District.</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): Upper Trinity Conservation Trust :: Lewisville, Texas (utct.org)</p> <p><i>In coordination with the Upper Trinity Conservation Trust, District staff work to implement various elements of the Plan.</i></p> <p><i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2020 – 2021, (Watershed Protection Program), Page #140.</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): Upper Trinity Conservation Trust :: Lewisville, Texas (utct.org)</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</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) Classes to Help Create Sustainable Landscapes UTRWD</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)</p> <p><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></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 to determine the need for interns. The annual agreement was renewed with one junior college that offers the internship program and began working with other junior colleges to develop future internship program agreements.</i></p> <p><i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2020 – 2021, (Wastewater Internship Program), Page #139.</i></p>
Initiative: Engineering / Business Division Internships	
Goal:	<p>Continue college internship program to support the Engineering and Business Divisions.</p> <p>Results / Reference(s): <i>The Human Resources Department coordinated with the Engineering and Business Divisions and provided two interns to work with the District through the year.</i></p>
Initiative: Virtual Training Opportunities	
Goal:	<p>Given the constraints related to COVID, develop alternative (virtual) means of water conservation and watershed protection education and outreach activities.</p> <p>Results / Reference(s): <i>District staff have developed water conservation and watershed protection training and educational opportunities due to the current COVID pandemic situation. The following links reflect examples of the District's efforts for this goal.</i></p> <p><i>UTRWD NewsFlow July 2021  (mailchi.mp)</i></p> <p><i>21_0301_Spring_Landscape_Webinar_Series.pdf (ctfassets.net)</i></p> <p><i>Summer 2021 Water Wise Classes (google.com)</i></p> <p><i>Dang it's HOT: Cool Off with Shade Gardening Rooted In</i></p>

FIVE-YEAR FINANCIAL FORECAST

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 2022 – 2026:

- 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
- Commercial Paper 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

FIVE-YEAR PRO-FORMA FORECAST (\$ IN MILLIONS)

	Adopted				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Estimated Blended Rate Impact	3.75%	4.25% - 4.75%	4.75% - 5.25%	5.25% - 5.75%	5.25% - 5.75%
Demand Revenues	\$ 38.10	\$ 42.51	\$ 46.96	\$ 49.90	\$ 54.65
Volume Revenues	\$ 16.11	\$ 18.18	\$ 19.43	\$ 21.94	\$ 22.80
Contract Payments, Loan Repayments, Interest & Other Revenues	\$ 0.63	\$ 0.52	\$ 0.56	\$ 0.64	\$ 0.76
Operating Revenue Subtotal	\$ 54.84	\$ 61.21	\$ 66.95	\$ 72.47	\$ 78.21
Interfund Transfers (from Operations)	\$ 0.82	\$ 0.22	\$ 0.22	\$ 2.21	\$ 1.57
Operating Revenues	\$ 55.66	\$ 61.43	\$ 67.17	\$ 74.69	\$ 79.77
Operating Expenses	\$ 29.72	\$ 32.18	\$ 33.58	\$ 36.50	\$ 39.28
Debt Service	\$ 21.56	\$ 24.61	\$ 28.89	\$ 33.22	\$ 35.46
Total Expenses	\$ 51.28	\$ 56.79	\$ 62.47	\$ 69.72	\$ 74.75
Net Revenues from Operations before Transfers to Reserves	\$ 4.38	\$ 4.63	\$ 4.70	\$ 4.97	\$ 5.03
Total Transfers to Reserves from Net Revenues	\$ 0.07	\$ 1.52	\$ 2.02	\$ 2.52	\$ 2.52
Net Revenues	\$ 4.31	\$ 3.11	\$ 2.68	\$ 2.44	\$ 2.50
Bond Coverage Ratio (Cash Basis) (1.15 Minimum per District Policy)	1.20	1.20	1.17	1.16	1.15
Estimated Subscriptions (MGD)	82.42	88.92	92.77	93.97	95.42
Estimated Flows (MGD)	34.80	36.13	37.50	39.08	40.56
CIP Expenditures	\$ 204.29	\$ 174.44	\$ 144.52	\$ 56.82	\$ 30.16

Assumptions for the 5-Year Planning Period:

- **Raw Water Source Rates & Quantities**

Dallas Raw Water - 5% Annual Rate Increase FY 2023, 10% in FY 2024 through FY 2026

FY 2023 - 19.33 MGD; FY 2024 - 20.01 MGD; FY 2025 - 20.95 MGD; FY 2026 - 18.09 MGD

Denton Raw Water - 5% Annual Rate Increase FY 2023, 10% in FY 2024 through FY 2026

FY 2023 through FY 2025 - 5.00 MGD; FY 2026 - 4.50 MGD

Chapman Raw Water - 3% Annual Rate Increase for Transportation, including \$100K / Year for True-Ups

FY 2023 - 9.50 MGD; FY 2024 - 10.00 MGD; FY 2025 - 10.50 MGD; FY 2026 - 10.50 MGD

Lake Ralph Hall Raw Water - begins in FY 2026

FY 2026 - 3.50 MGD

- **Denton Treated Water Rates**

3% Annual Rate Increase (Krum and Sanger)

- **Electricity Rates**

Taylor RTWP - 4.87% per KWH Rate Decrease in May 2020 through April 2023; 3.5% per KWH Rate Decrease in May 2023, remaining through May 2026, then a 5% increase

Harpool RTWP - 2% per KWH Rate Annual Increase for FY 2022 through FY 2026

- **Chemicals**

4% Annual Increase through FY 2025; 3.5% increase for FY 2026

- **Personnel**

5% Annual Increase

FY 2023 includes \$100K for additional Operator @ Harpool Plant

New capital equipment funding of \$495K (FY 2023), \$450K (FY 2024 & FY 2025), and \$505K (FY 2026) included. New vehicle for new RTWS positions are in those amounts

Capital funding provides additional Lake Ralph Hall personnel

- **Plant Equipment, Maintenance, and Materials**

4% Annual Increase

Includes funding for Stonehill Tank cleaning in FY 2023 (\$300K) and Taylor Plant roof replacement in FY 2023 (\$200K)

FY 2026 includes \$750K for Lake Ralph Hall operating expenses

- **Debt Service**

Conversion of Commercial Paper to Long-Term Debt

\$29M in FY 2023; \$25M in FY 2024; \$46M in FY 2025; and \$26M in FY 2026

Series 2022 Board Participation Bonds of \$10.6M to fund 75% of the Harpool RWTP Northeast Transmission Pipeline

No Debt Service FY 2023 through FY 2025; then, Deferred Interest Payback @ 20% (FY'26)

Series 2023 Board Participation Bonds of \$9.1M to fund 75% of the Harpool RWTP Northeast Transmission Pipeline

No Debt Service FY 2023 through FY 2026

Series 2024 Board Participation Bonds of \$4.7M to fund 75% of the Harpool RWTP Northeast Transmission Pipeline

No Debt Service FY 2023 through FY 2026

Series 2025 Board Participation Bonds of \$4.7M to fund 75% of the Harpool RWTP Northeast Transmission Pipeline

No Debt Service FY 2023 through FY 2026

Series 2026 Board Participation Bonds of \$6.0M to fund 75% of the Harpool RWTP Northeast Transmission Pipeline

No Debt Service FY 2023 through FY 2026

Annual Board Participation Debt Service for the Lake Ralph Hall Project (Per Master Agreement)

2016 Issue- Payback increases annually to 55% (FY'23), 70% (FY'24), 85% (FY'25) and 100% (FY'26)

2020 Issue- Payback increases annually to 20% (FY'23 & FY'24), 30% (FY'25), and 40% (FY'26)

2021 Issue- No Debt Service through FY 2023; then @ 20% (FY'24 & FY'25) and 30% (FY'26)

2022 Issue- No Debt Service through FY 2024; then @ 20% (FY'25 & FY'26)

2023 Issue- No Debt Service through FY 2025; then @ 20% (FY'26)

Deferred Interest Funding (2016 Issue) Debt Service for the Lake Ralph Hall Project Begins in FY 2024 (\$1.6M - \$2.0M per year over 22 years)

- **Chapman Lake - Contract with Irving**

Annual payment of \$225K (beginning in FY 2023) to City of Irving for pipeline utilization changes

- **Maintenance Fund Allocation**

4% Annual Increase - Also includes funding for additional Maintenance Staff in FY 2023 through FY 2026

- **Administration and Information Technology Fund Allocation**

4% Annual Increase for FY 2023 and a 5% annual Increase for FY 2024 through FY 2026

- **Reserve / Program Contributions**

Watershed Protection Program - \$0.02 per 1,000 gallons for FY 2023 through FY 2026

Water Conservation Program - \$0.02 per 1,000 gallons for FY 2023 through FY 2026

Future Water Program - \$0.02 per 1,000 gallons for FY 2022 through FY 2026

Capital Replacement Reserve - \$0.11 for FY 2023, \$0.12 for FY 2024, \$0.13 for FY 2025 and \$0.14 for FY 2026

Raw Water Pond Dredging Reserve - \$0.01 per 1,000 gallons for FY 2023 through FY 2026

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

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.

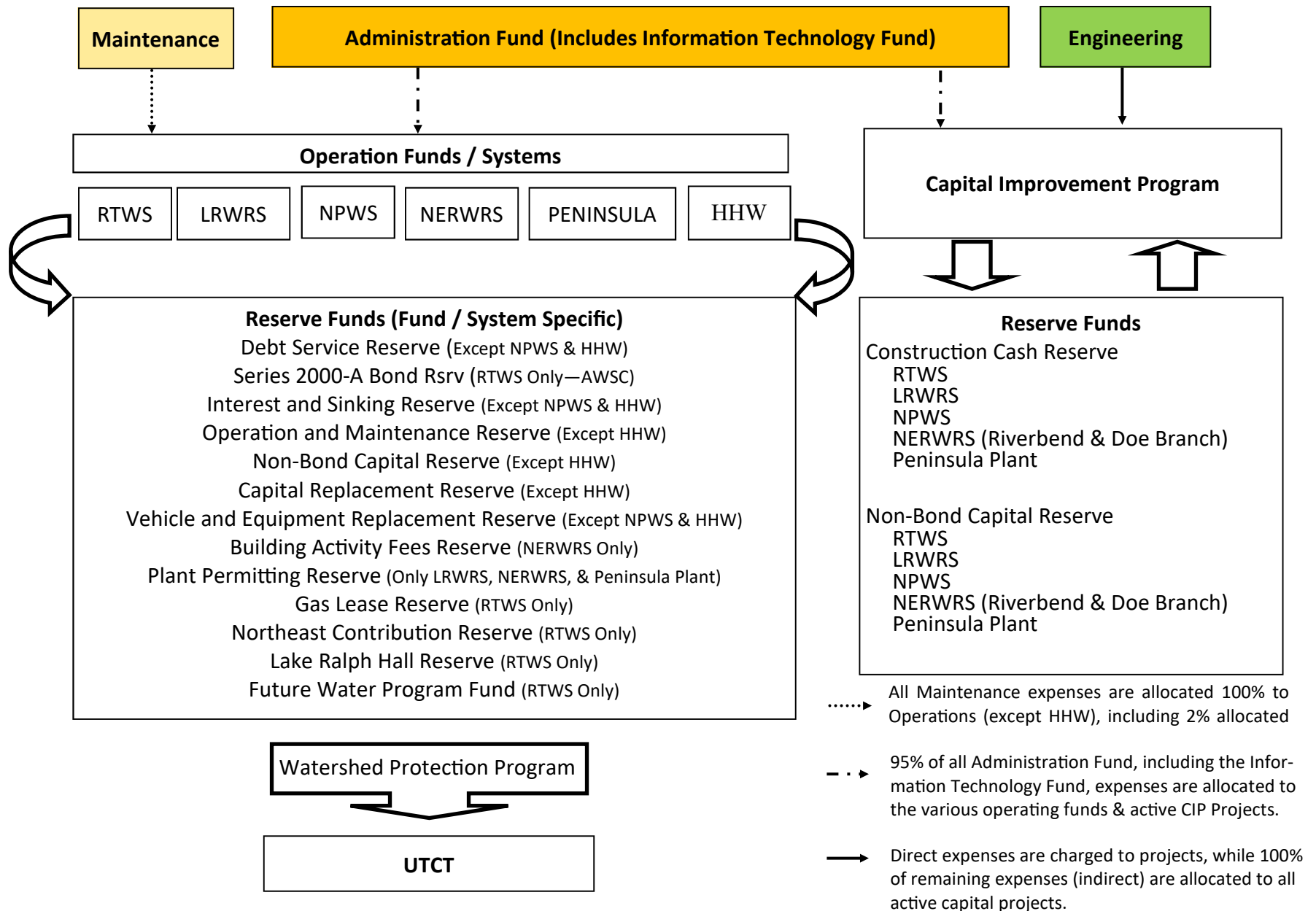
A flowchart that demonstrates the fund structure of the District is also included in this section.

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
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
Construction Cash Fund		X	X	X	X	X

UTRWD FUND STRUCTURE



ALL OPERATING, RESERVE, AND CAPITAL FUNDS - COMBINED

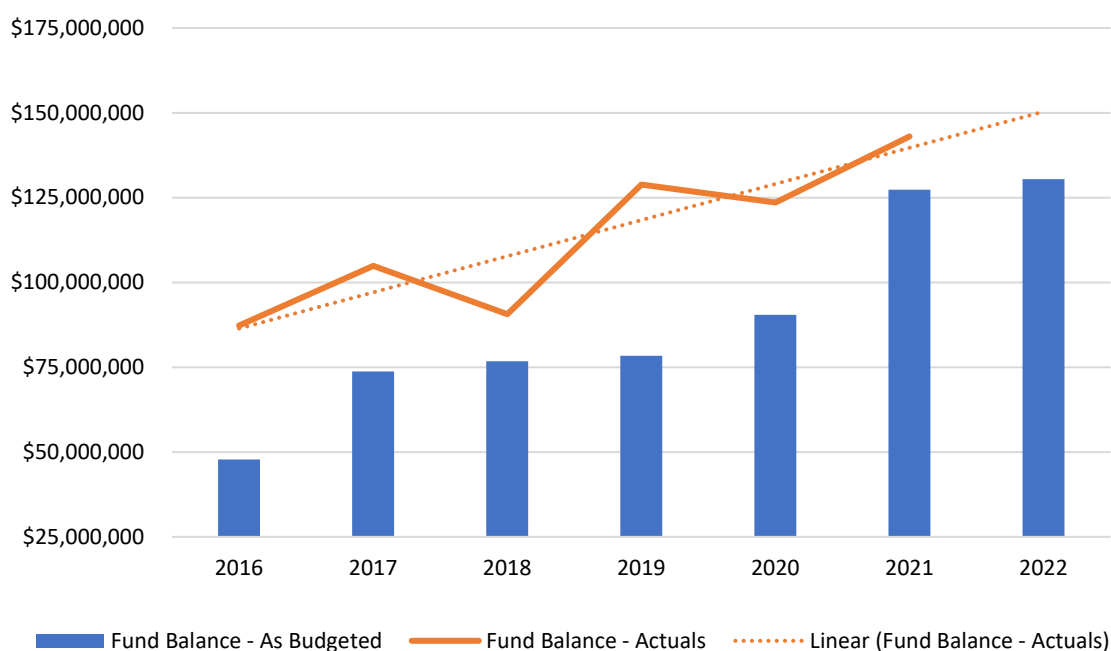
	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
Beginning Balance	\$ 128,892,699	\$ 121,721,598	\$ 123,561,613	\$ 143,036,473
Less: Transfers from Working Capital / Carryforwards *	\$ (18,207,245)	\$ (29,127,650)	\$ (12,658,715)	\$ (24,762,970)
BEGINNING BALANCE Revised	\$ 110,685,454	\$ 92,593,948	\$ 110,902,898	\$ 118,273,503
Revenues				
Demand Charges	\$ 35,091,211	\$ 36,350,395	\$ 36,276,055	\$ 38,222,310
Capital Charges for Joint / Individual Facilities with Interim Finance Charges	5,968,263	7,064,705	7,064,705	6,637,320
Fixed O&M Costs for Joint Facilities	5,837,604	5,837,615	5,837,615	7,005,465
Fees for Administration and Planning	169,005	173,690	173,690	179,820
Contract Payments	667,415	411,845	422,790	267,645
Volume Revenues	13,697,649	13,919,205	14,110,455	16,112,825
Volume - Treated Effluent	26,708	36,000	29,645	39,200
Volume - Raw Water	-	3,430	3,430	3,780
Treatment and Transportation	4,797,045	4,291,835	4,764,830	4,731,080
Charges for Services (HHW)	732	15,320	5,190	15,320
Commercial Paper Proceeds	25,500,000	29,023,150	22,500,000	45,916,874
Bond Proceeds (includes Contributions for Capital Projects)	-	-	891,535	17,871,490
Texas Water Development Board				
SWIFT Deferred Interest Funds	8,205,627	15,120,775	14,730,170	3,834,425
SWIFT Board Participation Funds	12,159,676	77,672,240	70,382,995	144,051,545
SWIFT Subsidized Interest Funds	21,771,248	15,982,975	15,024,800	699,400
State Participation Funds	-	18,235,735	-	-
Reimbursements (Includes CIP Projects)	926,151	182,340	3,513,055	7,773,340
Contribution Sources	-	18,042,855	21,094,390	603,126
Watershed Partners Programs	4,375	3,875	3,875	3,875
Charitable Contributions	-	1,500	1,000	1,500
Building Activity Fees	10,950	23,070	3,400	3,450
Rental Revenues	185,712	172,905	169,725	194,520
Other Revenues (Includes Land & Easement Proceeds)	698,638	674,485	714,150	27,800
Interest Income	1,489,578	652,865	185,955	192,980
Total Revenues	\$ 137,207,587	\$ 243,892,810	\$ 217,903,455	\$ 294,389,090
Interfund Transfers *	\$ 64,767,903	\$ 73,184,600	\$ 64,356,560	\$ 79,306,560
Total Revenues and Interfund Transfers	\$ 201,975,490	\$ 317,077,410	\$ 282,260,015	\$ 373,695,650
Expenditures				
Administration Fund	\$ 263,518	\$ 251,895	\$ 284,840	\$ 268,080
Lakeview Regional Water Reclamation System	5,789,803	6,158,780	6,086,080	6,143,790
Non-Potable Water System	83,759	100,190	93,390	94,455
Northeast Regional Water Reclamation System	6,437,729	8,146,460	8,201,070	8,770,460
Peninsula Water Reclamation Plant	831,622	942,235	983,815	1,124,875
Regional Treated Water System	40,832,556	45,985,760	42,966,985	48,191,055
Household Hazardous Waste Program	9,167	26,295	20,570	26,115
Interest and Sinking Reserve Fund	27,273,423	27,571,930	27,555,190	27,722,615
Capital Improvement Program	69,358,381	175,836,435	138,850,865	241,164,125
Vehicle and Equipment Replacement Fund	49,525	-	-	30,395
Self-Insurance Fund	948,430	1,611,290	2,194,095	2,470,540
Watershed Protection Program Fund	157,860	211,105	191,860	223,030
Water Conservation Program Fund	256,834	236,105	158,290	258,210
Future Water Program Fund	130,562	196,500	163,500	254,000
Upper Trinity Conservation Trust	14,384	40,000	35,270	40,000
Project Development Fund	-	-	-	290,000
Refund to Prior Construction Contributions	-	-	271,600	-
GASB 31 Adjustments to Investments (Non-Cash)	15,979	-	-	-
Total Expenditures	\$ 152,453,532	\$ 267,314,980	\$ 228,057,420	\$ 337,071,745
Interfund Transfers *	\$ 36,645,799	\$ 15,014,305	\$ 22,069,020	\$ 24,444,740
Total Expenditures and Interfund Transfers	\$ 189,099,331	\$ 282,329,285	\$ 250,126,440	\$ 361,516,485
Net Revenues / (Expenses)	\$ 12,876,159	\$ 34,748,125	\$ 32,133,575	\$ 12,179,165
Ending Balance	\$ 123,561,613	\$ 127,342,073	\$ 143,036,473	\$ 130,452,668

* 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	Budgeted Total Fund Balance	Actual Total Fund Balance
2016	\$ 47,819,427	\$ 87,300,817
2017	\$ 73,786,961	\$ 104,874,695
2018	\$ 76,778,306	\$ 90,663,171
2019	\$ 78,348,390	\$ 128,892,408
2020	\$ 90,482,140	\$ 123,561,613
2021	\$ 127,342,073	\$ 143,036,473*
2022	\$ 130,452,668	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 \$24.00 million. However, fund balance increases have also occurred from District operating systems. For more explanation for the variances between ending cash balances of the District's operating systems, refer to the Operating Fund Detail section of this budget document.

OPERATING FUNDS COMBINED SUMMARY

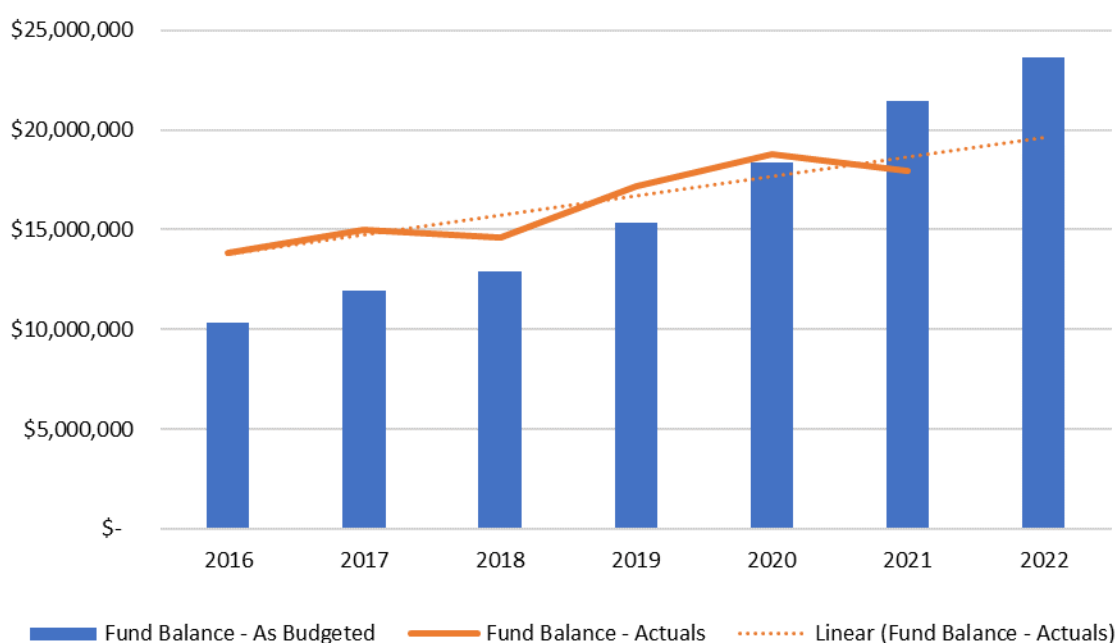
	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
Beginning Balance	\$ 17,153,457	\$ 16,115,197	\$ 18,752,701	\$ 17,928,156
Less: Transfers from Working Capital *	\$ (66,620)	\$ (11,000)	\$ (11,000)	\$ (11,000)
BEGINNING BALANCE Revised	\$ 17,086,837	\$ 16,104,197	\$ 18,741,701	\$ 17,917,156
Revenues				
Fixed				
Demand Charges (RTWS and NPWS)	\$ 35,091,211	\$ 36,350,395	\$ 36,276,055	\$ 38,222,310
Capital Charges for Joint / Individual Facilities with Interim Finance Charges (Water Reclamation Systems)	5,968,263	7,064,705	7,064,705	6,637,320
Fixed O&M Costs for Jt. Facilities (Water Recl. Systems)	5,837,604	5,837,615	5,837,615	7,005,465
Fees for Administration and Planning (Administration)	151,420	155,975	155,975	161,680
Contract Payments (RTWS)	667,415	411,845	422,790	267,645
Subtotal	\$ 47,715,913	\$ 49,820,535	\$ 49,757,140	\$ 52,294,420
Variable				
Volume Revenues (RTWS)	\$ 13,697,649	\$ 13,919,205	\$ 14,110,455	\$ 16,112,825
Volume - Treated Effluent (NPWS)	26,708	36,000	29,645	39,200
Volume - Raw Water (NPWS)	-	3,430	3,430	3,780
Treatment and Transportation (Water Recl. Systems)	4,797,045	4,291,835	4,764,830	4,731,080
Charges for Services (HHW)	732	15,320	5,190	15,320
Subtotal	\$ 18,522,134	\$ 18,265,790	\$ 18,913,550	\$ 20,902,205
Miscellaneous				
Rental Revenues	\$ 185,712	\$ 172,905	\$ 169,725	\$ 194,520
Other Revenues	698,638	674,485	714,150	27,800
Interest Income	561,542	331,450	49,245	56,735
Subtotal	\$ 1,445,892	\$ 1,178,840	\$ 933,120	\$ 279,055
Total Revenues	\$ 67,683,939	\$ 69,265,165	\$ 69,603,810	\$ 73,475,680
Interfund Transfers *	\$ 2,032,483	\$ 2,857,745	\$ 2,226,205	\$ 1,185,715
Total Revenues and Interfund Transfers	\$ 69,716,422	\$ 72,122,910	\$ 71,830,015	\$ 74,661,395
Expenditures (w/o Debt Service)				
Administration Fund	\$ 263,518	\$ 251,895	\$ 284,840	\$ 268,080
Lakeview Regional Water Reclamation System (LRWRS)	2,665,489	3,118,765	3,046,235	3,103,395
Non-Potable Water System (NPWS)	83,759	100,190	93,390	94,455
Northeast Regional Water Reclamation System (NERWRS)	3,914,595	4,628,080	4,682,690	5,260,715
Peninsula Water Reclamation Plant (PWRP)	762,828	873,400	915,845	1,051,940
Regional Treated Water System (RTWS)	19,129,530	24,191,685	21,413,005	26,626,815
Household Hazardous Waste Program (HHW)	9,167	26,295	20,570	26,115
Subtotal	\$ 26,828,886	\$ 33,190,310	\$ 30,456,575	\$ 36,431,515
Debt Service (Net of Capitalized Interest)				
Lakeview Regional Water Reclamation System	\$ 3,124,314	\$ 3,040,015	\$ 3,039,845	\$ 3,040,395
Northeast Regional Water Reclamation System	2,523,134	3,518,380	3,518,380	3,509,745
Peninsula Water Reclamation Plant (w/Fiscal Agent Fees)	68,794	68,835	67,970	72,935
Regional Treated Water System (w/Commercial Paper)	21,703,026	21,794,075	21,553,980	21,564,240
Subtotal	\$ 27,419,268	\$ 28,421,305	\$ 28,180,175	\$ 28,187,315
Total Expenditures and Debt Service	\$ 54,248,154	\$ 61,611,615	\$ 58,636,750	\$ 64,618,830
Interfund Transfers *	\$ 13,802,404	\$ 5,142,360	\$ 14,006,810	\$ 4,297,600
Total Expenditures and Interfund Transfers	\$ 68,050,558	\$ 66,753,975	\$ 72,643,560	\$ 68,916,430
Net Revenues / (Expenses)	\$ 1,665,864	\$ 5,368,935	\$ (813,545)	\$ 5,744,965
Ending Balance	\$ 18,752,701	\$ 21,473,132	\$ 17,928,156	\$ 23,662,121

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

HISTORICAL OPERATING FUND BALANCES

Fiscal Year	Budgeted Total Fund Balance	Actual Total Fund Balance
2016	\$ 10,340,487	\$ 13,857,854
2017	\$ 11,941,675	\$ 14,984,832
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	\$ 17,928,156*
2022	\$ 23,662,121	N/A

* - Estimate



The District's ending fund balances have steadily increased since FY 2015. However, as shown in the above graph, there were years (FY 2017 to FY 2018 and FY 2020 to FY 2021) where excess working capital generated from the prior fiscal year was transferred to reserve funds and were 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 2016 OPERATING RESULTS

- Actual fund balance increase of \$3.52 million when compared to the budgeted fund balance.
- Actual operating revenues exceeded budgeted revenues by approximately \$1.31 million due to experiencing higher than projected treated water sales and wastewater flows treated.
- This \$3.52 million increase is net of transferring excess working capital of approximately \$4.6 million (from FY 2015 operating results) to various District System reserve funds, including a loan of \$2.50 million from the Regional Treated Water System for interim construction funding for the expansion of the Riverbend Plant in the Northeast Regional Water Reclamation System.

FY 2017 OPERATING RESULTS

- Actual fund balance increase of \$3.04 million when compared to the budgeted fund balance, even after transferring approximately \$5.9 million of excess working capital (savings from FY 2016 budgeted expenses versus actual results, including repayment of a \$2.50 million loan by the Northeast Regional Water Reclamation System to the Regional Treated Water System) to various District System reserve funds.
- Actual operating revenues exceeded budgeted revenues by approximately \$0.49 million due to higher than projected treated water sales and wastewater flows treated in the Northeast Regional Water Reclamation System.

FY 2018 OPERATING RESULTS

- Actual fund balance increase of \$1.70 million when compared to the budgeted fund 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 ending fund balance for FY 2019 versus the budgeted ending fund 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 from higher rainfall experienced in the District's service area.

FY 2020 OPERATING RESULTS

- The actual ending fund balance for FY 2020 versus the budgeted ending fund 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 FY 2021 estimated ending fund balance is projected to decrease by approximately \$3.54 million due to transferring approximately \$8.23 million of excess working capital (savings from FY 2020 budgeted expenses versus actual results) to various District System reserve funds.
- FY 2021 estimated operating revenues are projected to fall short of budgeted revenues by \$0.29 million due to continued decline in interest income as well as a \$0.30 million reduction in the Northeast Regional Water Reclamation's Interfund Transfer from the Non-Bond Capital Reserve to Operating.

FY 2022 OPERATING RESULTS

- The FY 2022 budgeted ending fund balance is projected to increase by \$5.73 million from estimated FY 2021 ending fund balance (a \$2.19 million increase from the FY 2021 budgeted ending fund balance).
- FY 2022 rates and charges for the operating systems were established to yield a \$5.8 million budget surplus and to yield higher cash basis bond coverage ratios for the four District systems having outstanding bond debt. 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. The projected FY 2022 cash basis bond coverage ratios for the District's Systems are all set to meet this minimum, and more detail can be found in the Debt Summary section.

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 Commercial Paper.

COMMERCIAL PAPER

The District also maintains a commercial paper program for the Regional Treated Water System. The District entered into a third amended and restated Letter of Credit and Reimbursement Agreement with Bank of America on September 27, 2019 with an authorized aggregate principal amount not to exceed \$75.00 million. Unless extended, the expiration date of the Letter of Credit and Reimbursement Agreement is December 30, 2022.

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 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 2021, the District's Systems have the following bond ratings:

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

DEBT COVERAGE

In accordance with the District's Debt policies, FY 2022 rates and charges are established to achieve a goal coverage ratio of 1.25 to 1.35 on all debt (Cash Debt Coverage Ratio), but with a minimum of 1.15. The Cash Debt Coverage Ratio (CDCR) and the Additional Bonds Test Coverage Ratio (ABTCR) are shown below for the District's systems with outstanding debt:

	CDCR	ABTCR
Regional Treated Water System	1.19	2.15
Lakeview Regional Treated Water System	1.23	2.33
Northeast Regional Water Reclamation System	1.15	1.21
Peninsula Water Reclamation	1.45	2.03

REGIONAL TREATED WATER SYSTEM

SENIOR LIEN DEBT

For FY 2022, the District will have the following Bonds outstanding.

Series 2012A (Refunding) – \$36.97 million bond issue to convert \$15.0 million of Commercial Paper (used for various capital projects including the Harpool RWTP) to long-term debt and to repurchase (refund) outstanding bonds held by the TWDB from 1999 (\$17.17 million), originally issued to expand the Taylor RWTP from 20 to 70 mgd.

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 (Commercial Paper Conversion) – Preliminary \$22.50 million bond issue to convert Commercial Paper to long-term debt. Estimated debt service for this issue totals \$374,100.

JUNIOR LIEN DEBT

For FY 2022, 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 – Preliminary \$135.00 million used for construction activities (\$120.0 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 2022 TWDB Board Participation Bonds – Preliminary \$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 three issues through FY 2026. 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.

COMMERCIAL PAPER

Approximately \$48.73 million of Commercial Paper will be utilized in FY 2022 with fees and interest expenses projected at \$0.81 million. These Regional Treated Water System Revenue Commercial Paper Notes (Series A) are rated A-1 by Standard & Poor's.

COMMERCIAL PAPER BALANCES	\$ in Millions
Outstanding CP Balance 9-30-21	\$8.50
Projected Draws	\$46.50
Projected Conversion to Long-Term Debt	\$22.50
Projected Outstanding CP Balance 9-30-22	\$32.50

SCHEDULE OF REQUIREMENTS

Series	Description	TIC *	Maturity	Principal	Interest	Total
2012A	Revenue Bonds (Refunding)	3.58%	2037	1,425,000	1,013,380	2,438,380
2013	Revenue Bonds (Refunding)	3.11%	2030	1,085,000	344,590	1,429,590
2015	Revenue Bonds (Refunding)	3.06%	2044	2,745,000	1,280,380	4,025,380
2015	TWDB Board Participation Bonds	4.02%	2050	-	250,285	250,285
2016	Revenue Bonds (Refunding)	2.27%	2032	1,615,000	721,700	2,336,700
2017	Revenue Bonds (CP Conversion)	3.31%	2047	450,000	560,450	1,010,450
2018	TWDB SWIFT Subsidized Bonds	2.68%	2043	245,000	175,380	420,380
2019	TWDB SWIFT Subsidized Bonds	2.02%	2044	640,000	312,430	952,430
2019A	Revenue Bonds (CP Conversion)	2.88%	2049	405,000	600,390	1,005,390
2020	Revenue Bonds (Refunding)	0.51%	2026	2,220,000	429,100	2,649,100
2020A	TWDB SWIFT Subsidized Bonds	1.77%	2045	570,000	200,470	770,470
2021	Revenue Bonds (Refunding)	2.20%	2051	1,580,000	1,481,335	3,061,335
2022	Revenue Bonds (CP Conversion) **	4.00%	2052	-	374,100	374,100
Total				\$ 12,980,000	\$ 7,743,990	\$ 20,723,990

* True Interest Cost

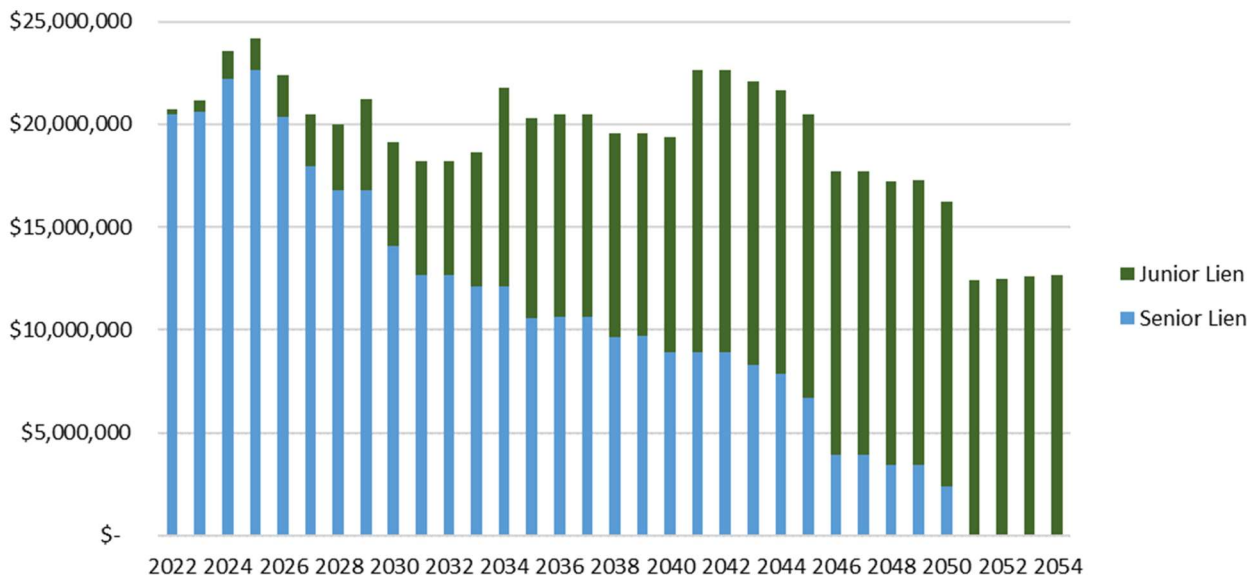
** Estimated debt service. Bond issue projected for FY 2022.

This schedule represents the FY 2022 debt service payments due on each outstanding Regional Treated Water System bond issue. However, one debt issue listed for the 2022 fiscal year period includes a \$22.50 million issue to convert Commercial Paper to long-term debt. The debt service amount (\$374,100) for this issue is an estimate. For future debt issues during the five-year planning period (FY 2022 - FY 2026), refer to the Capital Improvement Program section of this budget document.

LONG-TERM DEBT INDEBTEDNESS TO MATURITY

Year	Senior Lien	Junior Lien	Total
2022	\$ 20,473,705 *	\$ 250,285	\$ 20,723,990
2023	20,636,795	546,785	21,183,580
2024	22,230,425	1,314,685	23,545,110
2025	22,646,660	1,509,865	24,156,525
2026	20,373,180	2,042,065	22,415,245
2027	17,950,015	2,531,070	20,481,085
2028	16,816,660	3,188,585	20,005,245
2029	16,817,725	4,422,155	21,239,880
2030	14,073,720	5,079,670	19,153,390
2031	12,651,020	5,585,205	18,236,225
2032	12,654,250	5,585,205	18,239,455
2033	12,095,975	6,530,885	18,626,860
2034	12,099,040	9,679,090	21,778,130
2035	10,599,750	9,679,090	20,278,840
2036	10,615,040	9,868,040	20,483,080
2037	10,619,755	9,867,595	20,487,350
2038	9,685,355	9,870,955	19,556,310
2039	9,702,035	9,872,920	19,574,955
2040	8,914,700	10,492,725	19,407,425
2041	8,909,220	13,752,430	22,661,650
2042	8,908,695	13,754,150	22,662,845
2043	8,320,690	13,762,090	22,082,780
2044	7,894,130	13,770,595	21,664,725
2045	6,677,765	13,789,510	20,467,275
2046	3,902,220	13,801,180	17,703,400
2047	3,907,705	13,811,270	17,718,975
2048	3,424,765	13,824,905	17,249,670
2049	3,420,400	13,836,590	17,256,990
2050	2,418,315	13,851,005	16,269,320
2051	-	12,435,700	12,435,700
2052	-	12,482,445	12,482,445
2053	-	12,580,010	12,580,010
2054	-	12,672,060	12,672,060
Total	\$ 339,439,710	\$ 296,040,815	\$ 635,480,525

* Includes estimated debt service of \$374,100 for projected FY 2022 issue of \$22.50 million.



DEBT SERVICE RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 11,236,791	\$ 11,236,791	\$ 11,120,275	\$ 12,011,810
Transfer to Operations	\$ (116,516)			
BEGINNING CASH BALANCE Revised	\$ 11,120,275			
REVENUES				
Deposit				
Series 2021 Refunding Bonds (\$30.0M Commercial Paper)	-	-	891,535	-
Series 2022 Refunding Bonds (\$22.5M Commercial Paper)	-	-	-	306,000
Interfund Transfer - Working Capital	116,516	-	-	-
Interest Income	58,703	65,905	5,325	5,305
TOTAL REVENUES	\$ 175,219	\$ 65,905	\$ 896,860	\$ 311,305
EXPENDITURES				
Interfund Transfer - Operations	167,025	65,905	5,325	5,305
GASB 31 Adjustment	8,194	-	-	-
TOTAL EXPENDITURES	\$ 175,219	\$ 65,905	\$ 5,325	\$ 5,305
ENDING CASH BALANCE 9/30	\$ 11,120,275	\$ 11,236,791	\$ 12,011,810	\$ 12,317,810

FY 2022 Ending Balance increase of \$1,081,019 is due to delaying the conversion of \$28.0 million of outstanding Commercial Paper in FY 2020 to FY 2021, and converting \$30.0 million of outstanding Commercial Paper to long-term debt. The Adopted FY 2021 Ending Balance of \$11,236,791 did not include a deposit of \$550,640 from the previously planned FY 2020 bond issue. Instead, a deposit of \$891,535 was made after the issuance of the FY 2021 bonds to refund \$30.0 million of Commercial Paper. Additionally, the FY 2022 Ending Balance includes a projected deposit of \$306,000 from a planned conversion of \$22.5 million of outstanding Commercial Paper to long-term debt.

SERIES 2000-A DEBT SERVICE RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 387,059	\$ 575,843	\$ 575,845	\$ 459,845
Transfer to Operations		\$ (116,000)	\$ (116,000)	\$ (115,000)
BEGINNING CASH BALANCE Revised		\$ 459,843	\$ 459,845	\$ 344,845
REVENUES				
Interfund Transfers				
Operations	188,786	-	-	-
Working Capital	-	116,000	116,000	115,000
TOTAL REVENUES	\$ 188,786	\$ 116,000	\$ 116,000	\$ 115,000
EXPENDITURES				
Interfund Transfer - Operations	-	116,000	116,000	115,000
TOTAL EXPENDITURES	\$ -	\$ 116,000	\$ 116,000	\$ 115,000
ENDING CASH BALANCE 9/30	\$ 575,845	\$ 459,843	\$ 459,845	\$ 344,845

FY 2022 Ending Balance decrease of \$114,998 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 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,010,063	\$ 1,038,978	\$ 1,095,655	\$ 1,097,115
REVENUES				
Interfund Transfer - Operations	20,910,991	20,951,720	20,935,845	20,723,990
Interest Income	27,101	18,890	1,460	1,375
TOTAL REVENUES	\$ 20,938,092	\$ 20,970,610	\$ 20,937,305	\$ 20,725,365
EXPENDITURES				
Debt Service	20,852,500	20,951,720	20,935,845	20,723,990
TOTAL EXPENDITURES	\$ 20,852,500	\$ 20,951,720	\$ 20,935,845	\$ 20,723,990
ENDING CASH BALANCE 9/30	\$ 1,095,655	\$ 1,057,868	\$ 1,097,115	\$ 1,098,490

LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

SENIOR LIEN DEBT

For FY 2022, 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

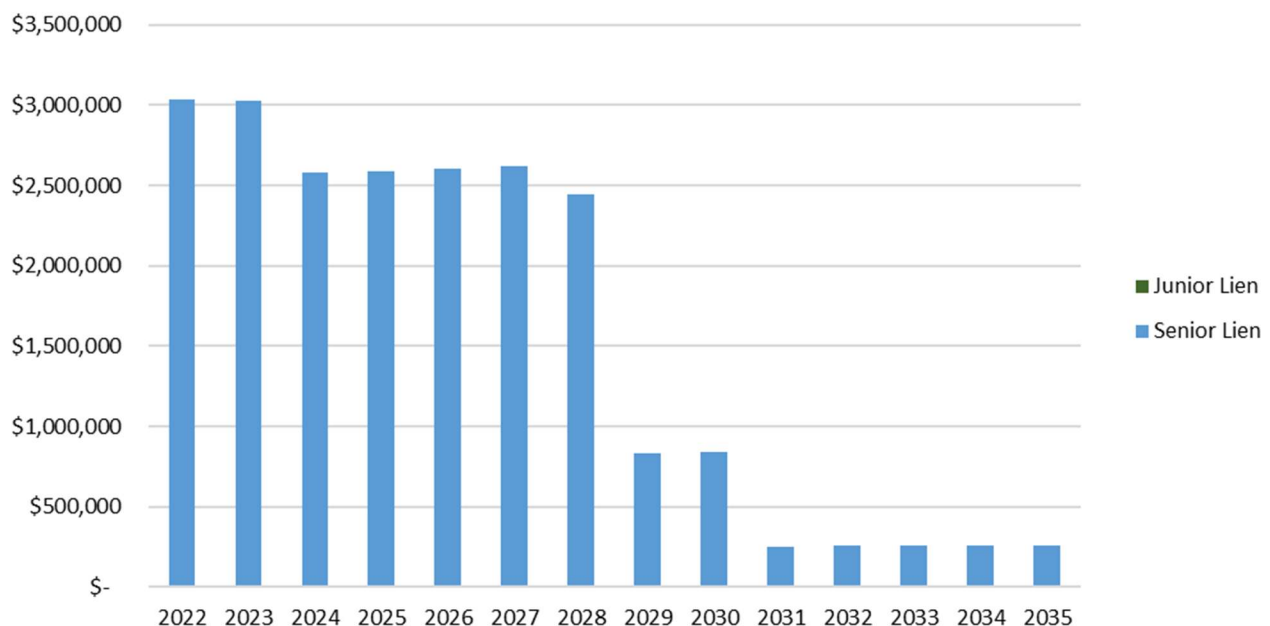
Series	Description	TIC *	Maturity	Principal	Interest	Total
2012	Revenue Bonds (Refunding)	2.91%	2028	555,000	59,690	614,690
2012A	Revenue Bonds (Refunding)	3.11%	2028	1,090,000	358,090	1,448,090
2014	Revenue Bonds (Refunding)	3.08%	2030	185,000	59,375	244,375
2015	Revenue Bonds	3.38%	2035	155,000	94,640	249,640
2020	Revenue Bonds (Refunding)	0.90%	2035	390,000	89,100	479,100
Total				\$ 2,375,000	\$ 660,895	\$ 3,035,895

* True Interest Cost

This schedule represents the FY 2022 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 2022 - FY 2026), refer to the Capital Improvement Program section of this budget document.

LONG-TERM DEBT INDEBTEDNESS TO MATURITY

Year	Senior Lien	Junior Lien	Total
2022	\$ 3,035,895	\$ -	\$ 3,035,895
2023	3,030,120	-	3,030,120
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	\$ 21,854,375	\$ -	\$ 21,854,375



DEBT SERVICE RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 2,216,533	\$ 2,216,533	\$ 2,173,442	\$ 2,173,442
Transfer to Operations	\$ (43,091)			
BEGINNING CASH BALANCE Revised	\$ 2,173,442			
REVENUES				
Interfund Transfer - Working Capital	43,091	-	-	-
Interest Income	8,338	17,760	1,215	1,485
TOTAL REVENUES	\$ 51,429	\$ 17,760	\$ 1,215	\$ 1,485
EXPENDITURES				
Interfund Transfer - Operations	47,332	17,760	1,215	1,485
GASB 31 Adjustment	4,097	-	-	-
TOTAL EXPENDITURES	\$ 51,429	\$ 17,760	\$ 1,215	\$ 1,485
ENDING CASH BALANCE 9/30	\$ 2,173,442	\$ 2,216,533	\$ 2,173,442	\$ 2,173,442

INTEREST AND SINKING RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 150,394	\$ 154,494	\$ 136,795	\$ 136,975
Transfer to Operations	\$ (13,600)			
BEGINNING CASH BALANCE Revised	\$ 136,794			
REVENUES				
Interfund Transfers				
Operations	3,098,782	3,035,645	3,035,645	3,035,895
Working Capital	13,600	-	-	-
Interest Income	4,013	2,240	180	195
TOTAL REVENUES	\$ 3,116,395	\$ 3,037,885	\$ 3,035,825	\$ 3,036,090
EXPENDITURES				
Debt Service	3,116,394	3,035,645	3,035,645	3,035,895
TOTAL EXPENDITURES	\$ 3,116,394	\$ 3,035,645	\$ 3,035,645	\$ 3,035,895
ENDING CASH BALANCE 9/30	\$ 136,795	\$ 156,734	\$ 136,975	\$ 137,170

FY 2022 Ending Balance decrease of \$19,564 is due to lower than projected interest income based on current market conditions.
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NORTHEAST REGIONAL WATER RECLAMATION SYSTEM

SENIOR LIEN DEBT

For FY 2022, 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 to be used for the Riverbend Water Reclamation Plant Expansion, Phase 3. This issue has a 29-year term with Interest-only payments thru 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 2022 debt service amount of \$262,200 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 2022 debt service amount of \$1,760,425 is made up of \$766,725 (City of Celina's initial capacity in the construction of the Doe Branch Plant), \$701,775 (Celina's additional capacity), and \$291,925 (due from all Doe Branch Plant participants for excess capacity). 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) – Preliminary \$2.09 million used for West Influent Pump Station and Dewatering Improvements at the Riverbend Plant, \$5.23 million for the Doe Branch Plant Expansion, Phase 3, and \$10.44 million for Phase 1, Parallel Interceptor for the Doe Branch Plant. The initial payment will be funded by capitalized interest.

JUNIOR LIEN DEBT

For FY 2022, 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	100,000	120,120	220,120
2016	TWDB "D" Funds	3.30%	2045	-	365,880	365,880
2017	TWDB "D" Funds	3.89%	2045	-	898,390	898,390
2019	Revenue and Refunding Bonds	3.94%	2032	155,000	107,200	262,200
Total				\$ 255,000	\$ 1,491,590	\$ 1,746,590

* True Interest Cost

DOE BRANCH PLANT

Series	Description	TIC *	Maturity	Principal	Interest	Total
2019	Revenue and Refunding Bonds	3.94%	2048	640,000	1,120,425	1,760,425
Total				\$ 640,000	\$ 1,120,425	\$ 1,760,425

* True Interest Cost

These schedules represent the FY 2022 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 2022 - FY 2026), refer to the Capital Improvement Program section of this budget document.

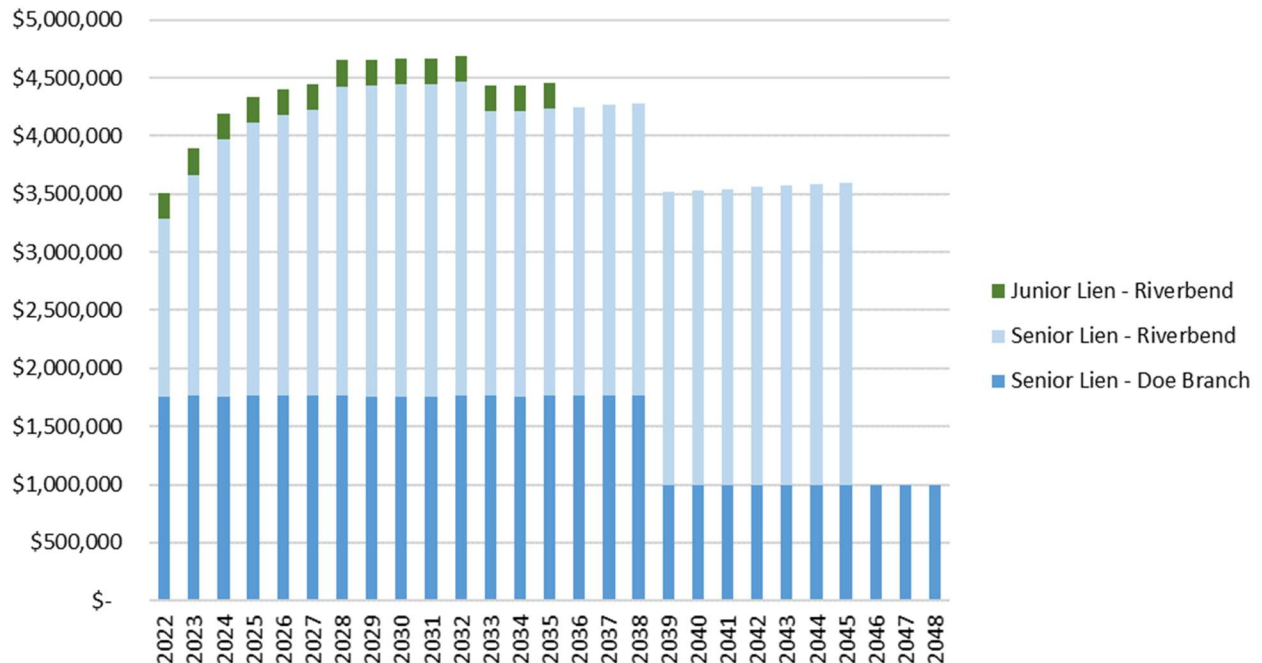
LONG-TERM DEBT INDEBTEDNESS TO MATURITY

RIVERBEND PLANT

Year	Senior Lien	Junior Lien	Total
2022	\$ 1,526,470	\$ 220,120	\$ 1,746,590
2023	1,900,270	224,540	2,124,810
2024	2,215,605	223,345	2,438,950
2025	2,349,045	221,815	2,570,860
2026	2,418,285	220,000	2,638,285
2027	2,458,665	222,900	2,681,565
2028	2,660,120	225,230	2,885,350
2029	2,672,430	221,925	2,894,355
2030	2,685,060	223,330	2,908,390
2031	2,693,280	219,160	2,912,440
2032	2,702,355	224,705	2,927,060
2033	2,447,360	224,390	2,671,750
2034	2,461,145	218,410	2,679,555
2035	2,476,270	222,140	2,698,410
2036	2,482,535	-	2,482,535
2037	2,501,655	-	2,501,655
2038	2,511,255	-	2,511,255
2039	2,523,680	-	2,523,680
2040	2,537,700	-	2,537,700
2041	2,548,140	-	2,548,140
2042	2,559,970	-	2,559,970
2043	2,572,465	-	2,572,465
2044	2,589,530	-	2,589,530
2045	2,607,110	-	2,607,110
Total	\$ 59,100,400	\$ 3,112,010	\$ 62,212,410

DOE BRANCH PLANT

<u>Year</u>	<u>Senior Lien</u>	<u>Junior Lien</u>	<u>Total</u>
2022	\$ 1,760,425	\$ -	1,760,425
2023	1,764,825	-	1,764,825
2024	1,756,325	-	1,756,325
2025	1,761,575	-	1,761,575
2026	1,764,825	-	1,764,825
2027	1,761,075	-	1,761,075
2028	1,765,575	-	1,765,575
2029	1,757,825	-	1,757,825
2030	1,758,325	-	1,758,325
2031	1,751,575	-	1,751,575
2032	1,762,825	-	1,762,825
2033	1,761,075	-	1,761,075
2034	1,756,825	-	1,756,825
2035	1,762,100	-	1,762,100
2036	1,764,900	-	1,764,900
2037	1,768,400	-	1,768,400
2038	1,763,650	-	1,763,650
2039	999,450	-	999,450
2040	992,200	-	992,200
2041	993,700	-	993,700
2042	998,450	-	998,450
2043	996,200	-	996,200
2044	997,200	-	997,200
2045	994,400	-	994,400
2046	995,400	-	995,400
2047	995,000	-	995,000
2048	993,200	-	993,200
Total	\$ 39,897,325	\$ -	\$ 39,897,325



DEBT SERVICE RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 3,687,067	\$ 3,687,067	\$ 3,654,594	\$ 3,654,594
Transfer to Operations	\$ (32,473)			
BEGINNING CASH BALANCE Revised	\$ 3,654,594			
REVENUES				
Deposit (Capitalized Interest)				
Series 2022 Revenue Bonds	-	-	-	565,490
Interfund Transfers				
Operations	10,000	-	-	-
Working Capital	32,473	-	-	-
Interest Income	31,989	40,500	1,740	1,855
TOTAL REVENUES	\$ 74,462	\$ 40,500	\$ 1,740	\$ 567,345
EXPENDITURES				
Interfund Transfer - Operations	70,774	40,500	1,740	1,855
GASB 31 Adjustments	3,688	-	-	-
TOTAL EXPENDITURES	\$ 74,462	\$ 40,500	\$ 1,740	\$ 1,855
ENDING CASH BALANCE 9/30	\$ 3,654,594	\$ 3,687,067	\$ 3,654,594	\$ 4,220,084

FY 2022 Ending Balance increase of \$533,017 largely due to the required deposit from the issuance of Series 2022 Revenue Bonds to provide funding for the West Influent Pump Station at the Riverbend Plant (14-5IP), Doe Branch Plant Expansion, Phase 3 (14-58U), and the Phase 1, Parallel Interceptor project for the Doe Branch Plant (14-51A). Additionally, there was a sharp decrease (\$38,760 for FY 2021) in Interest Revenue due to the continued effects on the economy by the COVID-19 pandemic.

INTEREST AND SINKING RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 937,805	\$ 240,905	\$ 576,562	\$ 577,022
Transfer to Operations	\$ (361,243)			
BEGINNING CASH BALANCE Revised	\$ 576,562			
REVENUES				
Deposit (Capitalized Interest)				
Series 2022 Revenue Bonds	-	-	-	382,780
Interfund Transfers				
Operations	2,864,075	3,515,730	3,515,730	3,507,015
Working Capital	361,243	-	-	-
Interest Income	10,417	12,000	460	520
TOTAL REVENUES	\$ 3,235,735	\$ 3,527,730	\$ 3,516,190	\$ 3,890,315
EXPENDITURES				
Debt Service	3,235,735	3,515,730	3,515,730	3,889,795
TOTAL EXPENDITURES	\$ 3,235,735	\$ 3,515,730	\$ 3,515,730	\$ 3,889,795
ENDING CASH BALANCE 9/30	\$ 576,562	\$ 252,905	\$ 577,022	\$ 577,542

FY 2022 Ending Balance increase of \$324,637 largely due to the deposit of Capitalized Interest funds from the issuance of Series 2022 Revenue Bonds to provide funding for the West Influent Pump Station at the Riverbend Plant (14-5IP), Doe Branch Plant Expansion, Phase 3 (14-58U), and the Phase 1, Parallel Interceptor project for the Doe Branch Plant (14-51A).
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PENINSULA WATER RECLAMATION PLANT

SENIOR LIEN DEBT

For FY 2022, 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

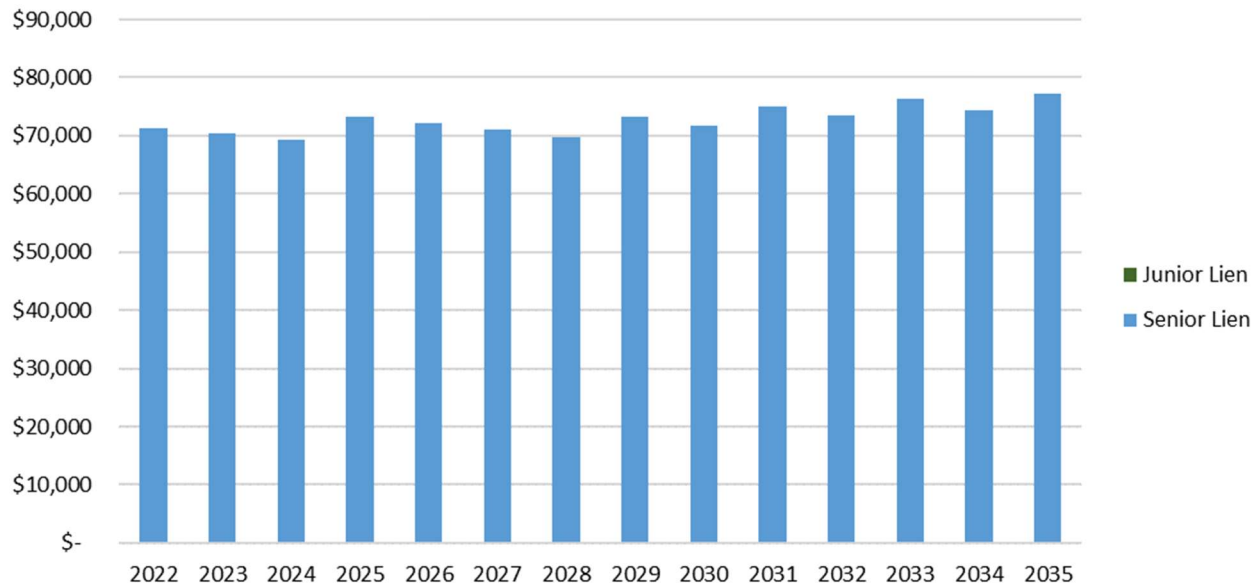
Series	Description	TIC *	Maturity	Principal	Interest	Total
2016	Revenue Bonds	2.60%	2035	50,000	21,345	71,345
Total				\$ 50,000	\$ 21,345	\$ 71,345

* True Interest Cost

This schedule represents the FY 2022 debt service on the outstanding Peninsula Water Reclamation Plant bond issue. For future debt issues during the five-year planning period (FY 2022 - FY 2026), refer to the Capital Improvement Program section of this budget document.

