



# MAKING PROGRESS

## Annual Operating and Capital Budgets

*October 1, 2022 - September 30, 2023*



Treated Water

Watershed Protection

Long-range Water Supply

Water Conservation

Water Reclamation

Household Hazardous Waste  
Disposal

Non-potable Water Reuse



Upper Trinity Regional Water District  
Lewisville, TX



# ONE YEAR LATER

**UPPER TRINITY REGIONAL WATER DISTRICT**

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P.O. BOX 305  
LEWISVILLE, TEXAS 75067

(972) 219-1228

[WWW.UTRWD.COM](http://WWW.UTRWD.COM)

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

**OPERATING AND CAPITAL BUDGETS**

**FISCAL YEAR 2022 - 2023**

**OCTOBER 1, 2022 – SEPTEMBER 30, 2023**

Record Vote for Operating Budget

**For: 20  
Against: 0  
Absent: 2**

Record Vote for Capital Budget

**For: 20  
Against: 0  
Absent: 2**

**Adopted by the Board of Directors  
September 1, 2022**

**UPPER TRINITY REGIONAL WATER DISTRICT  
BOARD OF DIRECTORS  
Fiscal Year 2022 – 2023**

**Brian Roberson, President – Aubrey  
Clay Riggs, Vice President – Flower Mound  
Lyle Drescher, Treasurer – Denton County At-Large  
Greg Scott, Secretary – Justin**

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Kevin Mercer – DCFWSD #7  
Dave Nelson – Double Oak  
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Orlando Sanchez – Irving  
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Mike Fairfield – Lake Cities MUA  
Eric Ferris – Lewisville  
Chris Boyd – Mustang SUD  
Drew Corn – Northlake  
Allen McCracken – Pilot Point  
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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 01, 2021**

*Christopher P. Morill*

Executive Director

## TABLE OF CONTENTS

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### INTRODUCTION

Reader's Guide.....	10
Budget Transmittal Letter.....	11
Executive Summary .....	12
Organizational Chart.....	16
Summary of Authorized Positions .....	17
Organizational Profile .....	18

### BUDGET OVERVIEW

Budget Overview .....	29
Budget Process .....	46
Financial Policies .....	49

### STRATEGIC GOALS

Mission/Vision/Goals Statements .....	58
Strategic Goals .....	60

### LONG-RANGE FINANCIAL PLAN

RTWS Five-Year Financial Plan .....	84
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### FUND SUMMARY

All Funds Listing by Category .....	90
UTRWD Fund Structure .....	92
Operating, Reserve, and Capital Combined Funds .....	93
Operating Funds Combined Summary.....	95

### DEBT SUMMARY

Debt Summary .....	99
Regional Treated Water System Debt Listing .....	101
Schedule of Requirements.....	104
Long-Term Debt Indebtedness to Maturity .....	105
Debt Service Reserve Fund .....	106
Series 2000-A Bonds Debt Service Reserve Fund .....	107
Interest and Sinking Fund .....	108
Lakeview Regional Water Reclamation System Debt Listing.....	109
Schedule of Requirements.....	110
Long-Term Debt Indebtedness to Maturity .....	110
Debt Service Reserve Fund .....	111
Interest and Sinking Fund .....	112
Northeast Regional Water Reclamation System Debt Listing .....	113
Schedule of Requirements.....	114
Long-Term Debt Indebtedness to Maturity .....	114
Debt Service Reserve Fund .....	116
Interest and Sinking Fund .....	117
Peninsula Water Reclamation Plant Debt Listing .....	118

Schedule of Requirements .....	118
Long-Term Debt Indebtedness to Maturity .....	118
Debt Service Reserve .....	119
Interest and Sinking Fund .....	120

#### REVENUE SUMMARY

Revenue Summary .....	121
Demand Revenues .....	122
Volume Revenues .....	124
Treatment and Transportation Revenues .....	127
Fixed O&M Costs for Joint Facilities Revenues .....	130
Capital Charges for Joint and Individual Facilities Revenues .....	132
Interfund Transfers .....	134
Other Revenues .....	135

#### OPERATING FUND DETAIL

Operating Fund Detail .....	136
Historical Budget vs. Actual .....	138
Administration Fund .....	139
Information Technology Fund .....	151
Water Reclamation Systems .....	159
Lakeview Regional Water Reclamation System .....	164
Northeast Regional Water Reclamation System –	
Riverbend & Doe Branch Plants .....	169
Peninsula Water Reclamation Plant .....	175
Non-Potable Water System .....	183
Maintenance .....	190
Regional Treated Water System .....	197
Household Hazardous Waste .....	212

#### OTHER FUNDS

Fund Descriptions .....	217
Regional Treated Water System Operating and Maintenance Reserve Fund .....	220
Capital Replacement Reserve Fund .....	221
Raw Water Holding Pond Dredging Reserve Fund .....	222
Watershed Protection Program Fund .....	223
Water Conservation Program Fund .....	224
Future Water Program Fund .....	225
Lake Ralph Hall Reserve Fund .....	226
Northeast Contribution Fund .....	227
Gas Lease Reserve Fund .....	228
Non-Bond Capital Reserve Fund .....	229
Lakeview Regional Water Reclamation System Operating and Maintenance	
Reserve Fund .....	230
Capital Replacement Reserve Fund .....	231
Non-Bond Capital Reserve Fund .....	232
Plant Permitting Reserve Fund .....	233
Non-Potable Water System Operating and Maintenance Reserve Fund .....	234

Capital Replacement Reserve Fund .....	235
Non-Bond Capital Reserve Fund .....	236
NE Regional Water Reclamation System Fund – Riverbend & Doe Branch Plants	
Operating and Maintenance Reserve Fund .....	237
Capital Replacement Reserve Fund .....	238
Non-Bond Capital Reserve Fund .....	239
Plant Permitting Reserve Fund.....	240
Building Activity Fee Fund .....	241
Peninsula Water Reclamation Plant Operating and Maintenance Reserve Fund .....	242
Capital Replacement Reserve Fund .....	243
Non-Bond Capital Reserve Fund .....	244
Plant Permitting Reserve Fund.....	245
Vehicle and Equipment Replacement Fund .....	246
Inventory Reserve Fund.....	247
Self-Insurance Fund .....	248
Upper Trinity Conservation Trust .....	249
CAPITAL IMPROVEMENT FUNDS	
Introduction .....	250
Budgeted Capital Expenditures .....	251
Engineering Fund Detail.....	254
Regional Treated Water System Introduction .....	261
Construction Cash Fund .....	266
Five-Year Forecast .....	267
Detail Capital Budget.....	269
Estimated Annual Operating Expenses from Investments .....	289
Lakeview Regional Water Reclamation System Introduction .....	290
Construction Cash Fund .....	292
Five-Year Forecast .....	293
Detail Capital Budget.....	294
Estimated Annual Operating Expenses from Investments .....	298
Non-Potable Water System Introduction .....	299
Construction Cash Fund .....	300
Five-Year Forecast .....	301
Detail Capital Budget.....	302
NE Regional Water Reclamation System Fund – Riverbend Plant Introduction .....	303
Construction Cash Fund .....	305
Five-Year Forecast .....	306
Detail Capital Budget.....	307
Estimated Annual Operating Expenses from Investments .....	311
NE Regional Water Reclamation System Fund – Doe Branch Plant Introduction .....	312
Construction Cash Fund .....	314
Five-Year Forecast .....	315
Detail Capital Budget.....	316
Estimated Annual Operating Expenses from Investments .....	321
Peninsula Water Reclamation Plant Introduction .....	322
Construction Cash Fund .....	323

Five-Year Forecast .....	324
Detail Capital Budget.....	325
Estimated Annual Operating Expenses from Investments .....	326
 GROWTH PROGRAM.....	 327
 PROJECT DEVELOPMENT FUND.....	 330
 STATISTICAL INFORMATION	
Miscellaneous Statistics.....	333
 RESOLUTIONS .....	 340
 GLOSSARY .....	 352



## READER'S GUIDE

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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 2023, but also provides insight through FY 2027.