LONG-TERM DEBT INDEBTEDNESS TO MATURITY

Year	Senior Lien	Junior Lien	Total
2022	\$ 71,345	\$ -	\$ 71,345
2023	70,345	-	70,345
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	\$ 1,018,960	\$ -	\$ 1,018,960



DEBT SERVICE RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 75,625	\$ 75,625	\$ 75,231	\$ 75,231
Transfer to Operations	\$ (394)			
BEGINNING CASH BALANCE Revised	\$ 75,231			
REVENUES				
Interfund Transfer - Working Capital	394	-	-	-
Interest Income	685	500	40	35
TOTAL REVENUES	\$ 1,079	\$ 500	\$ 40	\$ 35
EXPENDITURES				
Interfund Transfer - Operations	1,079	500	40	35
TOTAL EXPENDITURES	\$ 1,079	\$ 500	\$ 40	\$ 35
ENDING CASH BALANCE 9/30	\$ 75,231	\$ 75,625	\$ 75,231	\$ 75,231

INTEREST AND SINKING RESERVE FUND

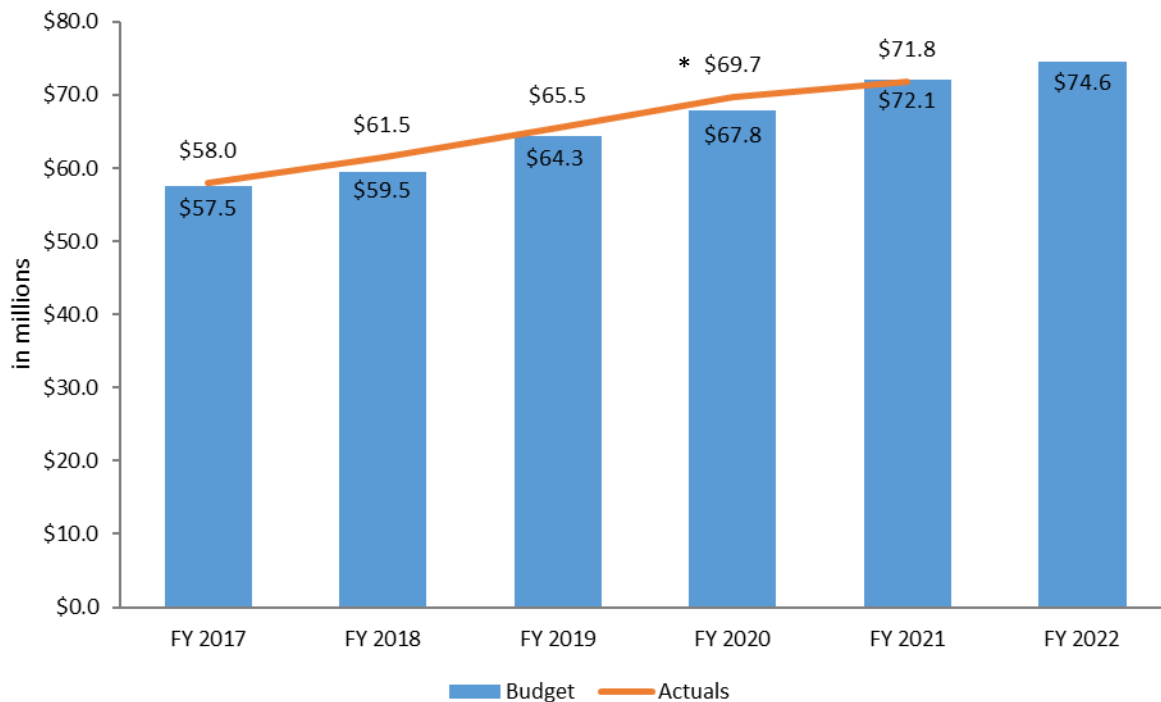
	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 3,962	\$ 4,062	\$ 3,807	\$ 3,817
Transfer to Operations	\$ (155)			
BEGINNING CASH BALANCE Revised	\$ 3,807			
REVENUES				
Interfund Transfers				
Operations	68,544	68,835	67,970	72,935
Working Capital	155	-	-	-
Interest Income	95	80	10	15
TOTAL REVENUES	\$ 68,794	\$ 68,915	\$ 67,980	\$ 72,950
EXPENDITURES				
Debt Service (w/Fiscal Agent Fees)	68,794	68,835	67,970	72,935 *
TOTAL EXPENDITURES	\$ 68,794	\$ 68,835	\$ 67,970	\$ 72,935
ENDING CASH BALANCE 9/30	\$ 3,807	\$ 4,142	\$ 3,817	\$ 3,832

* 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 2020 (Actuals), FY 2021 (Adopted and Estimates) and FY 2022 (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

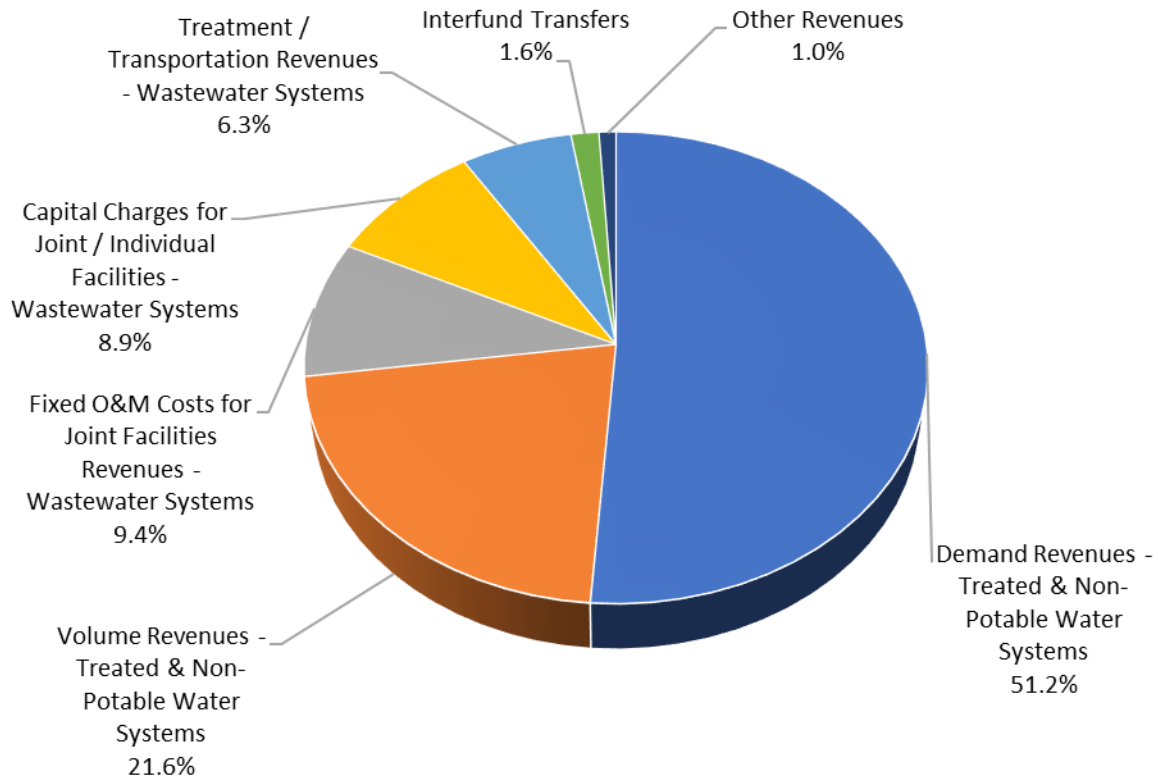


* Represents FY 2021 Estimates

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.

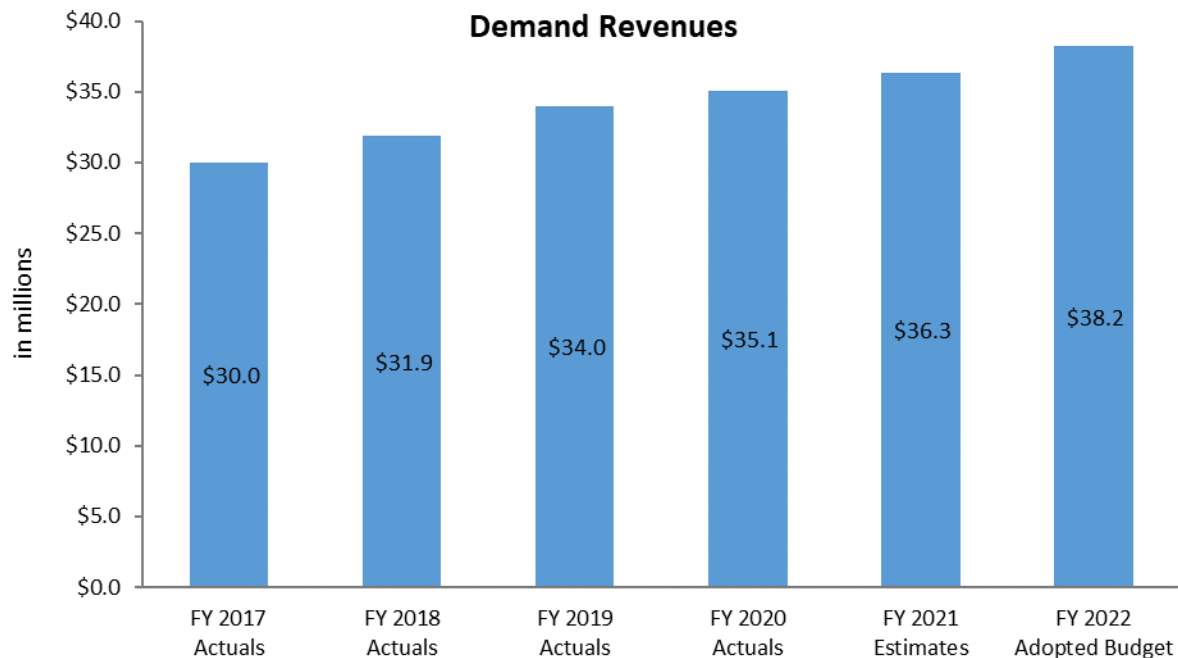


DEMAND REVENUES – TREATED AND NON-POTABLE WATER SYSTEMS

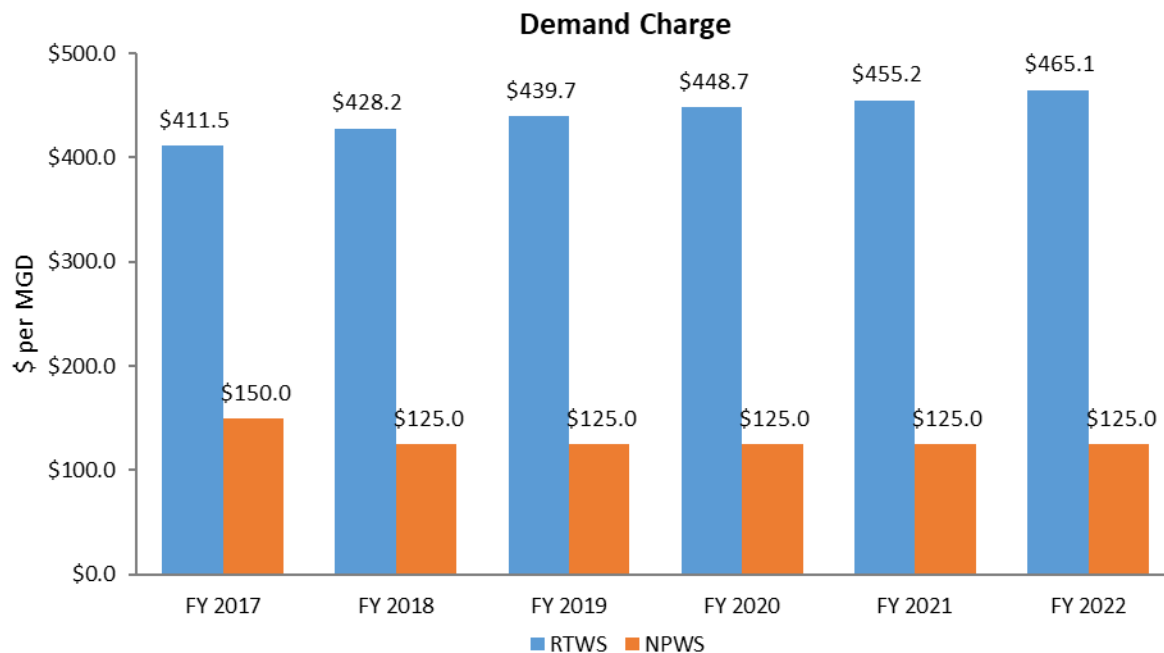
This type of revenue is the largest type of revenue for the District and represents the amount of fixed revenues needed to recover annual fixed operation expenses, such as payroll, overhead expense, debt service (if applicable), maintenance expense, office expenses, and equipment purchases, in the Regional 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 2022 is \$38,097,310. This amount represents a 5.2% increase from Adopted FY 2021 and was necessary to increase the Cash Debt Coverage Ratio to 1.19. FY 2022 subscriptions are expected to increase by 2.9% (2.33 mgd increase from FY 2021). The RTWS Demand Charge was increased by 2.2% from FY 2021 to FY 2022 (from \$455,150 / mgd to \$465,055 / mgd, respectively). Meanwhile, Non-Potable Water System (NPWS) Demand Revenue for FY 2022 is \$125,000; unchanged from Adopted FY 2021.

The following graph reflects annual growth in Demand Revenues experienced by the Regional Treated Water and Non-Potable Water Systems since FY 2017.



The following graphs reflects annual change in Demand Rate for the Regional Treated Water and Non-Potable Water Systems since FY 2017. Rates are shown on a per MGD basis.



Demand Revenues have increased an average of 5.0% from FY 2017 and reflects a combination of moderate growth in our participants' required capacity for treated and non-potable water services, as

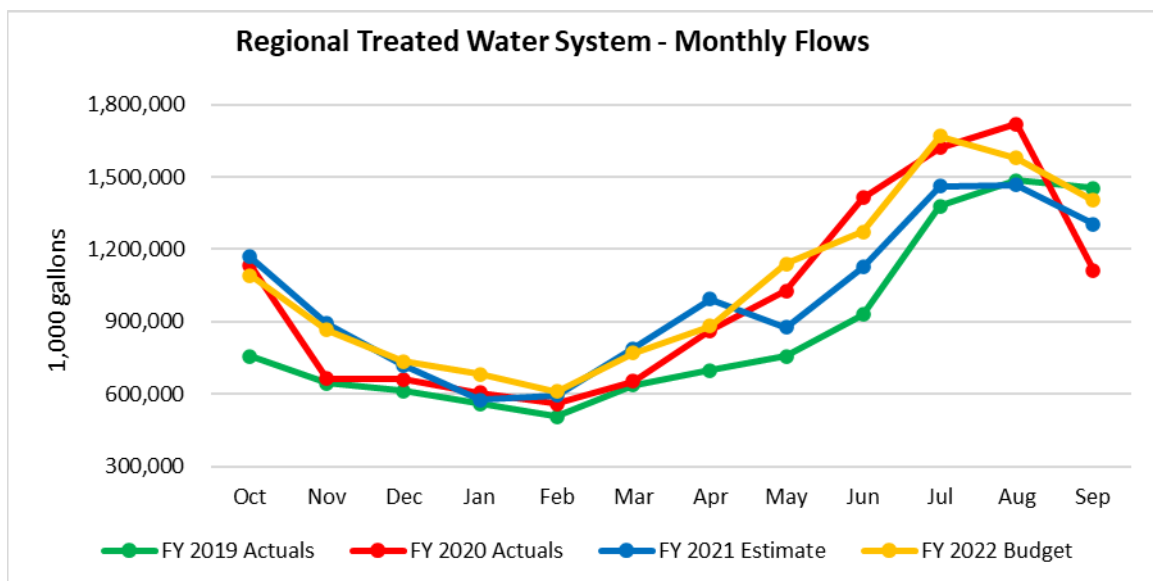
well as increases to the annual Demand Charge to adequately recover increases in fixed operating expenses and debt service payments. While the NPWS does not have any outstanding debt issues and does not anticipate any future issues, the RTWS will incur increased debt service expense over the next five years as various “large-dollar” capital projects are projected for this period. Refer to the “Five-Year Financial Forecast” in the Strategic 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, Denton County Fresh Water Supply District (DCFWS) # 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 DCFWS #1A.

Projected Volume Revenue for RTWS is \$16,112,825 for FY 2022 and represents a 15.7% increase from the Adopted FY 2021 amount due to projecting a 7.6% increase in RTWS participant flows from FY 2021. The RTWS Volume Rate, set at \$1.25 / 1,000 gallons for FY 2022, was increased by \$0.09 / 1,000 gallon from FY 2021, due to a 15.8% rate increase to raw water supplied by Dallas Water Utilities.

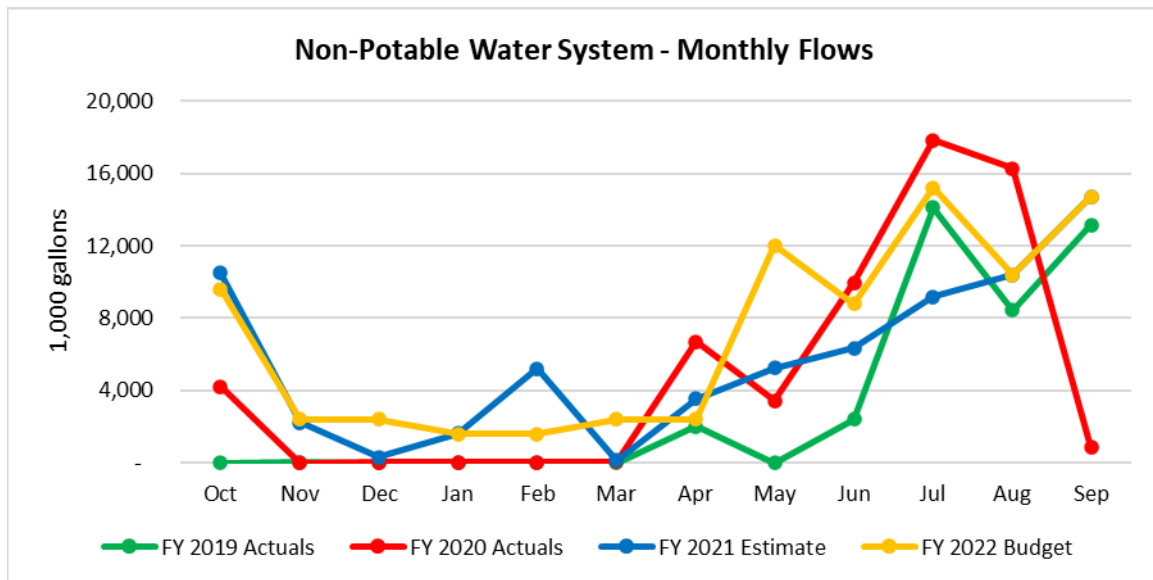
The following graph reflects actual monthly flows from treated water sales for FY 2019 through FY 2021, with projections for FY 2022.



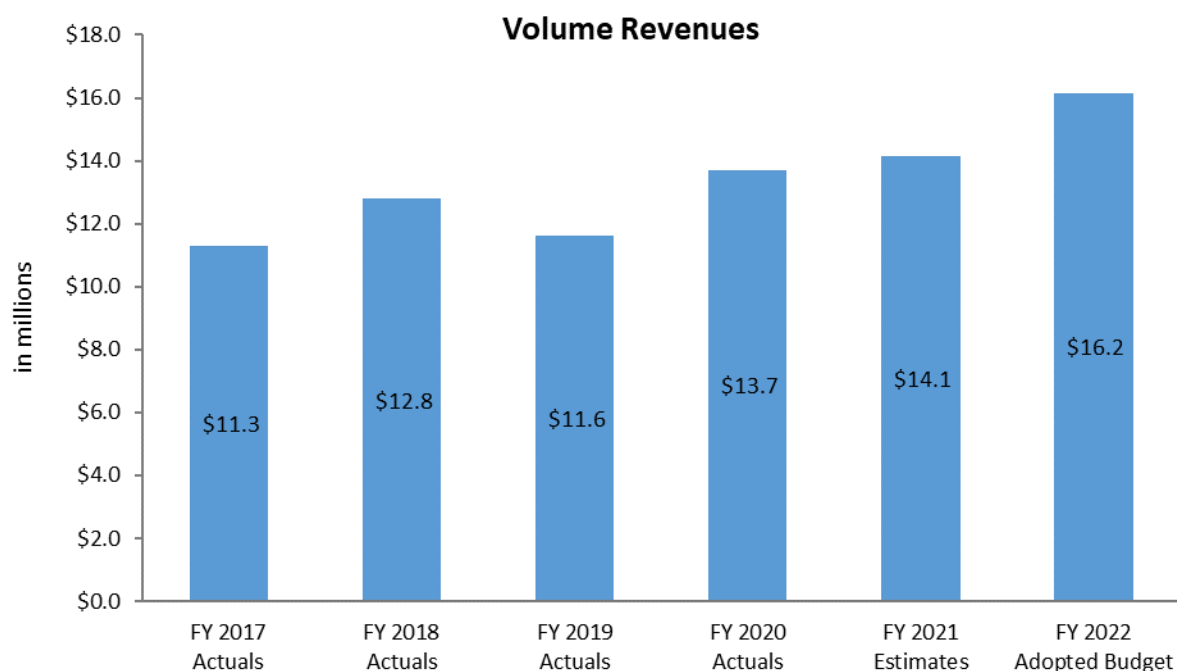
Projected Treated Effluent Volume Revenue for NPWS is \$39,200 for FY 2022, an 8.9% increase from Adopted FY 2021. The Treated Effluent Volume Rate increased to \$0.49 / 1,000 gallons, an increase of \$0.04 / 1,000 gallons from Adopted FY 2021. Projected Raw Water Volume Revenue for NPWS is \$3,780 for FY 2022. The District’s Raw Water Volume Rate was increased from \$0.98 / 1,000 gallons to \$1.08 /

1,000 gallons for Adopted FY 2022, an increase of \$0.10 / 1,000 gallons or 10.2%. This was increased to offset the 15.8% rate increase for raw water purchased from Dallas Water Utilities. Projected treated effluent flows and raw water flows also remain unchanged for FY 2022.

The following graph reflects actual monthly flows from treated effluent water sales for FY 2019 through FY 2021, with projections for FY 2022.

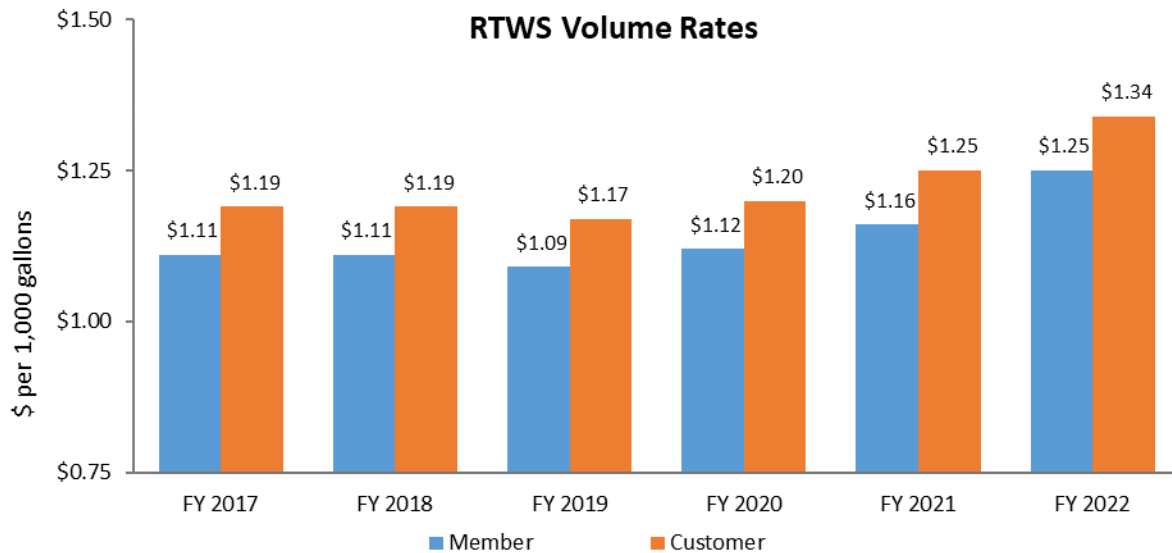


The following graph reflects annual growth in Volume Revenues experienced by the Regional Treated Water and Non-Potable Water Systems since FY 2017.

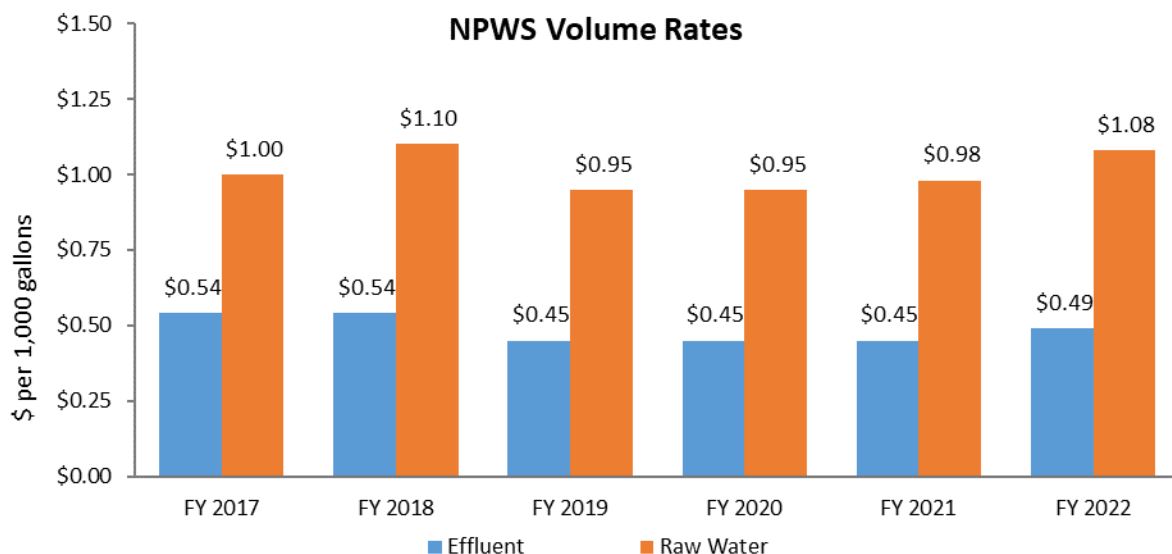


This category includes Treated Effluent and Raw Water Volume Revenues from the Non-Potable Water System (NPWS), as well as Volume Revenues (Treated Water Sales) from the Regional Treated Water System (RTWS). Since the NPWS Volume Revenues are immaterial to the overall annual variances shown in the above graph, this analysis will explain differences experienced by the Regional Treated Water System. RTWS Volume Revenues have increased an average of 7.9% from FY 2017 due to moderate growth in the RTWS, as well as increasing the Volume Rate from \$1.11 / 1,000 gallons in FY 2017 to \$1.25 / 1,000 gallons for FY 2022; an annual average of 2.5%.

The following graph reflects annual Volume rates for the Regional Treated Water System since FY 2017.



The following graph reflects annual Volume rates for the Non-Potable Water System since FY 2017.



FY 2019 Volume Revenues decreased approximately 9.4% due to passing on a \$0.02 / 1,000-gallon rate decrease after the District experienced a 16.0% raw water rate decrease from Dallas Water Utilities. Additionally, the RTWS' service area received higher than normal precipitation which led to a 7.3%

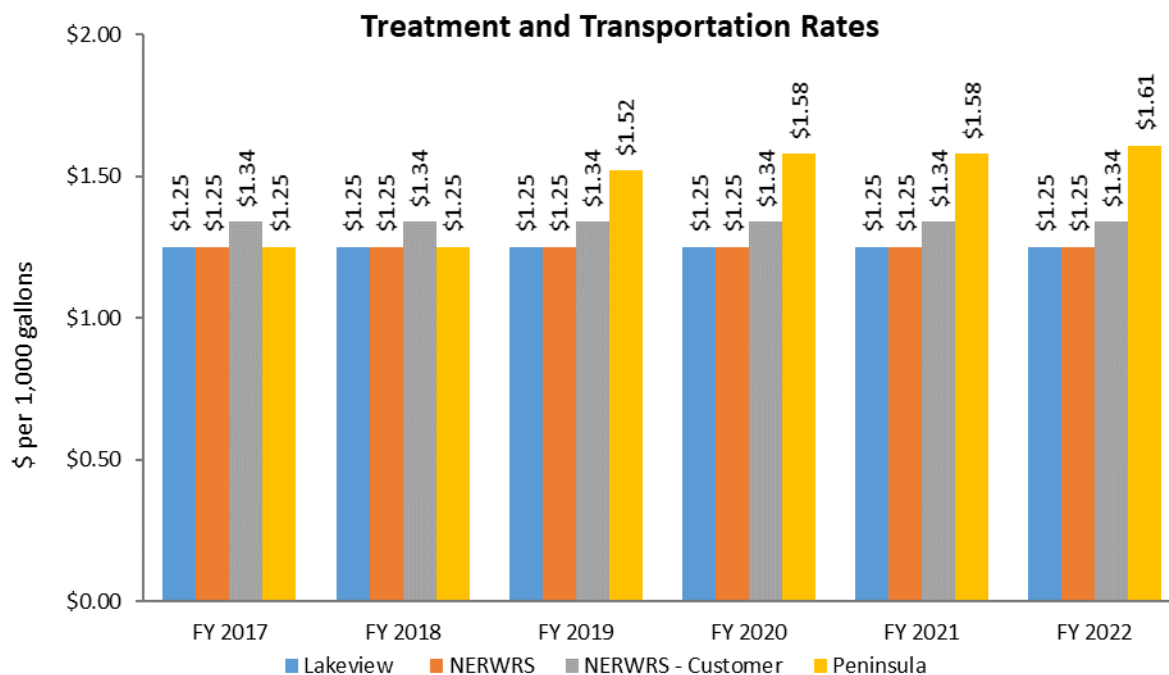
decrease in treated water flows sold. FY 2020 Volume Revenues reflect a 18.2% increase over FY 2019 Volume Revenues due to a \$0.03 / 1,000 gallon (2.8%) increase to the RTWS volume rate and a 15.6% increase in treated water flows sold over FY 2020. Estimated FY 2021 Volume Revenues reflect a 3.0% increase due to a \$0.04 increase from the FY 2020 Member rate. Adopted FY 2022 revenues are projected to increase 14.2%. This is due to a \$0.09 increase in the volume rate driven by a 15.8% increase in the Dallas Water Utilities 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 2022, the Customer Volume Rate is \$1.34 / 1,000. Adopted FY 2022 participant flows are projected to increase 7.6% from Adopted FY 2021.

Future (Post FY 2022) Volume Revenues are expected to increase annually, both from the estimated increases to flows (3.7% to 4.2% per year) and increases to the RTWS volume rate (estimated between 0.0% to 7.3% 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 Five-Year Financial Forecast in the Strategic Plan tab for future rate increase projections.

TREATMENT AND TRANSPORTATION REVENUES – WATER RECLAMATION SYSTEMS

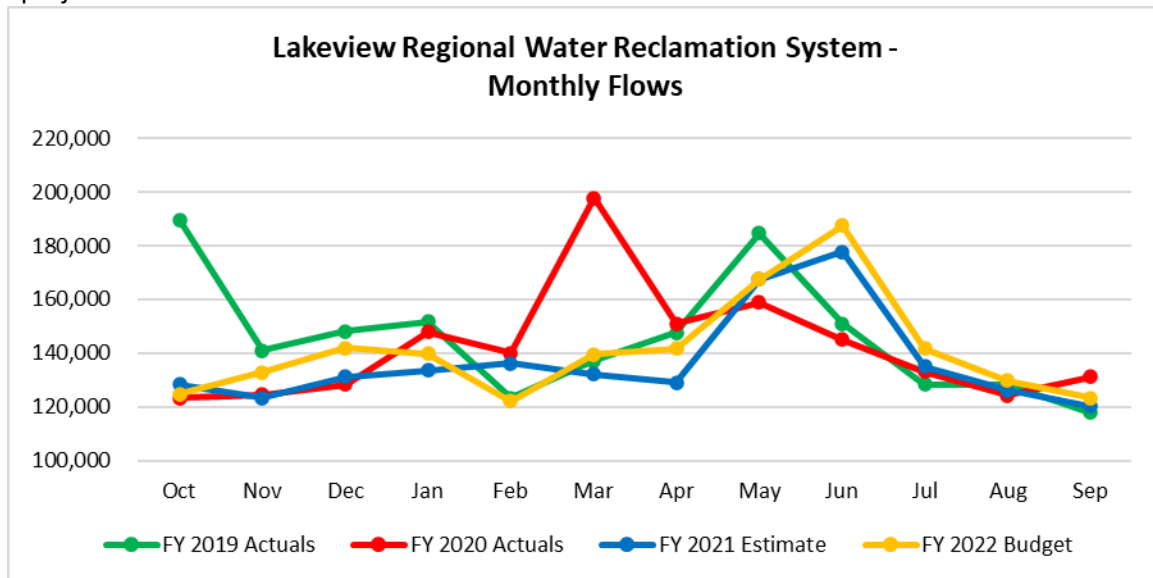
This type of revenue represents the amount of revenues needed to recover annual variable operation expenses, such as electricity, chemicals, sludge processing and disposal services, and reserve fund contributions, incurred by the Lakeview and Northeast Regional Water Reclamation Systems, and the Peninsula 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 represents the adopted rates for each Water Reclamation System from FY 2017 to FY 2022.



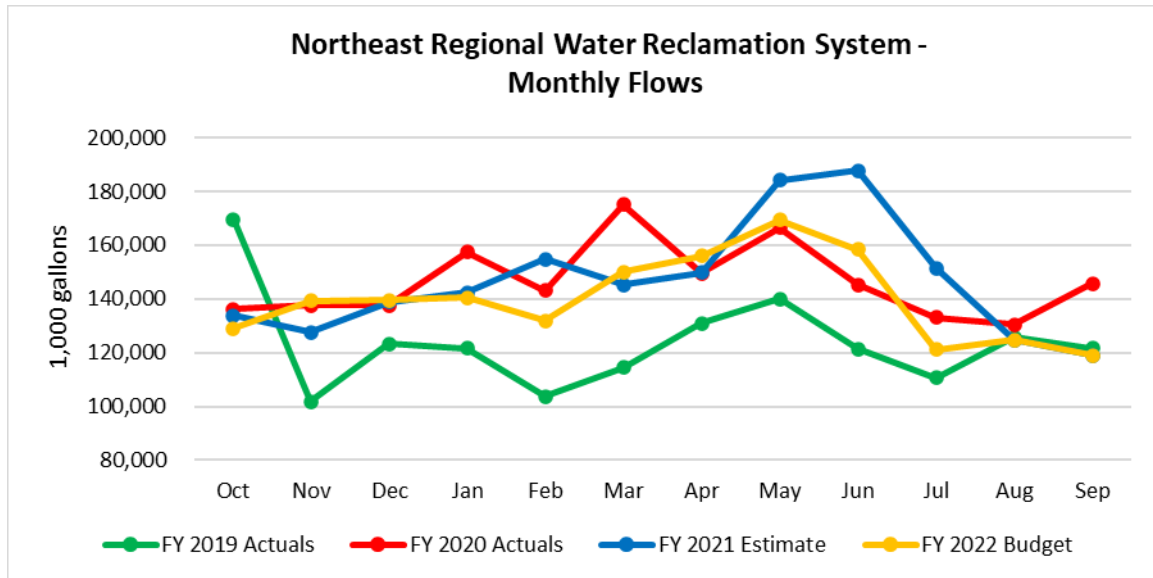
Projected Treatment and Transportation Revenue (including the Corinth Entry Point near I35) for the Lakeview Regional Water Reclamation System (LRWRS) is \$2,094,605 for FY 2022 and reflects a 2.6% increase from the Adopted FY 2021 amount due to increasing projected wastewater flows by the same amount. The Treatment Rate of \$1.25 / 1,000 gallons remains unchanged for Adopted FY 2022. This is due to previous improvements made for odor control and sludge processing at the Lakeview Plant, as well as the LRWRS being a mature and stable system.

The following graph reflects actual monthly flows from wastewater sales for FY 2019 through FY 2021, with projections for FY 2022.



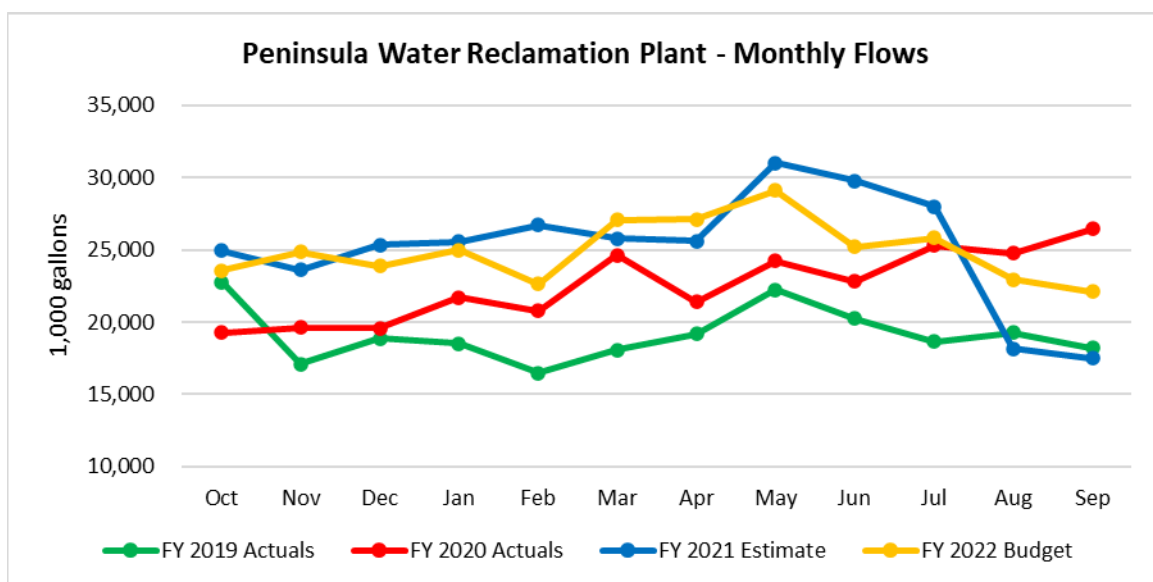
Projected Treatment Revenue for the Northeast Regional Water Reclamation System (NERWRS) is \$2,154,600 for FY 2022 and reflects a 14.9% increase from the Adopted FY 2021 amount due solely to a 15.1% increase in projected wastewater flows. The Northeast System's service area has experienced double-digit growth in treatment flows due to continued housing construction and economic development activity over the past several years. The District is anticipating further continued growth by currently expanding the treatment capacity of the Doe Branch Plant (projected to be on-line in FY 2022). The Treatment Rate for Adopted FY 2022, set at \$1.25 / 1,000 gallons, remains unchanged from FY 2017, primarily due to efficient treatment processes and impressive customer growth at both plants. Additionally, this rate is set at an amount to absorb a projected 43.8% increase in Chemical expenses in FY 2022, based on current usage.

The following graph reflects actual monthly flows from wastewater sales for FY 2019 through FY 2021, with projections for FY 2022.

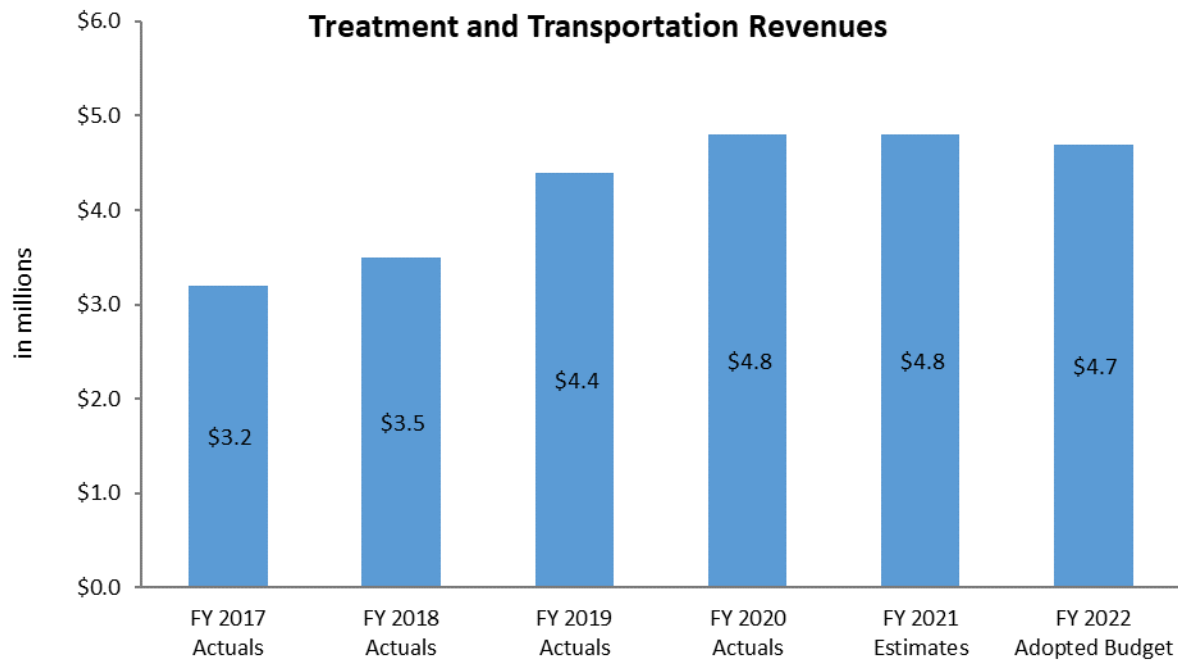


Projected Treatment Revenue for the Peninsula Water Reclamation Plant is \$481,875 for FY 2022 and reflects a 28.5% increase from the Adopted FY 2021 amount solely due to a 26.2% increase in projected wastewater flows for FY 2022. The FY 2022 Treatment Rate of \$1.61 / 1,000 gallons includes an increase of \$0.03 / 1,000 gallons from FY 2021 to absorb a projected 34.5% increase for Sludge Hauling expenses. 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 9.5% in wastewater flows for FY 2019 through projected FY 2022. 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 has incorporated the expansion of the treatment capacity of the Peninsula Plant into its five-year capital budget (see CIP Funds tab).

The following graph reflects actual monthly flows from wastewater sales for FY 2019 through FY 2021, with projections for FY 2022.



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 2017.

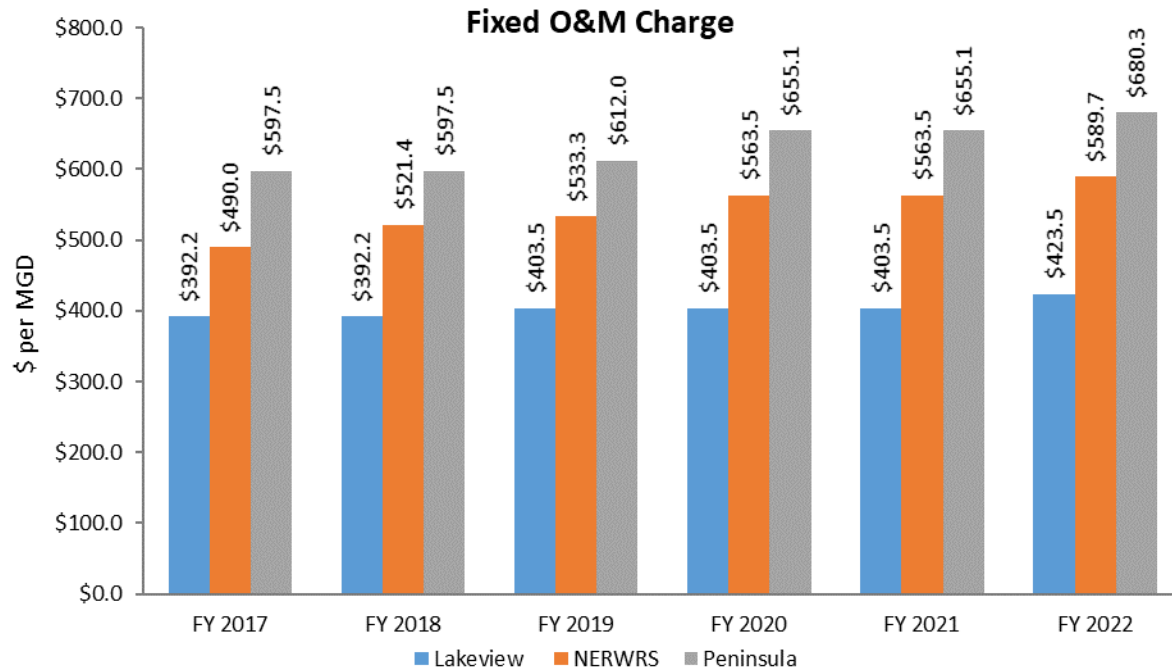


Adopted FY 2022 Treatment and Transportation Revenues remain relatively flat since FY 2019 as rates have had minimal increases during that time. Participant wastewater flows are anticipated to continue to significantly increase over the next 3-5 years, especially in the Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants) and Peninsula Water Reclamation Plant service areas.

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

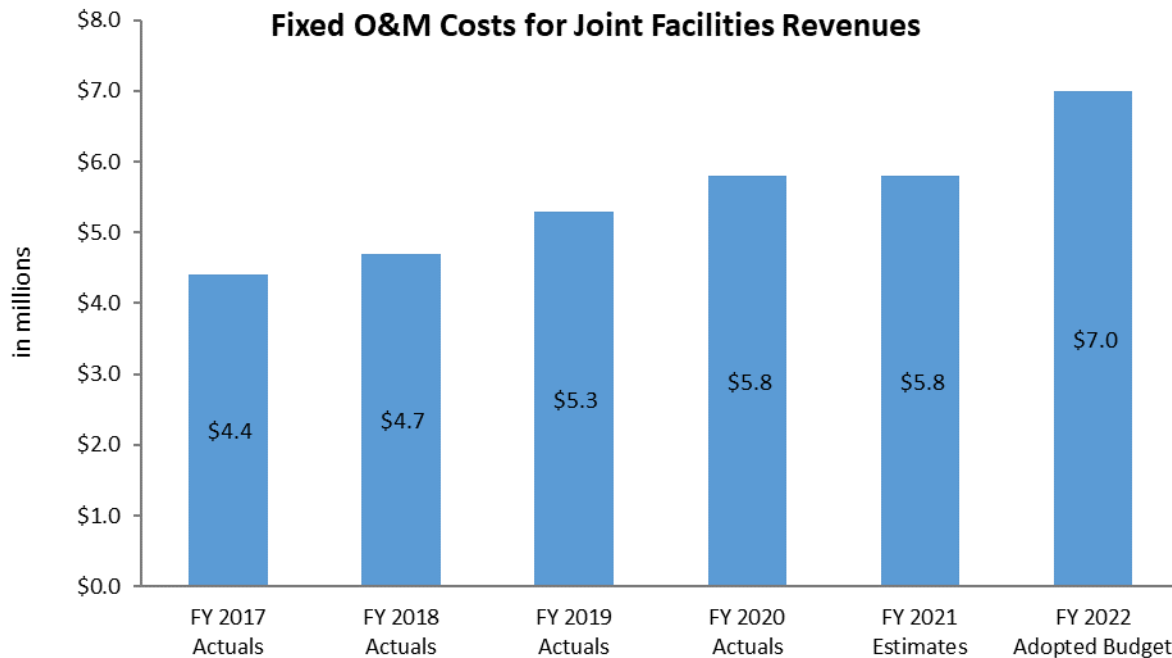
This type of revenue represents the amount of fixed revenues needed to recover annual fixed operation expenses, such as payroll, overhead expense, maintenance expense, office expenses, and equipment purchases, for the District's water reclamation systems (Lakeview and Northeast Systems and the Peninsula 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 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 2022 is \$2,256,755, a 5.0% increase from FY 2021.
- Projected Fixed O&M Costs for Joint Facilities revenues for the Northeast Regional Water Reclamation System for FY 2022 is \$4,109,275, a 33.8% increase from FY 2021. This large increase is due to the anticipated completion of the Doe Branch Plant Expansion, Phase 2 project in FY 2022, which will result in a 1.52 mgd, or 27.9%, increase in subscriptions.
- Projected Fixed O&M Costs for Joint Facilities for the Peninsula Water Reclamation Plant for FY 2022 is \$639,435, a 3.8% increase from FY 2021. This increase is driven by a change in salary allocation and additional staff resulting in higher Personnel costs.

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 2017.



Fixed O&M Costs for Joint Facilities Revenues have increased an average of 9.9% from FY 2017 mainly due to having experienced tremendous growth in the Northeast service area. Adopted FY 2022 Fixed O&M Costs for Joint Facilities Revenues have increased as the expanded capacity of the Doe Branch plant is anticipated to be available in FY 2022. With the expansion of the District's water reclamation plants, increases to operating expenses from the transition to 24-hour staffing, as well as increased maintenance efforts, are projected.

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

This type of revenue represents recovery of annual debt service payments for debt issues used to construct common-to-all (Joint) infrastructure, such as a reclamation plant, and for participant (Individual) infrastructure (i.e., lift stations, trunk mains, points of entry). 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 2022 Capital Charge for Joint and Individual Facilities Revenues for the Lakeview Regional Water Reclamation System (LRWRS) is \$3,008,620 and reflects a 1.1% decrease from the Adopted FY 2021 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 2022 Capital Charges for Joint Facilities is \$2,172,920 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 \$835,700 for FY 2022 and reflects the total portion of debt service for debt issues to construct each participant's solely used segments within the Lakeview System.

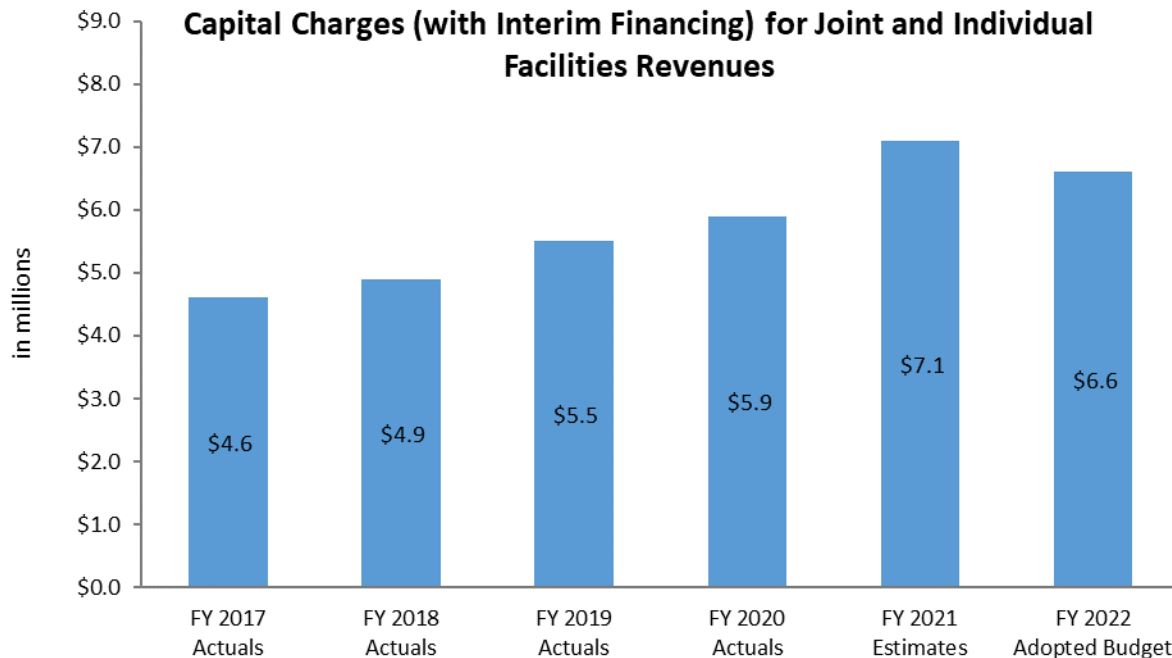
Projected Capital Charge (with Interim Financing) for Joint and Individual Facilities Revenues for the Northeast Regional Water Reclamation System (NERWRS) is \$3,555,765 for FY 2022 and reflects a 10.0% decrease from the Adopted FY 2021 amount primarily due to the completion of the City of Celina's financing agreement for the Doe Branch Interceptor, Phase 2.

- Total FY 2022 Capital Charges for Joint Facilities (Riverbend Plant participants) is \$646,885 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).
- Total FY 2022 Capital Charges for Joint Facilities (Doe Branch Plant participants) is \$291,925 and reflects the total amount of debt service payments from the Series 2019 Refunding and Revenue Bond debt issue to fund the unsubscribed treatment capacity (excess capacity) from the Doe Branch Plant Expansion, Phase 2 project (from 2.0 to 4.0 mgd). FY 2019 and FY 2020 debt service for the Series 2019 bond issue was funded via capitalized interest.
- Conversely, total Capital Charges for Individual Facilities (Riverbend Plant participants) totals \$1,099,705 for FY 2022 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 2022 Capital Charges for Individual Facilities (Doe Branch) totals \$1,468,500 and includes \$766,725 (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) and \$701,775 (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).
- Also included in this revenue category are interim financing charges totaling \$48,750, which represents interest payments due from the Doe Branch Plant participants for a \$3.00 million Non-Bond Capital Reserve loan 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 \$72,935 for FY 2022 and reflects a 5.8% increase from the Adopted FY 2021 amount due to an increase to 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 2017.

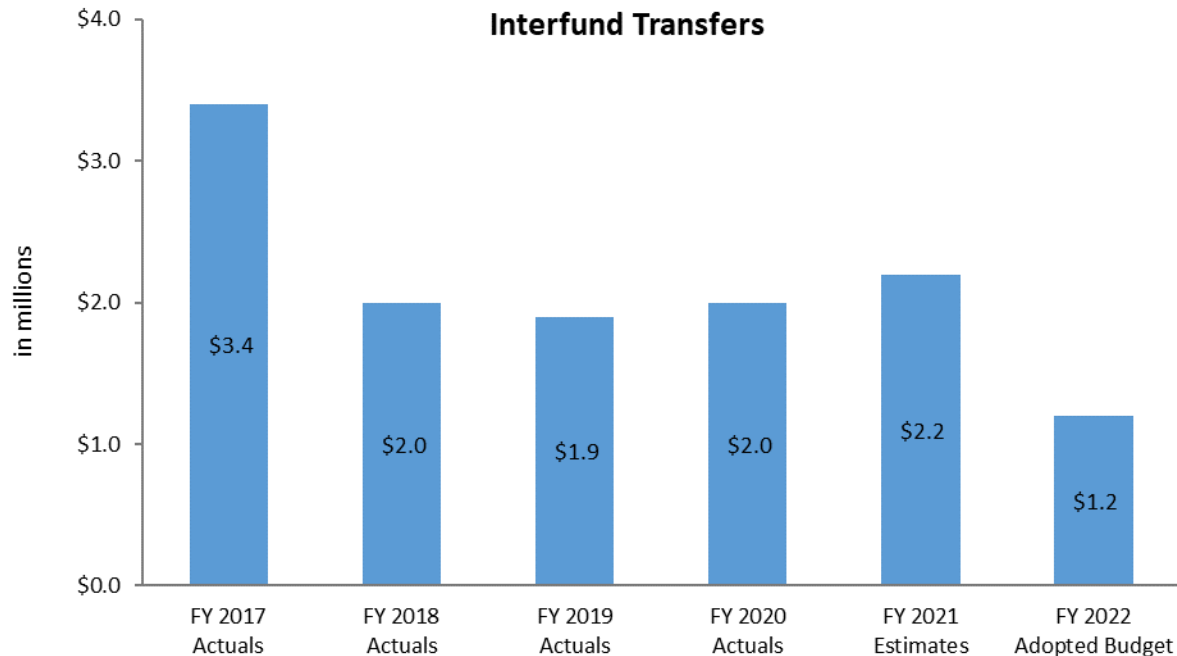


Capital Charge (with Interim Financing) for Joint and Individual Facilities Revenues have increased an average of 7.9% from FY 2017 from the use of bond funding for the construction of the Doe Branch Plant, the expansion of the Riverbend Plant and the use of interim financing (loans) between Systems 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 offset debt service payments for two bond issues in FY 2017 and partially for FY 2018 and 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. As annual debt service requirements increase, revenues will increase 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.

INTERFUND 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 vehicles or equipment are to be replaced, the expense or revenue requirement is offset by an Interfund Transfer 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 an Interfund Transfer for the RTWS but are shown as "Shared Debt Service Payments". Therefore, over the years, the totals and types of Interfund Transfers have differed greatly. Detail regarding individual FY 2022 Interfund Transfers 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 Interfund Transfers since FY 2017.