### 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 2023. 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 2022 and FY 2023. 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 1, 2022  
**SUBJECT:** FY 2022 - 2023 PROPOSED BUDGETS

---

I respectfully submit the proposed Operating and Capital Budgets for the Fiscal Year beginning October 1, 2022 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 2022 – 2023 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

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Staff is pleased to propose the FY 2022-2023 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 \$78.72 million for the fiscal year, an overall increase of 14.2% compared to last year's adopted budget of \$68.92 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 \$276.43 million, a 14.6% increase from last year's budget of \$241.16 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 .....	4.60%
Northeast Regional Water Reclamation System .....	5.04%
Lakeview Regional Water Reclamation System .....	4.50%
Peninsula Water Reclamation Plant .....	3.30%
Administration .....	0.00%
Non-Potable Water System .....	1.44%
Household Hazardous Waste .....	23.08%

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

- Six additional positions (Full year funded) will be required to keep up with the increasing workload as the District continues to grow. The six requested positions are:
  - A Water Operator in the Regional Treated Water System (Harpool Plant) to provide operations support for the tremendous growth experienced in the District's northeast service area.
  - A Wastewater Operator in the Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants) to provide additional support for operations during the evening hours and to assist with continued growth in wastewater flows in the northeast service area.
  - A Maintenance Worker to provide additional support for maintenance activities for the District's increased operations facilities.
  - A Communications Specialist to provide support for the District's increasing website design and publication activities.

- A GIS Analyst to assist with drone activities and development of electronic maps of the District's ever-expanding land ownership and newly constructed facilities.
- A Construction Inspector is needed to assist with increasing construction activities through the capital improvement program.
- 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 3.0% from FY 2022.
- The adopted budget for the Regional Treated Water reflects a 2.7% cost increase for raw water from Dallas Water Utilities and the City of Denton. The adopted budget is based on anticipated water purchases from the various sources as follows:

<u>Source</u>	<u>Average Usage</u>
Dallas Water Utilities	20.07 MGD
Denton	5.47 MGD
Chapman Lake	9.50 MGD
Reuse	4.28 MGD

- Funding for specific, on-going programs for the Water System are recommended at the following levels:
  - Water Conservation efforts to provide an on-going, strong water conservation program at \$0.02 / 1,000 gallons, a \$0.005 / 1,000-gallon increase from FY 2022.
  - General planning for Future Water Resources at \$0.02 / 1,000 gallons, no change from FY 2022.
  - Watershed Protection Program at \$0.02 / 1,000 gallons, a \$0.005 / 1,000-gallon increase from FY 2022.
- 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.
  - Propose to contribute to a new reserve (Raw Water Holding Pond Dredging Reserve) at \$0.005 / 1,000 gallons, to provide a funding source for required, periodic dredging activities for the removal of silt to increase raw water holding capacity at the District's water treatment plants.
- 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 2023 year-end.
  - Pro-rata contributions will be made from all funds to the Vehicle and Equipment Replacement Fund to assist in future replacement of certain heavy-duty vehicles and equipment, as necessary. Contribution amounts for FY 2023 were decreased due to

initiating a vehicle lease program for light-duty vehicles and trucks for everyday use. Therefore, since these vehicles will no longer be owned by the District, no further contributions will be required.