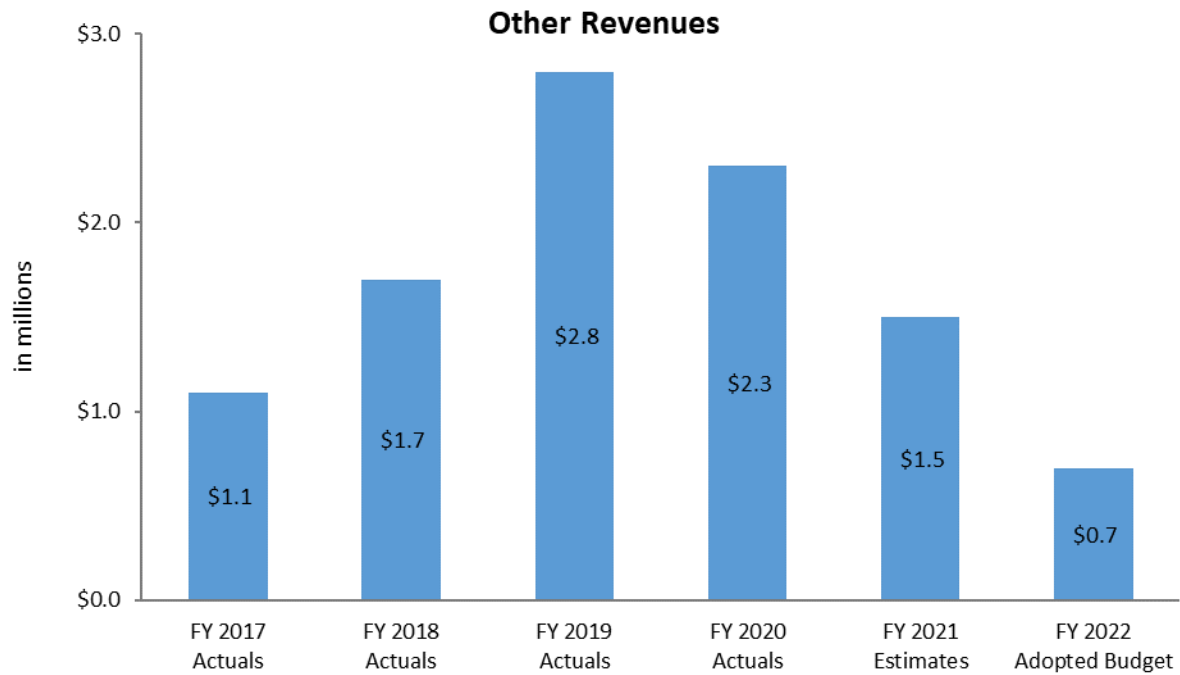


Interfund Transfers-In can fluctuate from year-to-year based on operating needs. The substantial FY 2017 total was due to a \$2.50 million reimbursement of a prior year working capital loan made from the Regional Treated Water System (RTWS) to the Northeast Regional Treated Water System's (NERWRS) construction cash. This was done to fund the initial planning and design of the Riverbend Plant Expansion, Phase 3 project. Reimbursement of this \$2.50 million was made from bond funds received at the end of FY 2016 via Texas Water Development Board "D" Funds designated for the Riverbend Plant Expansion project. The FY 2022 amount of \$1.2 million includes a \$705,000 transfer from the O&M Reserve Fund in the Regional Treated Water System to complete the dredging and sludge removal project at the Taylor Regional Treated Water Plant raw water storage pond (\$600,000) and to complete Smart Ball testing and leak repairs of various System pipelines (\$105,000). 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 General Fund (Administration), 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 2017.



Other Revenues have increased an average of 2.7% from FY 2017. These revenues have been declining since FY 2020 as market interest rates have dropped considerably, reducing Interest Income. 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:

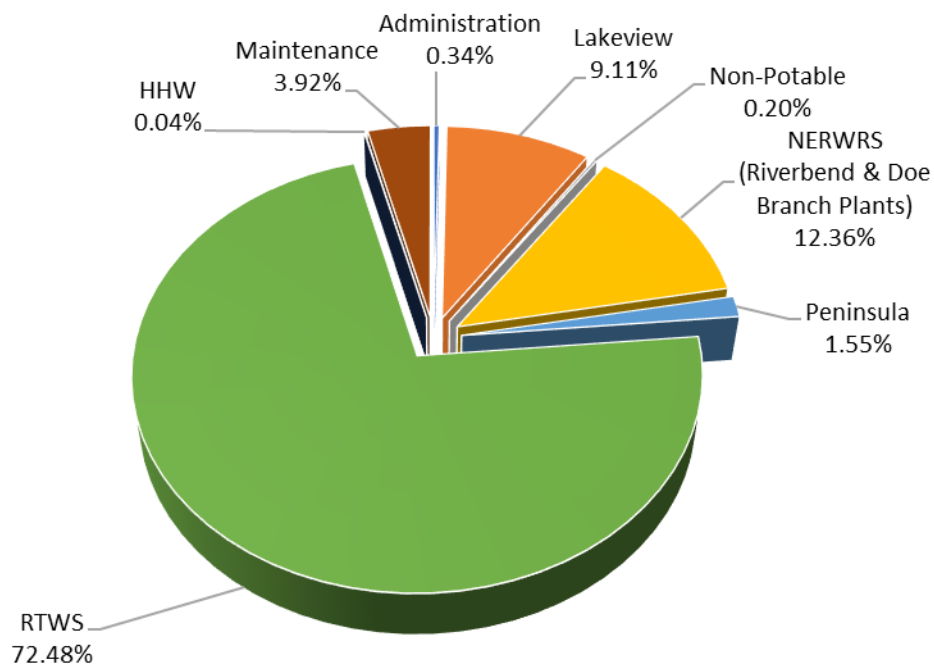
- Regional Treated Water System (Fund 21)
- Lakeview Regional Water Reclamation System (Fund 11)
- Northeast Regional Water Reclamation System (Fund 14)
- Peninsula Water Reclamation Plant (Fund 16)
- Non-Potable Water System (Fund 13)
- Household Hazardous Waste (Fund 43)

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

- Administration (Fund 01 – Department 501 and 508)
- Information Technology (Fund 01 – Department 5IT)
- Maintenance (Fund 15)

FY 2022 BUDGETED EXPENDITURES BY OPERATING FUND

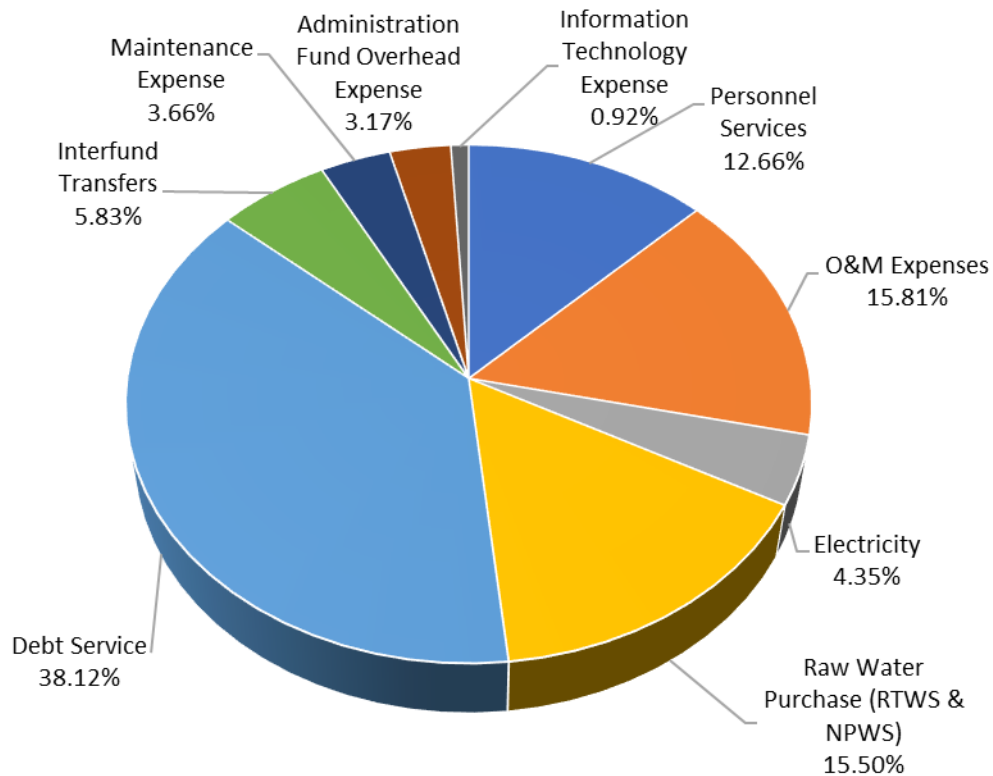
Fund	Budget
Administration Fund	\$ 234,350
Lakeview Regional Water Reclamation System	6,276,920
Non-Potable Water System	137,500
Northeast Regional Water Reclamation System	8,519,185
Peninsula Water Reclamation Plant	1,068,505
Regional Treated Water System	49,949,220
Household Hazardous Waste	26,115
TOTAL EXPENDITURES	\$ 68,916,430



FY 2022 BUDGETED EXPENDITURES BY CATEGORY – ALL OPERATING FUNDS

Fund	Budget
Personnel Services	\$ 9,360,030
O&M Expenses	11,689,820
Electricity	3,216,695
Raw Water Purchase (RTWS & NPWS)	11,462,905
Debt Service	28,187,315
Interfund Transfers	4,307,790
Maintenance Expense	2,704,635
Administration Fund Overhead Expense	2,342,335
Information Technology Expense	681,805
Gross Expenditures before Allocations	\$ 73,953,330
Allocated to CIP Projects	(5,036,900)
TOTAL OPERATING EXPENDITURES	\$ 68,916,430

(Percentages shown below are based on Gross Expenditures)



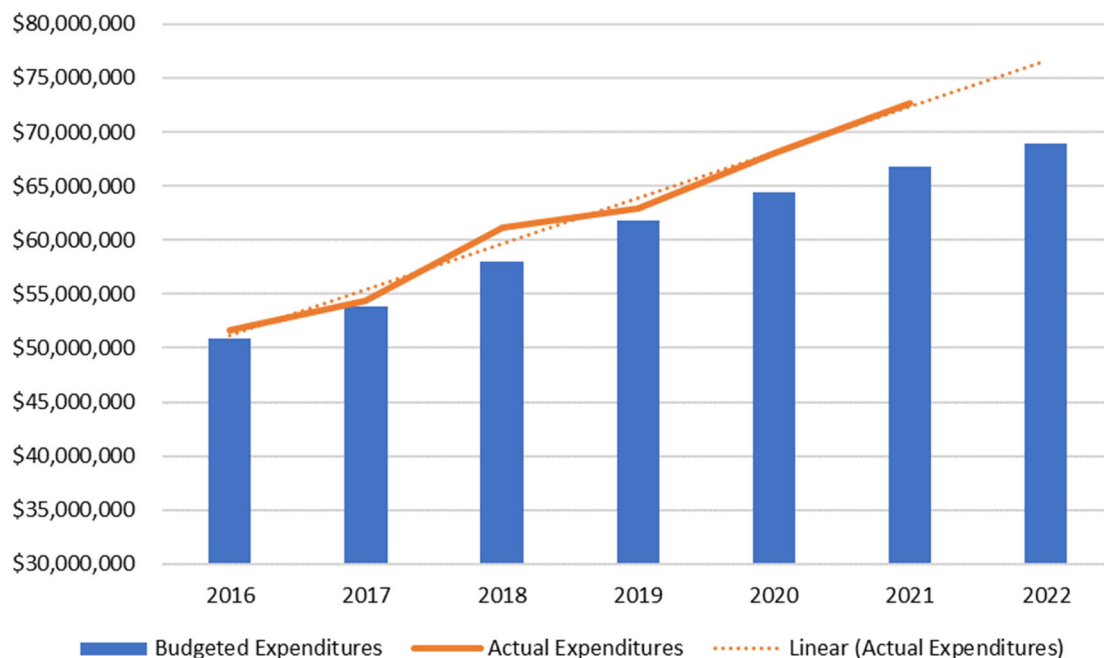
HISTORICAL OPERATING BUDGET VS. ACTUAL OPERATING EXPENDITURES

Fiscal Year	Budgeted Expenditures	Actual Expenditures*
2016	\$ 50,884,690	\$ 51,617,927
2017	\$ 53,795,440**	\$ 54,403,501**
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	\$ 72,643,560***
2022	\$ 68,916,430	N/A

* - FYs 2016, 2017, 2018, 2019, 2020 and 2021 (Estimate) expenditure amounts include transfers of excess working capital of \$4.6M, \$6.0M, \$5.7M, \$5.7M, \$7.2M and \$8.2M 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.

** - FY 2017 Budgeted and Actual expenditure amounts exclude a \$2.5 million transfer to system reserves because it was included as an interim loan for a capital project in the FY 2016 amount.

*** - 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 commercial paper, revenue and expenditure forecasting, financial reporting, and coordination with external financial audits.

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

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. Including 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 Commercial Paper 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 report.
- 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.

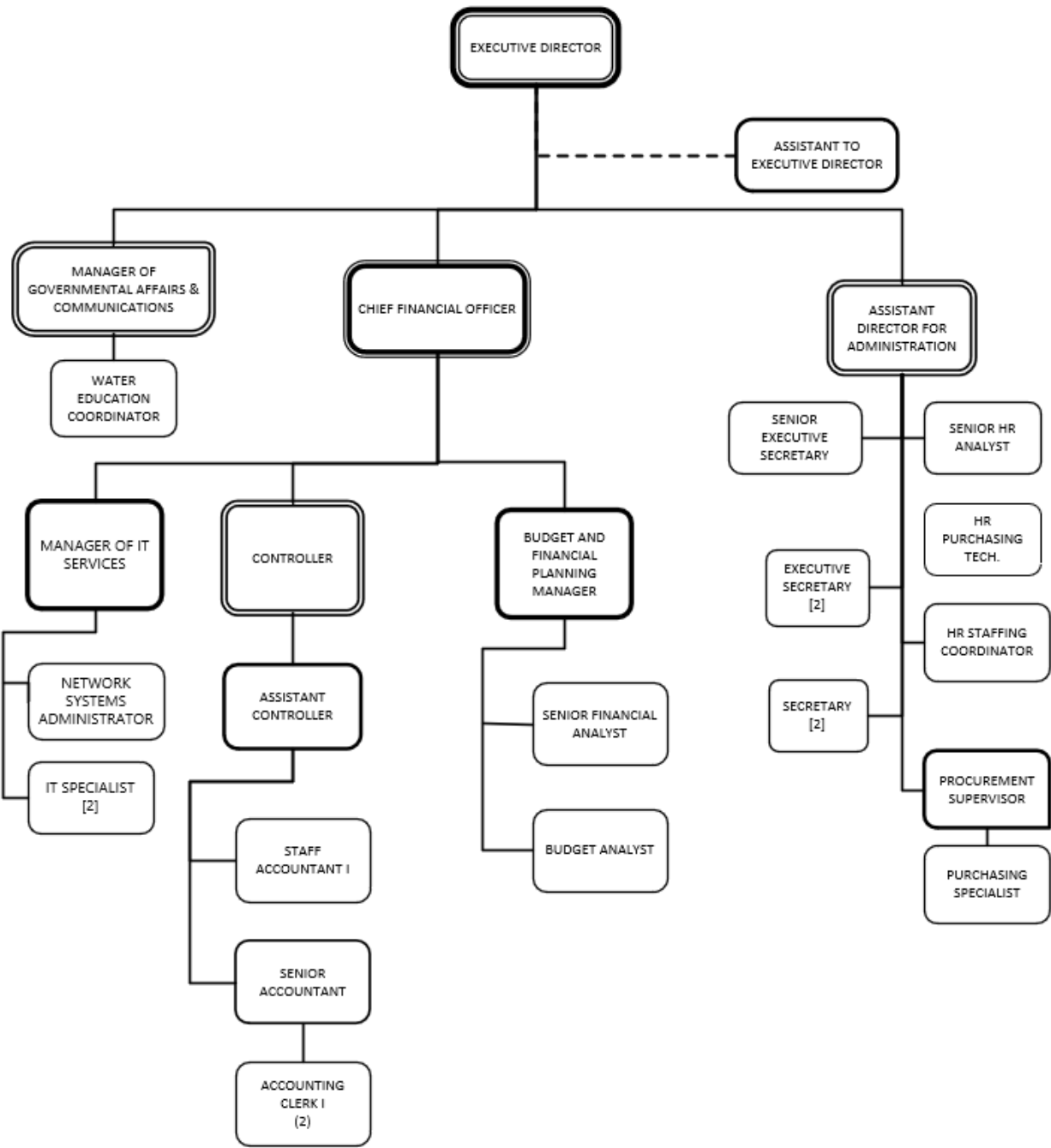
PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2020 Actuals	FY 2021 Estimates	FY 2022 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)	95.7%	98%	100%
Employee Benefits Administration	Process and maintain all employee benefits within policy requirements	100%	100%	100%
Operating expense to budget	The % of actual expenditures to current budget	106%	109%	100%
Operating revenue to budget	Revenue actually collected as a % of the amount projected in current budget	103%	100%	100%
Annual budget award submission	Annual budget receives GFOA Distinguished Budget Award	100%	100%	100%
Issue Comprehensive Annual Financial Report	Completion of Comprehensive Annual Financial Report and submitted to GFOA for review	100%	100%	100%
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%
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 2020 Actuals	FY 2021 Budget	FY 2021 Revised	FY 2022 Budget
Executive Director	.50	.50	.50	.50
Assistant to the Executive Director	1	1	1	1
Manager of Government Affairs and Communications	.20	.20	.20	.20
Water Education Coordinator	.20	.20	.20	.20
Assistant Director for Administration	1	1	1	1
Senior HR Analyst	1	1	1	1
HR Staffing Coordinator	0	1	1	1
HR Generalist	1	0	0	0
HR / Purchasing Technician	0	1	1	1
Procurement Supervisor	1	1	1	1
Purchasing Specialist	1	1	1	1
Senior Executive Secretary	1	1	1	1.50
Executive Secretary	2	2	2	1
Secretary	2	2	2	2
Chief Financial Officer	1	1	1	1
Controller	1	1	1	1
Assistant Controller	1	1	1	1
Senior Accountant	1	1	1	1
Staff Accountant I	1	1	1	1
Accounting Clerk II	1	1	1	0
Accounting Clerk I	1	1	1	2
Budget and Financial Planning Manager	1	1	1	1
Senior Financial Analyst	1	1	1	1
Budget Analyst	0	0	0	1
Financial Analyst	1	1	1	0
Engineering	1.60	1.60	1.60	2.60
Total FTEs	23.50	24.50	24.50	25.00

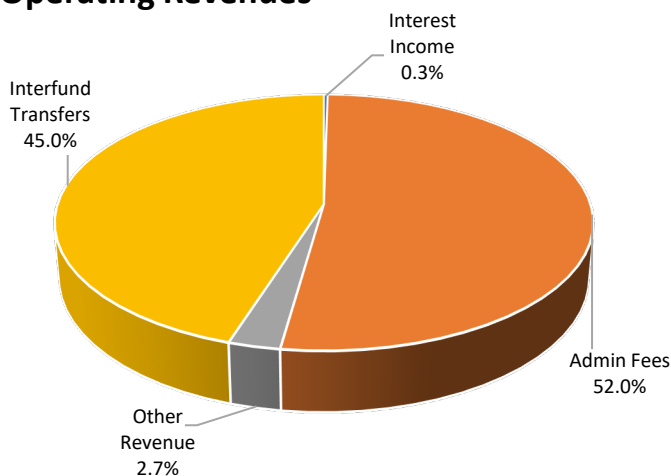
ORGANIZATIONAL CHART



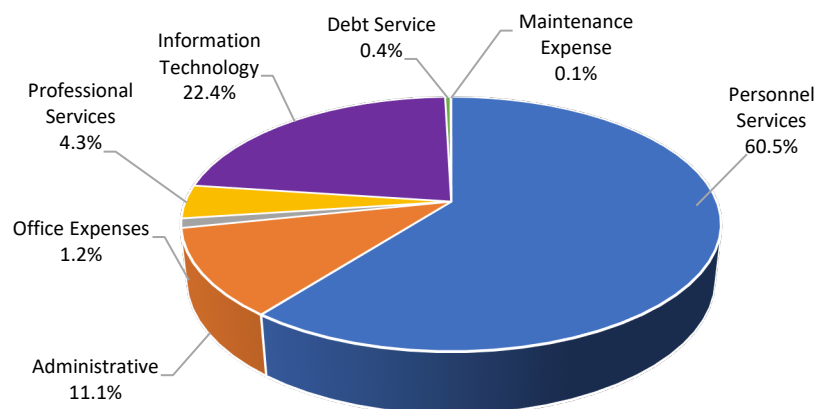
BUDGET SUMMARY

	FY 2020 Actuals	FY 2021 Adopted	FY 2021 Estimates	FY 2022 Adopted
Beginning Balance	\$ 332,049	\$ 353,299	\$ 336,867	\$ 360,332
Operating Revenue				
Interest Income	\$ 6,642	\$ 4,250	\$ 780	\$ 825
Admin Fees	151,420	155,975	155,975	161,680
Other Revenue	30,632	7,500	46,910	8,625
Interfund Transfers	100,000	125,000	125,000	140,000
Total Operating Revenue	\$ 288,694	\$ 292,725	\$ 328,665	\$ 311,130
Operating Expense				
Personnel Services	\$ 3,194,863	\$ 3,073,285	\$ 2,867,175	\$ 3,221,980
Administrative	515,332	501,740	476,620	594,320
Office Expenses	398,123	58,200	71,415	63,100
Professional Services	272,761	221,465	236,160	226,450
Information Technology	-	1,128,565	1,252,185	1,196,155
Shared Debt Payment	20,358	20,360	20,360	20,360
Interfund Transfers	18,618	-	13,800	-
Maintenance Expense	997	2,735	2,565	2,975
Admin Complex (#2)				
Building Modifications	-	-	23,300	-
Adjustment for Accrued Expenditures	1,676	-	-	-
Total Operating Expense	\$ 4,422,728	\$ 5,006,350	\$ 4,963,580	\$ 5,325,340
Transfer Out	(4,138,852)	(4,734,095)	(4,658,380)	(5,036,900)
Net Operating Expense	\$ 283,876	\$ 272,255	\$ 305,200	\$ 288,440
Ending Balance	\$ 336,867	\$ 373,770	\$ 360,332	\$ 383,022

Operating Revenues



Operating Expenditures



SUMMARY OF MAJOR CHANGES

FEE STRUCTURE

	FY 2021 Budget	FY 2022 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

- Interest income is representative of current market conditions.
- The Adopted fees for FY 2022 are based on 2021 population estimates from the North Central Texas Council of Governments or provided directly by customers / members.
- The Other Revenue account includes revenues from rebates and auction items.
- The Rental Revenue account captures the rental income estimated for 802 N. Kealy and reallocates to operating funds to offset total allocated debt for this facility.
- This transfer from the Regional Treated Water System (\$85,000) and the Northeast Regional Water Reclamation System (\$55,000) is the customer surcharge that assists in funding administration services.

EXPENSES

PERSONNEL SERVICES

- The adopted budget for Administration provides funding for 25.00 full-time equivalent positions. Additionally, a 10% increase in medical insurance rates is included in Personnel Services.

ADMINISTRATIVE

- Building Maintenance & Improvements increase is due to a planned conversion of a storage room into work areas, as well as modifying the Administrative Annex Building (802 N. Kealy St.) to prevent access to rodents and other animals. Additionally, \$10,000 is included to replace disintegrating heating and a/c ductwork in the Business Office for proper airflow / ventilation.
- Public Information increase is to provide new and updated signage around the Administration Building (900 N. Kealy St.).
- The Botanical account includes a projected increase for mowing costs based on the need to renew current vendor's contract in December 2021.
- Bank Fees increase is related to keeping District funds in higher interest yielding bank accounts.
- The request for Furniture and Equipment less than \$5,000 will fund a battery pack for a Trimble GPS unit and office chair replacements. The request for Furniture and Equipment greater than \$5,000 includes \$25,000 for new modular furniture for the Business Office to ensure proper spacing and adequate workspace for individual staff members.
- Maintenance Expense is for the 802 N. Kealy rental property. The portion of the adopted Maintenance budget allocated to this property is not changed from FY 2021 (1.89%).

OFFICE EXPENSES

- The reduction of Communications is due to centralizing cell phone expenses for the District in the Information Technology Fund.
- Miscellaneous Expense includes several smaller expense categories such as Personnel Safety. This expense is increased for FY 2022 for continued purchases of items to address Covid-19 risks.

INFORMATION TECHNOLOGY

- The Information Technology (IT) expense includes all IT costs for the District in a separate fund. Further detail is 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 (#2) 802 N. Kealy.

MAINTENANCE EXPENSE

- The account reflects the allocated portion of the adopted Maintenance budget to the 900 and 802 N. Kealy administrative offices (0.11%), which is not changed from FY 2021.

TRANSFER OUT

- Administration will be funded by the fees (5%) with the remaining costs (95%) allocated to the operating systems and capital projects of the District.

ACCOMPLISHMENTS FOR FY 2020-2021

- ✓ 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 twentieth 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 twelfth 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 \$2,217,457 of medical claims and approximately \$612,851 of Medical Stop-Loss Claims.*
 - *Teladoc services available with an annual utilization of 66.7% with an estimated District savings of \$24,336.*
 - *Successfully negotiated the employee health insurance and stop loss contract with current providers.*
 - *Offered increases in voluntary life insurance coverage to employees (\$20,000) and their spouse (\$10,000) with no Evidence of Insurability (EOI) required.*
- ✓ Recruit capable candidates for vacant positions.
 - *Worked with Directors, Managers, Superintendents, and Supervisors to successfully advertise, interview, and fill 13 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. However, this program was briefly suspended during the COVID-19 pandemic.*
- ✓ Continued to monitor and manage the Commercial Paper Program.
 - *As of September 30, 2021, \$8.5M 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 5 competitive sealed bids and 1 sealed proposal.*
- *Completed 30 formal bids resulting in the procurement of a commodity or service.*
- *Completed 23 contract renewals.*
- *Processed / Issued 232 Purchase Orders for a total of \$4.7 million.*
- *Processed / Issued 20 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.*

✓ The Purchasing Division received its first Achievement of Excellence in Procurement Award.

- *This award is earned by organizations that demonstrate excellence by obtaining a high score based on standardized criteria. The criteria are designed to measure innovation, professionalism, productivity, e-procurement, and leadership attributes of the procurement organization.*

INFORMATION TECHNOLOGY

The purpose of Information Technology is to facilitate technology-related needs of the District and to provide support services to its core operations. Services include design, maintenance and extensibility of both primary and secondary network communications, management of District infrastructure, comprehensive security, managed help desk, IT asset management and planning, management of vendor contracts and performance, flexible secure anywhere access, license agreement compliance, managing audiovisual systems, intrusion and access control systems, and video surveillance.

The Information Technology Division is designated under the umbrella of Administration, with the IT Manager reporting to the Chief Financial Officer (Accounting and Finance). 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

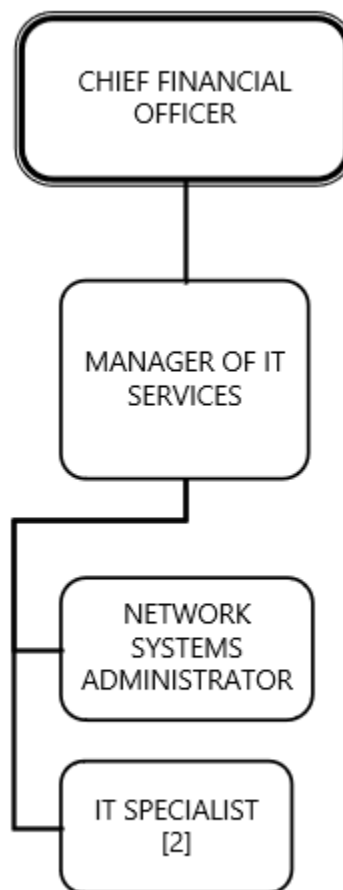
- Provide planning, procurement, installation, deployment, staff training and maintenance and staff training for all technology products, including personal computers, VoIP telephone system, audio / visual systems, intrusion alarm systems, and office equipment (i.e., copiers, printers).
- Develop, implement, and maintain technology plans for the effective and efficient use of information systems throughout the organization and maintain appropriate safeguards for cyber security threats.
- Work with operations staff to coordinate network and SCADA systems.
- Provide critical support during continued COVID pandemic.
- Administer and maintain annual hardware and software contracts on all covered equipment.
- Administer managed service providers (MSP) and Software as a Service (SaaS) subscriptions.
- Deploy multi-factor authentication (MFA) for all remote users and for all District personnel with administrative privileges, all MSPs and Office 365 email. This satisfies the requirements of the District's cyber insurance policies.

PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2020 Actuals	FY 2021 Estimates	FY 2022 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	100%	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%

PERSONNEL SUMMARY / ORGANIZATIONAL CHART

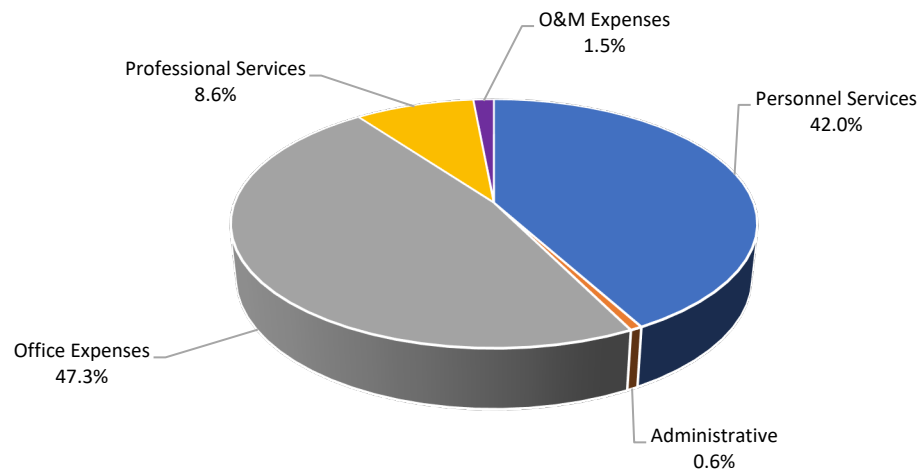
Positions	FY 2020 Actuals	FY 2021 Budget	FY 2021 Revised	FY 2022 Budget
Manager of IT Services	1	1	1	1
Network Systems Administrator	1	1	1	1
IT Specialist	2	2	2	2
Total FTEs	4	4	4	4



BUDGET SUMMARY

	FY 2020 Actuals	FY 2021 Adopted	FY 2021 Estimates	FY 2022 Adopted
Beginning Balance	\$ -	\$ -	\$ -	\$ 1,252,185
Operating Expense				
Personnel Services	\$ -	\$ 475,920	\$ 478,470	\$ 502,025
Administrative	-	5,050	3,165	7,760
Office Expenses	-	515,015	639,630	565,585
Professional Services	-	77,280	80,245	103,020
O&M Expenses	-	55,300	50,680	17,765
Total Operating Expense	\$ -	\$ 1,128,565	\$ 1,252,185	\$ 1,196,155
Allocation Transfer to Administration	-	(1,128,565)	(1,252,185)	(1,196,155)
Ending Balance	\$ -	\$ -	\$ 1,252,185	\$ 1,196,155

Operating Expenditures



SUMMARY OF MAJOR CHANGES

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 4.00 full-time equivalent positions. A 10% increase in medical insurance rates is also included in the adopted budget.

ADMINISTRATIVE

- Administrative costs include WaterISAC membership, training for IT staff to remain American Water Works Association (AWWA) certified, and the monthly subscriptions for the District's Direct TV accounts.
- Conference, Travel, and Training expenses reflect a decrease due to District staff being able to participate in various training activities via the Internet.

OFFICE EXPENSES

- New for FY 2022, Communications include District-wide cell phone service expense for the District.
- Computer Equipment and Supplies includes employee startup and replacement equipment, licenses, 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 a decrease due to completion of the Cisco licensing and switches project in FY 2021.

PROFESSIONAL SERVICES

- Other Outside Services includes monthly backup subscription, as well as reflects an increase for continuing District website maintenance and coding.
- Equipment Service comprises maintenance and service agreements for copiers, phone system and Cisco equipment. Service for all District alarm and access controls are also included.
- The Security account decreased due to completing installation of various security items around the District in FY 2021.

O&M EXPENSES

- Plant and Equipment Maintenance includes funding for Fiber Optics maintenance.
- The Machinery, Equipment, and Tools account increase reflects additional funding for the purchase of hand tools for computer / printer maintenance.
- No Furniture and Equipment greater than \$5,000 was requested for this fund for FY 2022.

TRANSFER OUT

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

ACCOMPLISHMENTS FOR FY 2020-2021

- ✓ Continue to promote awareness and knowledge of potential cybersecurity issues.
 - *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 and identify problem areas.*
- ✓ Continue to assist Operations in the upgrade to System Platform.
 - *Installed thin clients, laptops, networking, and related equipment and delivered to Systems integrator for ongoing upgrade project.*
- ✓ Transformed District data center through server virtualization.
 - *We will continue to virtualize our data centers where appropriate and more efficiently use our network resources across the District.*
- ✓ Upgraded capacity of hybrid backup system.
 - *Upgraded our backup capacity to ensure that District data resources are backed up and have ample room for growth.*
- ✓ Provided critical support during continued COVID pandemic.
 - *Worked with vendors to procure laptops, printers, and other required equipment and set up for home use.*
 - *Provided users a virtual private network (VPN) for secure access to network resources.*
 - *Installed Enterprise version of Adobe to provide opportunity to remotely approve, annotate and collaborate on documents.*
 - *Provided assistance and training to new remote users.*
 - *Prior to checking out a laptop for home use; verify that all operating systems, applications, and endpoint protection are updated with most recent security patches.*
- ✓ Critical support during extreme weather event.
 - *Were on-site to check data center conditions during extreme freezing weather conditions. Also provided remote equipment for employees unable to travel to work.*
- ✓ Lake Ralph Hall Communications.
 - *Completed AT&T Switched Ethernet on Demand for the Lake Ralph Hall Land Office and for the 8 East Plaza office location. Also contracted with Zulu Internet, Inc. to provide Internet access to construction trailer at dam site. Contracted with cabling contractor to run updated wiring in 8 E. Plaza building and connected to switch.*

- ✓ Subscribed to hosted Incode Software as a Service (SaaS) to replace the current version of on-premise Incode.
 - *Worked with Incode to prepare migration of current version of Incode from on-premise solution to hosted Software as a Service (SaaS). This is in preparation for the anticipated upgrade to Incode version 10. This will simplify the migration process to the new version.*
- ✓ Upgraded to current AT&T communication products.
 - *Finalized Switched Ethernet connections to the Northeast Water Reclamation Plants (Riverbend and Doe Branch) and to Lake Ralph Hall, extending our network to all existing and planned endpoints. Set up Ethernet Virtual Connections (EVC) to interconnect all endpoints.*

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.

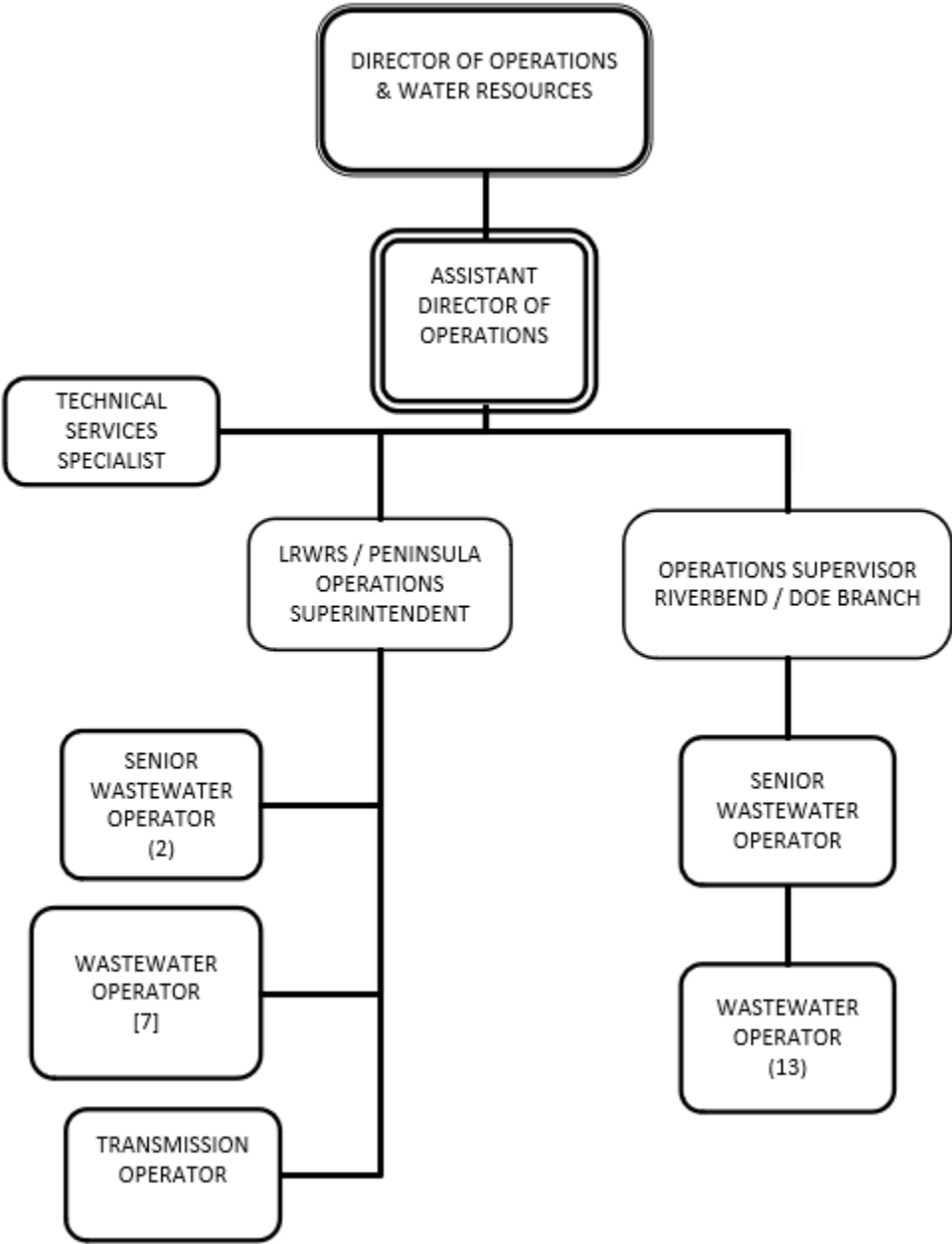
PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2020 Actuals	FY 2021 Estimates	FY 2022 Target
Effluent Quality	Achieve 100% regulatory compliance / NACWA Award - Lakeview - Riverbend - Doe Branch - Peninsula	100% / Platinum 100% / Platinum 100% / Gold 100% / Platinum	100% / Platinum 100% / Platinum 100% / Platinum 100% / Platinum	100% / Platinum 100% / Platinum 100% / Platinum 100% / Platinum
Process Control Testing	Ratio (%) of tests completed / total tests required - Lakeview - Riverbend - Doe Branch - Peninsula	200% 200% 200% 200%	200% 200% 200% 200%	200% 200% 200% 200%
Biosolids Processing	Number of tons of biosolids processed and hauled to disposal - Lakeview - Riverbend - Doe Branch - Peninsula	1200 900 500 180	1400 900 500 200	1400 1000 600 290
Equipment Shutdowns	Percent of time critical equipment is available - Lakeview - Riverbend - Doe Branch - Peninsula	>99% >99% >99% >99%	>99% >99% >99% >99%	>99% >99% >99% >99%
Complaints From Neighbors / Addressed	Number of odor complaints per year / percent addressed - Lakeview - Riverbend - Doe Branch - Peninsula	1 / 100% 0 / 100% 0 / 100% 2 / 100%	0 / 100% 0 / 100% 0 / 100% 0 / 100%	0 / 100% 0 / 100% 0 / 100% 0 / 100%

PERSONNEL SUMMARY

Positions	FY 2020 Actuals	FY 2021 Budget	FY 2021 Revised	FY 2022 Budget
Director of Operations & Water Resources	.50	.50	.50	.50
Assistant Director of Operations	.50	.50	.50	.55
Technical Services Specialist	.55	.55	.55	.55
Electrical Engineer	0	.15	.15	.15
Project Engineer	.15	0	0	0
Water Resource Specialist	.15	.20	.20	.15
LRWRS/Peninsula Operations Superintendent	1	1	1	1
Operations Supervisor-Riverbend / Doe Branch	.60	1.70	1.70	.95
Senior Wastewater Operator	2	2	2	3
Wastewater Operator III	11	8	8	9
Wastewater Operator II	3	4	4	6
Wastewater Operator I	5	7	7	5
Transmission Operator	.50	.50	.50	.50
Water Operator II / Clerk	.40	.40	.40	.10
Total FTEs	25.35	26.50	26.50	27.45

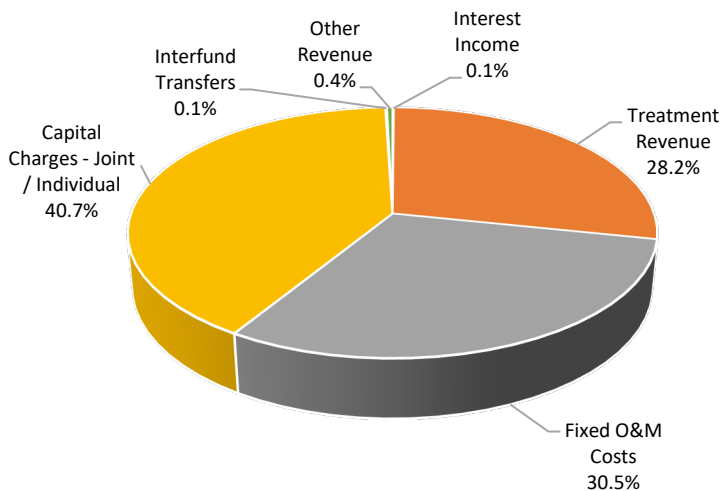
ORGANIZATIONAL CHART



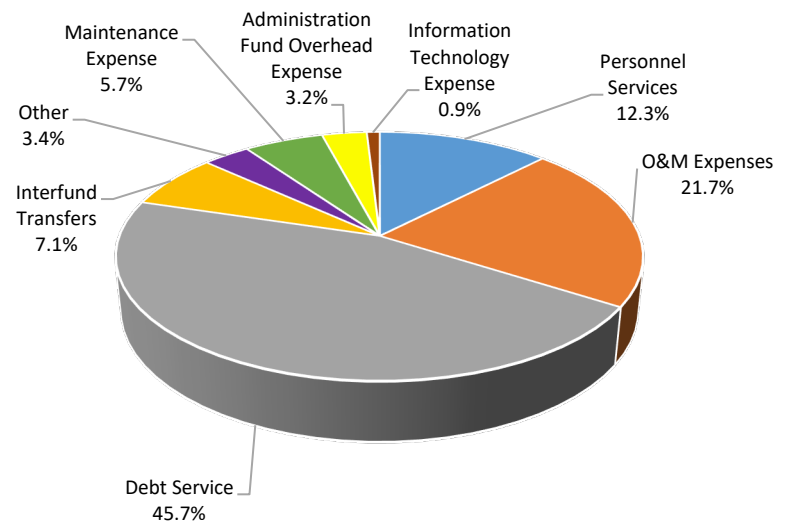
BUDGET SUMMARY - LRWRS

	FY 2020 Actuals	FY 2021 Adopted	FY 2021 Estimates	FY 2022 Adopted
Beginning Balance	\$ 2,403,300	\$ 1,676,530	\$ 2,006,909	\$ 1,538,490
Operating Revenue				
Interest Income	\$ 81,816	\$ 42,500	\$ 5,860	\$ 6,930
Treatment Revenue	2,099,765	2,030,545	2,018,650	2,083,285
Fixed O&M Costs	2,150,171	2,150,175	2,150,175	2,256,755
Capital Charges - Joint / Individual	2,997,853	3,043,140	3,043,140	3,008,620
Interfund Transfers	15,101	7,120	9,060	8,980
Corinth Point of Entry	12,514	11,320	11,705	11,320
Other Revenue	35,814	16,930	16,335	17,775
Total Operating Revenue	\$ 7,393,034	\$ 7,301,730	\$ 7,254,925	\$ 7,393,665
Operating Expense				
Personnel Services	\$ 782,047	\$ 870,325	\$ 899,865	\$ 820,785
Administrative	99,632	106,315	101,920	120,070
Office Expenses	13,415	3,560	2,830	2,900
Professional Services	75,384	52,400	83,520	52,400
O&M Expenses	1,269,205	1,386,505	1,273,680	1,442,865
Debt Service	3,124,314	3,040,015	3,039,845	3,040,395
Interfund Transfers	1,958,807	631,385	1,596,450	470,965
Shared Debt Payments	40,816	40,815	40,815	40,815
DCFWS #7 - Corinth Point of Entry	11,262	10,190	10,535	10,190
Maintenance Expense	289,905	397,475	373,415	378,650
Administration Fund Overhead	115,973	225,795	223,660	213,310
Information Technology Expense	-	66,200	76,810	62,225
Adjustment for Accrued	8,665	-	-	-
Total Operating Expense	\$ 7,789,425	\$ 6,830,980	\$ 7,723,345	\$ 6,655,570
Ending Balance	\$ 2,006,909	\$ 2,147,280	\$ 1,538,490	\$ 2,276,585

LRWRS Operating Revenues



LRWRS Operating Expenditures



SUMMARY OF MAJOR CHANGES - LRWRS

SUBSCRIBED CAPACITIES

Entity	FY 2021 Budget	FY 2022 Budget
Bartonville	0.0378 mgd	0.0378 mgd
Corinth	1.6080 mgd	1.6080 mgd
DCFWSO #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 2021 Budget	FY 2021 Estimates	FY 2022 Budget
Bartonville	0.0040 mgd	0.0043 mgd	0.0040 mgd
Corinth	1.4100 mgd	1.3517 mgd	1.4100 mgd
DCFWSO #7	0.8000 mgd	0.8133 mgd	0.8400 mgd
Double Oak	0.0025 mgd	0.0024 mgd	0.0025 mgd
Highland Village	1.3500 mgd	1.2954 mgd	1.3500 mgd
Lake Cities MUA	0.9500 mgd	1.0271 mgd	1.0300 mgd
Total	4.5165 mgd	4.4942 mgd	4.6365 mgd

RATE STRUCTURE

	FY 2021 Budget	FY 2022 Budget
Volume Charge - Treatment	\$1.25 / 1,000 gallons	\$1.25 / 1,000 gallons
Fixed O&M Charges*	\$403,500 / mgd	\$423,500 / 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

Entity	Individual	Joint	Total
Bartonville	\$5,995	\$15,415	\$21,410
Corinth	\$84,380	\$655,695	\$740,075
DCFWSO #7	\$457,940	\$344,155	\$802,095
Double Oak	\$10,905	\$3,260	\$14,165
Highland Village	\$231,765	\$672,820	\$904,585
Lake Cities MUA	\$44,715	\$481,575	\$526,290
Total	\$835,700	\$2,172,920	\$3,008,620

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 2022 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.
- The Lakeview Plant processes biosolids sludge from the Peninsula Plant and receives \$0.03 / 1,000 gallons as a reimbursement for electricity expense. Due to continued growth in the Peninsula Plant's service area, the amount of biosolids sludge has increased.
- 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 load shedding electric rebate program.
- 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 six months of expenses for one new position (Wastewater Operator II) to be shared with the Peninsula Plant. There is also a 10% increase projected for health insurance. The overall decrease in Personnel Services expense is due to allocating a larger percentage of District staff assigned to both Lakeview and Peninsula Plants, to the Peninsula Plant for FY 2022. This allocation changed from an 85% Lakeview / 15% Peninsula split, to a 74% Lakeview / 26% Peninsula split for FY 2022. A larger share of staff was assigned to the Peninsula Plant due to the tremendous growth seen over the past several years in that service area.

ADMINISTRATIVE

- Conference, Travel and Training expense follows the allocation of additional time for staff, shared between the Lakeview and Peninsula Plants, to the Peninsula Plant.

OFFICE EXPENSES

- The decrease in Communications expense is due to centralizing cell phone expense for the District in the Information Technology Fund.
- The Supplies account includes printing, postage, courier, and office supply expenses for the Lakeview Plant.

O&M EXPENSES

- The Botanical account increase reflects an anticipated cost increase based on FY 2021 estimates in anticipation of the renewal of the current vendor's contract in December 2021.
- Utilities includes water, gas, trash, and recycling services and reflects a projected increase in rates for these services from FY 2021.
- The Lab Supplies and Services expense increase is due to completing additional sampling related to the upcoming expansion of the Lakeview Plant's treatment capacity.
- Biosolids Disposal was increased for FY 2021 due to the anticipated closing of the City of Lewisville's landfill. Per our FY 2021 estimates, this has not yet occurred. Therefore, in anticipation of the need to have these materials shipped to a more remote landfill, as well as treating additional flows, we have projected an increase in these costs for FY 2022.
- The Equipment and Furniture under \$5,000 account reflects a slight reduction based on trending.

INTERFUND TRANSFERS

- Equity funding is generated for projects within the Capital Improvement Program and earmarked to be placed in the Non-Bond Capital Reserve Fund. The FY 2022 contribution to this reserve reflects a reduction from prior years.
- No transfer is shown for the O&M Reserve Fund since the projected FY 2022 balance exceeds the required level of 25% of O&M expenses (less debt service).
- Funding for the Capital Replacement Reserve Fund is provided for in the volume charge at \$0.10 / 1,000 gallons, same as FY 2021.
- Transfer to the Plant Permitting Reserve Fund is to accumulate funds for the next Texas Pollutant Discharge Elimination Permit renewal scheduled to begin in FY 2023.
- Transfer to the Vehicle and Equipment Replacement Reserve Fund amount is calculated according to quantity and age of vehicles and equipment. This amount is funded according to an established replacement schedule.

SHARED DEBT PAYMENTS

- Shared Debt Payments funds a direct portion of debt service related to the administrative offices, Board Room, and administrative annex (#2) at 802 N. Kealy Street.

DCFWSO #7- CORINTH POINT OF ENTRY

- Corinth Point of Entry transportation charge is collected and credited to DCFWSO #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 14% of the adopted Maintenance budget.

ADMINISTRATIVE FUND OVERHEAD EXPENSES

- Allocation of overhead to operations.

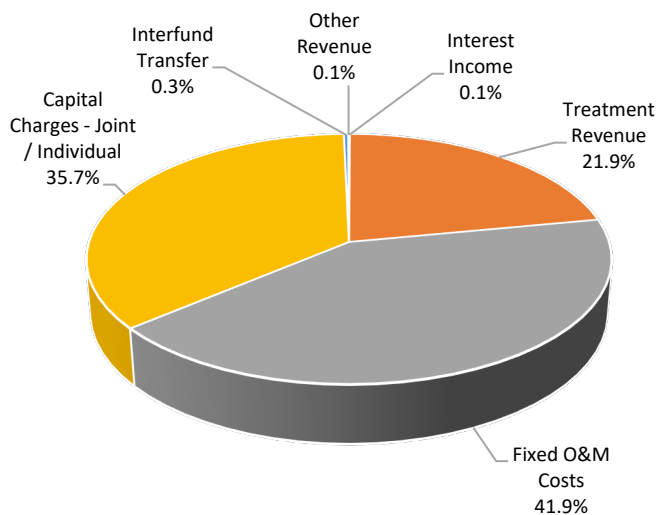
INFORMATION TECHNOLOGY

- Allocation of Information Technology Fund expenses to operations.

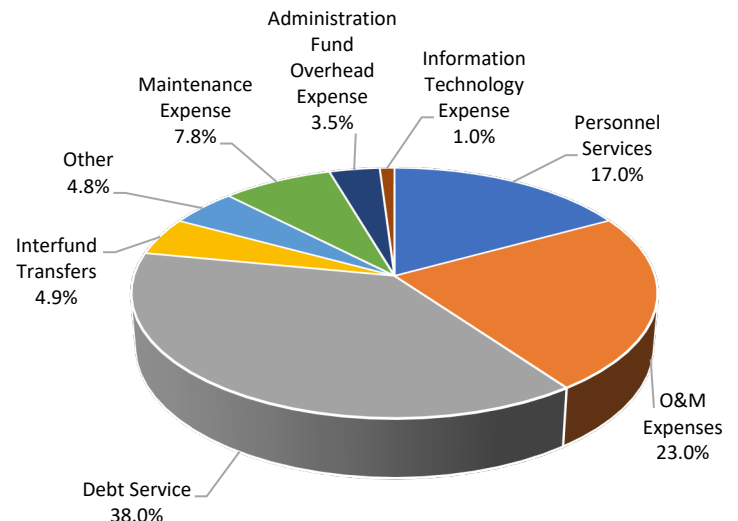
BUDGET SUMMARY – NERWRS

	FY 2020 Actuals	FY 2021 Adopted	FY 2021 Estimates	FY 2022 Adopted
Beginning Balance	\$ 2,244,342	\$ 2,200,357	\$ 2,535,160	\$ 1,932,161
Transfer to Operations	\$ (58,120)			
Beginning Balance Revised	\$ 2,186,222	\$ 2,200,357	\$ 2,535,160	\$ 1,932,161
Operating Revenue				
Interest Income	\$ 103,529	\$ 67,500	\$ 5,015	\$ 5,960
Treatment Revenue	2,257,329	1,875,115	2,257,315	2,154,600
Fixed O&M Costs	3,071,639	3,071,645	3,071,645	4,109,275
Capital Charges - Joint / Individual	2,900,720	3,952,630	3,952,630	3,507,015
Interim Finance Charges	-	-	-	48,750
Interfund Transfers	65,545	600,000	300,000	30,395
Other Revenue	30,731	4,580	3,435	5,180
Total Operating Revenue	\$ 8,429,493	\$ 9,571,470	\$ 9,590,040	\$ 9,861,175
Operating Expense				
Personnel Services	\$ 1,221,404	\$ 1,535,745	\$ 1,404,740	\$ 1,573,395
Administrative	181,187	192,185	190,575	253,560
Office Expenses	59,659	5,160	5,145	5,625
Professional Services	222,813	125,200	125,375	166,250
O&M Expenses	1,726,885	1,868,540	2,056,640	2,124,280
Debt Service	2,523,134	3,518,380	3,518,380	3,509,745
Interfund Transfers	1,627,993	882,710	1,977,140	450,625
Shared Debt Payments	14,833	14,830	14,830	14,830
Maintenance Expense	308,025	521,685	490,105	716,730
Administration Fund Overhead Expense	165,683	293,515	305,270	325,830
Information Technology Expense	-	86,050	104,840	95,045
Adjustment for Accrued Expenditures	28,939	-	-	-
Total Operating Expense	\$ 8,080,555	\$ 9,044,000	\$ 10,193,040	\$ 9,235,915
Ending Balance	\$ 2,535,160	\$ 2,727,827	\$ 1,932,161	\$ 2,557,421

NERWRS Operating Revenues



NERWRS Operating Expenditures



SUMMARY OF MAJOR CHANGES - NERWRS

SUBSCRIBED CAPACITIES

Entity	FY 2021 Budget	FY 2022 Budget
DCFWSD #8A	0.45375 mgd	0.45375 mgd
Providence Village	0.55000 mgd	0.55000 mgd
DCFWSD #10	0.25000 mgd	0.37467 mgd
DCFWSD #11	0.71575 mgd	0.71575 mgd
Mustang SUD	1.81650 mgd	2.54983 mgd
Celina	0.66500 mgd	1.32500 mgd
Prosper	1.00000 mgd	1.00000 mgd
Total	5.45100 mgd	6.96900 mgd

PROJECTED FLOWS

Entity	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
DCFWSD #8A	0.3000 mgd	0.3410 mgd	0.3300 mgd
Providence Village	0.4200 mgd	0.3822 mgd	0.4200 mgd
DCFWSD #10	0.2750 mgd	0.4063 mgd	0.3000 mgd
DCFWSD #11	0.6000 mgd	0.6369 mgd	0.6500 mgd
Mustang SUD	1.0000 mgd	1.4206 mgd	1.3000 mgd
Celina	0.7000 mgd	0.9923 mgd	0.8500 mgd
Prosper	0.7000 mgd	0.6409 mgd	0.7500 mgd
Total	3.9950 mgd	4.8202 mgd	4.6000 mgd

RATE STRUCTURE

	FY 2021 Budget	FY 2022 Budget
Volume Charge – Members	\$1.25 / 1,000 gallons	\$1.25 / 1,000 gallons
Volume Charge - Customers	\$1.34 / 1,000 gallons	\$1.34 / 1,000 gallons
Joint Fixed O&M Charge	\$563,500 / mgd	\$589,650 / mgd

CAPITAL CHARGES

Entity	Individual	Interim	Joint	Total
DCFWSO #8A	\$182,210	\$ ---	\$87,435	\$269,645
Providence Village	\$354,690	\$ ---	\$105,985	\$460,675
DCFWSO #10	\$4,555	\$4,795	\$32,460	\$41,810
DCFWSO #11	\$266,585	\$ ---	\$137,925	\$404,510
Mustang SUD	\$291,665	\$12,305	\$389,340	\$693,310
Celina	\$1,468,500	\$17,795	\$107,820	\$1,594,115
Prosper	\$ ---	\$13,855	\$77,845	\$91,700
Total	\$2,568,205	\$48,750	\$938,810	\$3,555,765

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 2022 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.
- Interim Finance Charges represent interest due from Doe Branch Plant participants for an Interfund Loan from the Regional Treated Water Systems' Non-Bond Capital Reserve of \$3.0 million to fund the Relocation / TxDOT U.S. Hwy. 380 Project. Interest is calculated at 1.5% per year beginning September 2021 (estimated) and will be assessed monthly in FY 2022 while the loaned funds are encumbered.
- An Interfund Transfer of \$30,395 from the Vehicle and Equipment Replacement Reserve is necessary to partially offset the cost to replace vehicle #055 (2008 Ford F-250) with a new truck.
- Rental Revenue is the pro rata share of 802 N. Kealy annex rental income.

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 15.95 full-time equivalent positions including six months of expenses for one new position (Wastewater Operator II split between the Riverbend and Doe Branch Plants). A 10% increase in medical insurance rates is also included for FY 2022.

ADMINISTRATIVE

- The decrease in Conference, Training, and Travel is based on utilizing the Internet for many training courses.

- Insurance - Property, GL, Vehicle account includes an estimated rate increase from Texas Municipal League for additional assets to insure resulting from the completion of the Doe Branch Plant Expansion, Phase 2 in FY 2022.

OFFICE EXPENSES

- The reduction of Communications expense is due to centralizing cell phone expenses in the Information Technology Fund.
- The increase in Supplies expense is due to budgeting printer ink cartridges in this account, rather than in Computer, Equipment, and Supplies expense, which was moved to the Information Technology Fund in FY 2021.

PROFESSIONAL SERVICES

- The increase in Other Outside Services reflects the need to repaint the older facility structures at the Riverbend Plant.

O&M EXPENSES

- The Botanical account reflects a projected cost increase based on FY 2021 estimates in anticipation of the renewal of the current vendor's contract in December 2021. In addition, with the current construction projects at both the Riverbend and Doe Branch Plants projected to be completed in FY 2022, the areas requiring mowing / landscaping services will be increased compared to prior fiscal years.
- Vehicle Expense increase is due to an expanding fleet and aging vehicles.
- Permits, Licenses, and Fees expense reflects the annual fee paid to the Texas Commission on Environmental Quality (TCEQ) for the Consolidated Water Quality fees for the Riverbend and Doe Branch Water Reclamation Plants. The increase for FY 2022 is due to the phase 2 treatment capacity expansion of the Doe Branch Plant being put into service.
- The Biosolids Disposal account increased due to treating additional flows, as well as the anticipated closing of the landfill in the City of Lewisville, requiring the shipment of these materials to a more remote landfill beginning in January 2022.
- The increase in Electricity is related to the average FY 2021 expense, as well as an increase in flows.
- Chemical expense reflects current year trending on a per 1,000-gallon rate, along with an increase for FY 2022 due to the treatment of additional projected flows.
- The Equipment and Furniture less than \$5,000 account includes the purchase of two Polymer Tote Mixers (\$1,500 each). The Equipment and Furniture greater than \$5,000 account includes:

Riverbend Plant

- Parts to rebuild a Gearmotor - \$12,785
- Centrifuge Polymer Feed Pump - \$27,765
- New Promag Aluminum Feed Meter - \$5,805
- New Eyewash Station - \$8,000
- Replacement Cloths with Frames for the Aqua Filter System - \$19,165
- Replacement Truck (for Vehicle #055) - \$45,000

Doe Branch Plant

- New Clarifier Skimmer Arm - \$8,000
- Replacement Cloths with Frames for the Aqua Filter System - \$18,280

DEBT SERVICE

- Debt Service for the 2002 State Participation (Riverbend Plant) Bonds decreased by \$13,315 due to having repaid all previous deferred interest and beginning to make principal and interest payments only.