- Debt Service for FY 2023 includes:
  - The Regional Treated Water System has an estimated Variable Rate Financing (Direct Purchase Program) interest rate of 2.75% compared to 0.80% projected for the adopted FY 2022 budget, with a planned conversion of approximately \$37.00 million to long-term debt in late FY 2023 and structured so that debt service begins in FY 2024. Debt service of \$1.30 million for a 2022 revenue bonds issue to convert \$22.50 million of outstanding variable rate financing to long-term debt is also included for FY 2023. The fifth year of a deferred interest payment on the TWDB Board Participation Loan (2015 Issue) for Lake Ralph Hall, increases by \$93,855. The first year of a deferred interest payment of \$202,645 on the 2019 TWDB Board Participation Loan (Lake Ralph Hall) begins in FY 2023. Two Board Participation Bond issues are also programmed for FY 2023. One issue is for \$110.00 million to continue with the Lake Ralph Hall project, while the second issue totals \$9.10 million to provide funding for the Harpool Regional Water Treatment Plant Northeast Transmission Pipeline, Phase 1 and 2. No debt service payments are due for these two issues until FY 2026.
  - The Lakeview Regional Water Reclamation System will utilize Non-Bond Capital Reserve funds for continued design and engineering to expand the treatment capacity at the Lakeview Plant from 5.5 to 7.5 MGD.
  - The Northeast Regional Water Reclamation System debt service will reflect an increase of approximately \$375,000 represents the first principal payment on the Series 2016 and 2017 TWDB “D” Fund bond issues to complete the third expansion of the Riverbend Plant from 2.0 to 4.0 mgd. These bonds were originally structured with interest-only payments through FY 2022. Series 2022 Revenue Bonds totaling \$2.14 million (first tranche) were issued in August 2022 to provide funding for initial design and engineering for the construction of a new West Influent Pump Station for the Riverbend Plant. This issue includes two years of capitalized interest with no debt service payments being due until FY 2025. Additionally, Revenue Bonds totaling \$8.55 million (first tranche) were also issued to begin the Doe Branch Plant Expansion, Phase 3 project. This debt issue also includes two years of capitalized interest with debt service payments beginning in FY 2025.
  - 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

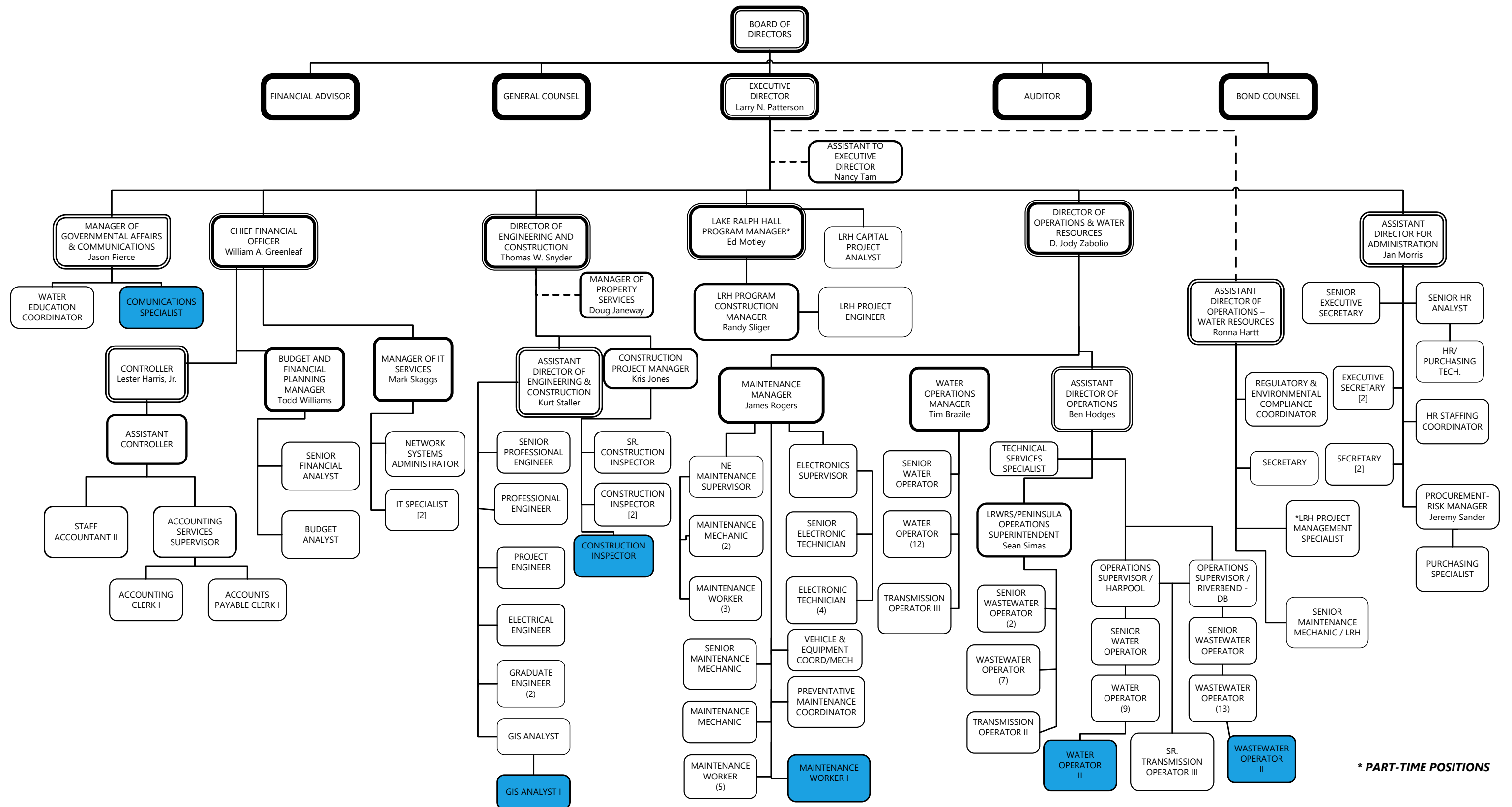
Key capital projects include:

- 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.
- Lake Lewisville Raw Water Pump Station Improvements will continue design / engineering and begin construction of a multi-year project to upgrade electrical, pumping, and other critical components of the Lake Lewisville raw water intake pump station.
- Harpool RWTP Phased Treatment Expansion, Phase 1 project includes expanded administration and maintenance facilities, increased raw water handling, improvements / expansion of membrane water treatment capabilities, 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 includes design / engineering and easement acquisition activities for the construction of a 36-inch diameter treated water transmission pipeline extending northeast from the Harpool RWTP to serve the Town of Celina, Artesia Community, and other customers.
- Harpool RWTP Northeast Transmission Pipeline, Phases 3 and 4 to project will include completion of an alignment study and initial design for the future construction of the next phases of treated water pipelines generally to connect Aubrey and other potential members and 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.
- West Influent Pump Station Improvements (Riverbend Plant) project will include initial design and engineering to construct a new lift station to replace the existing lift station. These improvements will provide system reliability for the transfer of increased wastewater flows from the Riverbend Plant's service area.
- 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 continued population growth in the Doe Branch Plant's service area.
- Phase 1, Parallel Interceptor will include continued acquisition of rights-of-way and design and engineering, to 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 District's 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 complete construction of facilities to expand treatment capacity from 0.94 to 2.0 MGD at the Plant by July 2023 (projected).