INTERFUND TRANSFERS

- Funding for Non-Bond Capital Reserve Fund is provided for in the volume charge at \$0.01 / 1,000 gallons. The additional \$934,160 in the FY 2021 estimate reflects a mid-year transfer from excess working capital.
- The Plant Permitting Reserve Fund contribution was decreased due to delaying the timeline for the next renewal period for the Texas Pollutant Discharge Elimination System permit for the Doe Branch Plant to begin in FY 2025. Annual contributions are made to this reserve for the accumulation of sufficient funding for the renewal of these permits at the Riverbend and Doe Branch Regional Water Reclamation Plants reflected in the District's Capital Improvement Program budget.
- Transfer to the Vehicle and Equipment Replacement Reserve Fund amount is calculated according to quantity and age of vehicles and equipment. This amount includes all new vehicles and equipment that have been added over the past few years and is funded according to an established replacement schedule.
- The transfer to the O&M Reserve Fund is included in the adopted budget to recover the required level 25% of O&M expenses (less debt service). This reserve is anticipated to be 100% funded at the end of FY 2022.
- Funding for the Capital Replacement Reserve Fund is provided for in the volume charge at \$0.05 / 1,000 gallons, same as FY 2021.
- The transfer to the Administration Fund is the portion of the customer surcharge to fund administration services.
- The transfer 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 transfer to the Regional Treated Water Systems' (RTWS) Non-Bond Capital Reserve represents interest (1.5% per year) collected from Doe Branch Plant participants for a \$3.0 million loan to fund the Relocation / TxDOT U.S. Hwy. 380 project.

SHARED DEBT PAYMENTS

- This payment funds a direct portion of debt service related to the administrative offices, Board Room, and administrative annex (#2) at 802 N. Kealy Street.

MAINTENANCE EXPENSE

- This allocation represents 26.5% of the adopted Maintenance budget.

ADMINISTRATION FUND OVERHEAD EXPENSE

- Allocation of overhead to operations.

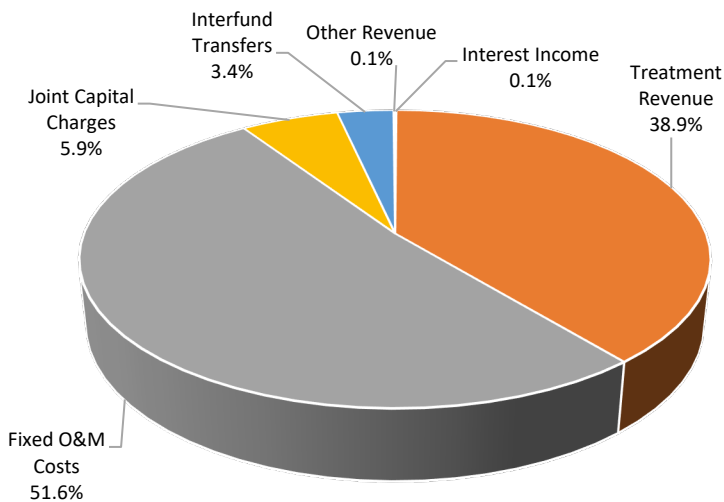
INFORMATION TECHNOLOGY EXPENSE

- Allocation of Information Technology Fund expenses to operations.

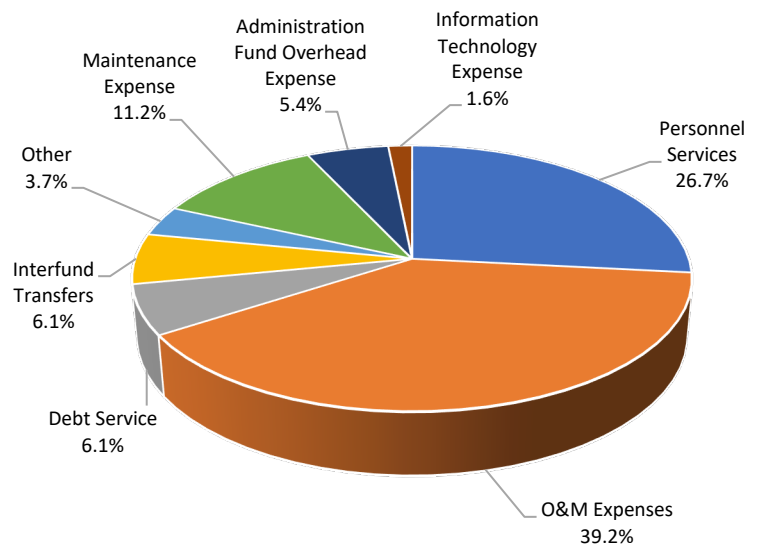
BUDGET SUMMARY - PWRP

	FY 2020 Actuals	FY 2021 Adopted	FY 2021 Estimates	FY 2022 Adopted
Beginning Balance	\$ 331,157	\$ 274,697	\$ 358,960	\$ 251,650
Operating Revenue				
Interest Income	\$ 5,982	\$ 4,380	\$ 915	\$ 970
Treatment Revenue	427,437	374,855	477,160	481,875
Fixed O&M Costs	615,794	615,795	615,795	639,435
Joint Capital Charges	69,690	68,935	68,935	72,935
Interfund Transfers	3,055	-	-	42,000
Other Revenue	6,614	1,145	860	1,295
Total Operating Revenue	\$ 1,128,572	\$ 1,065,110	\$ 1,163,665	\$ 1,238,510
Operating Expense				
Personnel Services	\$ 160,036	\$ 179,260	\$ 208,230	\$ 320,900
Administrative	22,539	26,900	25,545	31,980
Office Expenses	2,034	1,000	250	500
Professional Services	7,236	6,500	6,250	6,650
O&M Expenses	397,048	413,550	431,385	472,260
Debt Service	68,794	68,835	67,970	72,935
Interfund Transfers	264,264	67,540	282,280	73,980
Shared Debt Payments	4,883	4,880	4,880	4,880
Maintenance Expense	126,834	173,895	163,370	135,230
Administration Fund Overhead	32,367	55,905	60,155	65,355
Information Technology Expense	-	16,390	20,660	19,065
Adjustment for Accrued Expenditures	14,734	-	-	-
Total Operating Expense	\$ 1,100,769	\$ 1,014,655	\$ 1,270,975	\$ 1,203,735
Ending Balance	\$ 358,960	\$ 325,152	\$ 251,650	\$ 286,425

PWRP Operating Revenues



PWRP Operating Expenditures



SUMMARY OF MAJOR CHANGES - PWRP

SUBSCRIBED CAPACITIES

Entity	FY 2021 Budget	FY 2022 Budget
Mustang SUD	0.0940 mgd	0.0940 mgd
Total	0.0940 mgd	0.0940 mgd

PROJECTED FLOWS

Entity	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
Mustang SUD	0.6500 mgd	0.8274 mgd	0.8200 mgd
Total	0.6500 mgd	0.8274 mgd	0.8200 mgd

RATE STRUCTURE

	FY 2021 Budget	FY 2022 Budget
Volume Charge - Treatment	\$1.58 / 1,000 gallons	\$1.61 / 1,000 gallons
Fixed O&M Charges	\$655,100 / mgd	\$680,250 / mgd

CAPITAL CHARGES

Entity	FY 2021 Budget	FY 2022 Budget
Mustang SUD	\$68,935	\$72,935
Total	\$68,935	\$72,935

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.
- Capital Charges are necessary to make annual debt service payments.
- Interfund Transfer of \$42,000 from the Non-Bond Capital Reserve being used for rate stabilization, in lieu of additional increase to the FY 2022 Fixed O&M Charge.
- Rental Revenue is the pro rata share of 802 N. Kealy annex rental income

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 3.37 full time equivalent positions including six months of expenses for one new position (Wastewater Operator II) split between the Peninsula and Lakeview Plants. A 10% increase in medical insurance rates is also included for FY 2022.

O&M EXPENSES

- The Botanical account reflects a projected cost increase based on FY 2021 estimates in anticipation of the renewal of the current vendor's contract in December 2021.
- The Sludge Hauling expense increase is due to the treatment of additional flows for FY 2022 and the subsequent transport of those wet by-products to the Lakeview Regional Water Reclamation Plant for processing.
- Chemicals increase driven by an anticipated increase in flows.

DEBT SERVICE

- Reflect debt service for 2016 revenue bonds issued to complete UV Disinfection Improvements at the Peninsula Plant.

INTERFUND TRANSFERS

- Funding for the Non-Bond Capital Reserve Fund is provided for in the volume charge at \$0.02 / 1,000 gallons, no change from FY 2021. The FY 2021 estimate includes a mid-year transfer of \$161,910 from excess working capital.
- Transfer to the Vehicle and Equipment Replacement Reserve Fund amount is calculated according to the quantity and age of vehicles and equipment. This amount is funded according to an established replacement schedule.
- Transfer to the Plant Permitting Reserve Fund is to continue to accumulate funds for the next Texas Pollutant Discharge Elimination Permit (TPDEP) renewal beginning in FY 2026.
- The transfer to the O&M Reserve Fund is included in the adopted budget to recover the required level of 25% of O&M expenses (less debt service). This reserve is anticipated to be 100% funded at the end of FY 2022.
- Funding for the Capital Replacement Reserve Fund is provided for in the volume charge at \$0.05 / 1,000 gallons, no change from FY 2021.
- The transfer to Project Development decreased due to making the final payment for a prior year loan for the Northeast Regional Water Reclamation System CIP Planning Study in FY 2021.

SHARED DEBT PAYMENTS

- This payment funds a direct portion of debt service related to the administrative offices, Board Room, and administrative annex (#2) at 802 N. Kealy Street.

MAINTENANCE EXPENSE

- This allocation represents 5% of the adopted Maintenance budget.

ADMINISTRATION FUND OVERHEAD EXPENSE

- Allocation of overhead to operations.

INFORMATION TECHNOLOGY EXPENSE

- Allocation of Information Technology Fund expenses to operations.

ACCOMPLISHMENTS FOR FY 2020-2021

- ✓ Discharge effluent from District water reclamation facilities that meets all regulatory treatment requirements.
 - Lakeview Regional Water Reclamation System
 - Completed more voluntary load shedding Demand Response Testing with Voltus Energy partners, including three consecutive days during the winter storm.
 - Maintained perfect regulatory compliance and NACWA Platinum Status.
 - Maintained 100% survival of all Biomonitoring test species for over 21 years.
 - Completed SCADA system upgrade at the Lakeview WRF to modernize and standardize the SCADA system to be consistent with the new standards that are applicable to all District facilities.
 - Northeast Regional Water Reclamation System – Riverbend Plant
 - Treated WW flows from the Doe Branch basin at 1.25 mgd daily average to assist with construction and hydraulic overloads.
 - Maintained perfect regulatory compliance and NAWCA Platinum status.
 - Maintained 100% survival of all Biomonitoring test species for over 15 years.
 - Construction to build new maintenance facility as well as upgrading roads at Riverbend Plant (Riverbend Plant Expansion, Phase 3 Project) began in June 2021.
 - Implemented an odor control system at the headworks that has since resulted in zero complaints over the last 9 months.
 - Successfully implemented the Voltus dispatch for ERCOT during the 2021 winter storm. Maintained the plant under full generator power for three consecutive days with zero violations.
 - Northeast operations have continued their excellent safety record that earned them the 2020 Water Environment Federation George W. Burke Jr. Safety Award for recognition of excellence in our ongoing safety program and record.
 - Northeast Regional Water Reclamation System - Doe Branch Plant
 - Phase II expansion (2.0 mgd – 4.0 mgd) is nearly complete.
 - Continually adapted to increased flows and challenging influent quality episodes while maintaining perfect regulatory compliance and NACWA Platinum Gold Status. Continue to assist customers with collection system issues.
 - Continue to make operational adjustments to solids processing system that have greatly increased operational and overall solids processing efficiency.
 - Maintained excellent discharge effluent throughout the year.
 - Earned the 2020 Water Environment Federation George W. Burke Jr. Safety Award for recognition of excellence in our ongoing safety program and record.
 - Successfully implemented the Voltus dispatch for ERCOT during the 2021 winter storm. Maintained the plant under full generator power for three consecutive days with zero violations.

- Peninsula Water Reclamation Plant
 - *Maintained perfect regulatory compliance and NACWA Platinum status.*
 - *Construction for Phase II expansion (.94 mgd to 2.0 mgd) began in June 2021.*
 - *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. Doe Branch received the Platinum Award for the first time, as the plant has only been in service for five years. All plants met discharge permit limits through record-setting spring floods and passed all biomonitoring testing at Riverbend, Doe Branch and Lakeview plants.*
 - *The Northeast Operations group continued the Operations to Maintenance cross-training program for new Northeast Operations staff members that has proven to be very beneficial to the Northeast Operations and maintenance groups.*
 - *Completed SCADA system upgrade at the Peninsula WRF to modernize and standardize the SCADA system to be consistent with the new standards that are applicable to all District facilities.*
 - *Continued ongoing management and leadership training opportunities for mid-level management and high-potential employees.*
 - *The Operations Data Management Improvement Project Phase II is nearly completed. Operations staff are currently using the new system to assist with O&M data management needs. Additional training for staff is planned and use of the program will continue to expand.*
 - *Design for US Highway 380 widening project is continuing. Several District pipelines will have to be relocated impacting both the water and wastewater systems along the Highway 380 corridor.*
 - *Doe Branch Interceptor Parallel Line evaluation is underway. All temporary meters are in place and on-line collecting data.*
- ✓ Maintain all water reclamation facilities in high-quality working order.
- *Continued using the Weir-Wolf clarifier cleaning system at the Lakeview and Doe Branch plants with good results, reducing labor hours, and increasing staff safety.*
 - *Improvements made to the Peninsula headworks area to enhance freeze protection and to minimize equipment downtime during cold weather months, continues to pay dividends. For the fourth consecutive year after implementing these improvements there were zero shutdowns of critical plant equipment due to freezing weather.*
 - *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.*

- ✓ 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 pumping stations and hydrogen peroxide at the plant for effective odor control both in the pipeline system and at the Lakeview facility.*
- ✓ Maintain security / safety of systems and resources.
 - *Completed a large easement reclamation project on the Doe Branch Phase II Interceptor from Fishtrap Road to the Doe Branch facility that now allows for access to the pipeline easement for inspection and maintenance. Continued the ongoing pipeline and easement maintenance program to ensure that All District Wastewater collection system pipelines are now fully accessible.*
- ✓ Continue to secure the District's remote facilities, by using updated technology.
 - *Continue providing full system redundancy of our network and plant specific SCADA systems.*
 - *The Wonderware and SCADA server upgrade project is ongoing. The System Platform will be constructed to unify the design and function of our SCADA HMI for all District plants. This project will also replace outdated hardware, update software and licenses as needed. To date, this upgrade project has been completed at the Taylor, Riverbend, Lakeview, Harpool and Peninsula Plants. Expected completion date for all 6 operating facilities including Doe Branch is projected to early 2022.*
 - *Ongoing Cybersecurity training is provided to all District employees to help promote and increase network security.*
 - *The Taylor Plant is linked to all the plants in the District with cameras and / or SCADA monitoring capabilities.*
 - *Numerous cameras are installed throughout the District to improve site security.*
- ✓ The Operations Data Management Project (Phase II) and Tableau are currently underway.
 - *Operations data and records such as meter readings and laboratory test results have now been fully migrated over to our SQL structured 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 Operation's 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.*
- ✓ Maintain security / safety of systems and resources.
 - *Added cameras at key District facilities to improve site security.*
 - *Continue to utilize and update the District GIS system for optimal plant and system operations.*

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

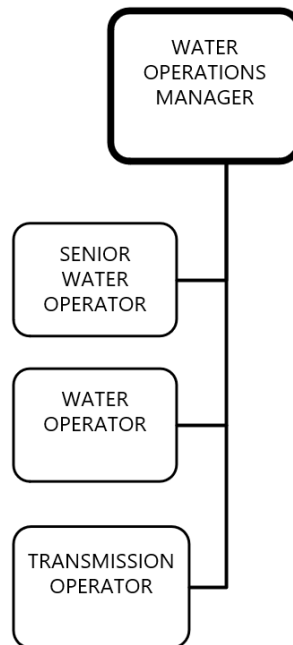
- Provide treated effluent water as requested.
- Discharge effluent from District water reclamation facilities that meets all regulatory treatment requirements.
 - Deliver up to 2.0 mgd of treated effluent from the City of Lewisville to FWSD No. 1A for irrigation of Castle Hills golf course.
 - Maintain 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 2020 Actuals	FY 2021 Estimates	FY 2022 Target
Availability of effluent for irrigation	Percent of time requested effluent is delivered.	99.7%	>99%	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%	>97%	100%

PERSONNEL SUMMARY / ORGANIZATIONAL CHART

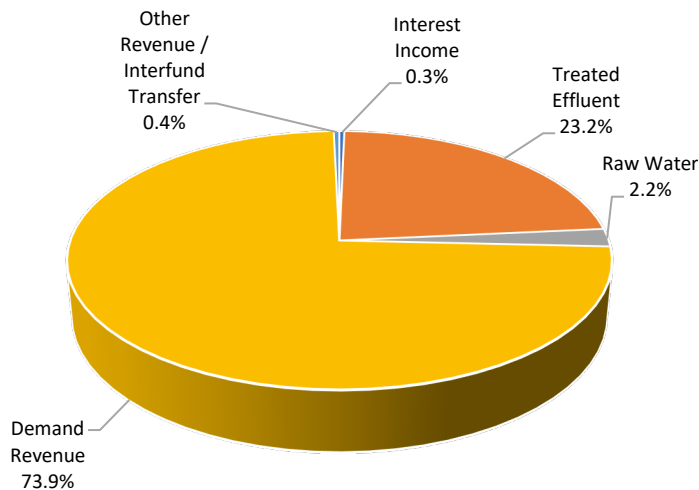
Positions	FY 2020 Actuals	FY 2021 Budget	FY 2021 Revised	FY 2022 Budget
Water Operations Manager	.01	.01	.01	.01
Senior Water Operator	.01	.01	.01	.01
Water Operator III	.06	.08	.08	.08
Water Operator II	.01	.04	.04	.04
Water Operator I	.05	0	0	0
Total FTEs	.14	.14	.14	.14



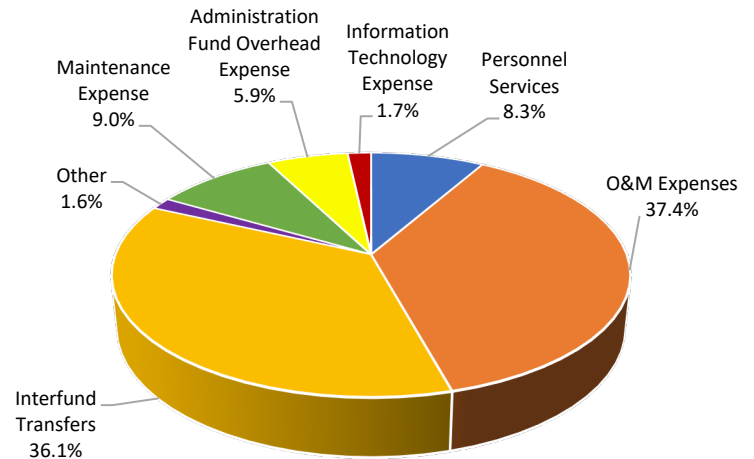
BUDGET SUMMARY

	FY 2020 Actuals	FY 2021 Adopted	FY 2021 Estimates	FY 2022 Adopted
Beginning Balance	\$ 57,707	\$ 36,842	\$ 39,080	\$ 47,365
Operating Revenue				
Interest Income	\$ 2,947	\$ 2,400	\$ 530	\$ 585
Treated Effluent Volume Revenue	26,708	36,000	29,645	39,200
Raw Water Volume Revenue	-	3,430	3,430	3,780
Demand Revenue	125,000	125,000	125,000	125,000
Interfund Transfers	874	575	430	650
Other Revenue	-	-	15,350	-
Total Operating Revenue	\$ 155,529	\$ 167,405	\$ 174,385	\$ 169,215
Operating Expense				
Personnel Services	\$ 11,331	\$ 11,640	\$ 12,330	\$ 12,500
Professional Services	2,769	800	735	500
O&M Expenses	45,866	50,745	44,605	56,465
Interfund Transfers	88,555	54,725	70,865	54,725
Shared Debt Payments	1,842	1,845	1,845	1,845
Maintenance Expense	18,119	24,840	23,340	13,525
Administration Fund Overhead Expense	3,979	9,405	9,215	8,875
Information Technology Expense	-	2,760	3,165	2,590
Adjustment for Accrued Expenditures	1,695	-	-	-
Total Operating Expense	\$ 174,156	\$ 156,760	\$ 166,100	\$ 151,025
Ending Balance	\$ 39,080	\$ 47,487	\$ 47,365	\$ 65,555

Operating Revenues



Operating Expenditures



SUMMARY OF MAJOR CHANGES

PROJECTED FLOWS

Type	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
Treated Effluent	0.2192 mgd	0.1805 mgd	0.2192 mgd
Raw Water	0.0096 mgd	0.0096 mgd	0.0096 mgd

RATE STRUCTURE

	FY 2021 Budget	FY 2022 Budget
Treated Effluent Rate	\$0.45 / 1,000 gallons	\$0.49 / 1,000 gallons
Raw Water Rate	\$0.98 / 1,000 gallons	\$1.08 / 1,000 gallons
Demand Charge	\$125,000	\$125,000

REVENUE

- Interest Income is representative of current market conditions.
- 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. This equates to 0.14 full time equivalent position.

O&M EXPENSES

- Treated Effluent Water cost reflects a 9.7% increase from FY 2021 by Dallas Water Utilities.
- Raw Water cost reflects a 15.8% increase from FY 2021 by Dallas Water Utilities.

INTERFUND TRANSFERS

- A contribution is recommended to be made to the Non-Bond Capital Reserve Fund to allow for equity cash funding of future capital projects.
- Transfer to the Capital Replacement Reserve Fund is included to set aside funds to be used for future pipeline replacement.

SHARED DEBT PAYMENTS

- Shared Debt Payments funds a direct portion of debt service related to the administrative offices, Board Room, and administrative annex (#2) at 802 N. Kealy Street.

MAINTENANCE EXPENSE

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

ADMINISTRATION FUND OVERHEAD EXPENSE

- Allocation of overhead to operations.

INFORMATION TECHNOLOGY EXPENSE

- Allocation of Information Technology Fund expenses to operations.

ACCOMPLISHMENTS FOR FY 2020-2021

- ✓ As per contract with Denton County Fresh Water Supply District #1A, supplied non-potable water for golf course irrigation and maintained recreational pond level by utilizing treated effluent that was provided from the City of Lewisville wastewater treatment plant and pumped to the Castle Hills golf course in Carrollton for irrigation. Raw water was provided from Lewisville Lake to Lake Avalon.
 - *73,004,000 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 interruption's.

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 proposed 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 safety conscious at all times, 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.

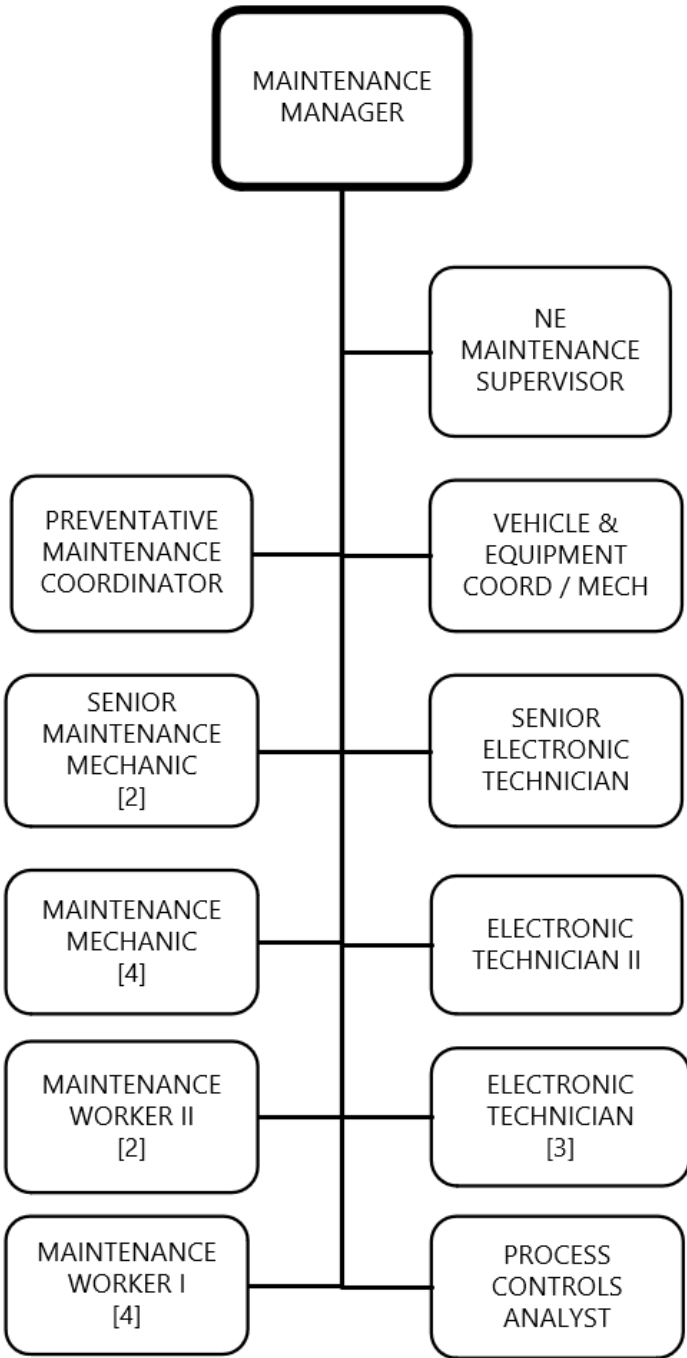
PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2020 Actuals	FY 2021 Estimates	FY 2022 Target
Reduce response time on Preventative (PM), Scheduled (SM) & Landscape (LM) Maintenance Work Orders	Complete PMs within 5 working days	95%	95%	100%
Reduce response time on Corrective Maintenance (CM) Work Orders	Complete CMs within 5 working days	98%	95%	100%
Emergency Response	Response and repair time less than 24 hours	89%	95%	100%
Special Projects	Total # of special projects each FY completed on time	90%	93%	100%
Funding	Total # of special projects each FY completed within budget	97%	100%	100%
Safety	12 safety training hours / employee / year	100%	80%	100%
Staffing	% of time at full staff	90%	99%	100%

PERSONNEL SUMMARY

Positions	FY 2020 Actuals	FY 2021 Budget	FY 2021 Revised	FY 2022 Budget
Maintenance Manager	1	1	1	1
Northeast Maintenance Supervisor	0	0	0	1
Preventative Maintenance Coordinator	1	1	1	1
Vehicle & Equipment Coordinator	1	1	1	1
Senior Electronic Technician	1	1	1	1
Electronic Technician II	1	1	1	1
Electronic Technician I	2	3	3	3
Senior Maintenance Mechanic	2	2	2	2
Maintenance Mechanic	4	3	3	4
Maintenance Worker II	1	3	3	2
Maintenance Worker I	4	4	4	4
Landscape Assistant (Temporary)	1	1	1	1
Process Controls Analyst	1	1	1	1
GIS Analyst	.45	.45	.45	.45
Total FTEs	20.45	22.45	22.45	23.45

ORGANIZATIONAL CHART

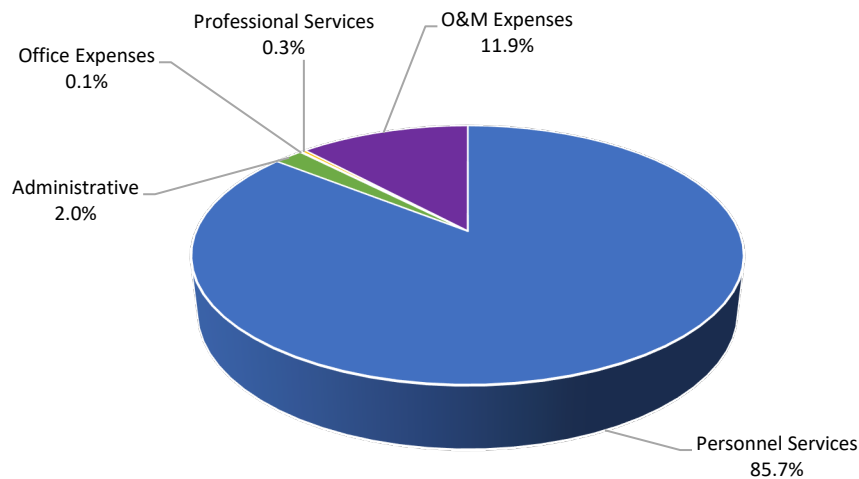


BUDGET SUMMARY

	FY 2020 Actuals	FY 2021 Adopted	FY 2021 Estimates	FY 2022 Adopted
Beginning Balance	\$ -	\$ -	\$ -	\$ -
Operating Expense				
Personnel Services	\$ 1,555,779	\$ 2,184,480	\$ 2,015,295	\$ 2,317,220
Administrative	48,910	49,180	48,600	54,515
Office Expenses	80,671	5,840	5,680	3,000
Professional Services	15,223	11,905	6,000	8,500
O&M Expenses	111,327	232,810	258,260	321,400
Total Operating Expense	\$ 1,811,909	\$ 2,484,210	\$ 2,333,835	\$ 2,704,635
Allocation Transfer to Operating	(1,811,909)	(2,484,210)	(2,333,835)	(2,704,635)
Ending Balance	\$ -	\$ -	\$ -	\$ -

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

Operating Expenditures



SUMMARY OF MAJOR CHANGES

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 23.45 full-time equivalent positions including six months of expense for one new position (Northeast Maintenance Supervisor). A 10% increase in medical insurance rates is also included in the adopted budget.

ADMINISTRATIVE

- The Property, Building, and Equipment Rental expense reflects the lease payment for installing District microwave equipment on the City of Lewisville's tower enabling SCADA communication between District facilities.
- The Advertising expense reduction is based on trending.

OFFICE EXPENSES

- The decrease in Communications expense is due to centralizing cell phone expense for the District in the Information Technology Fund.
- The Supplies account includes printing, postage, courier, and office supply expense.

PROFESSIONAL SERVICES

- Other Outside Services includes a request to install a new elevator at the Maintenance Building, as well as for the rental of an overhead crane for this project.

O&M EXPENSES

- The reduction of Botanical expense is based on trending.
- Furniture and Equipment less than \$5,000 includes a Mig Welder and a floating fountain for the recently drained District pond. Included in the Furniture and Equipment greater than \$5,000 account:
 - Half-ton 4x4 truck for new requested position - \$37,500
 - Elevator / Man lift at the Maintenance Building - \$47,000
 - Mini-Track Excavator - \$88,000
 - Spare set of Rubber Tracks for new Excavator - \$5,500
- Total operating expenses for the Maintenance budget are allocated based on methodology of order distribution. Regional Treated Water System (52.0%), Lakeview Regional Water Reclamation System (14.0%), Northeast Regional Water Reclamation System (26.5%), Peninsula Water Reclamation Plant (5.0%), Non-Potable Water System (0.5%), and Admin (2.0%).

	Taylor	Harpool	LRWRS	NERWRS	PWRP	NPWS	Admin	TOTAL
Allocation %	28.0%	24.0%	14.0%	26.5%	5.0%	0.50%	2.0%	100%
FY 22	\$757,300	\$649,110	\$378,650	\$716,730	\$135,230	\$13,525	\$54,090	\$2,704,635

TRANSFER OUT

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

ACCOMPLISHMENTS FOR FY 2020-2021

- ✓ 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.*
 - *Administration*
 - *Completed 802 Rental project of entrance canopy and concrete restoration.*
 - *Admin building flooring project completed.*
 - *Thomas E. Taylor Regional Treated Water System*
 - *Worked with Smith Pump on High Service Pump #7 alignment issues.*
 - *Rebuilt Stone Hill Pump #5 with Smith Pump & piping replacement with Archer Western.*
 - *Stone Hill Pump #6 is back in operation after over two years of being out of service.*
 - *Completed exterior wall coating project.*
 - *Repaired 20" pipeline leak with Acadia contractors.*
 - *Retrofit for new air conditioner in MCC room for pump #4 and #6 at Stone Hill.*
 - *Numerous repairs from major winter storm.*
 - *Lakeview Water Reclamation System*
 - *Assisted Lantana with root ball in sewer system.*
 - *Assisted Lake Cities with stuck plug in pipeline.*
 - *Installed new piping to mixing box of AB's.*
 - *Numerous repairs from winter storm.*
 - *Harpool Regional Water System*
 - *Completed Smartball inspection of finished water pipeline.*
 - *Completed repairs with Smith Pump on failure of new pumps.*
 - *Membrane modules changed out after plant construction upgrades.*
 - *Northeast Regional Water Reclamation System*
 - *Assisted Pilot Point over night with sewer overflow.*
 - *Removed old screenings compactor at Peninsula.*
 - *Had two incidents where we had to install emergency cooling to the blower building at Doe Branch.*

- ✓ Maintain all apparatuses and exceed the life expectancy of all equipment and facilities.
 - *Working with staff & engineers for a fix on mixer stands that are a safety hazard at Riverbend.*
 - *Installed new gearbox on mixer that was damaged by the unstable mixer stands at Riverbend.*
 - *Installed new air conditioner system in blower building at Riverbend.*
 - *Added weirs to the AB's at Riverbend.*
 - *Relocated alum feed lines at Riverbend*
 - *Installed new 6" valves on backwash pumps at Doe Branch.*
 - *Designed & fabricated grit removal hoppers for Riverbend.*
 - *Installed swivel joint & decant tube on sludge holding tank.*
- ✓ 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.

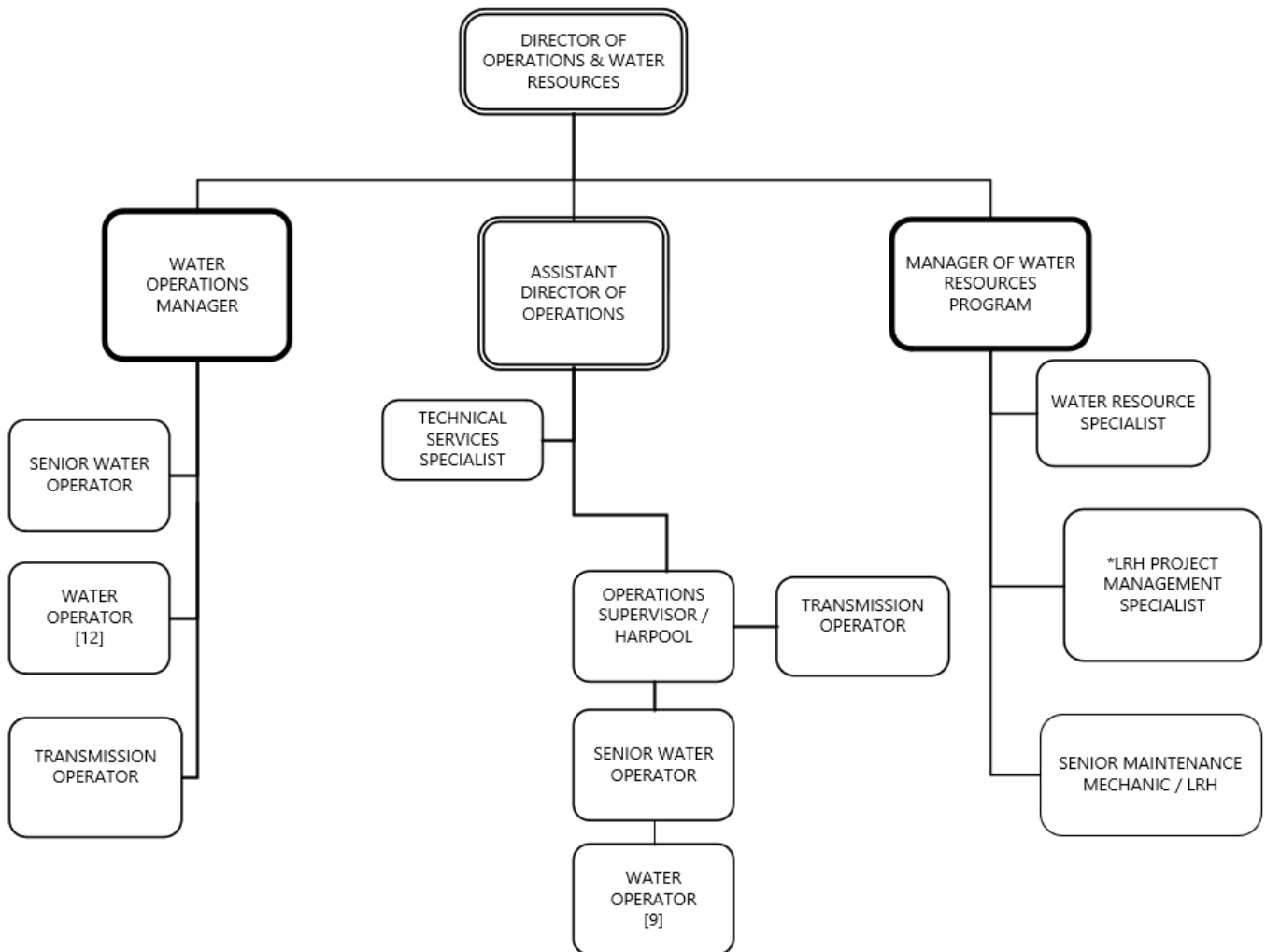
PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2020 Actuals	FY 2021 Estimates	FY 2022 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 = $[1 - (\text{\#days offline} / 365)] \times 100$	99.7%	>99%	>99%
Meter Accuracy	Yearly meter calibration checks inaccuracy % Meter accuracy = $[1 - (\text{inaccurate meters} / \text{total meters})] \times 100$	100% Taylor 100% Harpool	>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% Taylor 100% Harpool	>99%	>99%
Maximize after hours monitoring efficiency of N.E. Water and all Wastewater Systems	Percentage of time RWTP staff alert WW/NE personnel to potential problems or alarm situations	99%	100%	100%
Minimize taste or odor complaint episodes	Establish baseline trends; then target reductions	0 Taylor 2 Harpool	0 Taylor 0 Harpool	0 Taylor 0 Harpool
Minimize unaccounted water loss	Unaccounted for water, annual average UFW = $\text{billed} + \text{accounted flows} / \text{raw water flow}$	3.19% Taylor 4.0% Harpool	<5%	<5%
Dual Certified Operators	Number of Operators with both Water and Wastewater certification	40% Taylor 70% Harpool	>75%	>75%
Maintain Qualified / Trained Staff	Percentage of positions filled $[1 - (\text{vacancies} / \text{filled})] \times 100$	93.8% Taylor 100% Harpool	>90%	>90%

PERSONNEL SUMMARY

Positions	FY 2020 Actuals	FY 2021 Budget	FY 20201 Revised	FY 2022 Budget
Executive Director	.25	.25	.25	.25
Manager of Governmental Affairs & Communications	.65	.65	.65	.65
Water Education Coordinator	.80	.80	.80	.80
Manager of Water Resources Program	.10	.15	.15	.10
Water Resource Specialist	.05	.10	.10	.05
Director of Operations and Water Resources	.50	.50	.50	.50
Assistant Director of Operations	.50	.50	.50	.45
Technical Services Specialist	.45	.45	.45	.45
Electrical Engineer	0	.35	.35	.35
Project Engineer	.35	0	0	0
Water Operations Manager	.99	.99	.99	.99
Operations Supervisor	.40	.30	.30	1.05
Senior Water Operator	1.99	1.99	1.99	1.99
Water Operator III	9.94	11.92	11.92	10.92
Water Operator II	3.99	5.96	5.96	6.86
Water Operator I	5.95	2	2	3
Water Operator II / Clerk	.60	.60	.60	0
Water Operator I / Clerk	0	0	0	0
Transmission Operator	2.50	2.50	2.50	1
Transmission Operator II	0	0	0	.50
Transmission Operator III	0	0	0	1
Total FTEs	30.01	30.01	30.01	30.91

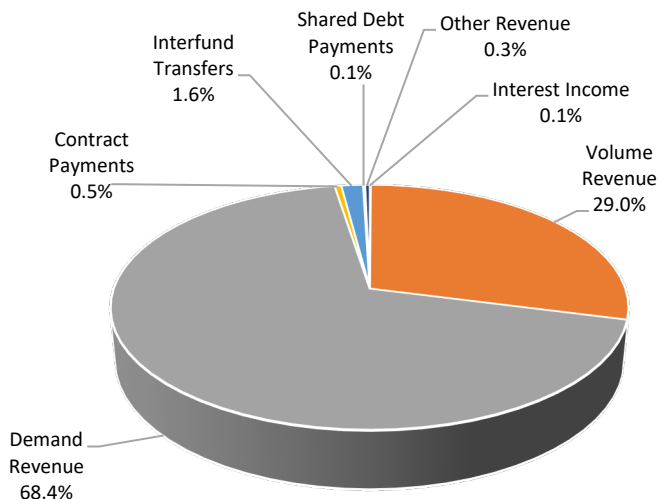
ORGANIZATIONAL CHART



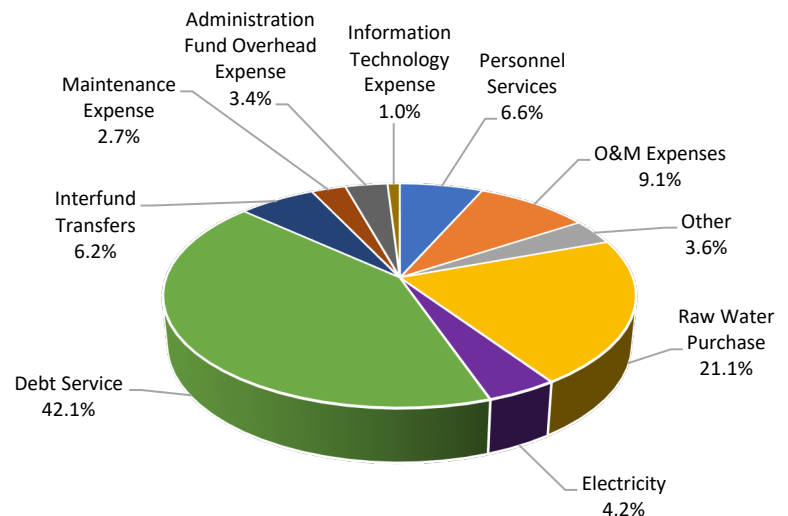
BUDGET SUMMARY

	FY 2020 Actuals	FY 2021 Adopted	FY 2021 Estimates	FY 2022 Adopted
Beginning Balance	\$ 11,633,341	\$ 11,430,001	\$ 13,331,297	\$ 13,668,922
Operating Revenue				
Interest Income	\$ 359,324	\$ 210,000	\$ 35,955	\$ 41,270
Volume Revenue	13,697,649	13,919,205	14,110,455	16,112,825
Demand Revenue	34,966,211	36,225,395	36,151,055	38,097,310
Contract Payments	667,415	411,845	422,790	267,645
Interfund Transfers	1,757,552	2,031,895	1,698,415	870,610
Shared Debt Payments	82,730	82,730	82,730	82,730
Other Revenue	779,685	816,660	800,555	188,795
Total Operating Revenue	\$ 52,310,566	\$ 53,697,730	\$ 53,301,955	\$ 55,661,185
Operating Expense				
Personnel Services	\$ 3,140,759	\$ 3,199,155	\$ 3,292,960	\$ 3,402,385
Administrative	446,081	464,075	478,290	549,270
Office Expenses	89,737	20,010	17,265	13,150
Professional Services	502,154	1,551,565	1,314,560	1,320,900
O&M Expenses	4,380,222	4,480,365	4,332,815	4,686,150
Chapman Raw Water Purchase	2,453,706	2,452,550	2,441,575	2,432,375
Dallas/Denton Raw Water Purchase	4,258,164	6,678,990	4,350,565	8,445,005
Electricity	1,927,154	1,946,910	1,959,795	2,144,325
Debt Service	21,703,026	21,794,075	21,553,980	21,564,240
Interfund Transfers	9,780,054	3,423,270	9,997,345	3,164,575
Maintenance Expense	1,050,907	1,316,630	1,236,930	1,406,410
Administration Fund Overhead Expense	843,692	1,609,555	1,479,980	1,723,965
Information Technology Expense	-	471,880	508,270	502,880
Adjustment for Accrued Expenditures	36,954	-	-	-
Total Operating Expense	\$ 50,612,610	\$ 49,409,030	\$ 52,964,330	\$ 51,355,630
Ending Balance	\$ 13,331,297	\$ 15,718,701	\$ 13,668,922	\$ 17,974,477

Operating Revenues



Operating Expenditures



SUMMARY OF MAJOR CHANGES

SUBSCRIBED CAPACITIES

Entity	FY 2021 Budget	FY 2022 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	5.25 mgd	6.00 mgd
Corinth	7.50 mgd	7.50 mgd
DCFWSD #1A	3.00 mgd	3.00 mgd
DCFWSD #7	4.00 mgd	4.00 mgd
DCFWSD #8A	1.87 mgd	1.87 mgd
DCFWSD #10	1.02 mgd	1.10 mgd
DCFWSD #11A	3.30 mgd	3.30 mgd
Flower Mound	30.00 mgd	30.00 mgd
Highland Village	3.00 mgd	3.00 mgd
Justin	1.25 mgd	1.25 mgd
Krum	0.40 mgd	0.40 mgd
Lake Cities MUA	3.80 mgd	3.90 mgd
Mustang SUD	5.00 mgd	5.80 mgd
Northlake	3.20 mgd	3.80 mgd
Providence Village	2.40 mgd	2.40 mgd
Sanger	0.50 mgd	0.50 mgd
Total	80.09 mgd	82.42 mgd

PROJECTED FLOWS

Entity	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
Argyle WSC	1.0230 mgd	1.0607 mgd	1.2000 mgd
Aubrey	0.0000 mgd	0.0000 mgd	0.0000 mgd
Cross Timbers WSC	0.6000 mgd	0.6325 mgd	0.6000 mgd
Celina	2.5000 mgd	3.0238 mgd	3.0000 mgd
Corinth	3.0000 mgd	2.7785 mgd	3.0000 mgd
DCFWSD #1A	1.5500 mgd	1.5735 mgd	1.6000 mgd
DCFWSD #7	1.9000 mgd	1.8349 mgd	2.0000 mgd
DCFWSD #8A	0.2900 mgd	0.2473 mgd	0.2900 mgd
DCFWSD #10	0.4500 mgd	0.4881 mgd	0.5000 mgd
DCFWSD #11A	1.2000 mgd	1.2002 mgd	1.3000 mgd
Flower Mound	9.5000 mgd	8.7798 mgd	9.6000 mgd
Highland Village	2.3000 mgd	2.2287 mgd	2.3000 mgd
Justin	0.5500 mgd	0.6680 mgd	0.6800 mgd
Krum	0.1000 mgd	0.1124 mgd	0.1000 mgd
Lake Cities MUA	1.6000 mgd	1.5797 mgd	1.7000 mgd
Mustang SUD	3.8000 mgd	4.3545 mgd	4.6000 mgd
Northlake	1.1000 mgd	1.4064 mgd	1.4000 mgd
Providence Village	0.7000 mgd	0.6638 mgd	0.7500 mgd
Sanger	0.1800 mgd	0.1453 mgd	0.1800 mgd
Total	32.3430 mgd	32.7781 mgd	34.8000 mgd

RATE STRUCTURE

	FY 2021 Budget	FY 2022 Budget
Volume Rate – Members	\$1.16 / 1,000 gallons	\$1.25 / 1,000 gallons
Volume Rate – Customers	\$1.25 / 1,000 gallons	\$1.34 / 1,000 gallons
Flat Rate/Temporary Service	\$4.74 / 1,000 gallons	\$4.92 / 1,000 gallons
Demand Rate	\$455,150 / mgd	\$465,055 / 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 rate.
- The contract payments (P&I) from Argyle WSC and Mustang SUD are for joint capital projects. Argyle WSC will complete their payments to the District as of November 2021.
- Interfund transfers include funds from the O&M Reserve Fund (\$600,000) to complete the Taylor Plant raw water storage pond dredging expenses and Smart-Ball testing and pipeline leak repairs (\$105,000), Series 2000-A Reserve Fund (\$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 (\$1,610) for potable water usage at the Riverbend Plant, and payments (\$48,750) 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.
- 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) and for 802 Kealy from Administration (\$8,160), Non-Potable (\$745), Lakeview Regional Water Reclamation System (\$7,415), Northeast Water Reclamation System (\$5,930), and Peninsula Water Reclamation Plant (\$1,480).
- Other Revenue generally consists of energy rebates and revenue from auctioned items. FY 2022 budget includes projected energy rebates.
- The rental revenue is the pro-rata share of 802 N Kealy annex rental income and for the rental of District owned properties around the Lake Ralph Hall site.
- FY 2021 represents the final year of the Dallas Water Utilities (DWU) Raw Water Credit received from DWU after their settlement of a prior lawsuit with the Sabine River Authority.

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 30.91 full-time equivalent positions and a 10% increase in medical insurance rates.

ADMINISTRATIVE

- The increase in Insurance – Property, General Liability, and Vehicle expense is due to an increase in the District’s premiums for these types of insurance for FY 2022.
- The increase in Membership Dues and Subscriptions is due to including additional operations staff as members of the various water professional organizations for FY 2022.
- The increase in Conference, Training, & Travel expense is based on increased travel and conference attendance.

OFFICE EXPENSES

- The reduction to Communications expense is due to centralizing all cell phone expenses in the Information Technology Fund. This account only includes the annual cost of a landline dedicated solely to the Harpool Regional Treated Water Plant.

PROFESSIONAL SERVICES

- The increase in Professional Services – Engineering is due to the need to complete a power supply study at the Harpool Regional Treated Water Plant, as well services related to the planning of a future raw water holding pond dredging project at the Harpool Plant.
- The Equipment Service account increase is due to various pump repairs budgeted in FY 2022, as well as ongoing maintenance service agreements.
- The decrease in Other Outside Services is attributable to completing the sealing and recoating of the exterior basin walls at the Taylor plant in FY 2021. FY 2022 funding is provided to complete generator load testing and electrical system repairs at the Harpool Regional Treated Water Plant and to remodel the lab and bathrooms at the Taylor Regional Treated Water Plant.
- Other Outside Services – Pond Sludge Removal decreased due to completing a portion of the raw water holding pond dredging project at the Taylor Plant in FY 2021. Unspent funding of \$600,000 was brought forward from FY 2021 to complete this project in FY 2022. This project is funded from the O&M Reserve Fund.

O&M EXPENSES

- The Botanical account reflects a projected cost increase based on FY 2021 estimates in anticipation of the renewal of the current vendor’s contract in December 2021.
- Pipeline Maintenance is reduced for FY 2022 due to completing most of the Smart-ball testing and pipeline repairs in FY 2021. However, funding of \$105,000 is provided to complete identified needs for Smart-ball testing and pipeline repairs to water pipelines in FY 2022 (funded through the O&M Reserve Fund).
- Utilities includes water, gas, trash, and recycling services and reflects a projected increase in rates for these services from FY 2021.
- Chemical expense is increased due to a 6% to 8% increase in the cost of various chemicals used to treat raw water, as well as greater quantities of chemicals required for increased projected flows for FY 2022.

- Requests for Furniture and Equipment greater than \$5,000 includes:

Taylor Plant

- Hypo-Generator Cell Replacements / Upgrades - \$65,000
- Replacement of the Caustic Chemical Storage Tank - \$80,000
- Replacement of four (4) Filter Influent Valve Actuators - \$30,000
- Replacement of Filter Sluice Gates - \$15,000
- Replacement of six (6) Ozone Gas Flow Meters - \$10,000
- Purchase of a new Utility Vehicle - \$6,000
- Replacement of one (1) Chemical Metering Pump - \$8,000

Harpool Plant

- Replacement of a two (2) Hypochlorite Pumps - \$30,000
- Replacement of an Aluminum Chlorohydrate Tank - \$65,000
- Replacement of a Hypochlorite Storage Tank - \$30,000

CHAPMAN RAW WATER PURCHASE

- Raw water purchases reflect a 15.8% increase in the price of raw water from Dallas Water Utilities and City of Denton. Assumptions for raw water sources include a total of 36.25 MGD from the following sources:
 - Dallas water – 17.76 MGD
 - Denton water – 5.47 MGD
 - Chapman Lake – 9.50 MGD
 - Reuse - 3.52 MGD

ELECTRICITY

- Electricity expense is increased due to a projected 3% rate increase for electricity at the Harpool Regional Water Treatment Plant (Coserv), as well as higher electricity usage for the treatment of increased projected flows.

DEBT SERVICE

- Debt Service includes an increased payment of deferred interest for the 2015 TWDB Board Participation issue and additional Commercial Paper to be issued for various capital improvement projects.

INTERFUND TRANSFERS

- The transfer to the O&M Reserve Fund is included to recover the required level 25% of O&M expenses (less debt service). This reserve is anticipated to be 100% funded at the end of FY 2022.
- Funding for the Capital Replacement Reserve is provided for in the volume charge at \$0.11 / 1,000 gallons, same as FY 2021. Final loan payments received from Celina for the Doe Branch Interceptor project were received in FY 2021.
- Transfer to the Vehicle and Equipment Replacement Reserve Fund amount is calculated according to quantity and age of vehicles and equipment. This amount is funded according to an established replacement schedule.
- A transfer to the Administration Fund is the portion of the customer surcharge to fund administration services.

- A transfer to the Lake Ralph Hall Reserve is not budgeted for FY 2022. The FY 2021 estimate reflects a deposit of \$1.5 million from excess working capital through a mid-year budget adjustment, as well as a final credit from escrowed funds received from Dallas Water Utilities for prior year raw water purchases made at a higher rate that included legal fees. This lawsuit was eventually settled between Dallas Water Utilities and the Sabine River Authority.
- Funding for the Water Conservation Program is at \$0.015 / 1,000 gallons, a \$0.005 decrease from FY 2021.
- Funding for the Watershed Protection Program is at \$0.015 / 1,000 gallons, a \$0.005 decrease from FY 2021.
- Funding for the Future Water Program is at \$0.02 / 1,000 gallons, same as FY 2021.
- Final loan payments from Celina for the Doe Branch Interceptor project were received in FY 2021. Therefore, no transfers are programmed for the Gas Lease and Northeast Contribution Reserve Funds for FY 2022.
- There will not be a contribution from rates to the Non-Bond Capital Reserve Fund in FY 2022. Payments from other systems for prior loans are included in the overall transfer to this Reserve. The FY 2021 estimate of \$3,797,085 includes working capital of \$3,472,785 transferred at mid-year to the Non-Bond Capital Reserve account, as well as \$324,300 collected from other systems for reimbursement of previously loaned funds by the Non-Bond Capital Reserve Fund for completed capital improvement projects.

MAINTENANCE EXPENSE

- This allocation represents 52% of the adopted Maintenance budget.

ADMINISTRATION FUND OVERHEAD EXPENSE

- Allocation of overhead to operations.

INFORMATION TECHNOLOGY

- Allocation of Information Technology Fund expenses to operations.

ACCOMPLISHMENTS FOR FY 2020-2021

- ✓ Provided customers with dependable, high-quality water in a cost-effective manner.
- *Reservoir levels were continually monitored, and raw water sources utilized in the most optimal manner possible to ensure the lowest raw water costs possible while managing our available water supply.*
 - *The construction of the Leon Hurse Dam for Lake Ralph Hall has commenced, with expected completion by 2025. Design of the raw water Pump Station is well underway, and design engineers for the raw water pipeline and balancing reservoir have been selected.*
 - *Construction of the Parallel Pipeline between Taylor Plant and Stonehill Pump Station is complete, and the new line is in service. However, the portion of the pipe inside the plant site is currently under construction with completion expected in the fall of 2021, as are the electrical and communication improvements at the plant and at Stonehill.*
 - *Performed Preventative Maintenance service on the variable frequency drives and serviced numerous main breakers in the main switchgears at the Intake. Retrofit a new VFD into the existing VFD cabinet for pump #3 at the Raw Water Intake.*
 - *Completed repairs to Stonehill Pump No. 5 and returned the pump to service. Completed repairs to the motor on High Service Pump No. 7 and made improvements to eliminate alignment issues. The pump is now in service. Pulled High Service Pump No. 3 for evaluation and repair. Repaired the motor on Intake Pump No. 1 and returned to service.*
 - *Completed the upsizing of the 18-inch line along F.M. 2181. Design to upsize the pipeline along Copper Canyon Rd. is currently underway, as is the design of the new Southwest Pump station and ground storage tanks. Final design of the Clearwell, disinfection and High Service Pump improvement project is set to begin in early 2022.*
 - *Completed Filter Rehab Project No. 3, which proactively replaced all original filter underdrains, top off all filters with GAC media, replaced two leaking valves, and repaired structural cracks in filter basins.*
 - *Performed cathodic protection station testing in FY 2021 on large diameter pipelines District-wide to assess the current state of the system and to develop a list of improvements needed. We have continued that project with soil boring samples being analyzed this year and will be performing excavation investigations in FY 2022.*
 - *Local Programming Unit (LPU) 1 and 1A replacement project has been completed. The District wide upgrade from our existing Wonderware SCADA to a unified System Platform SCADA is nearing completion.*
 - *Upgraded LPU 11 (Intake) and LPU 12 (Stonehill) with new PLCs to modernize the communication and security capabilities of these facilities.*
 - *Performed inspection of the 42" raw water inlet structure at the Harpool Emergency lake to assess condition of the structure and any potential zebra mussel impacts. The inlet structure is in good condition and no zebra mussels were found. Performed inspection of raw water discharge header piping at the Intake for Taylor Plant in fall of 2020. No zebra mussels found.*
 - *Began partnership with Texas Parks and Wildlife Department (TPWD) in April 2021 to include the Harpool Emergency Lake in the statewide zebra mussel testing and monitoring program.*
 - *GIS program for all District pipelines has been completed and implemented. GPS data points are continuing to be collected on new pipelines, pipeline alterations, and existing pipelines and facilities to improve GIS system accuracy.*

- Taylor Plant recycle pond dredging project began in the spring but had to be shut down over the summer. Dredging is set to begin again in October 2021.
 - The Harpool Operations and Maintenance Team conducted the 7th annual full-scale audit of all the membrane filtration units during April 2021.
 - Planning is underway on a pipeline and second local raw water storage lake located one mile north of the Harpool RWTP.
 - Began construction on Harpool North Finished Water Pipeline that will supply Mustang SUD and customers further north in the service area. This project is the first phase of a delivery line to the District's northern most customers.
 - The Northeast Distribution System preventive maintenance program continues, with an ongoing goal to quickly identify and address potential problems before they become emergencies and provide quick and effective response to emergencies if they arise. All Northeast Distribution system pipelines are fully accessible and completely compliant with the maintenance program. All pipeline equipment is easily identified and all easements easily navigable.
 - Began design of a diurnal pond that will provide pretreatment as well as additional flexibility for the Harpool Water Treatment Plant.
 - Maintained 100% Billing meter accuracy for the entire NE Water system for the fifth consecutive year.
 - The Northeast Operations group implemented an Operations to Maintenance cross-training program for new Northeast Operations staff members in 2017 that has proven to be very beneficial to the Northeast Operations and maintenance groups. Plans are being made to incorporate this program District-wide based on its success to-date.
 - The Harpool RWTP has completed an expansion project to increase capacity from 20 MGD to 25 MGD through increased membrane size and quantities, along with improvements to the neutralization process.
 - Continued to maintain on-hand spare parts inventory of key operational equipment at all facilities.
- ✓ Continued long-range planning for water supply.
- Lake Ralph Hall's permitting has been approved by the US Army Corps of Engineers and TCEQ. Strategic land purchases continue, and construction of the dam and bridge are underway. Design of the raw water pump station and pipeline are underway and will continue with high priority.
 - The District continued 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 the sources listed in the application.
 - The District has been coordinating and providing data as needed to assist the Region C Water Planning Group in its preparation of future Region C Water Plans.
 - Utilizing our hydraulic modeling and long-range flow / subscription projections, the District is working to develop transmission system improvements and treatment plant expansion needs to help direct CIP planning.
 - Updating the Taylor Plant Master Plan based on current conditions, updated modeling and projections, and the updated technology available.

- ✓ Ensure that water sold to District customers meets all federal and state standards.
 - *The District's water treatment plants employ technologies and monitoring programs to ensure the production of finished water that is safe and healthy. Daily, monthly, and semi-annual testing confirms that the water meets and exceeds high standards of drinking water required by EPA and TCEQ regulations.*
 - *Both Taylor and Harpool Plants follow TCEQ approved monitoring plans. These plans demonstrate that all required testing is accounted for and provides transparency into our means and methods for meeting or exceeding all standards and regulations.*
 - *Continually confirmed that laboratory testing, both in-house and contracted, follow EPA or TCEQ required testing guidelines and methods.*
 - *Maintain Plant compliance and performance during numerous challenging events such as Winter Storm Uri, construction shutdowns, and plant improvements.*
- ✓ Monitor expendable items such as Granular Activated Carbon (GAC) filter media and Zeeweed Membranes to determine when replacement of these items will be needed.
 - *GAC filter media level measurements, along with other filter testing to determine our backwash efficiency and underdrain integrity, are performed several times per year. All filters were skimmed to remove degraded media and new media was added to return levels to full during the Filter Rehab No. 3 Project.*
 - *Our Sodium Hypochlorite On-site Generation system is routinely monitored, and cells are repaired or replaced as needed. Repairs were performed on multiple cells, acid washing was performed on all three generators, and new control heads were installed on several of the water softeners to restore normal function and ensure proper water quality being fed to the cells.*
- ✓ Continue to secure the District's remote facilities, by using updated technology.
 - *The Wonderware and SCADA server upgrade project is ongoing. System Platform will be constructed to unify the design and function of our SCADA HMI for all District plants. Outdated hardware is being replaced, and software licenses are being updated, as needed to complete the project. Currently, this work has been completed at Taylor, Riverbend, and Peninsula Plants. The Harpool Plant is substantially complete, while this project is approximately 65% complete at the Lakeview Plant. Expected completion date for all six facilities is early 2022.*
 - *The Taylor Plant is linked to all the plants in the District with cameras and / or SCADA monitoring capabilities.*
 - *Numerous cameras are installed throughout the District to improve site security.*
- ✓ The Operations Data Management Project (Phase II) and Tableau are currently underway.
 - *Operations data and records such as meter readings and laboratory test results have now been fully migrated over to our 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 continues to be implemented as the District operational data visualization and analyzation tool, with favorable results. Further implementation is expected this year.*
 - *Data Management User-Interface Project is underway to aid in the ease and accuracy of the data capturing process.*

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.

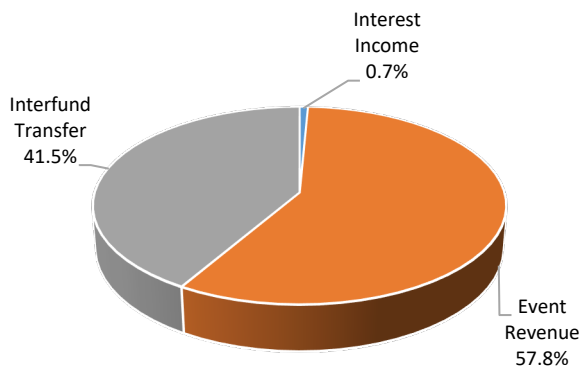
PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2020 Actuals	FY 2021 Estimates	FY 2022 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%	100%	95%

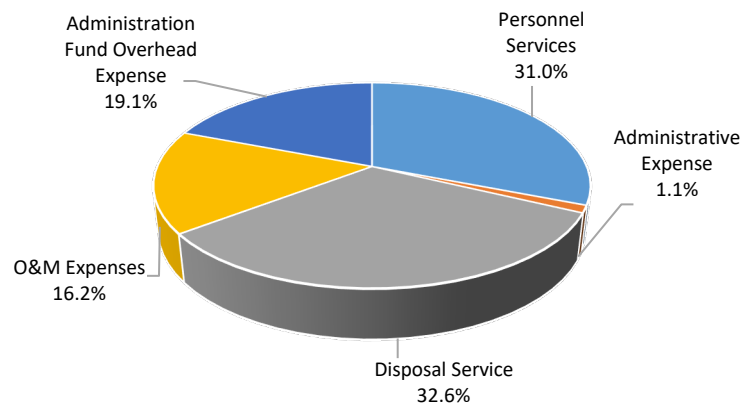
BUDGET SUMMARY

	FY 2020 Actuals	FY 2021 Adopted	FY 2021 Estimates	FY 2022 Adopted
Beginning Balance	\$ 151,561	\$ 143,471	\$ 144,428	\$ 129,238
Transfer to Operations	\$ (8,500)	\$ (11,000)	\$ (11,000)	\$ (11,000)
Beginning Balance Revised	\$ 143,061	\$ 132,471	\$ 133,428	\$ 118,238
Operating Revenue				
Event Revenue	\$ 732	\$ 15,320	\$ 5,190	\$ 15,320
Interest Revenue	1,302	420	190	195
Transfer in - Working Capital	8,500	11,000	11,000	11,000
Total Operating Revenue	\$ 10,534	\$ 26,740	\$ 16,380	\$ 26,515
Operating Expense				
Personnel Services	\$ 592	\$ 8,060	\$ 4,305	\$ 8,085
Administrative Expense	-	300	70	300
Disposal Services	600	8,500	7,220	8,500
O&M Expenses	2,975	4,435	3,975	4,230
Administration Fund Overhead Expense	5,000	5,000	5,000	5,000
Total Operating Expense	9,167	26,295	20,570	26,115
Ending Balance	\$ 144,428	\$ 132,916	\$ 129,238	\$ 118,638

Operating Revenues



Operating Expenditures



SUMMARY OF MAJOR CHANGES

HOUSEHOLDS

Entity	FY 2021 Budget	FY 2022 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 2021 Budget	FY 2022 Budget
Collection Events & Disposal	\$91 / household	\$91 / household
Ft. Worth Voucher	\$61 / household	\$61 / household
Event Voucher	\$91 / household	\$91 / household

*minimum 25 households per event

REVENUES

- A transfer-in is being made from working capital of the Household Hazardous Waste program.
- Two participating members indicate they plan on holding events during the fiscal year.
- Interest income is representative of current market conditions.

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for staffing the HHW events.

ADMINISTRATIVE FUND OVERHEAD EXPENSE

- Allocation of overhead to the program.

ACCOMPLISHMENTS FOR FY 2020-2021

- ✓ Trained personnel
 - *All Household Hazardous Waste Technicians are trained to properly handle and dispose of hazardous material, as well as critical incident management.*
- ✓ Continue voucher program
 - *8 Fort Worth voucher participants, 0 event participants*
- ✓ 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).

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.

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.

OPERATING AND MAINTENANCE RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 5,949,832	\$ 6,533,107	\$ 6,568,191	\$ 7,008,766
Transfer to Operations		\$ (1,463,215)	\$ (819,925)	\$ (705,000)
BEGINNING CASH BALANCE Revised		\$ 5,069,892	\$ 5,748,266	\$ 6,303,766
REVENUES				
Interfund Transfers				
Operations	1,075,000	-	1,250,000	738,700
Working Capital	-	1,463,215	819,925	705,000
Interest Income	54,299	11,785	10,500	12,000
TOTAL REVENUES	\$ 1,129,299	\$ 1,475,000	\$ 2,080,425	\$ 1,455,700
EXPENDITURES				
Interfund Transfer - Operations	510,940	1,475,000	819,925	705,000
TOTAL EXPENDITURES	\$ 510,940	\$ 1,475,000	\$ 819,925	\$ 705,000
ENDING CASH BALANCE 9/30	\$ 6,568,191	\$ 5,069,892	\$ 7,008,766	\$ 7,054,466

FY 2022 Ending Balance increase of \$1,984,574 is due to transferring excess working capital of \$1,250,000 (from FY 2020 operations) to this reserve. This was done to prevent the reserve fund shortage from becoming a rate requirement on the Volume Rate for future years. Since FY 2020, this reserve has funded, and will continue to fund through FY 2022, a total of \$2,035,865 of maintenance projects in the Regional Treated Water System (\$1,242,500 for the Taylor Plant Raw Water Holding Pond Sludge Removal Project, \$718,940 for Smartball testing and pipeline leak repairs, and \$74,425 to repair the District's 20" treated water pipeline to the City of Corinth. Additionally, the FY 2022 Ending Balance includes a deposit of \$738,700 so that this reserve fund reaches the required 100.0% funding level that is equivalent to 25.0% of the total operating expenses of the Regional Treated Water System.

CAPITAL REPLACEMENT RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 4,420,129	\$ 5,706,610	\$ 5,740,607	\$ 7,172,962
REVENUES				
Interfund Transfers				
RTWS Operations	1,204,157	1,298,570	1,316,035	1,397,220
NERWRS Operations	116,321	116,320	116,320	-
TOTAL REVENUES	<u>\$ 1,320,478</u>	<u>\$ 1,414,890</u>	<u>\$ 1,432,355</u>	<u>\$ 1,397,220</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u>\$ 5,740,607</u>	<u>\$ 7,121,500</u>	<u>\$ 7,172,962</u>	<u>\$ 8,570,182</u>

FY 2022 Ending Balance increase of \$1,448,682 is a result of reflecting FY 2022 transactions for this reserve. Additionally, FY 2021 flows were higher than originally projected, therefore increasing the FY 2021 contribution amount by \$17,465.
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WATERSHED PROTECTION PROGRAM FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 176,700	\$ 233,985	\$ 259,671	\$ 307,091
				\$ (32,500)
BEGINNING CASH BALANCE Revised				\$ 274,591
REVENUES				
Interfund Transfers				
Operations	240,831	236,105	239,280	190,530
Working Capital	-	-	-	32,500
TOTAL REVENUES	\$ 240,831	\$ 236,105	\$ 239,280	\$ 223,030
EXPENDITURES				
Personnel Services	68,530	66,000	60,760	67,780
Administrative	288	7,605	15,000	5,500
Program Expenses (Public Information)				
Public Information	630	10,000	500	5,000
Media Campaigns	29,204	64,000	44,000	58,750
Watershed Signs	2,578	3,500	1,000	2,000
Program Expenses (Public Outreach)				
Public Information				
Texas Parks and Wildlife				
Zebra Mussels	5,000	5,000	5,000	5,000
Shade Trees	2,631	2,500	2,500	-
Festivals	1,247	1,500	-	1,500
School Outreach	-	10,000	-	-
Sponsorships	-	3,500	500	3,000
Professional Services				
USGS Monitoring Program	15,900	15,500	15,500	17,500
Greenbelt Plan Implementation	-	15,000	15,000	15,000
Chapman Lake Hydrographic Survey	-	-	-	7,500
Water Quality Monitoring	-	-	-	2,500
Other Outside Services	-	-	600	-
Overhead Allocation	6,851	7,000	6,500	7,000
Interfund Transfer - Upper Trinity				
Conservation Trust	25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	\$ 157,860	\$ 236,105	\$ 191,860	\$ 223,030
ENDING CASH BALANCE 9/30	\$ 259,671	\$ 233,985	\$ 307,091	\$ 274,591

FY 2022 Ending Balance increase of \$40,606 is largely due to the reduction in anticipated FY 2021 program expenditures.
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WATER CONSERVATION PROGRAM FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 268,380	\$ 245,820	\$ 252,377	\$ 333,367
Transfer to Operations	\$ (16,003)	\$ (30,000)		\$ (67,680)
BEGINNING CASH BALANCE Revised	\$ 252,377	\$ 215,820		\$ 265,687
REVENUES				
Interfund Transfers				
Operations	240,831	236,105	239,280	190,530
Working Capital	16,003	30,000	-	67,680
TOTAL REVENUES	\$ 256,834	\$ 266,105	\$ 239,280	\$ 258,210
EXPENDITURES				
Personnel Services	73,115	66,000	57,000	67,750
Administrative	98,820	5,700	7,340	5,900
Program Expenses	73,753	158,810	86,000	177,560 *
Overhead Allocation	11,146	5,595	7,950	7,000
TOTAL EXPENDITURES	\$ 256,834	\$ 236,105	\$ 158,290	\$ 258,210
ENDING CASH BALANCE 9/30	\$ 252,377	\$ 245,820	\$ 333,367	\$ 265,687

*** - FY 2022 Program Expenses**

Water My Yard	
Annual Renewal of AgriLife	\$ 5,500
Weather Station Maintenance	2,000
Telephones	3,060
Media Campaigns	111,250
Public Information	5,000
Public Outreach	
Sponsorships	3,250
Festivals	1,000
School Outreach Program	1,500
Regional Symposium	5,500
GreenPros Program	750
Irrigation System Check-Ups	
Administration Fee	3,750
Check-Ups	30,000
Industrial, Commercial, & Institutional Audit Program	5,000
Total	\$ 177,560

FUTURE WATER PROGRAM FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 222,434	\$ 224,459	\$ 272,496	\$ 348,276
Transfer to Operations				
BEGINNING CASH BALANCE Revised				
REVENUES				
Interfund Transfer - Operations	180,624	236,105	239,280	254,040
TOTAL REVENUES	\$ 180,624	\$ 236,105	\$ 239,280	\$ 254,040
EXPENDITURES				
Personnel Services	17,142	30,000	21,000	30,000
Administrative	2,033	10,000	9,000	10,000
Professional Services	104,470	142,500	125,000	200,000
Overhead Expenses	6,917	14,000	8,500	14,000
TOTAL EXPENDITURES	\$ 130,562	\$ 196,500	\$ 163,500	\$ 254,000
ENDING CASH BALANCE 9/30	\$ 272,496	\$ 264,064	\$ 348,276	\$ 348,316

FY 2022 Ending Balance increase of \$84,252 is due to lower than anticipated expenditures in FY 2021.

LAKE RALPH HALL RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 11,989,921	\$ 14,851,921	\$ 14,830,706	\$ 16,987,301
REVENUES				
Interfund Transfer - Operations	2,729,525	647,085	2,147,085	-
Interest Income	111,260	31,000	9,510	33,975
TOTAL REVENUES	\$ 2,840,785	\$ 678,085	\$ 2,156,595	\$ 33,975
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 14,830,706	\$ 15,530,006	\$ 16,987,301	\$ 17,021,276

NORTHEAST CONTRIBUTION RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 361,925	\$ 467,910	\$ 467,909	\$ 573,894
REVENUES				
Interfund Transfer - NERWRS Operations	105,984	105,985	105,985	-
TOTAL REVENUES	<u>\$ 105,984</u>	<u>\$ 105,985</u>	<u>\$ 105,985</u>	<u>\$ -</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u><u>\$ 467,909</u></u>	<u><u>\$ 573,895</u></u>	<u><u>\$ 573,894</u></u>	<u><u>\$ 573,894</u></u>

GAS LEASE RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 415,077	\$ 538,542	\$ 537,382	\$ 656,872
REVENUES				
Interfund Transfer - NERWRS Operations	118,659	118,660	118,660	-
Interest Income	3,646	1,315	830	1,315
TOTAL REVENUES	\$ 122,305	\$ 119,975	\$ 119,490	\$ 1,315
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 537,382	\$ 658,517	\$ 656,872	\$ 658,187

NON-BOND CAPITAL RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 3,912,713	\$ 7,804,493	\$ 5,957,693	\$ 7,738,668
Transfer to Operations		\$ (5,950,000)		\$ (1,086,165)
BEGINNING CASH BALANCE Revised		\$ 1,854,493		\$ 6,652,503
REVENUES				
Deposit - TxDOT Reimbursement for Projects	854,839	-	3,412,255	4,551,000
Interfund Transfers				
Regional Treated Water System Operations				
Working Capital	3,209,193	-	3,797,085	-
Loan Repayments	120,708	119,665	119,665	23,730
Working Capital	-	5,950,000	-	1,086,165
Northeast Regional Water Reclamation System				
Operations (Loan Interest)	-	-	-	48,750
Doe Branch Construction Cash Fund (Loan Repayment)	-	-	-	3,000,000
Interest Income	33,412	15,010	3,870	7,290
TOTAL REVENUES	\$ 4,218,152	\$ 6,084,675	\$ 7,332,875	\$ 8,716,935
EXPENDITURES				
Interfund Transfers				
Regional Treated Water System Reserve Funds				
Operations	-	-	-	-
Construction Cash Fund	2,173,172	2,444,915	2,551,900 *	8,716,935
Northeast Regional Water Reclamation System Reserve Fund				
Doe Branch Construction Cash Fund (Loan)	-	3,637,500	3,000,000	-
TOTAL EXPENDITURES	\$ 2,173,172	\$ 6,082,415	\$ 5,551,900	\$ 8,716,935
ENDING CASH BALANCE 9/30	\$ 5,957,693	\$ 1,856,753	\$ 7,738,668	\$ 6,652,503

FY 2022 Ending Balance increase of \$4,795,750 is largely due to transferring \$3,797,085 (\$3,472,785 from RTWS excess working capital from FY 2020 operations and \$324,300 from other District Systems as reimbursements for shared CIP projects previously funded from this reserve) from operations in FY 2021. Additionally, reimbursements totaling \$4,551,000 are projected to be received from the Texas Department of Transportation (TxDOT) in FY 2022 for a current pipeline relocation project (21-5TN). Reimbursement of a \$3,000,000 prior year loan is also shown from the NERWRS Doe Branch Construction Fund after it was reimbursed by TxDOT for expenses related from 14-5B8 (Relocation / TxDOT U.S. Hwy 380 Project). FY 2022 funding for RTWS capital projects are as follows: \$35,000 - RTWS Operational Pumping Improvements and Enhancements Study (568), \$74,690 - Elevated Water Storage Tank Site Evaluation Study (54G), \$617,640 - SCADA System Improvements (Wonderware Platform Upgrade Project) (59Q), \$50,000 - Operational Data Management Project (54M), \$200,000 - Cathodic Protection System Assessment (53G), \$10,000 - Roadway Improvements Coordination Adjustments (53W), \$5,000 - Lewisville Lake / USACE Dam Coordination (5W3), \$350,000 - U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project (5T7), \$38,745 - Relocation / TxDOT US Hwy 380 Project (Denton County) (5T8), \$5,000 - Relocation / TxDOT US Hwy 380 Project (Collin County) (5T9), \$7,251,000 - TxDOT / IH-35 Project (5TN), and \$81,860 (of \$100,000 shown in CIP Budget) - Contingency Improvements (5WI). The total of these project expenditures is \$8,716,935.

* Amount also contains expenditures: \$2,000 - IH-35E Corridor Improvements (5IH), \$50,000 - Ozone System Rehabilitation at the Taylor RWTP (5T0), and \$292,120 Upgrade / Rehabilitation of RTWS LPU Panels & PLCs (59X). These projects are expected to be completed in FY 2021 and are not shown on the accompanying 5-Year list of capital improvements projects.

OPERATING AND MAINTENANCE RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 810,882	\$ 818,032	\$ 817,972	\$ 861,692
REVENUES				
Interfund Transfer - Operations	-	42,500	42,500	-
Interest Income	7,090	1,720	1,220	1,325
TOTAL REVENUES	\$ 7,090	\$ 44,220	\$ 43,720	\$ 1,325
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 817,972	\$ 862,252	\$ 861,692	\$ 863,017

CAPITAL REPLACEMENT RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 604,618	\$ 772,423	\$ 775,134	\$ 939,174
REVENUES				
Interfund Transfer - Operations	170,516	164,850	164,040	169,230
TOTAL REVENUES	\$ 170,516	\$ 164,850	\$ 164,040	\$ 169,230
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 775,134	\$ 937,273	\$ 939,174	\$ 1,108,404

FY 2022 Ending Balance increase of \$171,131 is due to the addition of contributions for FY 2022 at a rate of \$0.10 / 1,000 gallons.

Non-Bond Capital Reserve Fund

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 4,895,769	\$ 6,324,894	\$ 6,326,315	\$ 7,183,795
Transfer to Operations		\$ (673,820)		\$ (6,703,530)
BEGINNING CASH BALANCE Revised		\$ 5,651,074		\$ 480,265
REVENUES				
Interfund Transfers				
Operations	1,376,815	300,000	1,155,475	200,000
Construction Cash Fund	8,812	172,340	-	172,340
Working Capital	-	673,820	-	6,703,530
Interest Income	45,328	12,650	3,190	3,245
TOTAL REVENUES	\$ 1,430,955	\$ 1,158,810	\$ 1,158,665	\$ 7,079,115
EXPENDITURES				
Interfund Transfer - Construction Cash Fund				
Construction Cash Fund	409	1,158,810	301,185 *	6,909,415
TOTAL EXPENDITURES	\$ 409	\$ 1,158,810	\$ 301,185	\$ 6,909,415
ENDING CASH BALANCE 9/30	\$ 6,326,315	\$ 5,651,074	\$ 7,183,795	\$ 649,965

FY 2022 Ending Balance decrease of \$5,001,109 is due to funding the following LRWRS capital projects: \$4,500,000 - Plant Expansion, Phase 3 (5L2), \$2,359,415 - System Interceptor and Odor Control Improvements (53B), and \$50,000 - Contingency Improvements (5LM).

* Amount contains expenditures: \$156,185 - Security / SCADA Improvements. This project is to be completed by the end of FY 2021 and is not shown on the 5-Year list of capital improvement projects in the CIP Funds section of the budget document for the Lakeview Regional Water Reclamation System.

PLANT PERMITTING RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 32,000	\$ 44,000	\$ 44,000	\$ 56,000
Transfer to Operations		\$ (28,000)		
BEGINNING CASH BALANCE Revised		\$ 16,000		
REVENUES				
Interfund Transfers				
Operations	12,000	12,000	12,000	3,000
Working Capital	-	28,000	-	-
TOTAL REVENUES	\$ 12,000	\$ 40,000	\$ 12,000	\$ 3,000
EXPENDITURES				
Interfund Transfer - Construction Cash Fund	-	40,000	-	-
TOTAL EXPENDITURES	\$ -	\$ 40,000	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 44,000	\$ 16,000	\$ 56,000	\$ 59,000

FY 2022 Ending Balance increase of \$43,000 is due to the adjusting the time period for the next renewal of the Texas Pollutant Discharge Elimination System permit to begin in FY 2023.
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OPERATING AND MAINTENANCE RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 28,556	\$ 28,806	\$ 28,806	\$ 28,846
REVENUES				
Interest Income	250	125	40	45
TOTAL REVENUES	<u>\$ 250</u>	<u>\$ 125</u>	<u>\$ 40</u>	<u>\$ 45</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u><u>\$ 28,806</u></u>	<u><u>\$ 28,931</u></u>	<u><u>\$ 28,846</u></u>	<u><u>\$ 28,891</u></u>

CAPITAL REPLACEMENT RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 263,160	\$ 292,635	\$ 292,635	\$ 322,110
REVENUES				
Interfund Transfer - Operations	29,475	29,475	29,475	29,475
TOTAL REVENUES	<u>\$ 29,475</u>	<u>\$ 29,475</u>	<u>\$ 29,475</u>	<u>\$ 29,475</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u><u>\$ 292,635</u></u>	<u><u>\$ 322,110</u></u>	<u><u>\$ 322,110</u></u>	<u><u>\$ 351,585</u></u>

NON-BOND CAPITAL RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 316,460	\$ 357,545	\$ 357,544	\$ 392,334
REVENUES				
Interfund Transfer - Operations	40,212	25,000	34,240	25,000
Interest Income	872	400	550	580
TOTAL REVENUES	\$ 41,084	\$ 25,400	\$ 34,790	\$ 25,580
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 357,544	\$ 382,945	\$ 392,334	\$ 417,914

OPERATING AND MAINTENANCE RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 902,021	\$ 1,047,566	\$ 1,046,397	\$ 1,215,547
REVENUES				
Interfund Transfer - Operations	136,200	167,500	167,500	142,000
Interest Income	8,176	1,945	1,650	2,000
TOTAL REVENUES	\$ 144,376	\$ 169,445	\$ 169,150	\$ 144,000
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 1,046,397	\$ 1,217,011	\$ 1,215,547	\$ 1,359,547

FY 2022 Ending Cash increase of \$142,536 is due to including the required transfer of \$142,000 for FY 2022 to meet the required reserve balance equivalent to 25.0% of operating expenses.
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CAPITAL REPLACEMENT RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ -	\$ -	\$ -	\$ 87,970
REVENUES				
Interfund Transfer - Operations	-	72,910	87,970	83,950
TOTAL REVENUES	<u>\$ -</u>	<u>\$ 72,910</u>	<u>\$ 87,970</u>	<u>\$ 83,950</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u>\$ -</u>	<u>\$ 72,910</u>	<u>\$ 87,970</u>	<u>\$ 171,920</u>

FY 2022 Ending Cash increase of \$99,010 is due to actual FY 2021 treatment flows exceeding projected flows to yield an additional contribution of \$15,060 for FY 2021 Estimates, as well as including projections for FY 2022. This reserve is funded at \$0.05 / 1,000 gallons of annual treatment flows.

Non-Bond CAPITAL RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 966,433	\$ 1,545,218	\$ 1,397,603	\$ 1,162,938
Transfer to Operations		\$ (603,500)	\$ (234,665)	\$ (412,735)
BEGINNING CASH BALANCE Revised		\$ 941,718	\$ 1,162,938	\$ 750,203
REVENUES				
Deposits				
Participant Reimbursement - Riverbend North Interceptor (5AM)	62,500	-	-	-
Interfund Transfers - Riverbend Plant				
Operations	570,227	14,580	951,755	16,790
Working Capital	-	603,500	234,665	412,735
Interest Income	9,423	1,920	745	525
TOTAL REVENUES	\$ 642,150	\$ 620,000	\$ 1,187,165	\$ 430,050
EXPENDITURES				
Interfund Transfers				
Operations	-	600,000	300,000	-
Riverbend Plant Construction Cash Fund	7,890	20,000	88,040	203,050
Doe Branch Plant Construction Cash Fund	203,090	-	799,125	227,000
TOTAL EXPENDITURES	\$ 210,980	\$ 620,000	\$ 1,187,165	\$ 430,050
ENDING CASH BALANCE 9/30	\$ 1,397,603	\$ 941,718	\$ 1,162,938	\$ 750,203

FY 2022 Ending Cash decrease of \$191,515 is due to depositing excess working capital (from FY 2020 operations) of \$934,160 to this reserve, while decreasing the amount (\$300,000) necessary to be transferred to operations for rate stabilization for FY 2021. Additionally, reserve funds are being utilized as a source of funding for the Relocation / TxDOT U.S. Hwy 380 project (14-5R8 and 14-5B8) for the Riverbend and Doe Branch Plants (\$790,070 over FY 2021 and FY 2022), the Plant Expansion, Phase 3 project (14-5R3) at the Riverbend Plant (\$188,050 for FY 2022), the Phase 1, Parallel Interceptor project (14-51A) for the Doe Branch Plant (\$312,000 over FY 2021 and FY 2022), and the Permit Re-Rating / Renewal project (14-5BL) for the Doe Branch Plant (\$17,165 for FY 2021).

PLANT PERMITTING RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 6,947	\$ 14,202	\$ 14,202	\$ 18,202
REVENUES				
Interfund Transfer - Operations	24,000	24,000	24,000	19,000
TOTAL REVENUES	\$ 24,000	\$ 24,000	\$ 24,000	\$ 19,000
EXPENDITURES				
Interfund Transfer - Riverbend Plant Construction Cash Fund	16,745	-	20,000 *	9,580 *
TOTAL EXPENDITURES	\$ 16,745	\$ -	\$ 20,000	\$ 9,580
ENDING CASH BALANCE 9/30	\$ 14,202	\$ 38,202	\$ 18,202	\$ 27,622

FY 2022 Ending Balance decrease of \$10,580 is due to the annual deposit from operations shown for FY 2022, 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 and 2027.

* Amounts shown for fiscal years 2021 and 2022 reflect funding for the renewal of the Riverbend Plant's TPDES permit, shown as 14-5RL on the accompanying 5-Year list of capital improvement projects.

BUILDING ACTIVITY FEE RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,414,905	\$ 320,890	\$ 309,355	\$ 312,755
Transfer to Operations	\$ (1,105,550)			
BEGINNING CASH BALANCE Revised	<u>\$ 309,355</u>			
REVENUES				
Deposit - Building Activity Fees	10,950	23,070	3,400	3,450
Interfund Transfer - Working Capital	1,105,550	-	-	-
TOTAL REVENUES	<u>\$ 1,116,500</u>	<u>\$ 23,070</u>	<u>\$ 3,400</u>	<u>\$ 3,450</u>
EXPENDITURES				
Interfund Transfer - Peninsula Plant Construction Cash Fund	1,116,500	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,116,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u><u>\$ 309,355</u></u>	<u><u>\$ 343,960</u></u>	<u><u>\$ 312,755</u></u>	<u><u>\$ 316,205</u></u>

OPERATING AND MAINTENANCE RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 198,710	\$ 215,510	\$ 215,479	\$ 231,799
REVENUES				
Interfund Transfer - Operations	15,000	16,000	16,000	31,000
Interest Income	1,769	465	320	400
TOTAL REVENUES	\$ 16,769	\$ 16,465	\$ 16,320	\$ 31,400
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 215,479	\$ 231,975	\$ 231,799	\$ 263,199

FY 2022 Ending Balance increase of \$31,224 is due to including the required contribution for FY 2022, so that the reserve balance is equivalent to 25% of the total operating expenses.
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CAPITAL REPLACEMENT RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 73,353	\$ 85,764	\$ 86,880	\$ 101,980
REVENUES				
Interfund Transfer - Operations	13,527	11,865	15,100	14,965
TOTAL REVENUES	<u>\$ 13,527</u>	<u>\$ 11,865</u>	<u>\$ 15,100</u>	<u>\$ 14,965</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u><u>\$ 86,880</u></u>	<u><u>\$ 97,629</u></u>	<u><u>\$ 101,980</u></u>	<u><u>\$ 116,945</u></u>

<p>FY 2022 Ending Balance increase of \$19,316 is largely due to including the FY 2022 contribution amount of \$14,965 to the ending reserve balance. Also, higher than originally budgeted year-to-date FY 2021 treatment flows have generated an additional contribution amount of \$3,235 for this reserve.</p>
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NON-BOND CAPITAL RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 508,589	\$ 577,264	\$ 580,915	\$ 749,165
REVENUES				
Interfund Transfer - Operations	69,705	4,745	167,950	5,985
Interest Income	4,663	950	300	500
TOTAL REVENUES	\$ 74,368	\$ 5,695	\$ 168,250	\$ 6,485
EXPENDITURES				
Interfund Transfers				
Operations	-	-	-	42,000
Construction Cash Fund	2,042	-	-	-
TOTAL EXPENDITURES	\$ 2,042	\$ -	\$ -	\$ 42,000
ENDING CASH BALANCE 9/30	\$ 580,915	\$ 582,959	\$ 749,165	\$ 713,650

FY 2022 Ending Balance increase of \$130,691 is primarily due to the deposit of excess working capital of \$161,910 (from FY 2020 operations) to this reserve fund in FY 2021.
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PLANT PERMITTING RESERVE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 47,000	\$ 52,000	\$ 52,000	\$ 17,000
Transfer to Operations		\$ (35,000)	\$ (35,000)	\$ (15,000)
BEGINNING CASH BALANCE Revised		\$ 17,000	\$ 17,000	\$ 2,000
REVENUES				
Interfund Transfers				
Operations	5,000	5,000	5,000	5,000
Working Capital	-	35,000	35,000	15,000
TOTAL REVENUES	\$ 5,000	\$ 40,000	\$ 40,000	\$ 20,000
EXPENDITURES				
Interfund Transfer - Construction Cash Fund	-	40,000	40,000	20,000
TOTAL EXPENDITURES	\$ -	\$ 40,000	\$ 40,000	\$ 20,000
ENDING CASH BALANCE 9/30	\$ 52,000	\$ 17,000	\$ 17,000	\$ 2,000

FY 2022 Ending Balance decrease of \$15,000 is due to the use of previously deposited funds to complete the renewal of the Texas Pollutant Discharge Elimination System (TPES) permit for the Peninsula Plant in FY 2021 and FY 2022.

VEHICLE AND EQUIPMENT REPLACEMENT FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 2,010,425	\$ 2,336,670	\$ 2,336,670	\$ 2,787,820
REVENUES				
Interfund Transfers				
RTWS Operations	184,435	233,670	233,670	236,075
Lakeview Operations	101,585	112,035	112,035	98,735
NERWRS Operations	66,625	83,025	83,025	83,525
Peninsula Operations	23,125	22,420	22,420	17,030
TOTAL REVENUES	\$ 375,770	\$ 451,150	\$ 451,150	\$ 435,365
EXPENDITURES				
Dodge Ram 3500 (Repl for Vehicle #061)	49,525	-	-	-
Ford F350 (Repl for Vehicle #055)	-	-	-	30,395
TOTAL EXPENDITURES	\$ 49,525	\$ -	\$ -	\$ 30,395
ENDING CASH BALANCE 9/30	\$ 2,336,670	\$ 2,787,820	\$ 2,787,820	\$ 3,192,790

FY 2022 Ending Balance increase of \$404,970 is due to including the FY 2022 contribution to this reserve from all District systems.
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SELF-INSURANCE FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,068,031	\$ 1,068,031	\$ 1,783,761	\$ 1,623,761
Transfer to Operations		\$ (23,030)	\$ (160,000)	\$ (150,000)
BEGINNING CASH BALANCE Revised		\$ 1,045,001	\$ 1,623,761	\$ 1,473,761
REVENUES				
Interfund Transfers				
Administration Fund	449,500	353,520	514,020	546,745
NPWS Operations	3,156	3,890	4,330	3,125
RTWS Operations	1,186,330	615,000	912,335	1,040,860
Lakeview Operations	209,688	228,500	200,670	215,670
NERWRS Operations	369,446	345,000	353,530	449,355
Peninsula Operations	56,021	42,350	49,210	64,785
Working Capital	-	23,030	160,000	150,000
TOTAL REVENUES	\$ 2,274,141	\$ 1,611,290	\$ 2,194,095	\$ 2,470,540
EXPENDITURES *				
Administration Fund	440,892	321,875	514,020	546,745
NPWS Operations	1,911	4,000	4,330	3,125
RTWS Operations	691,446	525,215	912,335	1,040,860
Lakeview Operations	154,895	367,085	200,670	215,670
NERWRS Operations	234,018	357,175	353,530	449,355
Peninsula Operations	35,249	35,940	49,210	64,785
Stop Loss "Carve-Out"	-	-	160,000	150,000
TOTAL EXPENDITURES	\$ 1,558,411	\$ 1,611,290	\$ 2,194,095	\$ 2,470,540
ENDING CASH BALANCE 9/30	\$ 1,783,761	\$ 1,045,001	\$ 1,623,761	\$ 1,473,761

The increase in FY 2022 budget amount is due to lower than anticipated claims payout in FY 2020.

UPPER TRINITY CONSERVATION TRUST

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 63,860	\$ 77,395	\$ 78,989	\$ 73,749
Transfer to Operations		<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>
BEGINNING CASH BALANCE Revised		\$ 67,395	\$ 68,989	\$ 63,749
REVENUES				
Charitable Contributions	-	1,500	1,000	1,500
Watershed Partners Program	4,375	3,875	3,875	3,875
Interfund Transfers				
Working Capital	-	10,000	10,000	10,000
Watershed Protection Program	25,000	25,000	25,000	25,000
Interest Income	138	75	155	165
TOTAL REVENUES	\$ 29,513	\$ 40,450	\$ 40,030	\$ 40,540
EXPENDITURES				
Personnel Services	11,896	20,000	18,025	20,000
Administrative	2,488	15,000	13,485	15,000
Professional Services	-	5,000	3,760	5,000
TOTAL EXPENDITURES	\$ 14,384	\$ 40,000	\$ 35,270	\$ 40,000
ENDING CASH BALANCE 9/30	\$ 78,989	\$ 67,845	\$ 73,749	\$ 64,289

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.

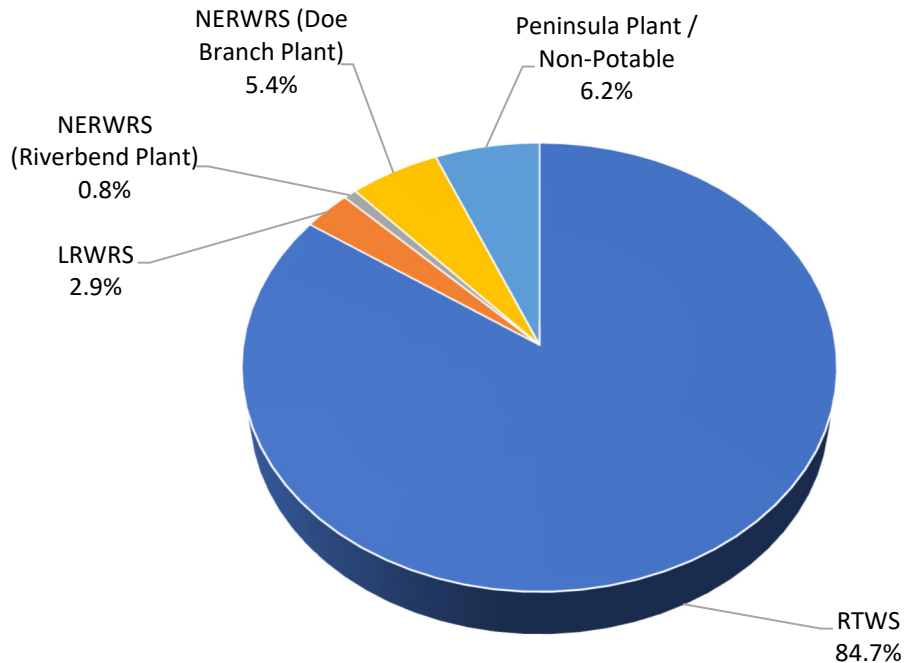
The FY 2022 CIP supports the following systems / plants:

- 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 2022 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 2022 is \$241,164,125. This budget amount is \$65,327,690 (37.2%) higher than the prior year capital budget of \$175,836,435, due to entering the construction phase on various segments of the Lake Ralph Hall project, as well as ramping up construction on the Harpool Plant expansion project.

The graph below shows the FY 2022 Budgeted Capital expenditures by system.



FUNDING

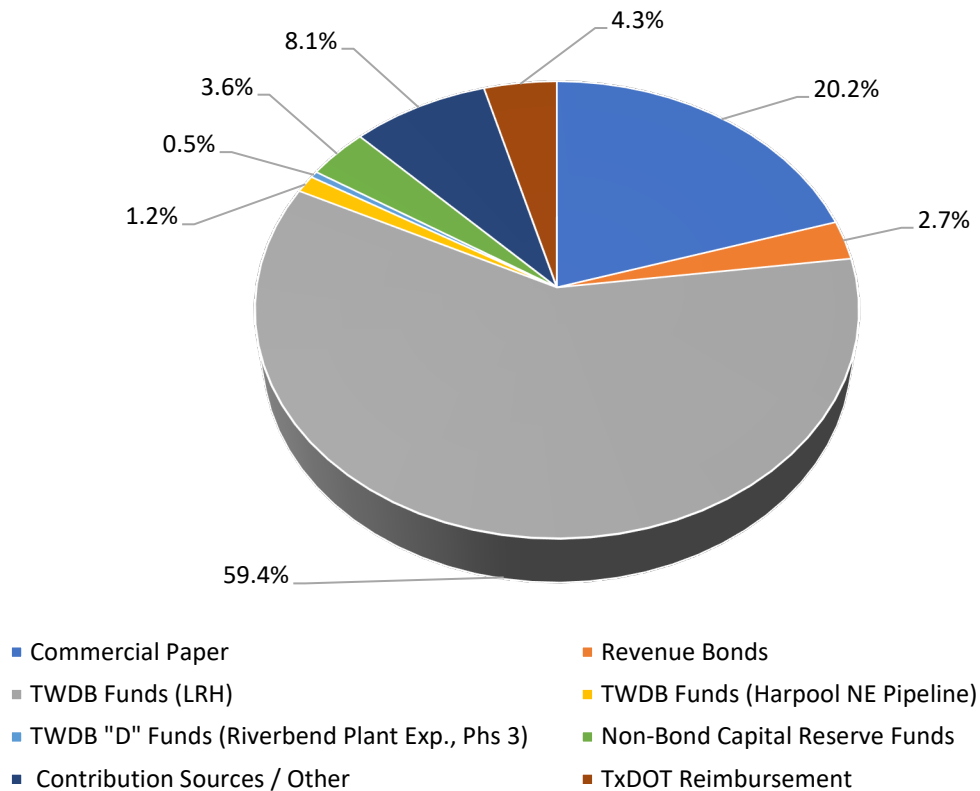
Funding for capital projects falls primarily into four general categories:

- 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),
- Commercial Paper (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 is the issuance of long-term debt. 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 Texas Water Development Board loans, issuance of commercial paper, revenue bonds, reserve funds, contributions from developers and District participants. Interest earned on these funds is retained in this fund and are subject to Internal Revenue Service arbitrage rules.

ALLOCATION OF DEBT SERVICE AND EFFECT ON DISTRICT OPERATING BUDGET

A project detail sheet is included for each capital project with funding for FY 2022. 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 2022 and FY 2026 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 Commercial Paper, 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 Commercial Paper 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 Commercial Paper (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 2020 Actuals	FY 2021 Estimates	FY 2022 Target
Projects In-Process completed within requested funding period	Percentage of projects that are substantially completed on schedule	42.9%	58.3%	> 75.0%
Projects completed within Construction and Engineering estimates	Percent variation to cost estimates	-8.0%	-11.0%	+/- 5.0%
Change orders processed on completed construction projects	Percent variation on completed construction project amounts	8.0%	2.0%	+/- 3.0%
Construction contract awards approved by the Board	Number of contracts awarded	5	9	10
Construction contracts accepted by Board as complete	Number of contracts accepted	5	4	6
Right of way parcels acquired	Number of parcels acquired	LRH=49 Other=9	LRH=60 Other=15	LRH=60 Other=15
Right of way parcels acquired according to budget and construction timelines	Percent of properties acquired on time and within budget	100.0%	90.0%	> 90.0%

PERSONNEL SUMMARY

ENGINEERING POSITIONS

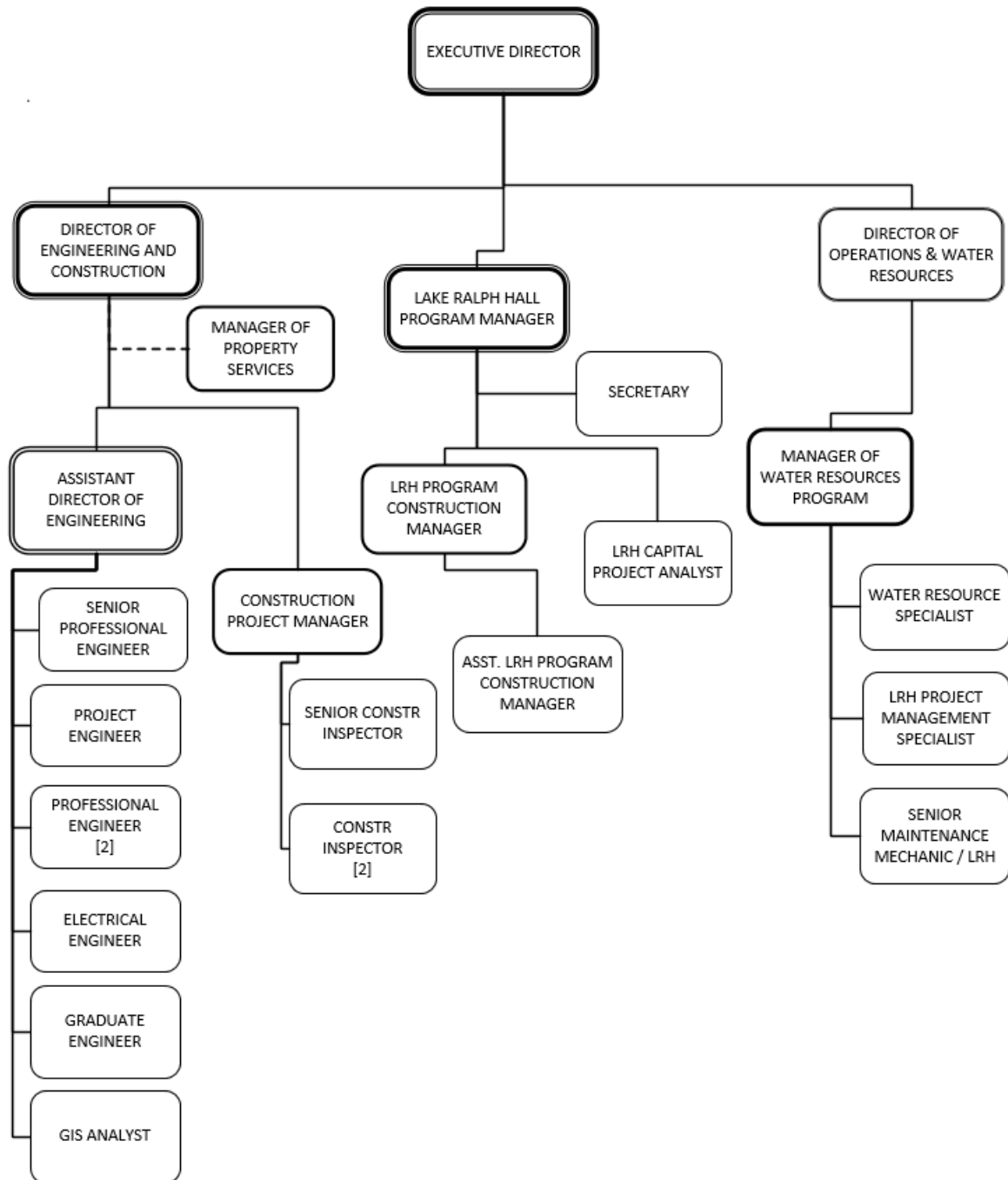
Positions	FY 2020 Actuals	FY 2021 Budget	FY 2021 Revised	FY 2022 Budget
Executive Director	.25	.25	.25	.25
Director of Engineering & Construction	.90	.90	.90	.90
Manager of Government Affairs / Communication	.15	.15	.15	.15
Assistant Director of Engineering	.90	.90	.90	.90
Senior Professional Engineer	.90	.90	.90	.90
Electrical Engineer	0	.40	.40	.40
Project Engineer	2.20	1.80	1.80	.90
Professional Engineer	0	0	0	1.80
Graduate Engineer	1.80	1.80	1.80	.90
GIS Analyst	.45	.45	.45	.45
Manager of Property Services	.90	.90	.90	.90
Construction Project Manager	.90	.90	.90	.90
Senior Construction Inspector	.90	1.80	1.80	.90
Construction Inspector	1.80	.90	.90	1.80
Total FTEs	12.05	12.05	12.05	12.05

LAKE RALPH HALL POSITIONS

Positions	FY 2020 Actuals	FY 2021 Budget	FY 2021 Revised	FY 2022 Budget
LRH Program Manager	0	1	1	.80
LRH Program Construction Manager	1	1	1	1
Asst. LRH Program Construction Manager	0	0	0	1
Capital Project Accountant	1	1	1	0
Capital Project Analyst	0	0	0	1
Senior Maintenance Mechanic	0	1	1	1
LRH Project Management Specialist	0	.50	.50	.50
Manager of Water Resources	.80	.75	.75	.80
Water Resource Specialist	.70	.60	.60	.70
LRH Secretary	0	0	0	1
Total FTEs	3.50	5.85	5.85	7.80

Additional Position (contract):
Lake Ralph Hall Secretary

ORGANIZATIONAL CHART



BUDGET SUMMARY

	FY 2020 Actuals	FY 2021 Adopted	FY 2021 Estimates	FY 2022 Adopted
Beginning Balance	\$ -	\$ -	\$ -	\$ -
Operating Expense				
Personnel Services	\$ 1,966,400	\$ 2,152,670	\$ 2,621,225	\$ 2,985,845
Total Operating Expense	\$ 1,966,400	\$ 2,152,670	\$ 2,621,225	\$ 2,985,845
Transfer to Capital Projects	(1,220,105)	(2,152,670)	(1,160,460)	(1,727,360)
Transfer to Lake Ralph Hall Project	(746,295)	-	(1,460,765)	(1,258,485)
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 the Lake Ralph Hall project enters the Construction phase. LRH staff-time is fully assigned to this capital project. The FY 2022 Adopted Budget includes funding for new positions within the LRH project: An Assistant Construction Manager and a Secretary.

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. This specific designation was not included in the FY 2021 Budget for Lake Ralph Hall but was included in the total Personnel Services expense amount of \$2,152,670.

ACCOMPLISHMENTS FOR FY 2020-2021

- ✓ 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*
 - *After approximately 17 years of effort working toward receiving the coveted Section 404 Clean Water Act permit, the Upper Trinity Regional Water District was awarded this permit by the U.S. Corps of Engineers in February 2020. With this permit, the District was able to break ground and begin construction of the various segments of the proposed Lake Ralph Hall.*
 - *The SCADA systems improvements project was completed to upgrade and rehabilitate aging and obsolete programmable logic controllers and local processing units.*
 - *Substantial work has been completed on the Parallel Pipeline from the Taylor plan to the Stone Hill pump station to provide additional capacity to meet customer needs.*
 - *Lakeview Regional Water Reclamation System*
 - *Security and SCADA systems improvements were completed to upgrade aging and obsolete equipment processors.*
 - *Northeast Regional Water Reclamation System - Riverbend Plant*
 - *Substantial progress has been made toward the re-rating of the Texas Pollutant Elimination System permit required by the Texas Commission on Environmental Quality. However, the District has not yet been formally notified that the new re-rated permit has been issued.*

- *Northeast Regional Water Reclamation System - Doe Branch Plant*
 - *Substantial progress has been made toward the re-rating of the Texas Pollutant Elimination System permit required by the Texas Commission on Environmental Quality. However, the District has not yet been formally notified that the new re-rated permit has been issued.*
 - *Significant work has been performed for the Doe Branch Plant Expansion (from 2.0 to 4.0 MGD). This expansion is on-track to be substantially complete in early FY 2022.*
- *Peninsula Water Reclamation Plant*
 - *A construction contract was awarded, and construction began for the expansion of the Peninsula Water Reclamation Plant (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 2022. As shown in the five-year capital improvement program, the FY 2022 adopted capital budget for the Regional Treated Water System is \$204,285,690; an increase of \$61,973,920 from the previous year adopted capital budget of \$142,311,770. This increase is primarily due to continuing construction on certain segments of the Lake Ralph Hall project.

FY 2022 funding consists of the following:

Funding Sources	FY 2022 Budget
Commercial Paper (net of Contributions from Mustang SUD)	\$48,727,899
TWDB Funds (Lake Ralph Hall)	\$143,228,270
TWDB Funds (Harpool Northeast Transmission Pipeline)	\$2,961,320
Non-Bond Capital Reserve Funds (net of TxDOT Reimbursements)	\$1,465,935
Contribution Sources	\$583,126
Customer Reimbursements	\$50,000
Growth Program	\$18,140
TxDOT Reimbursements	\$7,251,000

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 the purchase of rights-of-way and design / engineering activities, for the subsequent construction of this pump station. This project will also include a screening wall and fence to provide a barrier for a nearby subdivision.

- FY 2022 Budget: \$4,600,455
- Funding Source: Commercial Paper

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. These efforts will continue for FY 2022.

- FY 2022 Budget: \$146,951,035
- Funding Sources: Commercial Paper (\$3,722,765) and TWDB Funds (Present \$84,709,350, Anticipated \$58,518,920)

RTWS General Treatment and Pumping Improvements – Due to the age of the Taylor Regional Water Treatment Plant, and in preparation for increased demand for treated water from the District’s customer base, funding is needed for 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 upgrades to the filter underdrain and sediment basin rakes at the Taylor Plant.

- FY 2022 Budget: \$10,000,000
- Funding Source: Commercial Paper

RTWS Operational Pumping Improvements and Enhancements Study – This study is to provide District staff with design / engineering ideas for the scope and planning of various improvements to the Regional Treated Water System’s hydraulic instrumentation.

- FY 2022 Budget: \$35,000
- Funding Source: Non-Bond Capital Reserve 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 begin design / engineering for the construction of this multi-year project.

- FY 2022 Budget: \$500,000
- Funding Source: Commercial Paper

Elevated Water Storage Tank Site Evaluation Study – Funding provided to complete a site evaluation for the construction of a new elevated water storage tank to provide increased pressure and improved distribution of treated water in the Regional Treated Water Systems’ northeast service area.

- FY 2022 Budget: \$74,690
- Funding Source: Non-Bond Capital Reserve Funds

Elevated Water Storage Tank Construction Project – Funding needed to acquire property and begin design / engineering for the construction of a new elevated storage tank 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.

- FY 2022 Budget: \$300,000
- Funding Source: Commercial Paper

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 2022, funding is provided to begin 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 2022 Budget: \$6,225,565
- Funding Source: Commercial Paper

Parallel Pipeline from Taylor Plant to the Stone Hill Pump Station – The District will complete construction of a 72” diameter pipeline parallel to the existing treated water delivery line for additional pipeline capacity. Also, since the existing pipeline serves such a large section of the System’s southwest service area, the need for a redundant pipeline to serve these customers was necessary in case of a break in the existing pipeline.

- FY 2022 Budget: \$1,175,000
- Funding Source: Commercial Paper

Harpool RWTP Phased Treatment Expansion, Phase 1 – With 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 2022 Budget: \$12,185,190
- Funding Source: Commercial Paper

Harpool RWTP Raw Water North 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 2022 Budget: \$800,000
- Funding Source: Commercial Paper

Pipeline from Harpool RWTP Raw Water North Storage to the Plant – Funding to complete initial design / engineering for the future construction of a raw water pipeline from the planned water reservoir at the Silverado development in Aubrey, Texas, to the Harpool Regional Water Treatment Plant.

- FY 2022 Budget: \$38,200
- Funding Source: Commercial Paper

Harpool RWTP North Transmission Main, Phase 1 – To complete construction of a regional treated water transmission main to deliver water to Mustang SUD’s third point of delivery and other District customers north of Harpool Regional Water Treatment Plant.

- FY 2022 Budget: \$5,922,415
- Funding Source: Commercial Paper

Mustang Point of Delivery #3 – To complete construction of the third point of delivery for treated water service for Mustang Special Utility District. Upon completion of this project, Mustang SUD is to reimburse the District approximately \$583,125 of total project costs.

- FY 2022 Budget: \$510,115
- Funding Sources: Commercial Paper, Contribution Sources

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 and acquisition of rights-of-way and easements for the future 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 2022 Budget: \$5,922,640
- Funding Sources: Commercial Paper, TWDB Board Participation Funds

SCADA System Improvements (Wonderware Platform Upgrade Project) – To complete the upgrade of the District’s current version of Wonderware software due to obsolescence and decreased efficiency. Prior to this project, the District had several versions of Wonderware operating separately at each of its water and water reclamation plants. Funding is provided to create a platform on which the most recent version of this software will operate, thus allowing for greater consistency between all SCADA functions across the District, as well as providing a more cost-effective method of adding new infrastructure to SCADA operations.

- FY 2022 Budget: \$617,640
- Funding Source: Non-Bond Capital Reserve Funds

Operational Data Management Project – In order to enhance the District’s management of data from operations, funding is included to complete the transition of the System’s 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.

- FY 2022 Budget: \$50,000
- Funding Source: Non-Bond Capital Reserve Funds

Cathodic Protection System Assessment – Provides for investigation of certain soil and water conditions to determine if any additional protection means are required or if repairs to the cathodic protection monitoring system or pipelines are necessary. This project also includes a Cathodic Protection Maintenance Plan for all System pipelines.

- FY 2022 Budget: \$200,000
- 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 2022 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 2022 Budget: \$5,000
- Funding Source: Non-Bond Capital Reserve Funds

Upsizing / Relocation FM 2181 24" Pipeline Project – Due to recent roadway improvements completed by the Texas Department of Transportation (TxDOT), funding is provided to complete the installation of 1,300 feet of new 24” pipeline, including a new check-meter vault, located in the District’s easement on the west side of FM 2181 between Montecito Drive and Hickory Creek Road in Denton, Texas.

- FY 2022 Budget: \$370,000
- Funding Source: Commercial Paper

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 2022 Budget: \$350,000
- Funding Source: Non-Bond Capital Reserve Funds

Relocation / TxDOT U.S. Hwy 380 Project – 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 2022 Budget: \$36,745 (Denton County), \$5,000 (Collin County)
- 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. The project costs are reimbursable by TxDOT.

- FY 2022 Budget: \$7,251,000
- 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 2022 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 2026 to continue these activities.

- FY 2022 Budget: \$50,000
- Funding Source: Customer Reimbursement

Contingency Improvements – Finally, the FY 2022 capital budget contains annual expenditures for Contingency Improvements to allow for various projects that may be identified throughout the fiscal year. Annual funding of \$100,000 is provided through FY 2026 to continue these activities.

- FY 2022 Budget: \$100,000
- Funding Sources: Non-Bond Capital Reserve Funds, Growth Program funds

FUTURE PROJECTS

Aubrey Pipeline and Point of Delivery #1 – The City of Aubrey, Texas currently has 0.10 mg of capacity in the Regional Treated Water System but does not receive regular treated water service. In anticipation of future population growth in Aubrey and its need for treated water services, funding is provided beginning in FY 2026 for District planning efforts for the construction of a treated water transmission main to provide regular water service to the City of Aubrey.

Pilot Point Pipeline – This project is to begin in FY 2026 and entails the eventual construction of a pipeline to deliver treated water to the City of Pilot Point, Texas.

Harpool In-Line Booster Pump Station at Northeast Pipeline – This project is slated to begin in FY 2026 and is required to boost the pumping pressure at the Northeast Pipeline.

Harpool RWTP Expansion, Phase 2 (from 30.0 to 50.0 MGD) – As service area population continues to increase, Phase 2 of the Harpool plant expansion is anticipated to begin in FY 2025.

Harpool RWTP Northeast Transmission Pipeline, Phase 3 & 4 – Following the completion of Phase 1 & 2, the Northeast Transmission Pipeline will move onto the next phase in FY 2026.

West Loop, Krum-Sanger – In order to provide service to future customers, a pipeline from Northlake (roughly FM 407) north to Krum and Ponder and then Sanger is necessary.

Northeast Loop to Sanger (Denton) – In order to provide service to future customers, a Pipeline from roughly FM 1385 and 428 north and west towards Aubrey and pilot point and then west to Sanger.

CONSTRUCTION CASH FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 13,932,010	\$ 9,351,635	\$ 8,067,027	\$ 13,373,127
Transfer to Operations	\$ (5,864,983)			\$ (386,835)
BEGINNING CASH BALANCE Revised	\$ 8,067,027			\$ 12,986,292
REVENUES				
Commercial Paper	25,500,000	29,023,150	22,500,000	45,916,874
Texas Water Development Board				
SWIFT Funds				
Deferred Interest Loan	8,205,627	15,120,775	14,730,170	3,834,425
Subsidized Interest Loan	21,771,248	15,982,975	15,024,800	699,400
Board Participation Funds	12,159,676	77,672,240	70,382,995	144,051,545
State Participation Funds	-	18,235,735	-	-
Interfund Transfers				
Non-Bond Capital Reserve Fund	2,173,172	2,444,915	2,551,900	8,716,935
Growth Program	17,585	17,715	17,715	18,140
Working Capital	5,864,983	-	-	386,835
Contribution Sources	-	50,000	-	583,126
TxDOT Reimbursements	-	-	95,800	-
Customer Reimbursements	-	-	5,000	50,000
Interest Revenue	170,901	47,850	28,165	28,410
TOTAL REVENUES	\$ 75,863,192	\$ 158,595,355	\$ 125,336,545	\$ 204,285,690
EXPENDITURES				
Construction Improvement Projects	57,363,192	142,311,770	120,030,445 *	204,285,690
Interfund Transfer - Retirement of				
Commercial Paper	18,500,000	-	-	-
TOTAL EXPENDITURES	\$ 75,863,192	\$ 142,311,770	\$ 120,030,445	\$ 204,285,690
ENDING CASH BALANCE 9/30	\$ 8,067,027	\$ 25,635,220	\$ 13,373,127	\$ 12,986,292

FY 2022 Ending Balance decrease of \$12.6 million is largely due to the removal of Texas Water Development Board (TWDB) State Participation Funds of \$18.235 million to partially fund the Harpool RWTP Northeast Transmission Pipeline (54N). This project will now be utilizing TWDB Board Participation funds with the issuance of the first trauche totaling \$10.6 million occurring in FY 2022.

* Amount also contains expenditures: \$2,000 - IH-35E Corridor Improvements (SIH), \$50,000 - Ozone System Rehabilitation at the Taylor RWTP (ST0), \$15,160 - Relocation / TxDOT FM 2181 Project (ST3), and \$292,120 Upgrade / Rehabilitation of RTWS LPU Panels & PLCs (59X). These projects are expected to be completed in FY 2021 and are not shown on the accompanying 5-Year list of capital improvements projects.

FY 2022 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2026

Project Acct	Project	Prior Expenditures	Estimated FY 2021	Adopted FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
SWP	Southwest Pump Station, Phase 1 *	\$ 399,543	\$ 500,000	\$ 4,600,455	\$ 16,500,000	\$ 9,500,000	\$ -	\$ -	\$ 31,499,998
5RH	Lake Ralph Hall Project *	82,953,047	85,077,580	146,951,035	124,102,060	104,348,335	24,650,130	1,020,003	569,102,190
5M1	Aubrey Pipeline and Point of Delivery #1	655	-	-	-	-	-	100,000	100,655
566	Pilot Point Pipeline *	4,929	-	-	-	-	-	125,000	129,929
59Y	RTWS General Treatment and Pumping Improvements	48,647	10,600,000	10,000,000	5,000,000	6,000,000	8,000,000	6,500,000	46,148,647
568	RTWS Operational Pumping Improvements and Enhancements Study	-	165,000	35,000	-	-	-	-	200,000
5TP	Lake Lewisville Raw Water Pump Station Improvements	-	-	500,000	1,000,000	1,000,000	-	-	2,500,000
54G	Elevated Water Storage Tank Site Evaluation Study	45,308	280,000	74,690	-	-	-	-	399,998
5GT	Elevated Water Storage Tank Construction Project	-	-	300,000	2,400,000	3,000,000	2,000,000	-	7,700,000
57F	Replacement / Upsizing of Section of Phase 1-A Treated Water Pipeline	94,436	350,000	6,225,565	1,000,000	-	-	-	7,670,001
5PS	Parallel Pipeline from Taylor RTWP to Stone Hill Pump Station *	29,635,327	13,016,310	1,175,000	-	-	-	-	43,826,637
5HB	Harpool In-Line Booster Pump Station @ N.E. Pipeline	-	-	-	-	-	-	50,000	50,000
5HO	Harpool RWTP Phased Treatment Expansion, Phase 1 (from 20.0 to 30.0 MGD)	9,326,771	3,000,000	12,185,190	12,000,000	8,500,000	8,500,000	-	53,511,961
52H	Harpool RWTP Expansion, Phase 2 (from 30.0 to 50.0 MGD)	-	-	-	-	-	5,000,000	10,000,000	15,000,000
5HR	Harpool RWTP Raw Water North Storage	615,114	38,885	800,000	-	-	-	-	1,453,999
5HP	Pipeline from Harpool RWTP Raw Water North Storage to the Harpool RWTP	1,330,513	207,500	38,200	-	-	-	1,600,000	3,176,213
5H1	Harpool RWTP North Transmission Main, Phase 1	167,585	3,500,000	5,922,415	-	-	-	-	9,590,000
5M3	Mustang Point of Delivery #3 *	39,132	100,755	510,115	-	-	-	-	650,002
54N	Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2 *	47,359	350,000	5,922,640	9,500,000	12,000,000	8,500,000	2,500,000	38,819,999
55N	Harpool RWTP Northeast Transmission Pipeline, Phase 3 & 4 *	-	-	-	-	-	-	8,000,000	8,000,000
TBD	West Loop, Krum-Sanger	-	-	-	-	-	-	50,000	50,000
5NS	Northeast Loop to Sanger (Denton)	-	-	-	-	-	-	50,000	50,000
59Q	SCADA System Improvements (Wonderware Platform Upgrade Project)	878,496	1,103,865	617,640	-	-	-	-	2,600,001
54M	Operational Data Management Project	140,501	84,500	50,000	-	-	-	-	275,001
53G	Cathodic Protection System Assessment	-	200,000	200,000	-	-	-	-	400,000

FY 2022 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2026

Project Acct	Project	Prior Expenditures	Estimated FY 2021	Adopted FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
53W	Roadway Improvements Coordination Adjustments *	83,078	3,000	10,000	10,000	10,000	10,000	10,000	136,078
5W3	Lewisville Lake / USACE Dam Coordination	4,164	4,000	5,000	5,000	5,000	5,000	5,000	33,164
5T4	Upsizing / Relocation FM 2181 24" Pipeline Project	1,280,816	699,640	370,000	-	-	-	-	2,350,456
5T7	U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project	872	59,130	350,000	100,000	-	-	-	510,002
5T8	Relocation / TxDOT U.S. Hwy 380 Project (DENTON COUNTY)	38,189	5,000	36,745	-	-	-	-	79,934
5T9	Relocation / TxDOT U.S. Hwy 380 Project (COLLIN COUNTY)	120	1,000	5,000	5,000	5,000	-	-	16,120
5TN	TxDOT / IH-35 Project *	-	300,000	7,251,000	2,670,000	-	-	-	10,221,000
538	Customer Pipeline Extensions	-	5,000	50,000	50,000	50,000	50,000	50,000	255,000
5WI	Contingency Improvements	-	20,000	100,000	100,000	100,000	100,000	100,000	520,000
Total		\$ 127,134,602	\$ 119,671,165	\$ 204,285,690	\$ 174,442,060	\$ 144,518,335	\$ 56,815,130	\$ 30,160,003	\$ 857,026,985

Funding Sources:

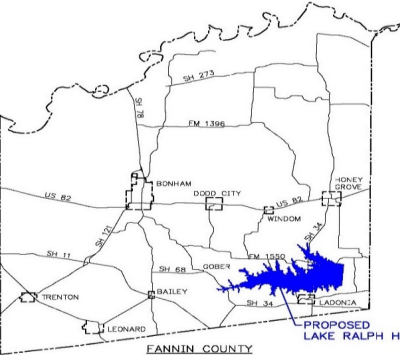
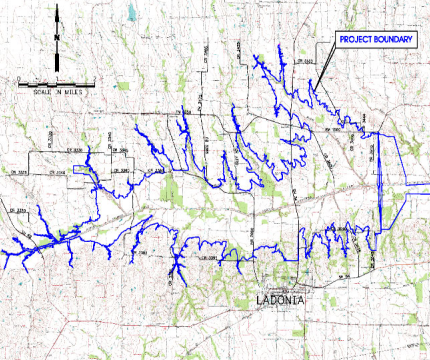
Commercial Paper	\$ 40,951,452	\$ 24,917,025	\$ 49,311,025	\$ 40,294,340	\$ 31,250,000	\$ 43,119,445	\$ 21,495,003	\$ 251,338,290
Commercial Paper Reimbursement	-	-	(583,126)	-	-	-	-	(583,126)
Revenue Bonds	24,185	-	-	-	-	-	-	24,185
Texas Water Development Board Funds								
Lake Ralph Hall (Present)	55,321,680	80,448,970	84,709,350	-	-	-	-	220,480,000
Lake Ralph Hall (Anticipated)	-	-	58,518,920	122,852,060	103,098,335	8,530,685	-	293,000,000
Parallel Pipeline from Taylor RTWP to Stone Hill PS (SPS)	29,635,327	12,074,675	-	-	-	-	-	41,710,002
Harpool RWTP Northeast Transmission Pipeline (54N) (55N)	-	-	2,961,320	8,355,660	10,000,000	5,000,000	8,500,000	34,816,980
Non-Bond Capital Reserve Funds	1,186,858	2,207,780	8,716,935	2,871,860	101,860	96,860	96,860	15,279,013
Non-Bond Capital Reserve Reimbursement	-	(300,000)	(7,251,000)	(1,647,900)	-	-	-	(9,198,900)
Contribution Sources (Mustang SUD)	-	-	583,126	-	-	-	-	583,126
Customer Reimbursement	-	5,000	50,000	50,000	50,000	50,000	50,000	255,000
Donated Assets	11,230	-	-	-	-	-	-	11,230
Operating Funds	3,870	-	-	-	-	-	-	3,870
Growth Program	-	17,715	18,140	18,140	18,140	18,140	18,140	108,415
TxDOT Reimbursement	-	300,000	7,251,000	1,647,900	-	-	-	9,198,900
Total	\$ 127,134,602	\$ 119,671,165	\$ 204,285,690	\$ 174,442,060	\$ 144,518,335	\$ 56,815,130	\$ 30,160,003	\$ 857,026,985

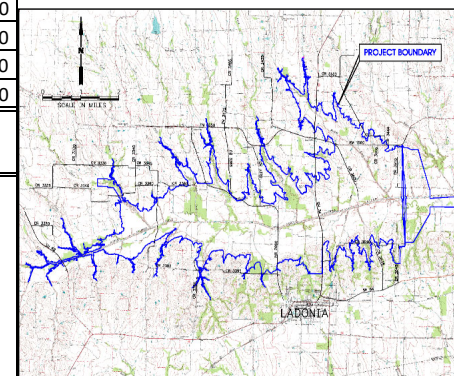
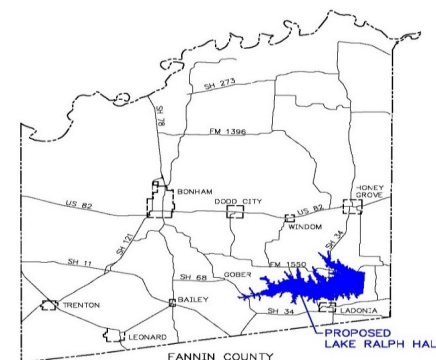
* - Multiple Funding Sources


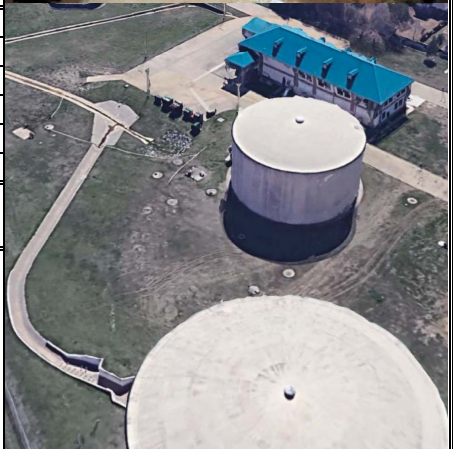
Project Title							Department	
Southwest Pump Station, Phase 1							SWP	
Description Funding provides for continued design / engineering and acquisition of land / easements for the construction of a ground storage tank and pump station, including a screening wall and fencing.			Operating Budget Impact					
				2022	2023	2024	2025	2026
			Personnel Services	\$ -	\$ -	\$ -	\$ 8,580	\$ 13,890
			Admin. / Office Expenses	-	-	-	-	-
			Professional Services	-	-	-	-	-
			Operating and Maintenance	-	-	-	65,800	86,750
			Debt Service	68,772	226,947	478,686	1,140,000	2,293,750
			Furniture and Equipment	-	-	-	-	-
			Maintenance / OH Allocation	-	-	-	8,926	12,077
			Total	\$ 68,772	\$ 226,947	\$ 478,686	\$ 1,223,306	\$ 2,406,467
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total
			2022	2023	2024	2025	2026 to Completion	
Design/Engineering	\$ 45,956	\$ 190,000	\$ 1,500,000	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ 1,885,956
Land/Right of Way	279,395	250,000	450,000	-	-	-	-	979,395
Construction	-	-	2,180,455	14,640,000	8,430,000	-	-	25,250,455
Admin/Inspection	74,192	60,000	470,000	1,760,000	1,020,000	-	-	3,384,192
Legal								
Furniture/Equipment								
Other								
Total Costs	\$ 399,543	\$ 500,000	\$ 4,600,455	\$ 16,500,000	\$ 9,500,000	\$ -	\$ -	\$ 31,499,998
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total
			2022	2023	2024	2025	2026 to Completion	
Commercial Paper	380,287	\$ 500,000	\$ 4,600,455	\$ 16,500,000	\$ 9,500,000	\$ -	\$ -	\$ 31,480,742
Revenue Bonds	19,256	-	-	-	-	-	-	19,256
Operating Funds								
O&M Reserve Funds								
Total Sources	\$ 399,543	\$ 500,000	\$ 4,600,455	\$ 16,500,000	\$ 9,500,000	\$ -	\$ -	\$ 31,499,998
Project Schedule	Project Start Date	Project Completion Date	Site Information					
Design/Engineering	Mar-13	2024	Town of Northlake and Argyle Water Supply Corporation (Denton County, Texas)					
Land/Right of Way	Apr-13	2022						
Construction	2022	2024						
Admin/Inspection	Mar-03	2024						
Legal								
Furniture/Equipment								
Total Project		2024						

City


Proposed SW Pump Station


Project Title			Lake Ralph Hall Project						Department									
									5RH									
Description			Operating Budget Impact															
Funding provides for continued design / engineering and construction of various segments of the proposed Lake Ralph Hall, including utility relocations, dams, and roadways, while completing land acquisition activities.									2022	2023	2024	2025	2026					
			Personnel Services						\$	-	\$	-	\$	-	\$	-	\$	245,000
			Admin. / Office Expenses							-		-		-		-		5,000
			Professional Services							-		-		-		-		50,000
			Operating and Maintenance							-		248,800		248,800		248,800		862,750
			Debt Service							2,565,941		3,247,843		5,509,220		7,688,997		8,445,953
			Furniture and Equipment							-		-		-		-		-
			Maintenance / OH Allocation							-		29,856		29,856		29,856		139,530
			Total						\$	2,565,941	\$	3,526,499	\$	5,787,876	\$	7,967,653	\$	9,748,233
		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total									
		2022	2023	2024	2025	2026 to Completion												
Total Costs		\$ 82,953,047	\$ 85,077,580	\$ 146,951,035	\$ 124,102,060	\$ 104,348,335	\$ 24,650,130	\$ 6,095,003	\$574,177,190									
Source of Funds		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total									
		2022	2023	2024	2025	2026 to Completion												
Commercial Paper		\$ 27,620,137	\$ 4,628,610	\$ 3,722,765	\$ 1,250,000	\$ 1,250,000	\$ 16,119,445	\$ 6,095,003	\$ 60,685,960									
TWDB Funds - Present		55,321,680	80,448,970	84,709,350	-	-	-	-	220,480,000									
TWDB Funds - Anticipated		-	-	58,518,920	122,852,060	103,098,335	8,530,685	-	293,000,000									
Donated Assets		11,230	-	-	-	-	-	-	11,230									
Total Sources		\$ 82,953,047	\$ 85,077,580	\$ 146,951,035	\$ 124,102,060	\$ 104,348,335	\$ 24,650,130	\$ 6,095,003	\$574,177,190									
Project Schedule		Project Start Date		Project Completion Date		Site Information												
Permit/Design/Engineering/Reuse		Jul-03		2025		Ladonia, Tx												
Land/Right of Way/Mitigation		Dec-08		2022														
Construction		Jul-20		2030														
Admin/Inspection		May-03		2030														
Contested Hearing/Expert Witness		May-12		Jun-17														
Other																		
Total Project				2030														
																		

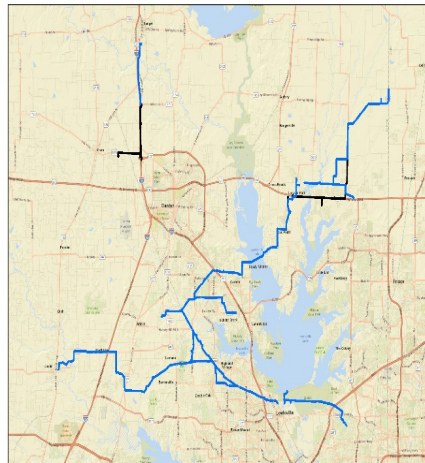


Project Title							Department				
RTWS General Treatment and Pumping Improvements							59Y				
Description Continue with engineering, design, and construction of multi-year projects to upgrade and improve components of the Regional Treated Water System. Improvements include treatment process replacement / 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.						Operating Budget Impact					
							2022	2023	2024	2025	2026
						Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
						Admin. / Office Expenses	-	-	-	-	-
						Professional Services	-	-	-	-	-
						Operating and Maintenance	-	-	-	-	-
						Debt Service	165,189	546,955	1,239,405	1,785,405	2,117,905
						Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	-	-						
Total						\$ 165,189	\$ 546,955	\$ 1,239,405	\$ 1,785,405	\$ 2,117,905	
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total			
			2022	2023	2024	2025	2026 to Completion				
Design/Engineering	\$ 42,988	\$ 1,125,000	\$ 325,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 1,742,988			
Land/Right of Way											
Construction	-	8,500,000	8,600,000	4,370,000	5,300,000	7,100,000	5,800,000	39,670,000			
Admin/Inspection	5,659	975,000	1,075,000	530,000	650,000	850,000	650,000	4,735,659			
Legal											
Furniture/Equipment											
Other											
Total Costs	\$ 48,647	\$ 10,600,000	\$ 10,000,000	\$ 5,000,000	\$ 6,000,000	\$ 8,000,000	\$ 6,500,000	\$ 46,148,647			
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total			
			2022	2023	2024	2025	2026 to Completion				
Commercial Paper	\$ 48,647	\$ 10,600,000	\$ 10,000,000	\$ 5,000,000	\$ 6,000,000	\$ 8,000,000	\$ 6,500,000	\$ 46,148,647			
Revenue Bonds											
Contribution Sources											
Non-Bond Capital Rsrv Funds											
TWDB Funds											
Total Sources	\$ 48,647	\$ 10,600,000	\$ 10,000,000	\$ 5,000,000	\$ 6,000,000	\$ 8,000,000	\$ 6,500,000	\$ 46,148,647			
Project Schedule	Project Start Date		Project Completion Date		Site Information						
	Sep-20		2026								
Design/Engineering	Sep-20		2026		Various areas in the District's Regional Treated Water System						
Land/Right of Way											
Construction	Dec-20		2026								
Admin/Inspection	Sep-20		2026								
Legal											
Furniture/Equipment											
Total Project			2026								

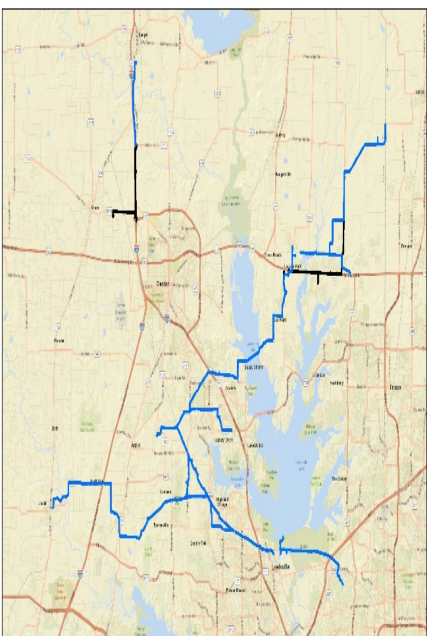
Project Title								Department						
RTWS Operational Pumping Improvements and Enhancements Study								568						
Description Complete an evaluation of the Regional Treated Water System's hydraulic instrumentation and design appropriate improvements.						Operating Budget Impact								
						2022					2023	2024	2025	2026
						Personnel Services								
						Admin. / Office Expenses								
						Professional Services								
						Operating and Maintenance								
						Debt Service								
Furniture and Equipment														
Maintenance / OH Allocation														
Total														
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total						
			2022	2023	2024	2025	2026 to Completion							
Design/Engineering	\$ -	\$ 147,200	\$ 31,200	\$ -	\$ -	\$ -	\$ -	\$ 178,400						
Land/Right of Way														
Construction														
Admin/Inspection	-	17,800	3,800	-	-	-	-	21,600						
Furniture/Equipment														
Other														
Total Costs	\$ -	\$ 165,000	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000						
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total						
			2022	2023	2024	2025	2026 to Completion							
Commercial Paper														
Revenue Bonds														
Non-Bond Capital Rsrv Funds	\$ -	\$ 165,000	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000						
Operating Funds														
TWDB Funds														
Total Sources	\$ -	\$ 165,000	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000						
Project Schedule	Project Start Date		Project Completion Date		Site Information									
Design/Engineering	Jan-21		Dec-21		Various areas in the District's Regional Treated Water System									
Land/Right of Way														
Construction														
Admin/Inspection	Nov-20		Dec-21											
Furniture/Equipment														
Other														
Total Project			Dec-21											

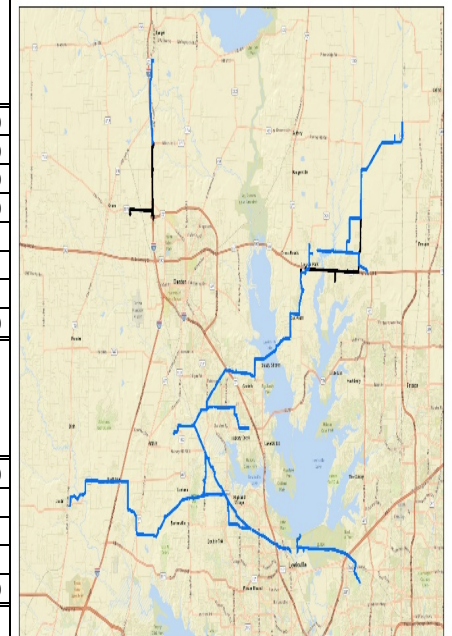


Project Title								Department				
Lake Lewisville Raw Water Pump Station Improvements								5TP				
Description Begin design / engineering for the construction of a multi-year project that upgrades / updates electrical, pumping, and other critical components of the Lake Lewisville raw water intake pump station.						Operating Budget Impact						
							2022	2023	2024	2025	2026	
						Personnel Services	\$ -	\$ -	\$ -	\$ (2,800)	\$ (2,940)	
						Admin. / Office Expenses	-	-	-	-	-	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	-	-	(5,500)	(5,720)	
						Debt Service	4,000	12,750	35,500	85,000	147,500	
						Furniture and Equipment	-	-	-	-	-	
						Maintenance / OH Allocation	-	-	-	(996)	(1,039)	
Total						\$ 4,000	\$ 12,750	\$ 35,500	\$ 75,704	\$ 137,801		
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total				
			2022	2023	2024	2025	2026 to Completion					
Design/Engineering	\$ -	\$ -	\$ 445,000	\$ -	\$ -	\$ -	\$ -	\$ 445,000				
Land/Right of Way												
Construction	-	-	-	900,000	900,000	-	-	1,800,000				
Admin/Inspection	-	-	55,000	100,000	100,000	-	-	255,000				
Legal												
Furniture/Equipment												
Total Costs	\$ -	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 2,500,000				
Source of Funding	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total				
			2022	2023	2024	2025	2026 to Completion					
Commercial Paper	\$ -	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 2,500,000				
Non-Bond Capital Rsrv Funds												
Operating Funds												
Contribution Sources												
Total Sources	\$ -	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 2,500,000				
Project Schedule	Project Start Date		Project Completion Date		Site Information 1500 N. Mill St Lewisville, TX 75057							
Design/Engineering	2022		2022									
Land/Right of Way												
Construction	2023		2024									
Admin/Inspection	2022		2024									
Legal												
Furniture/Equipment												
Total Project			2024									

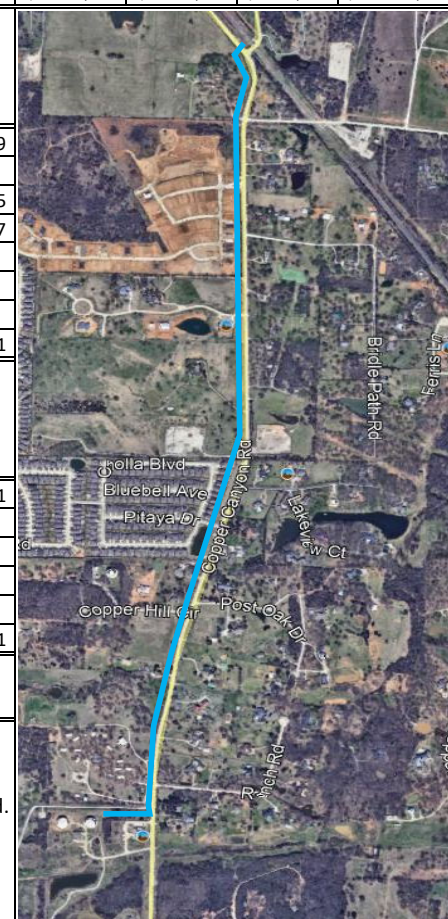
Project Title			Elevated Water Storage Tank Site Evaluation - Northeast Service Area					Department								
								54G								
Description			Completion of a site evaluation for the construction of new elevated water storage for the Regional Treated Water System.					Operating Budget Impact								
								2022					2023	2024	2025	2026
								Personnel Services								
								Admin. / Office Expenses								
								Professional Services								
								Operating and Maintenance								
								Debt Service								
			Furniture and Equipment													
			Maintenance / OH Allocation													
			Total													
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total							
				2022	2023	2024	2025	2026 to Completion								
Design/Engineering	\$ 36,245	\$ 250,000	\$ 66,590	\$ -	\$ -	\$ -	\$ -	\$ 352,835								
Land/Right of Way																
Construction																
Admin/Inspection	9,063	30,000	8,100	-	-	-	-	47,163								
Legal																
Furniture/Equipment																
Total Costs	\$ 45,308	\$ 280,000	\$ 74,690	\$ -	\$ -	\$ -	\$ -	\$ 399,998								
Source of Funds		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total							
				2022	2023	2024	2025	2026 to Completion								
Commercial Paper																
Revenue Bonds																
Non-Bond Capital Reserve Funds	\$ 45,308	\$ 280,000	\$ 74,690	\$ -	\$ -	\$ -	\$ -	\$ 399,998								
Operating Funds																
Total Sources	\$ 45,308	\$ 280,000	\$ 74,690	\$ -	\$ -	\$ -	\$ -	\$ 399,998								
Project Schedule		Project Start Date		Project Completion Date		Site Information										
Design/Engineering	Aug-20		2022		Generally north of Fishtrap Road and east of Navo Road - Aubrey, Texas											
Land/Right of Way																
Construction																
Admin/Inspection	Aug-20		2022													
Legal																
Furniture/Equipment																
Total Project			2022													

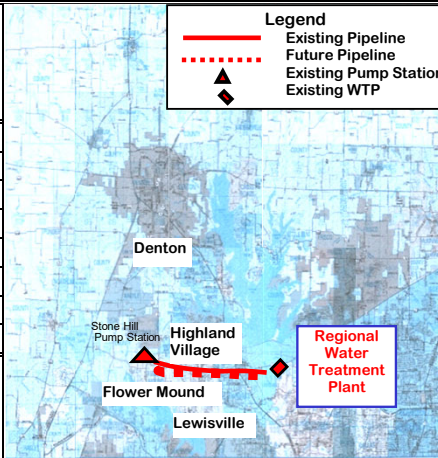
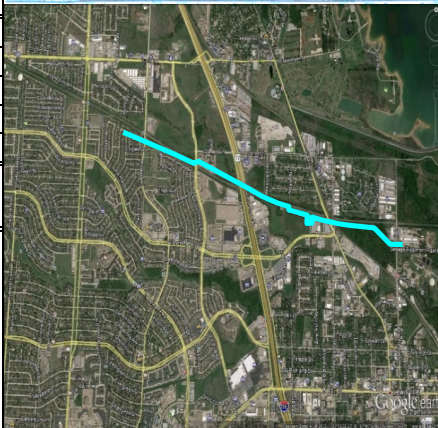
Project Title								Department			
Elevated Water Storage Tank Construction Project								5GT			
Description Based on the results of the completed site evaluation study, begin land acquisition for the future design / engineering and construction of new elevated water storage for the Regional Treated Water System.						Operating Budget Impact					
							2022	2023	2024	2025	2026
						Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ 3,250
						Admin. / Office Expenses	-	-	-	-	-
						Professional Services	-	-	-	-	-
						Operating and Maintenance	-	-	-	-	68,790
						Debt Service	2,400	22,950	60,450	167,000	346,500
						Furniture and Equipment	-	-	-	-	8,645
Maintenance / OH Allocation	-	-	-	-	9,682						
Total						\$ 2,400	\$ 22,950	\$ 60,450	\$ 167,000	\$ 436,867	
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total			
			2022	2023	2024	2025	2026 to Completion				
Design/Engineering	\$ -	\$ -	\$ -	\$ 615,000	\$ 150,000	\$ 25,000	\$ -	\$ 790,000			
Land/Right of Way	-	-	265,000	635,000	-	-	-	900,000			
Construction	-	-	-	890,000	2,525,000	1,760,000	-	5,175,000			
Admin/Inspection	-	-	35,000	260,000	325,000	215,000	-	835,000			
Legal											
Furniture/Equipment											
Total Costs	\$ -	\$ -	\$ 300,000	\$ 2,400,000	\$ 3,000,000	\$ 2,000,000	\$ -	\$ 7,700,000			
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total			
			2022	2023	2024	2025	2026 to Completion				
Commercial Paper	\$ -	\$ -	\$ 300,000	\$ 2,400,000	\$ 3,000,000	\$ 2,000,000	\$ -	\$ 7,700,000			
Revenue Bonds											
Non-Bond Capital Reserve Funds											
Operating Funds											
Total Sources	\$ -	\$ -	\$ 300,000	\$ 2,400,000	\$ 3,000,000	\$ 2,000,000	\$ -	\$ 7,700,000			
Project Schedule	Project Start Date		Project Completion Date		Site Information						
Design/Engineering	2022		2025								
Land/Right of Way	2022		2023		Generally north of Fishtrap Road and east of Navo Road - Aubrey, Texas						
Construction	2023		2025								
Admin/Inspection	2022		2025								
Legal											
Furniture/Equipment											
Total Project			2025								






Project Title								Department														
Replacement / Upsizing of Section of Phase 1A Treated Water Pipeline								57F														
Description Funding provides for 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.						Operating Budget Impact																
						Personnel Services	\$	-	\$	-	\$	2,385	\$	2,504	\$	2,629						
						Admin. / Office Expenses		-		-		-		-		-						
						Professional Services		-		-		-		-		-						
						Operating and Maintenance		-		-		7,450		7,748		8,058						
						Debt Service		3,555		62,503		85,466		290,133		509,400						
						Furniture and Equipment		-		-		-		-		-						
						Maintenance / OH Allocation		-		-		1,180		1,230		1,282						
Total						\$	3,555	\$	62,503	\$	96,481	\$	301,615	\$	521,369							
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total													
				2022	2023	2024	2025	2026 to Completion														
Design/Engineering		\$	80,609	\$	310,000	\$	590,000	\$	-						\$	-	\$	-	\$	980,609		
Land/Right of Way																						
Construction			-		-		4,935,565		900,000							-		-		5,835,565		
Admin/Inspection			13,827		40,000		700,000		100,000							-		-		853,827		
Furniture/Equipment																						
Other																						
Total Costs		\$	94,436	\$	350,000	\$	6,225,565	\$	1,000,000						\$	-	\$	-	\$	-	\$	7,670,001
Source of Funds		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total													
				2022	2023	2024	2025	2026 to Completion														
Commercial Paper		\$	94,436	\$	350,000	\$	6,225,565	\$	1,000,000						\$	-	\$	-	\$	-	\$	7,670,001
Revenue Bonds																						
Non-Bond Capital Rsrv Funds																						
Operating Funds																						
TWDB Funds																						
Total Sources		\$	94,436	\$	350,000	\$	6,225,565	\$	1,000,000						\$	-	\$	-	\$	-	\$	7,670,001
Project Schedule		Project Start Date		Project Completion Date		Site Information																
Design/Engineering		Jun-20		2022		Phase 1A pipeline from intersection of Copper Canyon Rd. and Hickory Hill Rd., south to Lantana's meter vault.																
Land/Right of Way																						
Construction		2022		2023																		
Admin/Inspection		Jun-20		2023																		
Furniture/Equipment																						
Other																						
Total Project				2023																		




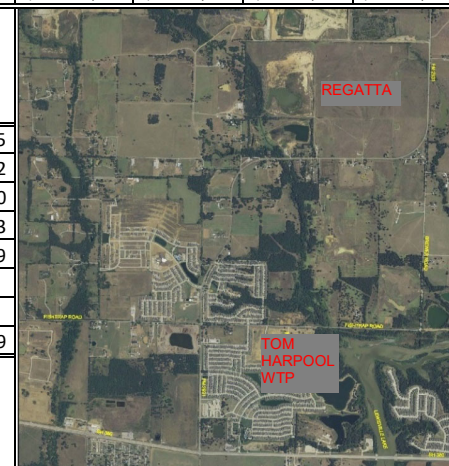
Project Title									Department				
Parallel Pipeline Taylor RWTP to Stone Hill Pump Station									SPS				
Description Complete construction of a 72" diameter pipeline parallel to the existing transmission main from the Taylor Regional Water Treatment Plant to the Stone Hill Pump Station for additional pipeline capacity required to meet customer needs.							Operating Budget Impact						
								2022	2023	2024	2025	2026	
							Personnel Services	\$ 2,200	\$ 3,290	\$ 3,455	\$ 3,627	\$ 3,809	
							Admin. / Office Expenses	-	-	-	-	-	
							Professional Services	-	-	-	-	-	
							Operating and Maintenance	35,000	55,870	58,105	60,429	62,846	
							Debt Service	2,178,219	2,235,766	2,269,991	2,302,733	2,287,898	
							Furniture and Equipment	-	-	-	-	-	
Maintenance / OH Allocation	4,464	7,099	7,387	7,687	7,999								
Total							\$ 2,219,883	\$ 2,302,025	\$ 2,338,938	\$ 2,374,476	\$ 2,362,552		
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total	<div>Legend Existing Pipeline Future Pipeline Existing Pump Station Existing WTP</div> 				
	2022	2023	2024	2025	2026 to Completion								
	Design/Engineering	\$ 3,112,914	\$ 674,675	\$ 50,000	\$ -	\$ -	\$ -					\$ -	\$ 3,837,589
	Land/Right of Way	1,661,367	-	-	-	-	-					-	1,661,367
	Construction	22,801,560	10,850,000	1,000,000	-	-	-					-	34,651,560
	Admin/Inspection	2,059,486	1,491,635	125,000	-	-	-					-	3,676,121
	Furniture/Equipment												
	Other												
	Total Costs	\$ 29,635,327	\$ 13,016,310	\$ 1,175,000	\$ -	\$ -	\$ -					\$ -	\$ 43,826,637
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total					
	2022	2023	2024	2025	2026 to Completion								
	Commercial Paper	\$ -	\$ 941,635	\$ 1,175,000	\$ -	\$ -	\$ -					\$ -	\$ 2,116,635
	Revenue Bonds												
	TWDB Subsidized Interest Funding	29,635,327	12,074,675	-	-	-	-					-	41,710,002
	Operating Funds												
	Total Sources	\$ 29,635,327	\$ 13,016,310	\$ 1,175,000	\$ -	\$ -	\$ -					\$ -	\$ 43,826,637
	Project Schedule	Project Start Date	Project Completion Date	Site Information									
	Design/Engineering	Aug-18	2022	Parallel to the Burlington Northern Santa Fe Railroad tracks from Lewisville to Flower Mound, Tx									
Land/Right of Way	Jun-19	Mar-20											
Construction	Sep-19	2022											
Admin/Inspection	Apr-18	2022											
Furniture/Equipment													
Other													
Total Project		2022											

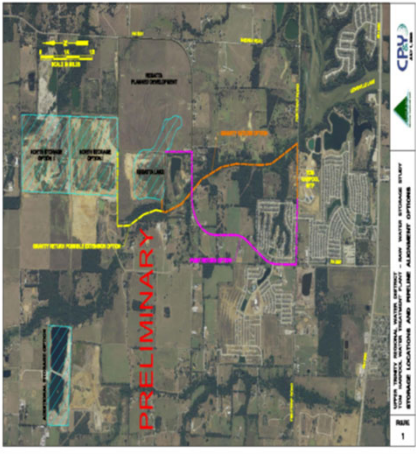
Project Title								Department				
Harpool RWTP Phased Treatment Expansion, Phase 1								5HO				
Description Funding provides for a phased expansion of the Harpool RTWP, including expanded administration and maintenance facilities, increased raw water handling and water treatment capability (filter membranes and diurnal pond), leading to an expanded plant capacity of 30.0 MGD by 2025.						Operating Budget Impact						
						Personnel Services	\$ -	\$ 100,000	\$ 105,000	\$ 110,250	\$ 115,763	
						Admin. / Office Expenses	-	-	-	-	10,000	
						Professional Services	-	-	-	-	10,000	
						Operating and Maintenance	-	-	-	64,000	200,000	
						Debt Service	196,096	883,948	1,065,541	1,640,282	1,980,837	
						Furniture and Equipment	-	-	-	-	50,000	
						Maintenance / OH Allocation	-	12,000	12,600	20,910	46,292	
						Total					\$ 196,096	\$ 995,948
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total			
				2022	2023	2024	2025	2026 to Completion				
Design/Engineering		\$ 752,951	\$ 500,000	\$ 1,100,000	\$ 800,000	\$ 300,000	\$ 100,000	\$ -	\$ 3,552,951			
Land/Right of Way												
Construction		7,918,884	2,200,000	9,725,000	9,900,000	7,300,000	7,500,000	-	44,543,884			
Admin/Inspection		652,923	300,000	1,360,190	1,300,000	900,000	900,000	-	5,413,113			
Legal		2,013	-	-	-	-	-	-	2,013			
Furniture/Equipment												
Other												
Total Costs		\$ 9,326,771	\$ 3,000,000	\$ 12,185,190	\$ 12,000,000	\$ 8,500,000	\$ 8,500,000	\$ -	\$ 53,511,961			
Source of Funding		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total			
				2022	2023	2024	2025	2026 to Completion				
Commercial Paper		\$ 9,326,771	\$ 3,000,000	\$ 12,185,190	\$ 12,000,000	\$ 8,500,000	\$ 8,500,000	\$ -	\$ 53,511,961			
Revenue Bonds												
Non-Bond Capital Rsrv Funds												
Operating Funds												
Total Sources		\$ 9,326,771	\$ 3,000,000	\$ 12,185,190	\$ 12,000,000	\$ 8,500,000	\$ 8,500,000	\$ -	\$ 53,511,961			
Project Schedule		Project Start Date		Project Completion Date		Site Information						
Design/Engineering		Aug-18		2025								
Land/Right of Way												
Construction		Sep-19		2025								
Admin/Inspection		Sep-17		2025								
Legal		Jun-19		Sep-20								
Furniture/Equipment												
Total Project				2025								

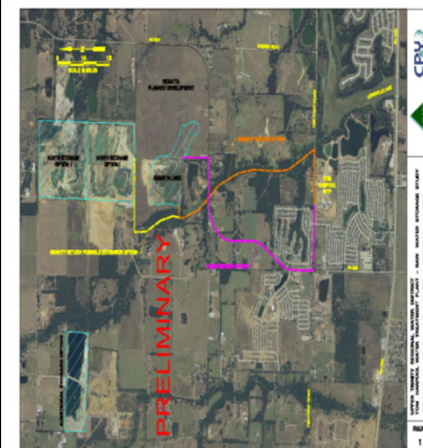





Project Title							Harpool RWTP Raw Water North Storage			Department		SHR																				
Description							Operating Budget Impact							Funding provides for the District's participation in the construction of the Harpool Regional Water Treatment Plant North Raw Water Storage at the future Silverado Development.																		
																					2022		2023		2024		2025		2026			
																					Personnel Services		\$ -		\$ 6,500		\$ 6,825		\$ 7,166		\$ 7,525	
																					Admin. / Office Expenses		-		550		572		595		619	
																					Professional Services		-		-		-		-		-	
																					Operating and Maintenance		-		3,500		3,640		3,786		3,937	
																					Debt Service		11,632		50,189		51,794		77,780		101,780	
																					Furniture and Equipment		-		-		-		-		-	
																					Maintenance / OH Allocation		-		1,266		1,324		1,386		1,450	
Total							\$ 11,632		\$ 62,005		\$ 64,155		\$ 90,713		\$ 115,311																	
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total																							
				2022	2023	2024	2025	2026 to Completion																								
Design/Engineering		\$ -	\$ 21,785	\$ 52,500	\$ -	\$ -	\$ -	\$ -	\$ 74,285																							
Land/Right of Way		485,312	-	-	-	-	-	-	485,312																							
Construction		-	-	647,500	-	-	-	-	647,500																							
Admin/Inspection		126,343	14,600	100,000	-	-	-	-	240,943																							
Legal		3,459	2,500	-	-	-	-	-	5,959																							
Furniture/Equipment																																
Total Costs		\$ 615,114	\$ 38,885	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ 1,453,999																							
Source of Funds		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total																							
				2022	2023	2024	2025	2026 to Completion																								
Commercial Paper		\$ 615,114	\$ 38,885	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ 1,453,999																							
Revenue Bonds																																
Operating Funds																																
O&M Reserve Funds																																
Total Sources		\$ 615,114	\$ 38,885	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ 1,453,999																							
Project Schedule		Project Start Date		Project Completion Date		Site Information																										
Design/Engineering		Sep-20		2022		Northeast Denton County Aubrey, Tx																										
Land/Right of Way		Dec-09		Dec-09																												
Construction		2022		2022																												
Admin/Inspection		Dec-09		2022																												
Legal		May-10		Jul-21																												
Furniture/Equipment																																
Total Project				2022																												




Project Title							Pipeline from Harpool RWTP Raw Water North Storage to the Harpool RWTP			Department					5HP													
Description							Complete initial design / engineering for the future construction of a strategic raw water pipeline from the raw water storage (North) site at the future Silverado Development to the Harpool Regional Water Treatment Plant.							Operating Budget Impact														
																			2022	2023	2024	2025	2026					
														Personnel Services					\$	-	\$	-	\$	-	\$	-	\$	-
														Admin. / Office Expenses						-		-		-		-		-
														Professional Services						-		-		-		-		-
														Operating and Maintenance						-		-		-		-		-
														Debt Service						12,610		95,224		101,676		109,189		134,335
Furniture and Equipment						-		-		-		-		-		-												
Maintenance / OH Allocation						-		-		-		-		-		-												
Total						\$	12,610		\$	95,224		\$	101,676		\$	109,189		\$	134,335									
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total																			
				2022	2023	2024	2025	2026 to Completion																				
Design/Engineering		\$	561,554	\$	186,000	\$	35,000	\$	-						\$	-	\$	-	\$	377,500	\$	1,160,054						
Land/Right of Way			597,804		-		-		-							-		-		400,000		997,804						
Construction			-		-		-		-							-		-		8,408,610		8,408,610						
Admin/Inspection			148,437		21,500		3,200		-							-		-		1,114,680		1,287,817						
Legal			22,718		-		-		-							-		-		10,000		32,718						
Furniture/Equipment																												
Other																												
Total Costs			1,330,513		207,500		38,200		\$						-		\$	-		\$	-		\$	10,310,790		\$	11,887,003	
Source of Funding		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total																			
				2022	2023	2024	2025	2026 to Completion																				
Commercial Paper		\$	1,330,513	\$	207,500	\$	38,200	\$	-						\$	-	\$	-	\$	10,310,790		\$	11,887,003					
Revenue Bonds																												
Non-Bond Capital Rsrv Funds																												
Operating Funds																												
O&M Reserve Funds																												
Total Sources		\$	1,330,513	\$	207,500	\$	38,200	\$	-						\$	-	\$	-	\$	10,310,790		\$	11,887,003					
Project Schedule		Project Start Date		Project Completion Date		Site Information																						
Design/Engineering		Sep-11		2028		Northeast Denton County Aubrey, Tx (to the Harpool WTP in Southeast Denton County)																						
Land/Right of Way		Sep-17		2026																								
Construction		2026		2028																								
Admin/Inspection		Sep-11		2028																								
Legal		Sep-14		2026																								
Furniture/Equipment																												
Total Project				2028																								



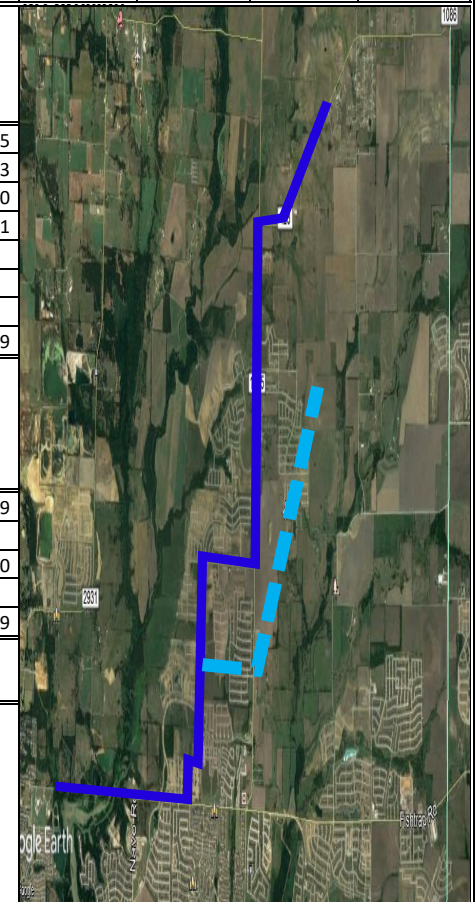
Project Title								Department				
Harpool RWTP North Transmission Main, Phase 1								5H1				
Description Completion of design / engineering and construction of a regional treated water transmission main to deliver water to Mustang Special Utility District's third point of delivery and other District customers north of Harpool Regional Water Treatment Plant.						Operating Budget Impact						
							2022	2023	2024	2025	2026	
						Personnel Services	\$ -	\$ 2,500	\$ 2,600	\$ 2,704	\$ 2,812	
						Admin. / Office Expenses	-	-	-	-	-	
						Professional Services	-	500	515	530	546	
						Operating and Maintenance	-	54,080	56,243	58,493	60,833	
						Debt Service	76,720	91,821	203,283	493,628	671,300	
						Furniture and Equipment	-	-	-	-	-	
						Maintenance / OH Allocation	-	6,850	7,123	7,407	7,703	
Total						\$ 76,720	\$ 155,751	\$ 269,764	\$ 562,762	\$ 743,194		
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures				Project Total				
				2022	2023	2024	2025		2026 to Completion			
Design/Engineering		\$ 146,093	\$ 415,195	\$ 26,040	\$ -	\$ -	\$ -	\$ -	\$ 587,328			
Land/Right of Way		-	500,000	-	-	-	-	-	500,000			
Construction		-	2,186,270	5,270,055	-	-	-	-	7,456,325			
Admin/Inspection		20,717	396,035	623,820	-	-	-	-	1,040,572			
Legal		775	2,500	2,500	-	-	-	-	5,775			
Furniture/Equipment												
Other												
Total Costs		\$ 167,585	\$ 3,500,000	\$ 5,922,415	\$ -	\$ -	\$ -	\$ -	\$ 9,590,000			
Source of Funding		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations				Project Total				
				2022	2023	2024	2025		2026 to Completion			
Commercial Paper		\$ 167,585	\$ 3,500,000	\$ 5,922,415	\$ -	\$ -	\$ -	\$ -	\$ 9,590,000			
Revenue Bonds												
O&M Reserve Funds												
Contribution Sources												
Total Sources		\$ 167,585	\$ 3,500,000	\$ 5,922,415	\$ -	\$ -	\$ -	\$ -	\$ 9,590,000			
Project Schedule		Project Start Date		Project Completion Date		Site Information						
Design/Engineering		Aug-17		2022								
Land/Right of Way		Jan-21		Sep-21		Vicinity of Fish Trap Road to north of FM 2931 Aubrey, Tx						
Construction		2021		2022								
Admin/Inspection		Mar-17		2022								
Legal		Apr-17		2022								
Furniture/Equipment												
Total Project				2022								





Project Title								Department				
Mustang Point of Delivery #3								5M3				
Description Complete design / engineering and construction of a pipeline extension and meter vault to serve a third point of delivery for treated water service to Mustang Special Utility District.						Operating Budget Impact						
							2022	2023	2024	2025	2026	
						Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	
						Admin. / Office Expenses	-	-	-	-	-	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	-	-	-	-	
						Debt Service	535	568	4,681	4,681	4,681	
						Furniture and Equipment	-	-	-	-	-	
						Maintenance / OH Allocation	-	-	-	-	-	
Total						\$ 535	\$ 568	\$ 4,681	\$ 4,681	\$ 4,681		
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total				
			2022	2023	2024	2025	2026 to Completion					
Design/Engineering	\$ 31,767	\$ 10,000	\$ 2,635	\$ -	\$ -	\$ -	\$ -	\$ 44,402				
Land/Right of Way												
Construction	-	81,300	456,265	-	-	-	-	537,565				
Admin/Inspection	7,365	9,455	51,215	-	-	-	-	68,035				
Legal												
Furniture/Equipment												
Total Costs	\$ 39,132	\$ 100,755	\$ 510,115	\$ -	\$ -	\$ -	\$ -	\$ 650,002				
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total				
			2022	2023	2024	2025	2026 to Completion					
Commercial Paper (Outflow)	\$ 39,132	\$ 100,755	\$ 510,115	\$ -	\$ -	\$ -	\$ -	\$ 650,002				
Commercial Paper (Inflow)	-	-	(583,126)	-	-	-	-	(583,126)				
Non-Bond Capital Rsrv Funds												
Operating Funds												
Contribution Sources-MSUD	-	-	583,126	-	-	-	-	583,126				
Total Sources	\$ 39,132	\$ 100,755	\$ 510,115	\$ -	\$ -	\$ -	\$ -	\$ 650,002				
Project Schedule	Project Start Date	Project Completion Date	Site Information									
Design/Engineering	Feb-17	2022	FM 2931 (Between Brewer Road and Mustang Lane) Aubrey, Tx									
Land/Right of Way												
Construction	Sep-21	2022										
Admin/Inspection	Mar-16	2022										
Legal												
Furniture/Equipment												
Total Project		2022										

Project Title							Department			
Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2							54N			
Description Funding provided to continue with design / engineering and purchasing rights-of-way / easements 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					
						2022	2023	2024	2025	2026
					Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
					Admin. / Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	-	-	-
					Debt Service	26,869	41,188	72,091	294,013	422,189
					Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation					-	-	-	-	-	
Total					\$ 26,869	\$ 41,188	\$ 72,091	\$ 294,013	\$ 422,189	
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total		
			2022	2023	2024	2025	2026 to Completion			
Design/Engineering/Study	\$ 40,925	\$ 110,000	\$ 1,275,000	\$ 1,450,000	\$ 125,000	\$ 100,000	\$ -	\$ 3,100,925		
Land/Right of Way	53	202,360	4,027,000	1,500,000	-	-	-	5,729,413		
Construction	-	-	-	5,530,000	10,635,000	7,452,000	2,240,000	25,857,000		
Admin/Inspection	6,381	37,640	620,640	1,020,000	1,240,000	948,000	260,000	4,132,661		
Legal										
Furniture/Equipment										
Total Costs	\$ 47,359	\$ 350,000	\$ 5,922,640	\$ 9,500,000	\$ 12,000,000	\$ 8,500,000	\$ 2,500,000	\$ 38,819,999		
Source of Funding	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total		
			2022	2023	2024	2025	2026 to Completion			
Commercial Paper	\$ 47,359	\$ 350,000	\$ 2,961,320	\$ 1,144,340	\$ 2,000,000	\$ 3,500,000	\$ -	\$ 10,003,019		
Revenue Bonds										
TWDB Board Participation Funds	-	-	2,961,320	8,355,660	10,000,000	5,000,000	2,500,000	28,816,980		
Non-Bond Capital Reserve Funds										
Total Sources	\$ 47,359	\$ 350,000	\$ 5,922,640	\$ 9,500,000	\$ 12,000,000	\$ 8,500,000	\$ 2,500,000	\$ 38,819,999		
Project Schedule	Project Start Date		Project Completion Date		Site Information					
Design/Engineering/Study	Sep-20		2025		Northeast from Aubrey, Texas (Navo Road) to the City of Celina, Tx					
Land/Right of Way	Jun-20		2023							
Construction	2023		2026							
Admin/Inspection	Sep-20		2026							
Legal										
Furniture/Equipment										
Total Project			2026							



Project Title								Department				
SCADA System Improvements (Wonderware Platform Upgrade Project)								59Q				
Description Complete upgrade of the District's current version of Wonderware software due to obsolescence and decreased efficiency.						Operating Budget Impact						
							2022	2023	2024	2025	2026	
						Personnel Services	\$ -	\$ (1,295)	\$ (1,360)	\$ (1,428)	\$ (1,499)	
						Admin. / Office Expenses	-	-	-	-	-	
						Professional Services	-	99,500	99,500	102,485	105,560	
						Operating and Maintenance	-	(1,600)	(1,664)	(1,731)	(1,800)	
						Debt Service	-	-	-	-	-	
						Furniture and Equipment	-	-	-	-	-	
Maintenance / OH Allocation						-	11,593	11,577	11,919	12,271		
Total						\$ -	\$ 108,198	\$ 108,053	\$ 111,245	\$ 114,532		
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total				
			2022	2023	2024	2025	2026 to Completion					
Design/Engineering												
Land/Right of Way												
Construction												
Admin/Inspection	\$ 46,539	\$ 113,865	\$ 64,640	\$ -	\$ -	\$ -	\$ -	\$ 225,044				
Professional Services	547,869	245,000	153,000	-	-	-	-	945,869				
Furniture/Equipment	191,790	-	-	-	-	-	-	191,790				
Other - Software	92,298	745,000	400,000	-	-	-	-	1,237,298				
Total Costs	\$ 878,496	\$ 1,103,865	\$ 617,640	\$ -	\$ -	\$ -	\$ -	\$ 2,600,001				
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total				
			2022	2023	2024	2025	2026 to Completion					
Commercial Paper												
Revenue Bonds												
Non-Bond Capital Rsrv Funds	\$ 878,496	\$ 1,103,865	\$ 617,640	\$ -	\$ -	\$ -	\$ -	\$ 2,600,001				
Operating Cash												
Total Sources	\$ 878,496	\$ 1,103,865	\$ 617,640	\$ -	\$ -	\$ -	\$ -	\$ 2,600,001				
Project Schedule	Project Start Date		Project Completion Date		Site Information Various areas in the District's service area							
Design/Engineering												
Land/Right of Way												
Construction												
Admin/Inspection	Nov-19		2022									
Professional Services	Nov-19		2022									
Furniture/Equipment	Jun-20		Sep-20									
Other - Software	Nov-19		2022									
Total Project			2022									

Wonderware Clients

InTouch ViewActive FactoryInformation Server Client


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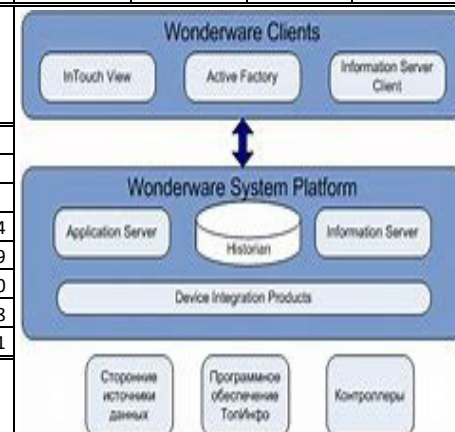
Wonderware System Platform

Application ServerHistorianInformation Server

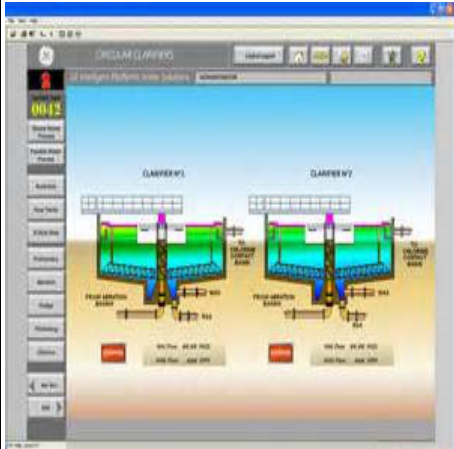
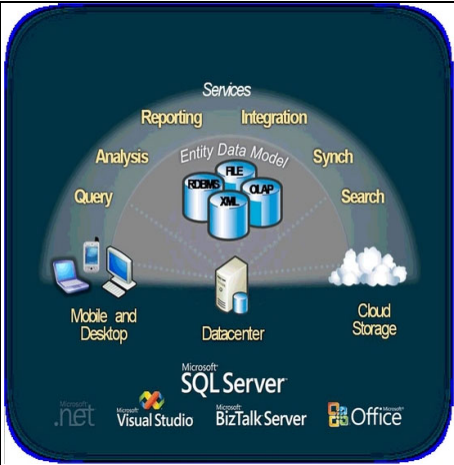
Device Integration Products


Сторонние источники данныхПрограммное обеспечение ToWinXproКонтроллеры

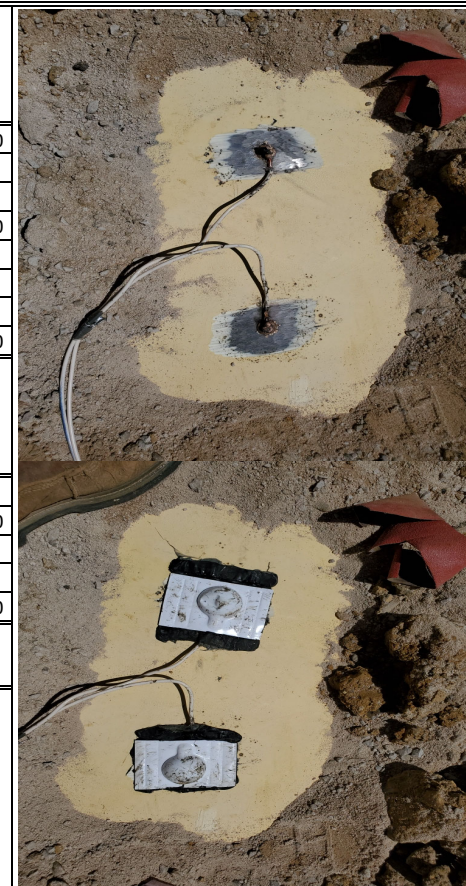




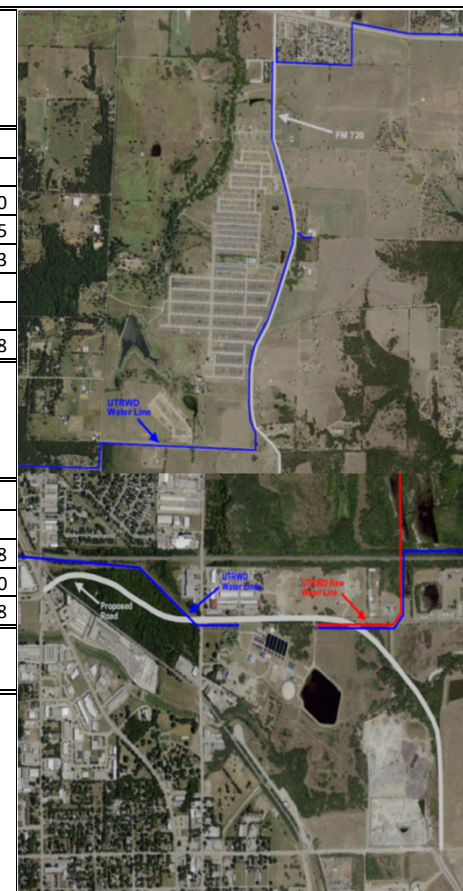
Project Title								Department				
Operational Data Management Project								54M				
Description Complete the process of transitioning water system operational data from Excel spreadsheets to a Microsoft Structured Query Language (SQL) centralized database for improved reliability and accuracy of data, as well as improved operational efficiency.						Operating Budget Impact						
							2022	2023	2024	2025	2026	
						Personnel Services	\$ -	\$ (1,735)	\$ (1,822)	\$ (1,913)	\$ (2,008)	
						Admin. / Office Expenses	-	-	-	-	-	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	-	-	-	-	
						Debt Service	-	-	-	-	-	
						Furniture and Equipment	-	-	-	-	-	
						Maintenance / OH Allocation	-	(208)	(219)	(230)	(241)	
Total						\$ -	\$ (1,943)	\$ (2,041)	\$ (2,143)	\$ (2,249)		
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total			
				2022	2023	2024	2025	2026 to Completion				
Design/Engineering												
Land/Right of Way												
Admin/Inspection		\$ 19,811	\$ 10,140	\$ 4,360	\$ -	\$ -	\$ -	\$ -	\$ 34,311			
Professional Services		120,690	74,360	45,640	-	-	-	-	240,690			
Legal												
Other												
Total Costs		\$ 140,501	\$ 84,500	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 275,001			
Source of Funds		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total			
				2022	2023	2024	2025	2026 to Completion				
Commercial Paper												
Revenue Bonds												
Non-Bond Capital Reserve		\$ 140,501	\$ 84,500	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 275,001			
Operating Funds												
TWDB Funds												
Total Sources		\$ 140,501	\$ 84,500	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 275,001			
Project Schedule		Project Start Date		Project Completion Date		Site Information						
Design/Engineering												
Land/Right of Way						Various areas in the District's service area						
Admin/Inspection		Aug-16		2022								
Professional Services		Jun-17		2022								
Legal												
Other												
Total Project				2022								

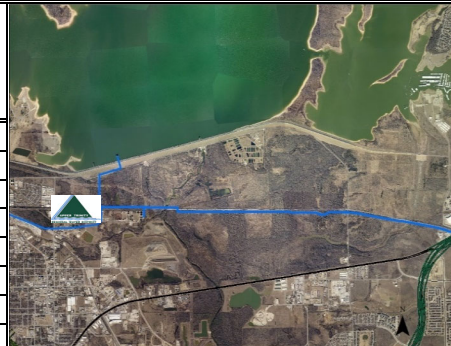


Project Title								Department				
Cathodic Protection System Assessment								53G				
Description Provides for investigation of soil and water conditions at locations identified as corrosive during the resistivity testing to determine if any additional protection means are required or if repairs to the cathodic protection monitoring system or pipelines are necessary. This project also includes a Cathodic Protection Maintenance Plan for all System pipelines.						Operating Budget Impact						
						2022						
						2023						
						2024						
						2025						
						2026						
						Personnel Services						
						Admin. / Office Expenses						
						Professional Services						
Operating and Maintenance												
Debt Service												
Furniture and Equipment												
Maintenance / OH Allocation												
Total												
												
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total			
				2022	2023	2024	2025	2026 to Completion				
Design/Engineering		\$ -	\$ 180,000	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 360,000			
Land/Right of Way												
Construction												
Admin/Inspection		-	20,000	20,000	-	-	-	-	40,000			
Legal												
Furniture/Equipment												
Total Costs		\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000			
Source of Funding		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total			
				2022	2023	2024	2025	2026 to Completion				
Commercial Paper												
Non-Bond Capital Rsrv Funds		\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000			
Operating Funds												
Contribution Sources												
Total Sources		\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000			
Project Schedule		Project Start Date		Project Completion Date		Site Information						
Design/Engineering		May-21		2022		Regional Treated Water System						
Land/Right of Way												
Construction												
Admin/Inspection		May-21										
Legal												
Furniture/Equipment												
Total Project												
		2022										



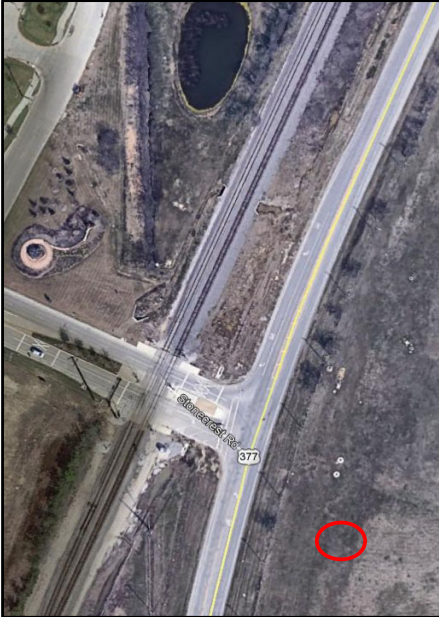
Project Title								Department						
Roadway Improvements Coordination Adjustments								53W						
Description Continue to coordinate with other public entities to identify potential conflicts between proposed roadway improvements and the District's facilities. (Does not include funding for modifications to District facilities.)						Operating Budget Impact								
						2022					2023	2024	2025	2026
						Personnel Services								
						Admin. / Office Expenses								
						Professional Services								
						Operating and Maintenance								
						Debt Service								
						Furniture and Equipment								
						Maintenance / OH Allocation								
						Total								
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total						
			2022	2023	2024	2025	2026 to Completion							
Design/Engineering														
Land/Right of Way														
Construction	\$ 1,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,860						
Admin/Inspection	78,115	2,500	9,000	9,000	9,000	9,000	9,000	125,615						
Legal	3,103	500	1,000	1,000	1,000	1,000	1,000	8,603						
Furniture/Equipment														
Total Costs	\$ 83,078	\$ 3,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 136,078						
Source of Funding	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total						
			2022	2023	2024	2025	2026 to Completion							
Commercial Paper														
Revenue Bonds														
Non-Bond Capital Rsrv Funds	\$ 79,208	\$ 3,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 132,208						
Operating Funds	3,870	-	-	-	-	-	-	3,870						
Total Sources	\$ 83,078	\$ 3,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 136,078						
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											

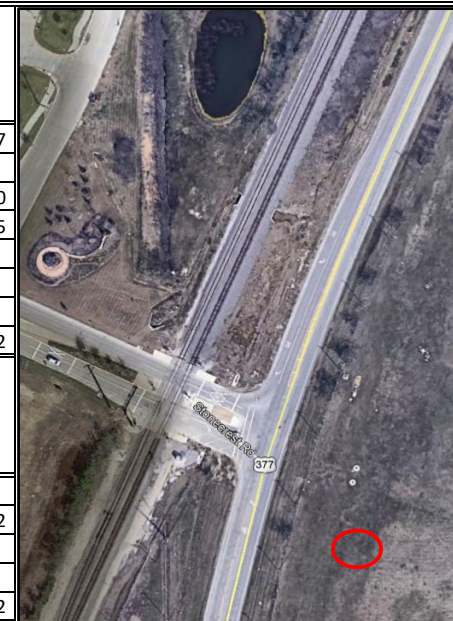



Project Title								Department				
Lewisville Lake / USACE Dam Coordination								5W3				
Description Continue coordination with the U.S. Army Corps of Engineers (USACE) on utility relocations, including engineering / design and construction activities for the District’s water pipelines in the vicinity of the Lewisville Lake Dam.						Operating Budget Impact						
						20222023202420252026						
						Personnel Services						
						Admin. / Office Expenses						
						Professional Services						
						Operating and Maintenance						
						Debt Service						
						Furniture and Equipment						
						Maintenance / OH Allocation						
						Total						
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures				Project Total				
				2022	2023	2024	2025			2026 to Completion		
Design/Engineering												
Land/Right of Way												
Construction												
Admin/Inspection		\$ 4,164	\$ 4,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 33,164				
Legal												
Furniture/Equipment												
Other - Chemicals												
Total Costs		\$ 4,164	\$ 4,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 33,164				
Source of Funding		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations				Project Total				
				2022	2023	2024	2025		2026 to Completion			
Commercial Paper												
Revenue Bonds												
Operating Funds												
Non-Bond Capital Rsrv Funds		\$ 4,164	\$ 4,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 33,164				
Total Sources		\$ 4,164	\$ 4,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 33,164				
Project Schedule		Project Start Date		Project Completion Date		Site Information						
Design/Engineering						Near the Lake Lewisville intake pump station and intake pipeline in Lewisville, Tx						
Land/Right of Way												
Construction												
Admin/Inspection		Oct-18		Ongoing								
Utility Enhancements												
Furniture/Equipment												
Total Project				Ongoing								

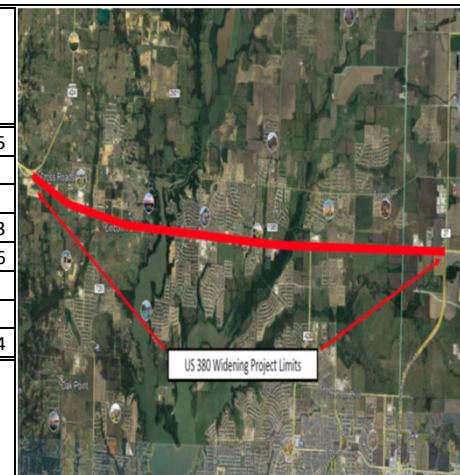
Project Title								Department
Upsizing / Relocation FM 2181 24" Pipeline Project								5T4
Description				Operating Budget Impact				
Complete construction of 1,300 feet of new 24 inch pipeline, including a new check meter vault, located in the District's easement on the west side of FM 2181 between Montecito Drive and Hickory Creek Road in Denton, Texas. The District will seek reimbursement from TxDOT for easements along FM 2181.				2022	2023	2024	2025	2026
				Personnel Services	\$ -	\$ -	\$ -	\$ -
				Admin. / Office Expenses	-	-	-	-
				Professional Services	-	-	-	-
				Operating and Maintenance	-	-	-	-
				Debt Service	18,804	59,364	120,623	153,432
				Furniture and Equipment	-	-	-	-
				Maintenance / OH Allocation	-	-	-	-
				Total	\$ 18,804	\$ 59,364	\$ 120,623	\$ 153,432
								\$ 164,532
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures				Project Total
				2022	2023	2024	2025	2026 to Completion
Design/Engineering		\$ 220,171	\$ 30,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Land/Right of Way								
Construction		905,932	600,000	320,000	-	-	-	-
Admin/Inspection		154,713	69,640	40,000	-	-	-	-
Legal								
Furniture/Equipment								
Other								
Total Costs		\$ 1,280,816	\$ 699,640	\$ 370,000	\$ -	\$ -	\$ -	\$ -
								\$ 2,350,456
Source of Funding		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations				Project Total
				2022	2023	2024	2025	2026 to Completion
Commercial Paper		\$ 1,280,816	\$ 699,640	\$ 370,000	\$ -	\$ -	\$ -	\$ -
Non-Bond Capital Rsrv Funds								
Operating Funds								
Contribution Sources								
Total Sources		\$ 1,280,816	\$ 699,640	\$ 370,000	\$ -	\$ -	\$ -	\$ -
								\$ 2,350,456
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering		Sep-19	2022	Approximately between Montecito Drive and Hickory Creek Road in Denton, Tx				
Land/Right of Way								
Construction		Mar-20	2022					
Admin/Inspection		Sep-18	2022					
Legal								
Furniture/Equipment								
Total Project			2022					



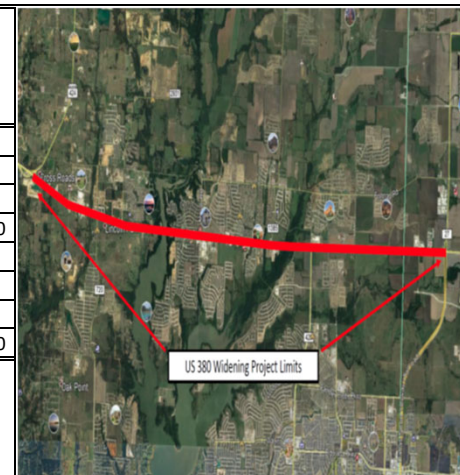
Project Title							Department							
U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project							5T7							
Description Funding provides for appurtenance adjustments for the Southwest Pipeline as a result of the Texas Department of Transportation's widening project along U.S. Hwy 377 from FM 1171 to Country Club Road.					Operating Budget Impact									
					2022		2023		2024		2025		2026	
					Personnel Services									
					Admin. / Office Expenses									
					Professional Services									
					Operating and Maintenance									
Debt Service														
Furniture and Equipment														
Maintenance / OH Allocation														
Total														
Project Costs			Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures				Project Total					
					2022	2023	2024	2025						
Design/Engineering	\$ 737	\$ 28,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 58,737						
Land/Right of Way														
Construction	-	24,500	280,000	89,000	-	-	-	393,500						
Admin/Inspection	135	6,630	40,000	11,000	-	-	-	57,765						
Legal														
Furniture/Equipment														
Total Costs	\$ 872	\$ 59,130	\$ 350,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 510,002						
Source of Funding			Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations				Project Total					
					2022	2023	2024	2025		2026 to Completion				
Commercial Paper														
Non-Bond Capital Rsrv Funds	\$ 872	\$ 59,130	\$ 350,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 510,002						
Operating Funds														
Contribution Sources														
Total Sources	\$ 872	\$ 59,130	\$ 350,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 510,002						
Project Schedule		Project Start Date		Project Completion Date		Site Information								
Design/Engineering		Aug-20		2022		East Side of US 377, near intersection of Stonecest and US 377 Flower Mound, Tx								
Land/Right of Way														
Construction		Sep-21		2023										
Admin/Inspection		Aug-20		2023										
Legal														
Furniture/Equipment														
Total Project				2023										



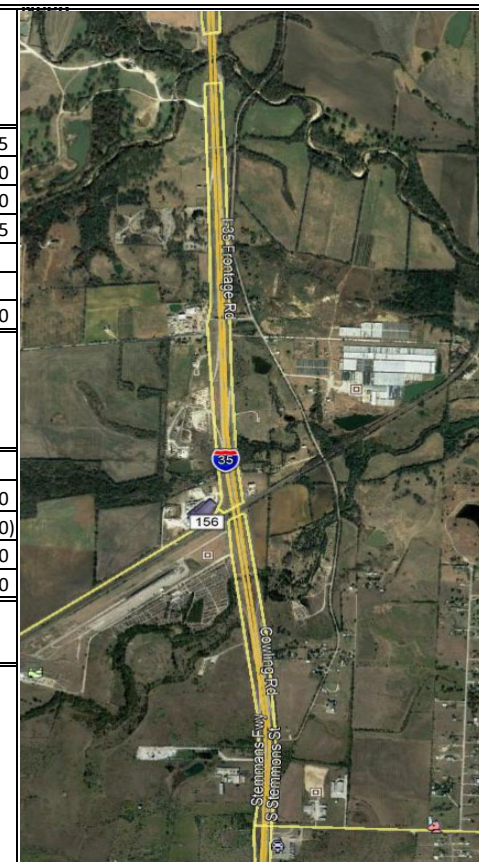
Project Title								Department						
Relocation / TxDOT U.S. Hwy 380 Project (Denton County)								5T8						
Description Complete preliminary planning and coordination with the Texas Department of Transportation's U.S. Hwy 380 project for the relocation of water pipelines due to roadway improvements. Upon project completion, the District will be reimbursed by the Texas Department of Transportation for project costs.						Operating Budget Impact								
						2022					2023	2024	2025	2026
						Personnel Services								
						Admin. / Office Expenses								
						Professional Services								
						Operating and Maintenance								
						Debt Service								
Furniture and Equipment														
Maintenance / OH Allocation														
Total														
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total						
			2022	2023	2024	2025	2026 to Completion							
Design/Engineering	\$ 23,035	\$ 2,000	\$ 17,000	\$ -	\$ -	\$ -	\$ -	\$ 42,035						
Land/Right of Way														
Construction														
Admin/Inspection	14,958	3,000	19,745	-	-	-	-	37,703						
Legal	196	-	-	-	-	-	-	196						
Furniture/Equipment														
Other														
Total Costs	\$ 38,189	\$ 5,000	\$ 36,745	\$ -	\$ -	\$ -	\$ -	\$ 79,934						
Source of Funding	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total						
			2022	2023	2024	2025	2026 to Completion							
Commercial Paper														
Revenue Bonds														
Non-Bond Capital Rsrv Funds	\$ 38,189	\$ 5,000	\$ 36,745	\$ -	\$ -	\$ -	\$ -	\$ 79,934						
Contribution Sources														
Total Sources	\$ 38,189	\$ 5,000	\$ 36,745	\$ -	\$ -	\$ -	\$ -	\$ 79,934						
Project Schedule	Project Start Date		Project Completion Date		Site Information									
Design/Engineering	Aug-19		2022		Project limits are from approximately Loop 288 to the U.S. Hwy 380 Denton County, Tx									
Land/Right of Way														
Construction														
Admin/Inspection	Feb-19		2022											
Legal	Aug-19		Aug-19											
Furniture/Equipment														
Total Project			2022											



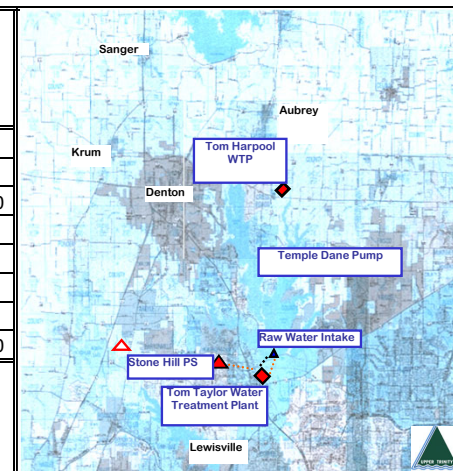
Project Title								Department
Relocation / TxDOT U.S. Hwy 380 Project (Collin County)								5T9
Description				Operating Budget Impact				
Funding provides for continued coordination with the Texas Department of Transportation's (TxDOT) U.S. Hwy 380 project (Collin County portion) and the City of Irving, Texas.				2022	2023	2024	2025	2026
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total
			2022	2023	2024	2025	2026 to Completion	
Design/Engineering								
Land/Right of Way								
Construction								
Admin/Inspection	\$ 120	\$ 1,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ 16,120
Legal								
Furniture/Equipment								
Other								
Total Costs	\$ 120	\$ 1,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ 16,120
Source of Funding	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total
			2022	2023	2024	2025	2026 to Completion	
Commercial Paper								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	\$ 120	\$ 1,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ 16,120
Contribution Sources								
Total Sources	\$ 120	\$ 1,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ 16,120
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	2024					
Legal								
Furniture/Equipment								
Total Project			2024					





Project Title								Department						
TxDOT / IH-35 Project								5TN						
Description 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. The project costs are reimbursable by the Texas Department of Transportation.						Operating Budget Impact								
						2022					2023	2024	2025	2026
						Personnel Services								
						Admin. / Office Expenses								
						Professional Services								
						Operating and Maintenance								
						Debt Service								
Furniture and Equipment														
Maintenance / OH Allocation														
Total														
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total					
				2022	2023	2024	2025	2026 to Completion						
Design/Engineering		\$ -	\$ 168,000	\$ 200,955	\$ 220,000	\$ -	\$ -	\$ -	\$ 588,955					
Land/Right of Way		-	100,000	1,485,000	410,000	-	-	-	1,995,000					
Construction		-	-	4,800,000	1,750,000	-	-	-	6,550,000					
Admin/Inspection		-	32,000	765,045	290,000	-	-	-	1,087,045					
Legal														
Furniture/Equipment														
Total Costs		\$ -	\$ 300,000	\$ 7,251,000	\$ 2,670,000	\$ -	\$ -	\$ -	\$ 10,221,000					
Source of Funding		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total					
				2022	2023	2024	2025	2026 to Completion						
Commercial Paper														
Non-Bond Capital Rsrv Funds		\$ -	\$ 300,000	\$ 7,251,000	\$ 2,670,000	\$ -	\$ -	\$ -	\$ 10,221,000					
Non-Bond Capital Rsrv Funds (Inflow)		-	(300,000)	(7,251,000)	(1,647,900)	-	-	-	(9,198,900)					
TxDOT Reimbursement		-	300,000	7,251,000	1,647,900	-	-	-	9,198,900					
Total Sources		\$ -	\$ 300,000	\$ 7,251,000	\$ 2,670,000	\$ -	\$ -	\$ -	\$ 10,221,000					
Project Schedule		Project Start Date		Project Completion Date		Site Information								
Design/Engineering		Nov-20		2023		IH-35 (Milam Road in Denton to Cowling Road in Sanger) Denton County, Texas								
Land/Right of Way		Aug-21		2023										
Construction		2022		2023										
Admin/Inspection		Nov-20		2023										
Legal														
Furniture/Equipment														
Total Project				2023										



Project Title								Department
Customer Pipeline Extensions								538
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.				2022	2023	2024	2025	2026
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total
			2022	2023	2024	2025	2026 to Completion	
Design/Engineering								
Land/Right of Way								
Construction/Other	\$ -	\$ 5,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 255,000
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Costs	\$ -	\$ 5,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 255,000
Source of Funding	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total
			2022	2023	2024	2025	2026 to Completion	
Commercial Paper								
Revenue Bonds								
Customer Reimbursements	\$ -	\$ 5,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 255,000
Operating Funds								
Total Sources	\$ -	\$ 5,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 255,000
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-21	Ongoing					
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Project			Ongoing					



Legend
 Existing WTP
 Existing Pump Station
 Future Pump Station

Project Title								Department						
Contingency Improvements								5WI						
Description To allow for various projects that may be identified throughout the year.						Operating Budget Impact								
						2022					2023	2024	2025	2026
						Personnel Services								
						Admin. / Office Expenses								
						Professional Services								
						Operating and Maintenance								
						Debt Service								
Furniture and Equipment														
Maintenance / OH Allocation														
Total														
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total						
			2022	2023	2024	2025	2026 to Completion							
Design/Engineering														
Land/Right of Way														
Construction/Other	\$ -	\$ 20,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 520,000						
Admin/Inspection														
Legal														
Furniture/Equipment														
Total Costs	\$ -	\$ 20,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 520,000						
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total						
			2022	2023	2024	2025	2026 to Completion							
Commercial Paper														
Revenue Bonds														
Non-Bond Capital Rsrv Funds	\$ -	\$ 2,285	\$ 81,860	\$ 81,860	\$ 81,860	\$ 81,860	\$ 81,860	\$ 411,585						
Growth Program Funds	-	17,715	18,140	18,140	18,140	18,140	18,140	108,415						
Total Sources	\$ -	\$ 20,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 520,000						
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		Aug-21		Ongoing										
Admin/Inspection														
Legal														
Furniture/Equipment														
Total Project				Ongoing										



ESTIMATED ANNUAL OPERATING EXPENSE FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	5-Year Total
5WP	Southwest Pump Station, Phase 1	\$ 68,772	\$ 226,947	\$ 478,686	\$ 1,223,306	\$ 2,406,467	\$ 4,404,178
5RH	Lake Ralph Hall Project	2,565,941	3,526,499	5,787,876	7,967,653	9,748,233	29,596,202
59Y	RTWS General Treatment and Pumping Improvements	165,189	546,955	1,239,405	1,785,405	2,117,905	5,854,859
5TP	Lake Lewisville Raw Water Pump Station Improvements	4,000	12,750	35,500	75,704	137,801	265,755
5GT	Elevated Water Storage Tank Construction Project	2,400	22,950	60,450	167,000	436,867	689,667
57F	Replacement / Upsizing of Section of Phase 1-A Treated Water Pipeline	3,555	62,503	96,481	301,615	521,369	985,523
5PS	Parallel Pipeline from Taylor RTWP to Stone Hill Pump Station	2,219,883	2,302,025	2,338,938	2,374,476	2,362,552	11,597,874
5HO	Harpool RWTP Phased Treatment Expansion, Phase 1 (from 20.0 to 30.0 MGD)	196,096	995,948	1,183,141	1,835,442	2,412,892	6,623,519
5HR	Harpool RWTP Raw Water North Storage	11,632	62,005	64,155	90,713	115,311	343,816
5HP	Pipeline from Harpool RWTP Raw Water North Storage to the Harpool RWTP	12,610	95,224	101,676	109,189	134,335	453,034
5H1	Harpool RWTP North Transmission Main, Phase 1	76,720	155,751	269,764	562,762	743,194	1,808,191
5M3	Mustang Point of Delivery #3	535	568	4,681	4,681	4,681	15,146
54N	Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2	26,869	41,188	72,091	294,013	422,189	856,350
59Q	SCADA System Improvements (Wonderware Platform Upgrade Project)	-	108,198	108,053	111,245	114,532	442,028
54M	Operational Data Management Project	-	(1,943)	(2,041)	(2,143)	(2,249)	(8,376)
5T4	Upsizing / Relocation FM 2181 24" Pipeline Project	18,804	59,364	120,623	153,432	164,532	516,755
Total		\$ 5,373,006	\$ 8,216,932	\$ 11,959,479	\$ 17,054,493	\$ 21,840,611	\$ 64,444,521

* - 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 Commercial Paper, Revenue Bonds, timing of Commercial Paper 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 12% of total operating expenses (excluding debt service).

LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

The FY 2022 adopted capital budget for the Lakeview Regional Water Reclamation System is \$6,909,415; an increase of \$4,710,605 from the previous year adopted capital budget of \$2,198,810. This increase is primarily due to continuing work towards the expansion of the Lakeview Regional Water Reclamation Plant in FY 2022.

FY 2022 funding consists of the following:

Funding Source	FY 2022 Budget
Non-Bond Capital Reserve Funds	\$6,909,415

CURRENT PROJECTS

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 2022 Budget: \$4,500,000
- Funding Source: Non-Bond Capital Reserve Funds

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 its water reclamation facilities 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.

- FY 2022 Budget: \$2,359,415
- Funding Source: Non-Bond Capital Reserve Funds

Contingency Improvements – Finally, the FY 2022 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 2026 to continue these activities.

- FY 2022 Budget: \$50,000
- Funding Source: Non-Bond Capital Reserve Funds

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 Lakeview Regional Water Reclamation Plant. The next renewal period is anticipated to begin in FY 2023.

CONSTRUCTION CASH FUND


	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,946,863	\$ 1,905,363	\$ 1,931,426	\$ 929,206
Transfer to Operations	\$ (15,437)	\$ (997,285)	\$ (960,720)	
BEGINNING CASH BALANCE Revised	\$ 1,931,426	\$ 908,078	\$ 970,706	
REVENUES				
Deposit				
Texas Department of Transportation - Reimbursements for 11-57W and 11-51H Projects	8,812	172,340	-	172,340
Interfund Transfers				
Non-Bond Capital Reserve Fund	409	1,158,810	301,185	6,909,415
Plant Permitting Reserve Fund	-	40,000	-	-
Working Capital	15,437	997,285	960,720	-
Interest Income	17,851	2,715	2,780	2,790
TOTAL REVENUES	\$ 42,509	\$ 2,371,150	\$ 1,264,685	\$ 7,084,545
EXPENDITURES				
Construction Improvement Projects	33,697	2,198,810	1,306,185 *	6,909,415
Interfund Transfer - Non-Bond Capital Reserve Fund (Transfer of TxDOT Reim- bursement from above)	8,812	172,340	-	172,340
TOTAL EXPENDITURES	\$ 42,509	\$ 2,371,150	\$ 1,306,185	\$ 7,081,755
ENDING CASH BALANCE 9/30	\$ 1,931,426	\$ 908,078	\$ 929,206	\$ 931,996

* Amount also contains expenditures: \$156,185 - Security / SCADA Improvements (599), which is to be completed by the end of FY 2021 and is not shown on the accompanying 5-Year list of capital improvement projects.

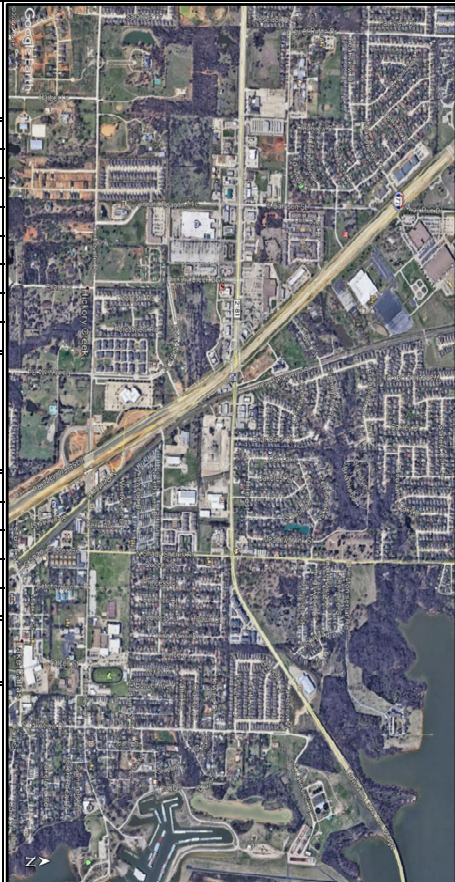
FY 2022 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2026


Project Acct	Project	Prior Expenditures	Estimated FY 2021	Adopted FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
5LL	Permit Renewal	\$ -	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ 60,000
5L2	Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements *	7,339	1,005,000	4,500,000	18,000,000	11,000,000	3,295,000	-	37,807,339
53B	System Interceptor and Odor Control Improvements	-	140,000	2,359,415	-	-	-	-	2,499,415
5LM	Contingency Improvements	-	5,000	50,000	50,000	50,000	50,000	50,000	255,000
	Total	\$ 7,339	\$ 1,150,000	\$ 6,909,415	\$ 18,090,000	\$ 11,070,000	\$ 3,345,000	\$ 50,000	\$ 40,621,754
Funding Sources:									
	Revenue Bonds (Plant Expansion, Phase 3)	\$ -	\$ -	\$ -	\$ 17,500,000	\$ 11,000,000	\$ 3,295,000	\$ -	\$ 31,795,000
	Construction Cash Funds	7,339	1,005,000	-	-	-	-	-	1,012,339
	Non-Bond Capital Reserve Funds	-	145,000	6,909,415	550,000	50,000	50,000	50,000	7,754,415
	Plant Permitting Reserve Funds	-	-	-	40,000	20,000	-	-	60,000
	Total	\$ 7,339	\$ 1,150,000	\$ 6,909,415	\$ 18,090,000	\$ 11,070,000	\$ 3,345,000	\$ 50,000	\$ 40,621,754

* - Multiple Funding Sources

Project Title			Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements					Department													
Description			Operating Budget Impact					5L2													
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.								2022	2023	2024	2025	2026									
			Personnel Services					\$	-	\$	-	\$	-	\$	104,186	\$	125,000				
			Admin. / Office Expenses						-		-		-		7,500		10,000				
			Professional Services						-		-		-		3,850		5,000				
			Operating and Maintenance						-		-		-		78,980		95,000				
			Debt Service						-		592,955		1,739,003		2,292,095		2,292,095				
			Furniture and Equipment						-		-		-		12,000		-				
			Maintenance / OH Allocation						-		-		-		24,782		28,200				
			Total					\$	-	\$	592,955	\$	1,739,003	\$	2,523,393	\$	2,555,295				
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total												
			2022	2023	2024	2025	2026 to Completion														
Design/Engineering	\$	1,800	\$	895,000	\$	800,000	\$	730,000	\$						50,000	\$	-	\$	-	\$	2,476,800
Land/Right of Way																					
Construction		-		-		3,210,000		15,420,000							9,775,000		2,940,000		-		31,345,000
Admin/Inspection		5,539		110,000		490,000		1,850,000							1,175,000		355,000		-		3,985,539
Furniture/Equipment																					
Other																					
Total Costs	\$	7,339	\$	1,005,000	\$	4,500,000	\$	18,000,000	\$						11,000,000	\$	3,295,000	\$	-		\$ 37,807,339
Source of Funds		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total												
				2022	2023	2024	2025	2026 to Completion													
Revenue Bonds	\$	-	\$	-	\$	-	\$	17,500,000	\$	11,000,000	\$	3,295,000	\$	-		\$ 31,795,000					
Const. Cash Funds (Prior Bond Proceeds)		7,339		1,005,000		-		-		-		-		-		1,012,339					
Non-Bond Capital Reserve Funds		-		-		4,500,000		500,000		-		-		-		5,000,000					
Contribution Sources																					
Total Sources	\$	7,339	\$	1,005,000	\$	4,500,000	\$	18,000,000	\$	11,000,000	\$	3,295,000	\$	-		\$ 37,807,339					
Project Schedule		Project Start Date		Project Completion Date		Site Information															
Design/Engineering		Sep-06		2024		North End of Lakeview Drive #1 Lake Dallas, Tx.															
Land/Right of Way																					
Construction		2022		2025																	
Admin/Inspection		Mar-05		2025																	
Furniture/Equipment																					
Other																					
Total Project				2025																	



Project Title								Department				
System Interceptor and Odor Control Improvements								53B				
Description Continue with design / engineering and begin construction to correct piping issues and install odor control equipment in and along interceptors and force mains of the Lakeview Regional Water Reclamation System, which is used to transport wastewater flows from System participants to the Lakeview Plant.						Operating Budget Impact						
							2022	2023	2024	2025	2026	
						Personnel Services	\$ -	\$ (1,500)	\$ (1,560)	\$ (1,622)	\$ (1,687)	
						Admin. / Office Expenses	-	-	-	-	-	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	(5,000)	(5,150)	(5,150)	(5,150)	
						Debt Service	-	-	-	-	-	
						Furniture and Equipment	-	-	-	-	-	
Maintenance / OH Allocation	-	(780)	(805)	(813)	(820)							
Total						\$ -	\$ (7,280)	\$ (7,515)	\$ (7,585)	\$ (7,657)		
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures				Project Total				
				2022	2023	2024	2025			2026 to Completion		
Design/Engineering	\$ -	\$ 125,000	\$ 278,000	\$ -	\$ -	\$ -	\$ -	\$ 403,000				
Land/Right of Way												
Construction	-	-	1,828,790	-	-	-	-	1,828,790				
Admin/Inspection	-	15,000	252,625	-	-	-	-	267,625				
Study												
Furniture/Equipment												
Other												
Total Costs	\$ -	\$ 140,000	\$ 2,359,415	\$ -	\$ -	\$ -	\$ -	\$ 2,499,415				
Source of Funds		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations				Project Total				
				2022	2023	2024	2025			2026 to Completion		
Revenue Bonds												
Construction Cash Funds												
Non-Bond Capital Reserve	\$ -	\$ 140,000	\$ 2,359,415	\$ -	\$ -	\$ -	\$ -	\$ 2,499,415				
Operating Funds												
Total Sources	\$ -	\$ 140,000	\$ 2,359,415	\$ -	\$ -	\$ -	\$ -	\$ 2,499,415				
Project Schedule		Project Start Date		Project Completion Date		Site Information Project includes all Lakeview force mains and interceptors, but is generally near the intersection of Swisher (FM 2181) and IH35E in Corinth and Hickory Creek and Lake Dallas, Texas						
Design/Engineering		Sep-21		2022								
Land/Right of Way												
Construction		2022		2022								
Admin/Inspection		Nov-20		2022								
Study												
Furniture/Equipment												
Total Project				2022								

Project Title							Contingency Improvements			Department					5LM	
Description To allow for various projects that may be identified throughout the year.							Operating Budget Impact									
							2022		2023		2024		2025		2026	
							Personnel Services									
							Admin. / Office Expenses									
							Professional Services									
							Operating and Maintenance									
							Debt Service									
							Furniture and Equipment									
							Maintenance / OH Allocation									
							Total									
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total							
				2022	2023	2024	2025	2026 to Completion								
Design/Engineering																
Land/Right of Way																
Construction/Other		\$ -	\$ 5,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 255,000							
Admin/Inspection																
Legal																
Furniture/Equipment																
Total Costs		\$ -	\$ 5,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 255,000							
Source of Funds		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total							
				2022	2023	2024	2025	2026 to Completion								
Construction Funds																
Non-Bond Capital Rsrv Funds		\$ -	\$ 5,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 255,000							
Contribution Sources																
Operating Funds																
O&M Reserve Funds																
Total Sources		\$ -	\$ 5,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 255,000							
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		Sep-21		Ongoing												
Admin/Inspection																
Legal																
Furniture/Equipment																
Total Project				Ongoing												



ESTIMATED ANNUAL OPERATING EXPENSE FROM INVESTMENTS IN CAPITAL PROJECTS

Project								
Acct	Project	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	5-Year Total	
5L2	Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements	\$ -	\$ 592,955	\$ 1,739,003	\$ 2,523,393	\$ 2,555,295	\$ 7,410,646	
53B	System Interceptor and Odor Control Improvements	-	(7,280)	(7,515)	(7,585)	(7,657)	(30,037)	
	Total	\$ -	\$ 585,675	\$ 1,731,488	\$ 2,515,808	\$ 2,547,638	\$ 7,380,609	

* - 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 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 12% of total operating expenses (excluding debt service).

NON-POTABLE WATER SYSTEM

The FY 2022 adopted capital budget for the Non-Potable Water System is \$3,000, no change from the previous budget.

FY 2022 funding consists of the following:

Funding Source	FY 2022 Budget
Construction Funds	\$3,000

CURRENT PROJECTS

Lake Lewisville / USACE Dam Coordination – The FY 2022 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 2026.

- FY 2022 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 2023 through FY 2026.

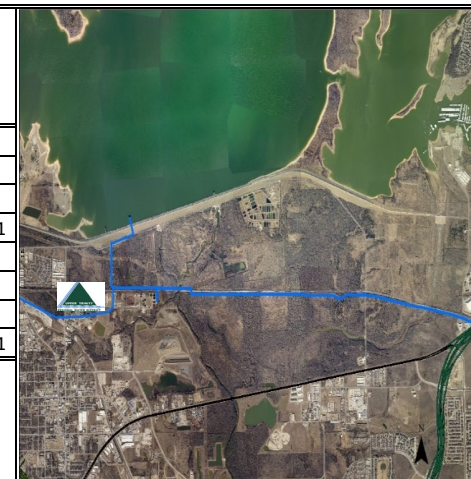
CONSTRUCTION CASH FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 402,702	\$ 402,510	\$ 404,901	\$ 404,161
Transfer to Operations		\$ (800)	\$ (740)	\$ (2,730)
BEGINNING CASH BALANCE Revised		\$ 401,710	\$ 404,161	\$ 401,431
REVENUES				
Interfund Transfer - Working Capital	-	800	740	2,730
Interest Income	3,177	2,200	260	270
TOTAL REVENUES	\$ 3,177	\$ 3,000	\$ 1,000	\$ 3,000
EXPENDITURES				
Construction Improvement Project	978	3,000	1,000	3,000
TOTAL EXPENDITURES	\$ 978	\$ 3,000	\$ 1,000	\$ 3,000
ENDING CASH BALANCE 9/30	\$ 404,901	\$ 401,710	\$ 404,161	\$ 401,431

FY 2022 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2026

Project Acct	Project	Prior Expenditures	Estimated FY 2021	Adopted FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
53N	Lake Lewisville / USACE Dam Coordination	\$ 1,351	\$ 1,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 17,351
	Total	\$ 1,351	\$ 1,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 17,351
Funding Source:									
	Construction Funds	\$ 1,351	\$ 1,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 17,351
	Total	\$ 1,351	\$ 1,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 17,351

Project Title								Department
Lewisville Lake / USACE Dam Coordination								53N
Description				Operating Budget Impact				
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.				2022	2023	2024	2025	2026
				Personnel Services				
				Administrative				
				Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Furniture and Equipment				
				Maintenance/OH Allocation				
				Total				
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total
			2022	2023	2024	2025	2026 to Completion	
Design/Engineering								
Land/Right of Way								
Construction								
Admin/Inspection	\$ 1,351	\$ 1,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 17,351
Legal								
Furniture/Equipment								
Total Costs	\$ 1,351	\$ 1,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 17,351
Source of Funding	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total
			2022	2023	2024	2025	2026 to Completion	
Revenue Bonds								
Construction Funds	\$ 1,351	\$ 1,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 17,351
Operating Funds								
O&M Reserve Funds								
Total Sources	\$ 1,351	\$ 1,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 17,351
Project Schedule		Project		Site Information				
		Start Date	Completion Date					
Design/Engineering				FM 544 near Windhaven Parkway Lewisville, Texas				
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 2022 adopted capital budget for the Northeast Regional Water Reclamation System – Riverbend Plant is \$1,857,835; a decrease of \$362,165 from the previous year adopted capital budget of \$2,220,000. This decrease is primarily due to a shift in the project timeline for the Plant Expansion, Phase 3.

FY 2022 funding consists of the following:

Funding Sources	FY 2022 Budget
Revenue Bonds	\$100,000
TWDB “D” Funds (Riverbend Plant Expansion, Ph 3)	\$1,096,368
Non-Bond Capital Reserve Funds (net of TxDOT Reimbursements)	\$115,904
Plant Permitting Reserve Funds	\$9,580
TxDOT Reimbursements	\$87,146
Contribution Sources	\$448,837

CURRENT PROJECTS

Permit Re-Rating / 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 Riverbend Regional Water Reclamation Plant. Funding is provided to complete this renewal.

- FY 2022 Budget: \$9,580
- Funding Source: Plant Permitting Reserve Funds

Riverbend Plant Expansion, Phase 3 project (from 2.0 to 4.0 mgd) – Includes additional improvements to sludge processing, storage, and disposal activities. The actual expanded wastewater treatment facilities were put into operation in April 2019. However, additional administration and maintenance structures and roadway improvements are being constructed.

- FY 2022 Budget: \$1,726,255
- Funding Source: TWDB “D” Funds, Non-Bond Capital Reserve Funds, Contribution Sources

West Influent Pump Station and Dewatering Improvements – Funding to investigate the operational status of the West Influent Pump Station and determine future improvements for the transfer of increased wastewater flows from the Northeast service area.

- FY 2022 Budget: \$100,000
- Funding Source: Revenue Bonds

Customer Pipeline Extensions – Contingent funding is shown for FY 2022 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 2026 to continue these activities.

- FY 2022 Budget: \$10,000
- Funding Source: Contribution Sources

Relocation / TxDOT US Hwy 380 Project – Many active highway projects are under construction in the District’s northeast service area. Funding is provided for District staff to coordinate with Texas Department of Transportation (TxDOT) regarding the possible relocation of District Riverbend Plant wastewater pipelines in conjunction with their U.S. Highway 380 roadway project.

- FY 2022 Budget: \$15,000
- Funding Sources: Non-Bond Capital Reserve Funds, TxDOT reimbursement

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 2026.

CONSTRUCTION CASH FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 4,568,334	\$ 2,539,904	\$ 2,587,514	\$ 1,699,044
Transfer to Operations	\$ (1,980,820)	\$ (2,188,500)	\$ (888,470)	
BEGINNING CASH BALANCE Revised	\$ 2,587,514	\$ 351,404	\$ 1,699,044	
REVENUES				
Revenue Bonds	-	-	-	2,000,000
Interfund Transfers				
Non-Bond Capital Reserve Fund	7,890	20,000	88,040	203,050
Plant Permitting Reserve Fund	16,745	-	20,000	9,580
Working Capital	1,980,820	2,188,500	888,470	-
Contribution Sources	-	10,000	1,000	10,000
Interest Income	44,680	1,500	3,600	4,125
TOTAL REVENUES	\$ 2,050,135	\$ 2,220,000	\$ 1,001,110	\$ 2,226,755
EXPENDITURES				
Construction Improvement Projects	2,050,135	2,220,000	1,001,110	1,857,835
TOTAL EXPENDITURES	\$ 2,050,135	\$ 2,220,000	\$ 1,001,110	\$ 1,857,835
ENDING CASH BALANCE 9/30	\$ 2,587,514	\$ 351,404	\$ 1,699,044	\$ 2,067,964

FY 2022 Ending Balance increase of \$1,716,560 is primarily due to the projected issuance of \$2.0 million of Revenue Bonds to fund the West Influent Pump Station and Dewatering Improvements project (14-5IP).

* - Amount also contains expenditures: \$52,000 - Landscaping and Fencing Improvements (5RG). This project is to be completed in FY 2021 and is not shown on the accompanying 5-Year list of capital improvement projects.

FY 2022 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2026


Project Acct	Project	Prior Expenditures	Estimated FY 2021	Adopted FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
5RL	Permit Re-Rating / Renewal	\$ 45,425	\$ 20,000	\$ 9,580	\$ -	\$ -	\$ -	\$ 40,000	\$ 115,005
5R3	Plant Expansion, Phase 3 (from 2.0 to 4.0 MGD) * and **	41,099,103	850,000	1,723,255	-	-	-	-	43,672,358
5IP	West Influent Pump Station and Dewatering Improvements	-	-	100,000	1,900,000	-	-	-	2,000,000
5RX	Customer Pipeline Extensions	-	1,000	10,000	10,000	10,000	10,000	10,000	51,000
5R8	Relocation / TxDOT US Hwy 380 Project *	15,822	78,110	15,000	-	-	-	-	108,932
	Total	\$ 41,160,350	\$ 949,110	\$ 1,857,835	\$ 1,910,000	\$ 10,000	\$ 10,000	\$ 50,000	\$ 45,947,295

Funding Sources:




Revenue Bonds (West Influent Pump Station)	\$ -	\$ -	\$ 100,000	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
TWDB "D" Funds (Riverbend Plant Expansion, Ph 3)	29,350,969	607,028	1,096,368	-	-	-	-	-	31,054,366
Non-Bond Capital Reserve Funds (Out)	15,822	78,110	203,050	-	-	-	-	-	296,982
Non-Bond Capital Reserve Funds (In)	-	-	(87,146)	-	-	-	-	-	(87,146)
Plant Permitting Reserve Funds	45,425	20,000	9,580	-	-	-	-	40,000	115,005
TxDOT Reimbursement	-	-	87,146	-	-	-	-	-	87,146
Contribution Sources									
Plant Expansion, Phase 3 (5R3)	11,748,134	242,972	438,837	-	-	-	-	-	12,429,942
Customer Pipeline Extensions (5RX)	-	1,000	10,000	10,000	10,000	10,000	10,000	10,000	51,000
Total	\$ 41,160,350	\$ 949,110	\$ 1,857,835	\$ 1,910,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000	\$ 45,947,295

* Multiple Funding Sources


** Includes prior expenses for the Sidestream Project (5BS)

Project Title								Department			
Permit Re-Rating / Renewal								5RL			
Description Complete the process of re-rating the Texas Pollutant Discharge Elimination System permit to a higher treatment capacity of the Riverbend Plant, as required by the Texas Commission on Environmental Quality. Future funding shown for the required renewal of this permit every 5 years.						Operating Budget Impact					
							2022	2023	2024	2025	2026
						Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
						Admin. / Office Expenses	-	-	-	-	-
						Professional Services	-	-	-	-	-
						Operating and Maintenance	-	-	-	-	-
						Debt Service	-	-	-	-	-
						Trsfr to Plant Permitting Rsrv	9,500	9,500	9,500	9,500	10,000
						Maintenance / OH Allocation	1,140	1,140	1,140	1,140	1,200
Total						\$ 10,640	\$ 10,640	\$ 10,640	\$ 10,640	\$ 11,200	
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total			
			2022	2023	2024	2025	2026 to Completion				
Design/Engineering	\$ 30,424	\$ 17,900	\$ 4,700	\$ -	\$ -	\$ -	\$ 46,000	\$ 99,024			
Land/Right of Way											
Construction											
Admin/Inspection	15,001	1,850	1,880	-	-	-	6,000	24,731			
Legal	-	250	3,000	-	-	-	8,000	11,250			
Furniture/Equipment											
Total Costs	\$ 45,425	\$ 20,000	\$ 9,580	\$ -	\$ -	\$ -	\$ 60,000	\$ 135,005			
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total			
			2022	2023	2024	2025	2026 to Completion				
Revenue Bonds											
Non-Bond Capital Rsrv Funds											
Plant Permitting Rsrv Funds	\$ 45,425	\$ 20,000	\$ 9,580	\$ -	\$ -	\$ -	\$ 60,000	\$ 135,005			
Operating Funds											
O&M Reserve Funds											
Total Sources	\$ 45,425	\$ 20,000	\$ 9,580	\$ -	\$ -	\$ -	\$ 60,000	\$ 135,005			
Project Schedule	Project Start Date		Project Completion Date			Site Information					
	Sep-18		2022								
Design/Engineering						1780 Navo Road Aubrey, Tx					
Land/Right of Way											
Construction											
Admin/Inspection	Oct-18		2022								
Legal	May-19		2022								
Furniture/Equipment											
Total Project			Every 5 Yrs								

Project Title							Department				
Plant Expansion, Phase 3 (from 2.0 to 4.0 MGD)							5R3				
Description Complete construction of additional improvements to sludge processing, storage, and disposal activities at the Riverbend Regional Water Reclamation Plant after treatment capacity was previously increased from 2.0 to 4.0 MGD.					Operating Budget Impact						
						2022	2023	2024	2025	2026	
					Personnel Services	\$ 262,500	\$ 275,625	\$ 289,406	\$ 303,877	\$ 319,070	
					Admin. / Office Expenses	2,600	2,704	2,812	2,925	3,042	
					Professional Services	-	-	-	-	-	
					Operating and Maintenance	-	-	-	-	-	
					Debt Service	1,264,270	1,639,269	1,957,606	2,094,296	2,152,036	
					Furniture and Equipment	-	-	-	-	-	
Maintenance / OH Allocation	31,812	33,399	35,066	36,816	38,653						
Total					\$ 1,561,182	\$ 1,950,997	\$ 2,284,890	\$ 2,437,914	\$ 2,512,801		
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures				Project Total			
				2022	2023	2024	2025		2026 to Completion		
Design/Engineering		\$ 4,566,333	\$ 95,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 4,761,333		
Sidestream Treatment Project (5BS)		1,161,792	-	-	-	-	-	-	1,161,792		
Construction		31,399,271	587,100	1,418,255	-	-	-	-	33,404,626		
Admin/Inspection		3,957,077	107,900	205,000	-	-	-	-	4,269,977		
Bio-Mag Testing		14,630	-	-	-	-	-	-	14,630		
Furniture/Equipment (Lab Cabinets/Counters)		-	60,000	-	-	-	-	-	60,000		
Other											
Total Costs		\$ 41,099,103	\$ 850,000	\$ 1,723,255	\$ -	\$ -	\$ -	\$ -	\$ 43,672,358		
Source of Funds		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations				Project Total			
				2022	2023	2024	2025		2026 to Completion		
TWDB "D" Funds		\$ 29,350,969	\$ 607,028	\$ 1,096,368	\$ -	\$ -	\$ -	\$ -	\$ 31,054,366		
Contribution Sources		11,748,134	242,972	438,837	-	-	-	-	12,429,942		
Building Activity Fee Reserve Funds											
Operating Funds											
Non-Bond Capital Reserve Funds		-	-	188,050	-	-	-	-	188,050		
Total Sources		\$ 41,099,103	\$ 850,000	\$ 1,723,255	\$ -	\$ -	\$ -	\$ -	\$ 43,672,358		
Project Schedule		Project Start Date		Project Completion Date		Site Information 1780 Navo Road Aubrey, Tx					
Design/Engineering		Jun-15		2022							
Sidestream Treatment Project (5BS)		Oct-14		Jul-16							
Construction		Sep-16		2022							
Admin/Inspection		Mar-15		2022							
Bio-Mag Testing		Jan-17		Mar-17							
Furniture/Equipment (Lab Cabinets/Counters)		Nov-20		Nov-20							
Total Project				2022							



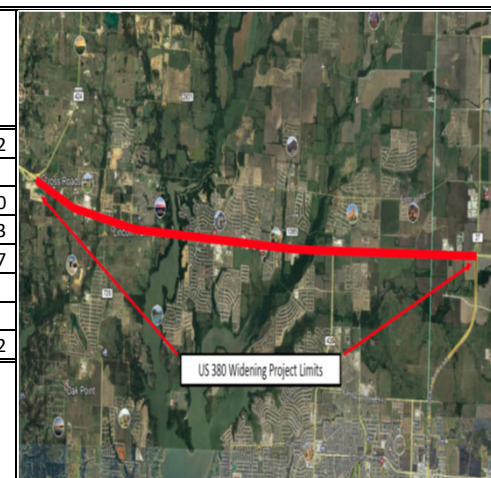


Project Title							Department			
West Influent Pump Station Improvements							SIP			
Description Investigate the operational status of the West Influent Pump Station and determine future improvements for the transfer of increased wastewater flows from the Northeast service area.					Operating Budget Impact					
						2022	2023	2024	2025	2026
					Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
					Admin. / Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	-	-	-
					Debt Service	-	111,775	115,075	113,163	111,250
					Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation					-	-	-	-	-	
Total					\$ -	\$ 111,775	\$ 115,075	\$ 113,163	\$ 111,250	
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total		
			2022	2023	2024	2025	2026 to Completion			
Design/Engineering	\$ -	\$ -	\$ 89,000	\$ 35,000	\$ -	\$ -	\$ -	\$ 124,000		
Land/Right of Way										
Construction	-	-	-	1,660,000	-	-	-	1,660,000		
Admin/Inspection	-	-	11,000	205,000	-	-	-	216,000		
Legal										
Furniture/Equipment										
Total Costs	\$ -	\$ -	\$ 100,000	\$ 1,900,000	\$ -	\$ -	\$ -	\$ 2,000,000		
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total		
			2022	2023	2024	2025	2026 to Completion			
Revenue Bonds	\$ -	\$ -	\$ 100,000	\$ 1,900,000	\$ -	\$ -	\$ -	\$ 2,000,000		
Non-Bond Capital Rsrv Funds										
Operating Funds										
O&M Reserve Funds										
Contribution Sources										
Total Sources	\$ -	\$ -	\$ 100,000	\$ 1,900,000	\$ -	\$ -	\$ -	\$ 2,000,000		
Project Schedule	Project Start Date		Project Completion Date		Site Information					
Design/Engineering	2022		2023		1780 Navo Road Aubrey, Tx					
Land/Right of Way										
Construction	2023		2023							
Admin/Inspection	2022		2023							
Legal										
Furniture/Equipment										
Total Project			2023							

Project Title								Department
Customer Pipeline Extensions								5RX
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 (Riverbend Plant).					2022	2023	2024	2025 2026
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total
			2022	2023	2024	2025	2026 to Completion	
Design/Engineering								
Land/Right of Way								
Construction/Other	\$ -	\$ 1,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 51,000
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Costs	\$ -	\$ 1,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 51,000
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total
			2022	2023	2024	2025	2026 to Completion	
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
Operating Funds								
Contribution Sources	\$ -	\$ 1,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 51,000
O&M Reserve Funds								
Total Sources	\$ -	\$ 1,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 51,000
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	Sep-21	Ongoing						
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Project		Ongoing						



Project Title								Department
Relocation / TxDOT US Hwy 380 Project								5R8
Description				Operating Budget Impact				
Complete design / engineering and construction in coordination with the Texas Department of Transportation's U.S. Hwy 380 project for the relocation of the Riverbend Plant's wastewater pipelines and associated facilities, due to roadway improvements. Upon project completion, the District will be reimbursed by the Texas Department of Transportation for approximately 80% of project costs.				2022	2023	2024	2025	2026
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total
			2022	2023	2024	2025	2026 to Completion	
Design/Engineering	\$ 13,262	\$ 3,710	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 18,972
Land/Right of Way								
Construction / Other	-	64,400	11,100	-	-	-	-	75,500
Admin/Inspection	1,973	10,000	1,900	-	-	-	-	13,873
Legal	587	-	-	-	-	-	-	587
Furniture/Equipment								
Total Costs	\$ 15,822	\$ 78,110	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 108,932
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total
			2022	2023	2024	2025	2026 to Completion	
Commercial Paper								
Non-Bond Capital Rsrv (Outflow)	\$ 15,822	\$ 78,110	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 108,932
Non-Bond Capital Rsrv (Inflow)	-	-	(87,146)	-	-	-	-	\$ (87,146)
TxDOT Reimbursement								
TWDB Funds	-	-	87,146	-	-	-	-	\$ 87,146
Total Sources	\$ 15,822	\$ 78,110	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 108,932
Project Schedule		Project		Site Information				
		Start Date	Completion Date					
Design/Engineering		Jul-19	2022	Project limits are from approximately Loop 288 to the Tollway (Denton County, Tx.)				
Land/Right of Way								
Construction / Other		Jan-21	2022					
Admin/Inspection		Feb-19	2022					
Legal		Mar-19	Feb-20					
Furniture/Equipment								
Total Project			2022					



ESTIMATED ANNUAL OPERATING EXPENSE FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	5-Year Total
5RL	Permit Re-Rating / Renewal	\$ 10,640	\$ 10,640	\$ 10,640	\$ 10,640	\$ 11,200	\$ 53,760
5R3	Plant Expansion, Phase 3 (from 2.0 to 4.0 MGD)	1,561,182	1,950,997	2,284,890	2,437,914	2,512,801	10,747,784
5IP	West Influent Pump Station and Dewatering Improvements	-	111,775	115,075	113,163	111,250	451,263
Total		\$ 1,571,822	\$ 2,073,412	\$ 2,410,605	\$ 2,561,717	\$ 2,635,251	\$ 11,252,807

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 12% of total operating expenses (excluding debt service).

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM- DOE BRANCH PLANT

The FY 2022 adopted capital budget for the Northeast Regional Water Reclamation System – Doe Branch Plant is \$13,017,255; a decrease of \$7,641,145 from the previous year adopted capital budget of \$20,658,400. This decrease is primarily due to a shift in the project timeline for the Plant Expansion, Phase 2.

FY 2022 funding consists of the following:

Funding Sources	FY 2022 Budget
Revenue Bonds	\$6,501,877
Non-Bond Capital Reserve Funds	\$227,000
Loan from RTWS Non-Bond Capital Reserve Funds (net)	\$0*
TxDOT Reimbursements	\$3,000,000
Contribution Sources	\$3,288,378

*A \$3.00 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 2 (from 2.0 to 4.0 MGD) – Due to continued customer growth in the Doe Branch service area, the FY 2022 capital budget includes funding to complete the expansion of the Doe Branch plant's treatment capacity from 2.0 to 4.0 mgd.

- FY 2022 Budget: \$6,162,255
- Funding Sources: Revenue Bonds, Contribution Sources

Plant Expansion, Phase 3 (from 4.0 to 8.0 MGD) – As the population continues to grow and following completion of Phase 2 of the plant expansion, funding is provided to begin initial design and engineering for the third phase of expansion.

- FY 2022 Budget: \$500,000
- Funding Source: Revenue Bonds

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 purchases of rights-of-way for the construction of this parallel interceptor.

- FY 2022 Budget: \$3,345,000
- Funding Source: Revenue Bonds, Non-Bond Capital Reserve 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 2022 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 2022 Budget: \$3,000,000
- Funding Sources: RTWS Non-Bond Capital Reserve Interfund Loan, Non-Bond Capital Reserve Funds

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 2026 to continue these activities.

- FY 2022 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 2025.

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 Rd north to the junction structure near Parvin and Good Hope Rd in Little Elm, Tx.

CONSTRUCTION CASH FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 28,402,225	\$ 18,667,225	\$ 19,811,865	\$ 10,389,670
Transfer to Operations	\$ (8,590,360)	\$ (16,997,500)	\$ (9,422,195)	
BEGINNING CASH BALANCE Revised	\$ 19,811,865	\$ 1,669,725	\$ 10,389,670	
REVENUES				
Deposit - TxDOT Reimbursement				
Relocation / TxDOT U.S. Hwy 380 Project	-	-	-	3,000,000
Revenue Bonds				
Phase 1, Parallel Interceptor	-	-	-	5,000,000
Plant Expansion, Phase 3	-	-	-	10,000,000
Contribution Sources				
Metering Points Coordination Project	-	4,900	-	-
Customer Pipeline Extensions	-	10,000	1,000	10,000
Interfund Transfers				
Non-Bond Capital Reserve Fund	203,090	-	799,125	227,000
Plant Permitting Reserve Fund				
Regional Treated Water System				
Non-Bond Capital Reserve Fund				
Loan for the Relocation / TxDOT U.S.				
Hwy 380 Project (14-5B8)	-	3,637,500	3,000,000	-
Working Capital	8,590,360	16,997,500	9,422,195	-
Interest Income	253,484	8,500	21,405	19,220
TOTAL REVENUES	\$ 9,046,934	\$ 20,658,400	\$ 13,243,725	\$ 18,256,220
EXPENDITURES				
Construction Improvement Projects	9,046,934	20,658,400	12,972,125	13,017,255
Refund to Town of Prosper (from Contributions)	-	-	271,600	-
Interfund Transfer - Regional Treated Water System				
Non-Bond Capital Reserve Fund				
Loan Repayment (U.S. Hwy 380 Project)	-	-	-	3,000,000
TOTAL EXPENDITURES	\$ 9,046,934	\$ 20,658,400	\$ 13,243,725	\$ 16,017,255
ENDING CASH BALANCE 9/30	\$ 19,811,865	\$ 1,669,725	\$ 10,389,670	\$ 12,628,635

FY 2022 Ending Balance increase of \$10,958,910 is largely due to the delay of work on the Relocation / TxDOT U.S. Hwy 380 and Doe Branch Plant Expansion, Phase 2 projects from FY 2021 to FY 2022. Additionally, the reserve balance increased due to including projected transactions for FY 2022.

FY 2022 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2026

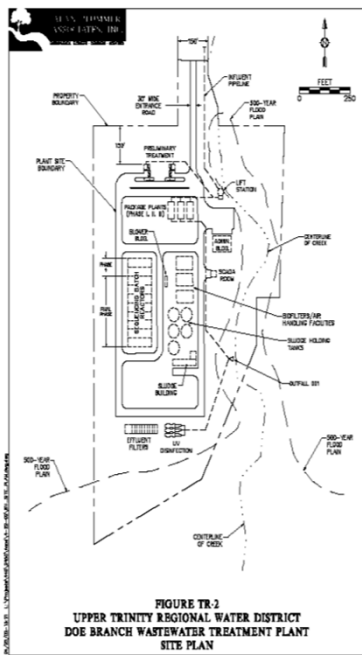
Project Acct	Project	Prior Expenditures	Estimated FY 2021	Adopted FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
5BL	Permit Re-Rating / Renewal	\$ 57,836	\$ 17,165	\$ -	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ 135,001
58T	Plant Expansion, Phase 2 (from 2.0 to 4.0 MGD) *	11,077,745	11,500,000	6,162,255	-	-	-	-	28,740,000
58U	Plant Expansion, Phase 3 (from 4.0 to 8.0 MGD)	-	-	500,000	1,500,000	12,000,000	26,000,000	-	40,000,000
51A	Phase 1, Parallel Interceptor *	-	85,000	3,345,000	6,570,000	3,500,000	-	-	13,500,000
52A	Phase 2, Parallel Interceptor	-	-	-	-	-	750,000	3,850,000	4,600,000
5B8	Relocation / TxDOT US Hwy 380 Project *	221,040	1,368,960	3,000,000	-	-	-	-	4,590,000
58X	Customer Pipeline Extensions	-	1,000	10,000	10,000	10,000	10,000	10,000	51,000
	Total	\$ 11,356,621	\$ 12,972,125	\$ 13,017,255	\$ 8,080,000	\$ 15,510,000	\$ 26,800,000	\$ 3,880,000	\$ 91,616,001

Funding Sources:


Revenue Bonds

Plant Expansion, Phase 2 (58T)	\$ 5,184,280	\$ 5,381,892	\$ 2,883,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,450,049
Plant Expansion, Phase 3 (58U)	-	-	500,000	1,500,000	12,000,000	26,000,000	-	-	40,000,000
Phase 1, Parallel Interceptor (51A)	-	-	3,118,000	6,570,000	3,500,000	-	-	-	13,188,000
Phase 2, Parallel Interceptor (52A)	-	-	-	-	-	750,000	3,850,000	-	4,600,000
Non-Bond Capital Reserve Funds	278,876	799,125	227,000	-	-	-	-	-	1,305,001
Plant Permitting Reserve Funds	-	-	-	-	-	40,000	20,000	-	60,000
RTWS NBCR Loan (Out)	-	672,000	3,000,000	-	-	-	-	-	3,672,000
RTWS NBCR Loan (In)	-	(672,000)	(3,000,000)	-	-	-	-	-	(3,672,000)
TXDOT Reimbursement	-	672,000	3,000,000	-	-	-	-	-	3,672,000
Contribution Sources									
Plant Expansion, Phase 2 (58T)	5,893,465	6,118,108	3,278,378	-	-	-	-	-	15,289,951
Customer Pipeline Extensions (58X)	-	1,000	10,000	10,000	10,000	10,000	10,000	10,000	51,000
Total	\$ 11,356,621	\$ 12,972,125	\$ 13,017,255	\$ 8,080,000	\$ 15,510,000	\$ 26,800,000	\$ 3,880,000	\$ 3,880,000	\$ 91,616,001

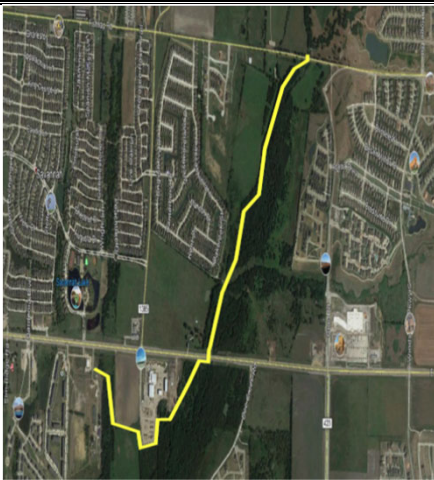
* Multiple Funding Sources

Project Title							Department				
Plant Expansion, Phase 2 (2.0 to 4.0 MGD)							58T				
Description Complete construction for the expansion of the Doe Branch Regional Water Reclamation Plant from 2.0 to 4.0 MGD.						Operating Budget Impact					
							2022	2023	2024	2025	2026
						Personnel Services	\$ 200,000	\$ 210,000	\$ 220,500	\$ 231,525	\$ 243,101
						Admin. / Office Expenses	1,850	1,924	2,001	2,081	2,164
						Professional Services	950	988	1,028	1,069	1,111
						Operating and Maintenance	40,550	42,172	43,859	45,613	47,438
						Debt Service	1,760,425	1,764,825	1,756,325	1,761,575	1,764,825
						Furniture and Equipment	3,850	3,200	2,500	2,500	2,575
						Maintenance / OH Allocation	29,664	30,994	32,386	33,935	35,567
Total						\$ 2,037,289	\$ 2,054,103	\$ 2,058,599	\$ 2,078,298	\$ 2,096,781	
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures				Project Total			
				2022	2023	2024	2025			2026 to Completion	
Design/Engineering		\$ 2,406,982	\$ 50,440	\$ -	\$ -	\$ -	\$ -	\$ 2,457,422			
Land/Right of Way											
Construction		7,762,615	9,985,000	5,700,000	-	-	-	23,447,615			
Project Mgmt & Overhead		876,383	1,464,560	462,255	-	-	-	2,803,198			
Legal		690	-	-	-	-	-	690			
Furniture/Equipment		20,250	-	-	-	-	-	20,250			
Other - Advertising		10,825	-	-	-	-	-	10,825			
Total Costs		\$ 11,077,745	\$ 11,500,000	\$ 6,162,255	\$ -	\$ -	\$ -	\$ 28,740,000			
Source of Funds		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations				Project Total			
				2022	2023	2024	2025		2026 to Completion		
Revenue Bonds		\$ 5,184,280	\$ 5,381,892	\$ 2,883,877	\$ -	\$ -	\$ -	\$ 13,450,049			
Commercial Paper											
Non-Bond Capital Rsrv Funds											
Contribution Sources		5,893,465	6,118,108	3,278,378	-	-	-	15,289,951			
Operating Funds											
Total Sources		\$ 11,077,745	\$ 11,500,000	\$ 6,162,255	\$ -	\$ -	\$ -	\$ 28,740,000			
Project Schedule		Project Start Date		Project Completion Date		Site Information					
Design/Engineering		Jan-18		2021		27080 U.S. Highway 380 Little Elm, Tx					
Land/Right of Way											
Construction		Feb-20		2022							
Admin/Inspection		Jan-18		2022							
Legal		May-19		May-19							
Furniture/Equipment											
Other - Advertising		May-19		Jul-19							
Total Project				2022							

Project Title							Department			
Plant Expansion, Phase 3 (from 4.0 to 8.0 MGD)							58U			
Description Begin initial design / engineering to expand the treatment capacity of the Doe Branch Regional Water Reclamation Plant from 4.0 to 8.0 MGD.					Operating Budget Impact					
						2022	2023	2024	2025	2026
					Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ 250,000
					Admin. / Office Expenses	-	-	-	-	2,000
					Professional Services	-	-	-	-	1,050
					Operating and Maintenance	-	-	-	-	50,000
					Debt Service	-	284,463	285,000	285,325	2,632,038
					Furniture and Equipment	-	-	-	-	2,500
Maintenance / OH Allocation					-	-	-	-	36,666	
Total					\$ -	\$ 284,463	\$ 285,000	\$ 285,325	\$ 2,974,254	
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total		
			2022	2023	2024	2025	2026 to Completion			
Design/Engineering	\$ -	\$ -	\$ 445,000	\$ 1,100,000	\$ 1,500,000	\$ 680,000	\$ -	\$ 3,725,000		
Land/Right of Way										
Construction	-	-	-	235,000	9,205,000	22,500,000	-	31,940,000		
Admin/Inspection	-	-	55,000	165,000	1,295,000	2,820,000	-	4,335,000		
Legal										
Furniture/Equipment										
Other										
Total Costs	\$ -	\$ -	\$ 500,000	\$ 1,500,000	\$ 12,000,000	\$ 26,000,000	\$ -	\$ 40,000,000		
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total		
			2022	2023	2024	2025	2026 to Completion			
Revenue Bonds	\$ -	\$ -	\$ 500,000	\$ 1,500,000	\$ 12,000,000	\$ 26,000,000	\$ -	\$ 40,000,000		
Commercial Paper										
Non-Bond Capital Rsrv Funds										
Contribution Sources										
Operating Funds										
Total Sources	\$ -	\$ -	\$ 500,000	\$ 1,500,000	\$ 12,000,000	\$ 26,000,000	\$ -	\$ 40,000,000		
Project Schedule	Project Start Date		Project Completion Date		Site Information					
Design/Engineering	2022		2025							
Land/Right of Way					27080 U.S. Highway 380 Little Elm, Tx					
Construction	2023		2025							
Admin/Inspection	2022		2025							
Utility Enhancements										
Furniture/Equipment										
Total Project			2025							

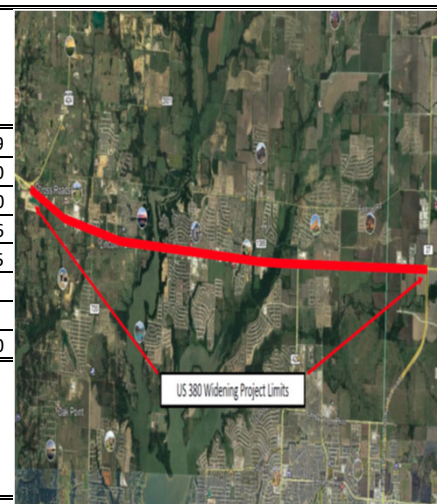




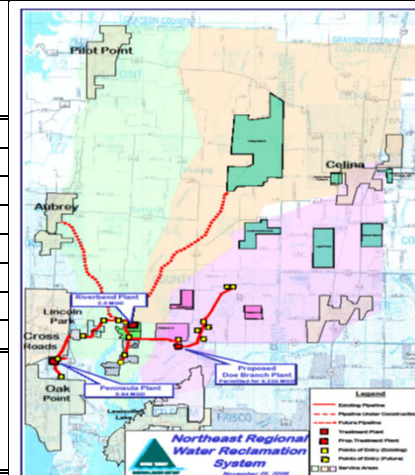
Project Title								Department				
Phase 1, Parallel Interceptor								51A				
Description Continue design / engineering, purchases of rights-of-way, and begin the construction of a parallel interceptor from approximately Fishtrap Road south to the Doe Branch Water Reclamation Plant for additional capacity to transport the ever-increasing wastewater flows from the Northeast service area.						Operating Budget Impact						
							2022	2023	2024	2025	2026	
						Personnel Services	\$ -	\$ -	\$ -	\$ 25,000	\$ 26,250	
						Admin. / Office Expenses	-	-	-	-	-	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	-	-	68,950	71,708	
						Debt Service	-	563,500	564,788	565,650	566,088	
						Furniture and Equipment	-	-	-	-	2,500	
Maintenance / OH Allocation	-	-	-	11,274	12,055							
Total						\$ -	\$ 563,500	\$ 564,788	\$ 670,874	\$ 678,601		
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total				
			2022	2023	2024	2025	2026 to Completion					
Design/Engineering	\$ -	\$ 75,900	\$ 750,000	\$ 184,000	\$ -	\$ -	\$ -	\$ 1,009,900				
Land/Right of Way	-	-	565,000	-	-	-	-	565,000				
Construction	-	-	1,700,000	5,641,000	3,130,000	-	-	10,471,000				
Admin/Inspection	-	9,100	330,000	745,000	370,000	-	-	1,454,100				
Legal												
Furniture/Equipment												
Other												
Total Costs	\$ -	\$ 85,000	\$ 3,345,000	\$ 6,570,000	\$ 3,500,000	\$ -	\$ -	\$ 13,500,000				
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total				
			2022	2023	2024	2025	2026 to Completion					
Revenue Bonds	\$ -	\$ -	\$ 3,118,000	\$ 6,570,000	\$ 3,500,000	\$ -	\$ -	\$ 13,188,000				
Commercial Paper												
Non-Bond Capital Rsrv Funds	-	85,000	227,000	-	-	-	-	312,000				
Contribution Sources												
Total Sources	\$ -	\$ 85,000	\$ 3,345,000	\$ 6,570,000	\$ 3,500,000	\$ -	\$ -	\$ 13,500,000				
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. Hwy 380 Little Elm, Tx							
Design/Engineering	Aug-21		2023									
Land/Right of Way	2022		2022									
Construction	2022		2024									
Admin/Inspection	Jul-21		2024									
Utility Enhancements												
Furniture/Equipment												
Total Project			2024									



Project Title								Department
Relocation / TxDOT US Hwy 380 Project								5B8
Description				Operating Budget Impact				
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 80% of project costs.				2022	2023	2024	2025	2026
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total
			2022	2023	2024	2025	2026 to Completion	
Design/Engineering	\$ 195,399	\$ 710,180	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 955,579
Land/Right of Way	-	508,780	-	-	-	-	-	508,780
Construction / Other	-	-	2,650,000	-	-	-	-	2,650,000
Admin/Inspection	24,596	150,000	300,000	-	-	-	-	474,596
Legal	1,045	-	-	-	-	-	-	1,045
Furniture/Equipment								
Total Costs	\$ 221,040	\$ 1,368,960	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 4,590,000
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total
			2022	2023	2024	2025	2026 to Completion	
Revenue Bonds								
RTWS NBCR Loan (Outflow)	\$ -	\$ 672,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,672,000
RTWS NBCR Loan (Inflow)	-	(672,000)	(3,000,000)	-	-	-	-	(3,672,000)
Non-Bond Capital Rsrv (Outflow)	221,040	696,960	-	-	-	-	-	918,000
Non-Bond Capital Rsrv (Inflow)								
TxDOT Reimbursement	-	672,000	3,000,000	-	-	-	-	3,672,000
Total Sources	\$ 221,040	\$ 1,368,960	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 4,590,000
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering		June-19	2022	Project limits are from approximately Loop 288 to the Tollway (Denton County, Tx.)				
Land/Right of Way		Aug-21	Sep-21					
Construction / Other		2022	2022					
Admin/Inspection		Jun-19	2022					
Legal		Jun-19	Feb-20					
Furniture/Equipment								
Total Project			2022					



Project Title								Department
Customer Pipeline Extensions								58X
Description Coordinate and plan for future wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System (Doe Branch Plant).					Operating Budget Impact			
					2022	2023	2024	2025 2026
					Personnel Services			
					Admin. / Office Expenses			
					Professional Services			
					Operating and Maintenance			
					Debt Service			
					Furniture and Equipment			
					Maintenance / OH Allocation			
					Total			
Project Costs	Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures					Project Total
			2022	2023	2024	2025	2026 to Completion	
Design/Engineering								
Land/Right of Way								
Construction/Other	\$ -	\$ 1,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 51,000
Admin/Inspection								
Legal								
Furniture/Equipment								
Other								
Total Costs	\$ -	\$ 1,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 51,000
Source of Funds	Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations					Project Total
			2022	2023	2024	2025	2026 to Completion	
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
Contribution Sources	\$ -	\$ 1,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 51,000
Operating Funds								
O&M Reserve Funds								
Total Sources	\$ -	\$ 1,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 51,000
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		2021	Ongoing					
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Project			Ongoing					



ESTIMATED ANNUAL OPERATING EXPENSE FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	5-Year Total
58T	Plant Expansion, Phase 2 (from 2.0 to 4.0 MGD)	\$ 2,037,289	\$ 2,054,103	\$ 2,058,599	\$ 2,078,298	\$ 2,096,781	\$ 10,325,070
58U	Plant Expansion, Phase 3 (from 4.0 to 8.0 MGD)	-	284,463	285,000	285,325	2,974,254	3,829,042
51A	Phase 1, Parallel Interceptor	-	563,500	564,788	670,874	678,601	2,477,763
Total		\$ 2,037,289	\$ 2,902,066	\$ 2,908,387	\$ 3,034,497	\$ 5,749,636	\$ 16,631,875

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 12% of total operating expenses (excluding debt service).

PENINSULA WATER RECLAMATION PLANT

The FY 2022 adopted capital budget for the Peninsula Water Reclamation Plant is \$15,090,930; an increase of \$6,646,475 from the previous year adopted capital budget of \$8,444,455. This increase is primarily due to entering the construction phase of the Plant Expansion, Phase 3.

FY 2022 funding consists of the following:

Funding Sources	FY 2022 Budget
Plant Permitting Reserve Funds	\$20,000
Contribution Sources	\$15,070,930

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 Peninsula Water Reclamation Plant.

- FY 2022 Budget: \$20,000
- Funding Source: Plant Permitting Reserve Funds

Plant Expansion, Phase 3 (from 0.94 to 2.0 MGD) – Due to continued growth in the Peninsula Plant service area, the District will complete design / engineering and continue construction to expand the treatment capacity of the Peninsula Plant from 0.94 to 2.0 mgd.

- FY 2022 Budget: \$15,070,930
- Funding Source: Contribution Sources

FUTURE PROJECTS

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.

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.

CONSTRUCTION CASH FUND

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
BEGINNING CASH BALANCE 10/01	\$ 243,058	\$ 270,403	\$ 508,963	\$ 18,137,558
Transfer to Operations				\$ (15,064,795)
BEGINNING CASH BALANCE Revised				\$ 3,072,763
REVENUES				
Contribution Sources				
Plant Expansion, Phase 3	-	17,977,955	21,092,390	-
Interfund Transfers				
Non-Bond Capital Reserve Fund	2,042	-	-	-
Plant Permitting Reserve Fund	-	40,000	40,000	20,000
Working Capital	-	-	-	15,064,795
Northeast Regional Water Reclamation System				
Operations	-	-	-	-
Building Activity Fee Reserve Fund	1,116,500	-	-	-
Interest Income	10,808	19,690	36,205	6,135
TOTAL REVENUES	\$ 1,129,350	\$ 18,037,645	\$ 21,168,595	\$ 15,090,930
EXPENDITURES				
Construction Improvement Projects	863,445	8,444,455	3,540,000	15,090,930
TOTAL EXPENDITURES	\$ 863,445	\$ 8,444,455	\$ 3,540,000	\$ 15,090,930
ENDING CASH BALANCE 9/30	\$ 508,963	\$ 9,863,593	\$ 18,137,558	\$ 3,072,763

FY 2022 Ending Balance decrease of \$6,790,830 is due to continued funding (from Contribution Sources) for the Peninsula Plant Expansion, Phase 3 project through FY 2022.
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FY 2022 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2026

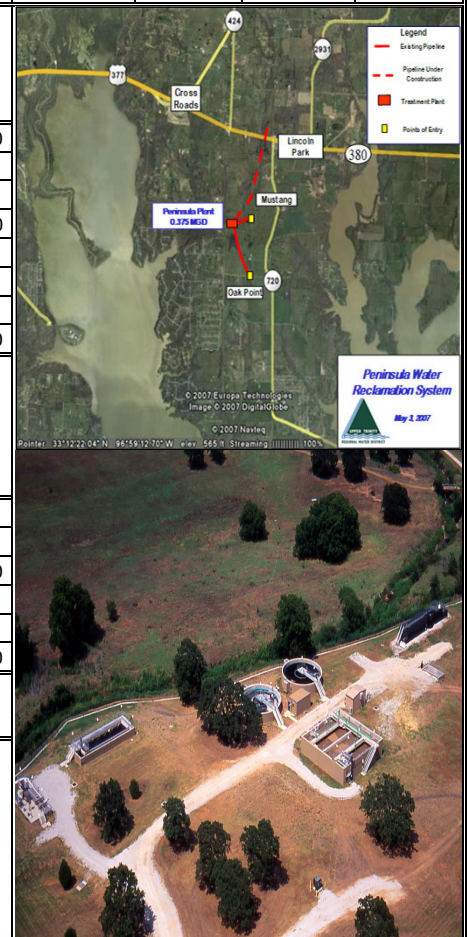
Project Acct	Project	Prior Year Expenditures	Estimated FY 2021	Adopted FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
5PL	Permit Renewal	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 40,000	\$ 100,000
5N3	Plant Expansion, Phase 3 (from 0.94 to 2.0 MGD) *	863,960	3,500,000	15,070,930	3,000,000	-	-	-	22,434,890
TBD	Plant Expansion, Phase 4 (from 2.0 to 4.0 MGD)	-	-	-	-	-	-	400,000	400,000
	Total	\$ 863,960	\$ 3,540,000	\$ 15,090,930	\$ 3,000,000	\$ -	\$ -	\$ 440,000	\$ 22,934,890



Funding Sources:

Construction Cash Funds (Series 2016 Bonds)	\$ 146,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,000
Non-Bond Capital Reserve Funds	50,000	-	-	-	-	-	-	-	50,000
Plant Permitting Reserve Funds	-	40,000	20,000	-	-	-	-	40,000	100,000
Contribution Sources	-	3,021,461	15,070,930	3,000,000	-	-	-	400,000	21,492,391
Contribution Sources (Building Activity Fees)	667,960	478,539	-	-	-	-	-	-	1,146,499
Total	\$ 863,960	\$ 3,540,000	\$ 15,090,930	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 440,000	\$ 22,934,890

* Multiple Funding Sources

Project Title								Department				
Permit Renewal								SPL				
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						
						Total						



Project Title								Department				
Plant Expansion, Phase 3 (from 0.94 to 2.0 MGD)								5N3				
Description Complete design / engineering and continue construction to expand the treatment capacity of the Peninsula Water Reclamation Plant from 0.94 to 2.0 MGD.						Operating Budget Impact						
							2022	2023	2024	2025	2026	
						Personnel Services	\$ -	\$ 15,000	\$ 115,750	\$ 121,538	\$ 127,614	
						Admin. / Office Expenses	-	1,850	1,924	2,001	2,081	
						Professional Services	-	1,200	1,254	1,304	1,356	
						Operating and Maintenance	-	73,000	142,500	148,200	154,128	
						Debt Service	-	-	-	-	-	
						Furniture and Equipment	-	-	50,000	-	-	
						Maintenance / OH Allocation	-	10,926	37,371	32,765	34,222	
Total						\$ -	\$ 101,976	\$ 348,799	\$ 305,808	\$ 319,401		
Project Costs		Expenditures through FY 2020	Estimated Expenditures FY 2021	Future Planned Expenditures				Project Total				
				2022	2023	2024	2025			2026 to Completion		
Design/Engineering		\$ 799,097	\$ 884,455	\$ 37,800	\$ -	\$ -	\$ -	\$ -		\$ 1,721,352		
Land/Right of Way												
Construction		-	2,350,675	14,072,000	2,685,000	-	-	-		19,107,675		
Admin/Inspection		64,863	264,870	961,130	315,000	-	-	-		1,605,863		
Legal												
Furniture/Equipment												
Other												
Total Costs		\$ 863,960	\$ 3,500,000	\$ 15,070,930	\$ 3,000,000	\$ -	\$ -	\$ -		\$ 22,434,890		
Source of Funds		Appropriations through FY 2020	Estimated Appropriations FY 2021	Future Planned Appropriations				Project Total				
				2022	2023	2024	2025			2026 to Completion		
Revenue Bonds												
Construction Cash (Series 2016 Bonds)		\$ 146,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		146,000		
Non-Bond Capital Reserve Funds		50,000	-	-	-	-	-	-		50,000		
Contribution Sources		-	3,021,461	15,070,930	3,000,000	-	-	-		21,092,391		
Contribution Sources (Bldg Activity Fees)		667,960	478,539	-	-	-	-	-		1,146,499		
Total Sources		\$ 863,960	\$ 3,500,000	\$ 15,070,930	\$ 3,000,000	\$ -	\$ -	\$ -		\$ 22,434,890		
Project Schedule		Project Start Date		Project Completion Date		Site Information						
Design/Engineering		Sep-19		2022								
Land/Right of Way						1130 Naylor Road Oak Point, Tx (FM 720 and Hwy 380)						
Construction		Sep-21		2023								
Admin/Inspection		Mar-16		2023								
Legal												
Furniture/Equipment												
Total Project				2023								



ESTIMATED ANNUAL OPERATING EXPENSE FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	5-Year Total
5PL	Permit Renewal	\$ 5,600	\$ 13,440	\$ 13,440	\$ 13,440	\$ 13,440	\$ 59,360
5N3	Plant Expansion, Phase 3 (from 0.94 to 2.0 MGD)	-	101,976	348,799	305,808	319,401	1,075,984
Total		\$ 5,600	\$ 115,416	\$ 362,239	\$ 319,248	\$ 332,841	\$ 1,135,344

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.

Personnel expense estimates based on additional hiring of wastewater operators (Salary and Benefits).

Maintenance and Administration Overhead Allocation amounts are based on 12% of total operating expenses (excluding debt service).

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 2022 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.

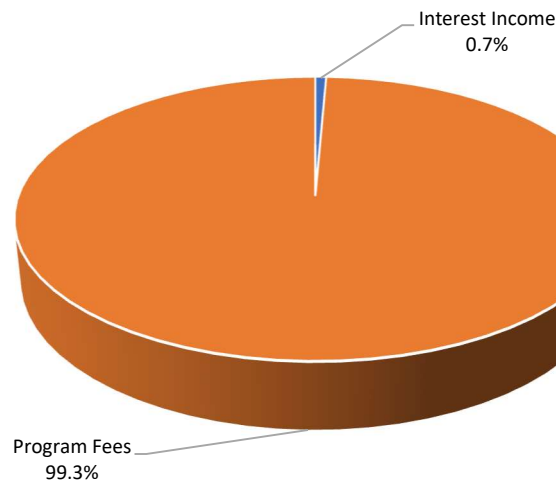
GOALS AND OBJECTIVE

- Provide accurate accounting of land, rights-of-way, and other costs associated with District construction projects.

BUDGET SUMMARY

		FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
Beginning Balance		\$ 57,333	\$ 57,978	\$ 57,970	\$ 58,080
Capital Revenue					
Program Fees:	2022 Est. Pop.				
Argyle	4,430	\$ 3,336	\$ 3,450	\$ 3,450	\$ 3,545
Black Rock WSC	1,490	3,105	3,105	3,105	3,425
Copper Canyon	1,460	1,144	1,160	1,160	1,170
Pilot Point	4,500	5,000	5,000	5,000	5,000
Ponder	2,400	5,000	5,000	5,000	5,000
Total Program Fees	14,280	\$ 17,585	\$ 17,715	\$ 17,715	\$ 18,140
Interest Revenue		\$ 637	\$ 525	\$ 110	\$ 125
Total Capital Revenue		\$ 18,222	\$ 18,240	\$ 17,825	\$ 18,265
Capital Expense					
Interfund Transfer:					
RTWS - Construction Cash		\$ 17,585	\$ 17,715	\$ 17,715	\$ 18,140
Total Capital Expense		\$ 17,585	\$ 17,715	\$ 17,715	\$ 18,140
Ending Balance		\$ 57,970	\$ 59,575	\$ 58,080	\$ 58,205

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.
- Interest Income is representative of current market conditions.
- Transfer of Program Fees to the Regional Treated Water System Construction Cash for capital project improvement funding assistance.

Project/ Description	Year End FY 2021	FY 2022 Expenses	FY 2022 Reimbursements	Projected Year End FY 2022
Regional Treated Water System – CIP Projects	\$17,715	\$18,140	\$(0.00)	\$35,855

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.

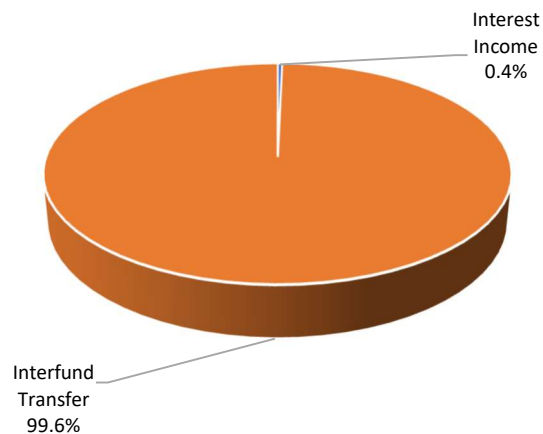
GOALS AND OBJECTIVE

- Provide accurate accounting of all activities associated with feasibility studies deemed necessary to determine the potential of future projects.

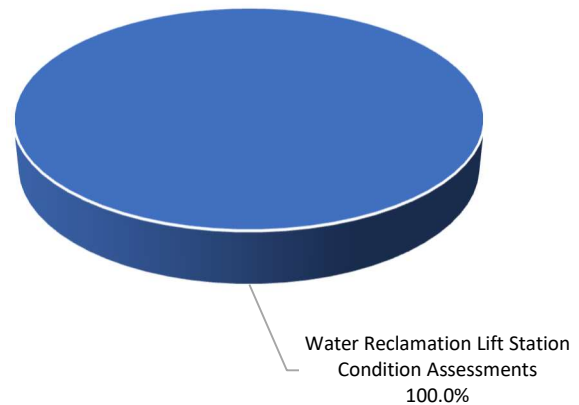
BUDGET SUMMARY

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Estimates	FY 2022 Budget
Beginning Balance	\$ 552,588	\$ 595,393	\$ 595,351	\$ 633,786
Transfer to Operations				\$ (288,980)
Beginning Balance Revised				\$ 344,806
Capital Revenue				
Interfund Transfers:				
NERWRS CIP Study				
Riverbend and Doe Branch Water Rec. Plants	\$ 30,353	\$ 30,050	\$ 30,050	\$ -
Peninsula Water Reclamation Plant	7,579	7,510	7,510	-
Working Capital	-	-	-	288,980
Interest Revenue	\$ 4,831	\$ 1,200	\$ 875	\$ 1,020
Total Capital Revenue	\$ 42,763	\$ 38,760	\$ 38,435	\$ 290,000
Capital Expense				
Water Reclamation Lift Station Condition Assessments	\$ -	\$ -	\$ -	\$ 290,000
Total Capital Expense	\$ -	\$ -	\$ -	\$ 290,000
Ending Balance	\$ 595,351	\$ 634,153	\$ 633,786	\$ 344,806

Capital Revenues



Capital Expenditures



SUMMARY OF MAJOR CHANGES

- Interest Income is representative of current market conditions.
- The final transfer in for annual principal and interest payments from the Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants) and the Peninsula Water Reclamation Plant for allocated amounts owed to Project Development for the Northeast Water Reclamation Service Area CIP Planning Study was made in FY 2021.
- Water Reclamation Lift Station Condition Assessments provides funding to evaluate lift stations and prioritize necessary repairs and upgrades.

MEMBER / CUSTOMER POPULATIONS

	2016	2017	2018	2019	2020	2021
Argyle WSC	6,831	6,968	7,113	7,695	8,130	8,430
Argyle	3,820	3,920	4,040	4,170	4,310	4,430
Aubrey	3,100	3,110	3,200	4,530	5,380	6,210
Bartonville	1,650	1,670	1,680	1,710	1,740	1,750
Blackrock WSC	1,287	1,310	1,350	1,350	1,350	1,490
Celina	8,650	10,310	14,364	18,860	20,397	26,409
Copper Canyon	1,380	1,390	1,430	1,430	1,450	1,460
Corinth	20,900	20,800	21,030	21,260	22,160	22,655
Cross Timbers WSC	7,254	7,255	7,266	7,456	7,614	7,756
Denton	125,980	128,160	130,990	134,460	138,250	141,000
Denton County*	30,931	52,164	53,751	50,441	46,248	38,045
DCFWSO #1A	10,881	12,106	12,977	13,042	14,720	15,606
DCFWSO #7	10,673	11,324	12,000	12,000	12,000	12,300
DCFWSO #8A	4,650	5,264	5,794	6,219	6,197	5,865
Providence Village (DCFWSO#9)	6,170	6,310	6,550	6,630	6,700	6,910
DCFWSO #10	6,634	11,783	3,729	4,290	5,282	5,064
DCFWSO #11A	6,684	7,831	8,739	9,272	9,660	9,492
Double Oak	2,950	2,970	2,960	2,970	2,990	2,990
Flower Mound	70,180	71,850	73,130	76,030	78,080	79,390
Highland Village	17,000	17,000	17,000	17,000	17,000	16,500
Irving	231,040	234,710	237,490	240,420	242,410	245,410
Justin	4,320	4,320	4,455	4,455	5,292	6,271
Krum	5,760	5,760	5,760	5,760	5,760	5,943
Lake Cities MUA	15,150	15,500	15,426	15,512	15,767	16,582
Lewisville	100,400	103,640	104,780	105,640	107,120	109,270
Mustang SUD	20,022	21,846	32,441	38,075	44,718	56,088
Northlake	-	-	4,500	4,500	8,898	15,336
Oak Point	3,180	3,210	3,440	3,680	3,930	4,110
Pilot Point	4,050	4,130	4,120	4,260	4,300	4,500
Ponder	1,560	1,780	2,330	2,390	2,400	2,400
Prosper	17,790	20,160	22,650	25,630	28,380	31,090
Sanger	7,800	8,000	7,991	8,800	9,080	9,640
TOTAL	758,677	806,551	834,475	859,937	887,713	920,392

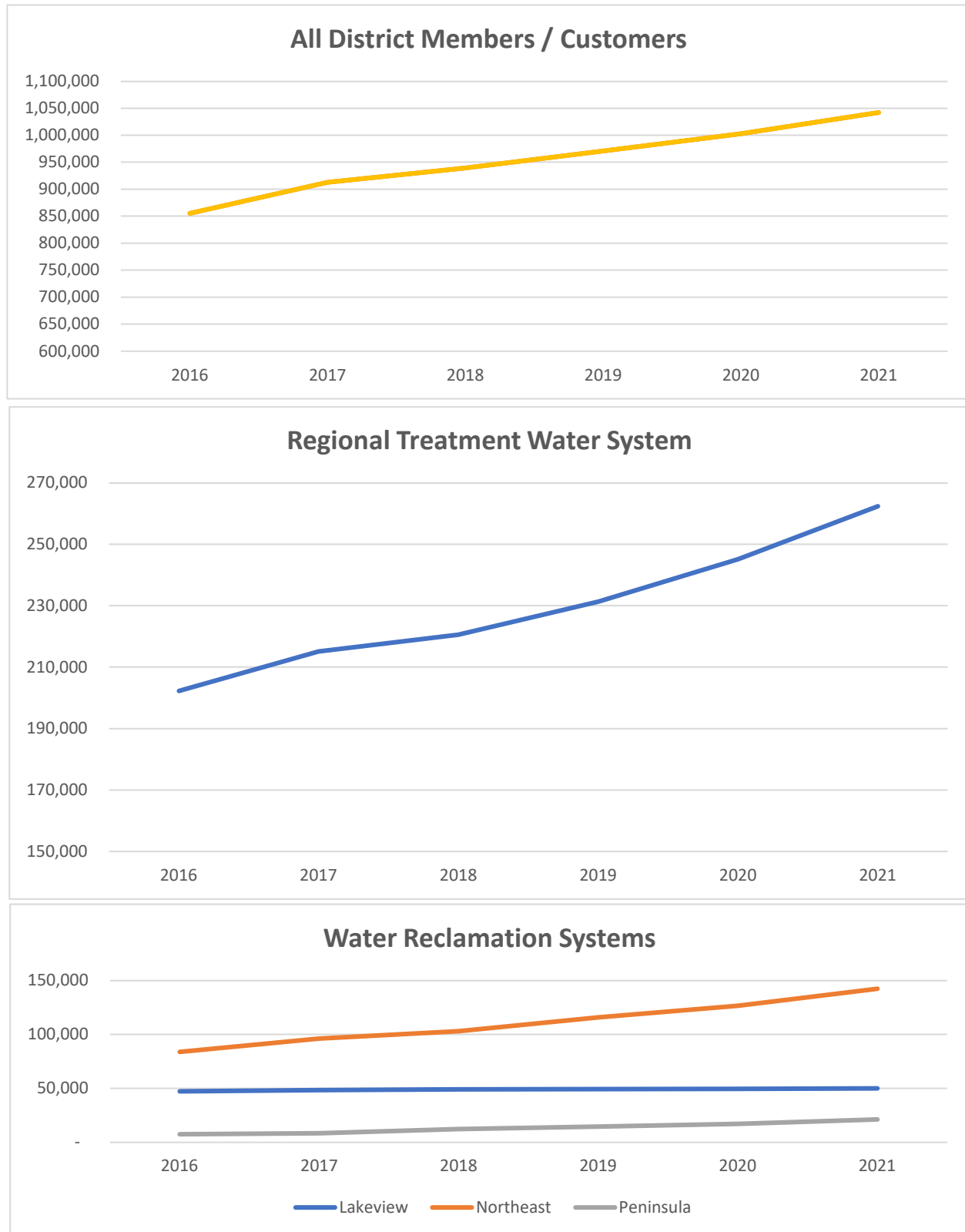
*Includes only unincorporated areas within the County

Sources:

North Central Texas Council of Governments (NCTCOG)

UTRWD Annual Survey

POPULATION GROWTH



OPERATING INDICATORS BY SYSTEM

SYSTEM	Fiscal Year					
	2016	2017	2018	2019	2020	2021
Regional Treated Water System						
Wholesale Customers Contracted (See Note)	20	19	19	19	19	19
Total Towns, Cities and Others Served (See Note)	30	29	29	29	29	29
Total Customer Delivery Points	28	31	27	27	27	27
Total Yearly Billed Flows (millions of gallons)	9,485	9,960	11,241	10,419	12,042	12,391
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)	1,703	1,434	1,440	1,748	1,705	1,645
Northeast Regional Water Reclamation System						
Wholesale Customers Contracted (See Note)	9	9	9	9	9	9
Total Towns, Cities and Others Served (See Note)	9	9	9	10	10	10
Customer Points of Entry	14	15	15	15	15	15
Total Yearly Billed Flows (millions of gallons)	768	899	1,123	1,484	1,757	1,812
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)	139	140	178	230	271	321

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	2.43	-	-	-	-	-	-	-	-
City of Aubrey	0.10	0.12	-	-	-	-	-	-	-	-
Cross Timbers Water Supply Corp.	2.50	3.03	-	-	-	-	-	-	-	-
Town of Bartonville	-	-	0.0378	0.71	-	-	-	-	-	-
City of Celina	6.00	7.28	-	-	1.32500	19.01	-	-	-	-
City of Corinth	7.50	9.10	1.6080	30.18	-	-	-	-	-	-
City of Denton	-	- (1)	-	-	-	-	-	-	-	-
Denton County Fresh Water Supply Dist. #1A	3.00	3.64	-	-	-	-	-	-	All	100.00
Denton County Fresh Water Supply Dist. #7	4.00	4.85	0.8440	15.84	-	-	-	-	-	-
Denton County Fresh Water Supply Dist. #8A	1.87	2.27	-	-	0.45375	6.51	-	-	-	-
Denton County Fresh Water Supply Dist. #10	1.10	1.33	-	-	0.37467	5.38	-	-	-	-
Denton County Fresh Water Supply Dist. #11A	3.30	4.00	-	-	0.71575	10.27	-	-	-	-
Town of Double Oak	-	-	0.0080	0.15	-	-	-	-	-	-
Town of Flower Mound	30.00	36.40	-	-	-	-	-	-	-	-
City of Highland Village	3.00	3.64	1.6500	30.96	-	-	-	-	-	-
City of Justin	1.25	1.52	-	-	-	-	-	-	-	-
City of Krum	0.40	0.49	-	-	-	-	-	-	-	-
Lake Cities Municipal Utility Authority	3.90	4.73	1.1810	22.16	-	-	-	-	-	-
Mustang Special Utility District	5.80	7.04	-	-	2.54983	36.59	0.940	100.00	-	-
Town of Northlake	3.80	4.61	-	-	-	-	-	-	-	-
Town of Providence Village	2.40	2.91	-	-	0.55000	7.89	-	-	-	-
Town of Prosper	-	-	-	-	1.00000	14.35	-	-	-	-
City of Sanger	0.50	0.61	-	-	-	-	-	-	-	-
Total Subscriptions	82.42	100.00	5.3288	100.00	6.96900	100.00	0.940	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

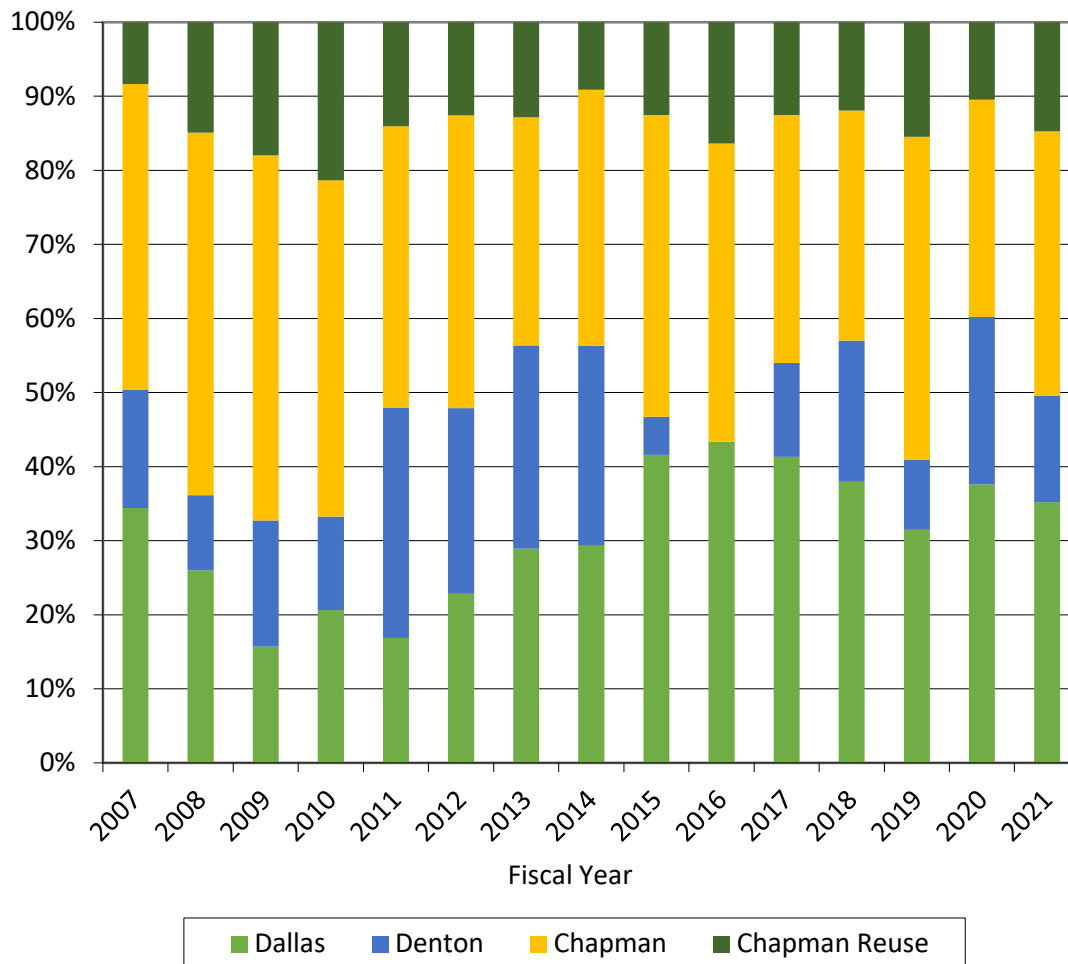
SYSTEM	Fiscal Year					
	2016	2017	2018	2019	2020	2021
<u>Regional Treated Water System</u>						
<u>Taylor Regional Treated Water Plant</u>						
Raw Water Intake Capacity	200 mgd	200 mgd	200 mgd	200 mgd	200 mgd	200 mgd
Water Treatment Plant Capacity	70 mgd	70 mgd	70 mgd	70 mgd	70 mgd	70 mgd
Treated Water Pumping Capacity (est.)	130 mgd	130 mgd	130 mgd	130 mgd	130 mgd	130 mgd
Transmission Pipelines (miles):						
12" to 20"	45.29	45.93	37.10	37.07	37.07	36.81
24" to 36"	42.95	43.34	43.34	43.77	43.77	45.18
42" to 72"	20.34	22.74	22.74	22.65	22.65	24.94
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	20 mgd	20 mgd	24.5 mgd	25 mgd
Treated Water Pumping Capacity (est.)	16 mgd	16 mgd	16 mgd	16 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	1.10
18" to 20"	7.55	7.60	7.60	7.60	7.60	7.60
24" to 27"	4.72	4.76	4.76	4.76	4.76	4.76
Wastewater Lift Stations	5	5	5	5	5	5
<u>Northeast Regional Water Reclamation System</u>						
Riverbend Water Reclamation Plant Capacity	2.0 mgd	2.0 mgd	2.0 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	2.0 mgd
Interceptor Pipeline (miles):						
8" to 21"	4.63	6.09	6.09	6.54	6.54	6.54
24" to 36"	6.06	6.06	6.06	6.54	6.54	6.54
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	0.94 mgd
Interceptor Pipeline (miles):						
24" to 36"	0.01	0.01	0.01	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
2007	2,103,229	974,414	2,523,320	508,351
2008	1,827,869	715,987	3,444,425	1,049,195
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



FUNDED DISTRICT EMPLOYEES BY FUNCTION / PROGRAM

<u>Function / Program</u>	Fiscal Year					
	2017	2018	2019	2020	2021	2022
Administration	15	15	14	14	15	15
Business / Finance	13	13	14	14	15	14
Operations	47	47	49	54	55	56
Maintenance	17	17	18	19	21	22
Engineering / Construction	11	13	15	13	12	14
Lake Ralph Hall	0	0	0	3	7	9
Contract Positions	1	2	5	5	2	2
Total	104	107	115	122	127	132

Source: UTRWD Business Department

AWARDS AND HONORS

BUSINESS

Government Finance Officers Association (GFOA)
Certificate of Achievement for Excellence in Financial Reporting, 2000 – 2020
Distinguished Budget Presentation Award, 2010 – 2021
Special Capital Recognition, FY 2015, FY 2019, FY 2020

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

LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

National Association of Clean Water Agencies (NACWA) Platinum Peak Performance Award, 1999-2020 (Platinum 22 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, 2008-2020 (Platinum 13 years)
NACWA Environmental Achievement Award, 2020

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM – DOE BRANCH PLANT

NACWA Gold Peak Performance Award, 2016-2019

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, 2003-2020 (Platinum 17 years)

WATER / WATER CONSERVATION:

NACWA Excellence in Management – Platinum Award, 2020
NACWA Excellence in Management – Silver Award, 2019
NACWA National Environment Achievement Award, 2014

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

NACWA President’s Award – Larry N. Patterson, 2015



RESOLUTION

RESOLUTION # 2021 - 26

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 30 of each year; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2021-22 to determine current estimates of costs for FY 2021-22; 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: \$1.25 per 1,000 gallons of water delivered and metered.
Customer Volume Charge: \$1.34 per 1,000 gallons of water delivered and metered.

Demand Charge: \$465,055 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: \$4.92 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, 2021, and shall remain in effect through September 30, 2022, 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 2ND DAY OF SEPTEMBER 2021.


Recommended:


Larry N. Patterson, Executive Director

Executed:


Brian Roberson, President

Attest:


Lyle Drescher, Secretary



RESOLUTION

RESOLUTION # 2021 - 27

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 2021-22 to determine current estimates of costs for FY 2021-22; 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:	\$ 1.25 per 1,000 gallons
Fixed O&M Charge:	\$423,500 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	\$ 21,410
Corinth	\$ 740,075
Denton County FWSD #7	\$ 802,095
Double Oak	\$ 14,165
Highland Village	\$ 904,585
Lake Cities MUA	\$ 526,290

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, 2021, and shall remain in effect until September 30, 2022, 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 2ND DAY OF SEPTEMBER 2021.

Recommended:



Larry N. Patterson, Executive Director

Executed:



Brian Roberson, President

Attest:



Lyle Drescher, Secretary



RESOLUTION

RESOLUTION # 2021 - 28

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 District's staff has evaluated the budgets for FY 2021-22 to determine current estimates of costs for FY 2021-22; 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):	\$1.25 per 1,000 gallons
Treatment Rate (Customer):	\$1.34 per 1,000 gallons
Fixed O&M Costs:	\$589,650 per year per million gallons per day (mgd).

Capital Charges for Joint / Interim / Individual Facilities

Riverbend:

Denton County FWSD #8A	\$269,645
Providence Village:	\$460,675
Denton County FWSD #10	\$ 41,810
Denton County FWSD #11A	\$404,510
Mustang SUD	\$693,310

Doe Branch:

Celina	\$1,594,115
Prosper	\$ 91,700

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, 2021, and shall remain in effect until September 30, 2022, 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 2ND DAY OF SEPTEMBER 2021.

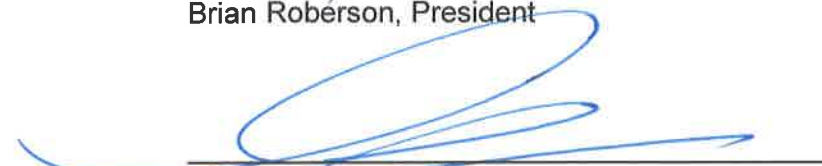
Recommended:


Larry N. Patterson, Executive Director

Executed:


Brian Roberson, President

Attest:


Lyle Drescher, Secretary



RESOLUTION

RESOLUTION # 2021 - 29

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 OF THE PENINSULA WATER RECLAMATION PLANT.

WHEREAS, the District, pursuant to participation contracts, provides wholesale wastewater treatment service to Members participating in the Peninsula Water Reclamation Plant; and,

WHEREAS, each participant in the Plant is responsible for a pro-rata share of costs; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2021-22 to determine current estimates of costs for FY 2021-22; 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 participants in the Peninsula Water Reclamation Plant:

Treatment Rate (Member):	\$1.61 per 1,000 gallons
Fixed O&M Costs:	\$680,250 per year per million gallons per day (mgd) of contracted capacity in the Plant, billed on a monthly basis.
Capital Charge for Facilities	\$72,935

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, 2021, and shall remain in effect until September 30, 2022, 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 2ND DAY OF SEPTEMBER 2021.


Recommended:


Larry N. Patterson, Executive Director

Executed:


Brian Roberson, President

Attest:


Lyle Drescher, Secretary



RESOLUTION

RESOLUTION # 2021 - 30

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 Denton County Fresh Water Supply District No. 1A (FWSD No. 1A); and,

WHEREAS, until other customers are added, FWSD No. 1A is responsible for all costs of the facilities devoted to non-potable water service for FWSD No. 1A; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2021-22 to determine current estimates of costs for FY 2021-22; 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 FWSD No. 1A:

Treated Effluent Volume Charge:	\$ 0.49 per 1,000 gallons of water delivered and metered
Raw Water Volume Charge:	\$ 1.08 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, 2021, and shall remain in effect through September 30, 2022, 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 2ND DAY OF SEPTEMBER 2021.

Recommended: 
Larry N. Patterson, Executive Director

Executed: 
Brian Roberson, President

Attest: 
Lyle Drescher, Secretary



RESOLUTION

RESOLUTION # 2021 - 31

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 2021-22 to determine current estimates of costs for FY 2021-22; 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:	\$ 91.00 per household – Participating Entities
Event Voucher:	\$ 91.00 per household – Citizen delivers to a scheduled Event
Fort Worth Voucher:	\$ 61.00 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, 2021, and shall remain in effect until September 30, 2022, 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 2ND DAY OF SEPTEMBER 2021.

Recommended:


Larry N. Patterson, Executive Director

Executed:


Brian Roberson, President

Attest:


Lyle Drescher, Secretary



RESOLUTION

RESOLUTION # 2021 - 32

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, 2021 AND ENDING SEPTEMBER 30, 2022.

WHEREAS, for FY 2021 – 2022, Staff has proposed an Operating Budget totaling \$68,916,430 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 \$241,164,125 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 \$308,140; and,

WHEREAS, the Upper Trinity Conservation Trust Budget is recommended at \$40,000; 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 2021-22 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, 2021 for the Fiscal Year ending September 30, 2022.

SECTION 4. That any remaining balance at the end of FY 2020-21 in appropriations for capital projects are hereby re-appropriated for continued use for those same respective projects in FY 2021-22.

SECTION 5. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 2ND DAY OF SEPTEMBER 2021.

Recommended:



Larry N. Patterson, Executive Director

Executed:



Brian Roberson, President

Attest:



Lyle Drescher, Secretary

GLOSSARY OF TERMS

A

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.

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).

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 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.

Deferred Interest – The amount of interest that is added to the principal balance of a loan when the contractual terms of that loan allow for a scheduled payment to be made that is less than the interest due.

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.

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).

Fresh Water Supply District (FWSD) – 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.

Full Time Equivalent (FTE) – Full-time employee works 40 hours per week and is 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 and is sometimes referred to as “fund equity” at any given point in time.

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.

Generally Accepted Accounting Principles (GAAP) – 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.

Geographic Information System (GIS) – 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.

Governmental Accounting Standards Board (GASB) – 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.

Governmental Finance Officers of America (GFOA) – 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 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 the 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 – 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 offer safety and a competitive yield.

Long-Term Debt – Debt with a maturity of more than one year after the date of issuance.

LRWRS – 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 provides service to customers 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 of measuring the flow of water/wastewater.

MGD – 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.

N

National Association of Clean Water Agencies (NACWA) – 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 – 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.

Non-Potable Water Supply (NPWS) – A water supply that is not treated to drinking water standards and is not meant for human consumption.

O

O&M – 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 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 of the 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 – 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 – 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 – "Supervisory Control and Data Acquisition" System – The computer system that collects data, processes the data and allows operating personnel to take corrective actions.

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.

Senior Lien Debt – Debt and obligations which are prioritized for repayment in the case of bankruptcy.

Sludge – Solid residue from wastewater treatment.

State Participation Funds – The State 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 on property and treatment works. The loan repayments that would have been required, if the assistance had been from a loan, are deferred. Ultimately, however, 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.

T

Texas National Resources Conservation Commission (TNRCC) – See Texas Commission on Environment Quality (TCEQ)

Texas Water Development Board (TWDB) – 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.

True Interest Cost (TIC) – Method of computing the interest expense of bonds and is defined as the rate, compounded semi-annually, 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 average annual rate of return on an investment if it is held to maturity.

Z