FY 2023 ADOPTED ORGANIZATIONAL CHART



\* PART-TIME POSITIONS

## SUMMARY OF AUTHORIZED POSITIONS

	2021 Adopted Budget	2022 Adopted Budget	2023 Adopted Budget
<b>Administration</b>			
Executive Director	1	1	1
Assistant to Executive Director	1	1	1
Manager of Governmental Affairs and Communications	1	1	1
Water Education Coordinator	1	1	1
Senior Executive Secretary	1	1	1
Executive Secretary	2	2	2
Assistant Director for Administration	1	1	1
Senior HR Analyst	1	1	1
HR Staffing / Coordinator	1	1	1
HR / Purchasing Technician	1	1	1
Procurement Supervisor	1	1	0
Procurement / Risk Manager	0	0	1
Purchasing Specialist	1	1	1
Secretary	2	2	2
<b>Communication Specialist*</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Total</b>	<b>15</b>	<b>15</b>	<b>16</b>
<b>Business/Finance</b>			
Chief Financial Officer	1	1	1
Controller	1	1	1
Assistant Controller	1	1	1
Senior Accountant	1	1	0
Staff Accountant I	1	1	0
Staff Accountant II	0	0	1
Supervisor of Accounting Services	0	0	1
Accounting Clerk II	1	0	0
Accounting Clerk I	1	2	1
Account Payable Clerk	0	0	1
Budget and Financial Planning Manager	1	1	1
Senior Financial Analyst	1	1	1
Financial Analyst	1	0	0
Budget Analyst	0	1	1
Manager of IT Services	1	1	1
Network Systems Administrator	1	1	1
IT Specialist	2	2	2
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Engineering/Construction</b>			
Director of Engineering and Construction	1	1	1
Assistant Director of Engineering and Construction	1	1	1
Senior Professional Engineer	1	1	1
Project Engineer	2	1	1
Professional Engineer	0	2	1
Electrical Engineer	1	1	1
Graduate Engineer I / Graduate Engineer II	2	1	2
GIS Analyst	1	1	1
<b>GIS Analyst I*</b>	<b>0</b>	<b>0</b>	<b>1</b>
Manager of Property Services	1	1	1
Construction Project Manager	1	1	1
Senior Construction Inspector	1	1	1
Construction Inspector	2	2	2
<b>Construction Inspector*</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Total</b>	<b>14</b>	<b>14</b>	<b>16</b>
<b>Lake Ralph Hall</b>			
Manager of Water Resources Program	1	1	0
Assistant Director of Operations - Water Resources	0	0	1
Water Resource Specialist	1	1	0
Lake Ralph Hall (LRH) Program Manager	1	1	1
Regulatory and Environmental Compliance Coordinator	0	0	1
Project Funding Accountant - LRH (CIP)	1	0	0
LRH Capital Project Analyst	0	1	1
LRH Program Construction Manager (CIP)	1	1	1
Senior Maintenance Mechanic (LRH)	1	1	1
LRH Project Management Specialist (CIP)	1	1	1
LRH Project Assistant Construction Manager	0	1	0
LRH Project Engineer	0	0	1
LRH Project Secretary	0	1	1
<b>Total</b>	<b>7</b>	<b>9</b>	<b>9</b>

	2021 Adopted Budget	2022 Adopted Budget	2023 Adopted Budget
<b>Operations/Maintenance</b>			
Director of Operations and Water Resources	1	1	1
Assistant Director of Operations	1	1	1
Technical Services Specialist	1	1	1
Process Controls Analyst	1	1	0
Electronics Supervisor	0	0	1
Maintenance Manager	1	1	1
Northeast Maintenance Supervisor	0	1	1
Preventative Maintenance Coordinator	1	1	1
Vehicle & Equipment Coordinator / Mechanic	1	1	1
Senior Electronic Technician	1	1	1
Electronic Technician II	1	1	2
Electronic Technician I	3	3	2
Senior Maintenance Mechanic	2	2	1
Maintenance Mechanic	3	4	3
Maintenance Worker II	4	2	4
Maintenance Worker I	3	4	4
<b>Maintenance Worker I*</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Total</b>	<b>24</b>	<b>25</b>	<b>26</b>
<b>Northeast Water/Wastewater Reclamation System</b>			
Operations Supervisor	1	1	1
Senior Water Operator	1	1	1
Water Operator III	4	4	3
Water Operator II	3	3	4
Water Operator I	2	2	2
<b>Water Operator II*</b>	<b>0</b>	<b>0</b>	<b>1</b>
Operations Supervisor	1	1	1
Senior Wastewater Operator	1	1	1
Wastewater Operator III	6	7	5
Wastewater Operator II	4	3	3
<b>Wastewater Operator II *</b>	<b>0</b>	<b>0</b>	<b>1</b>
Wastewater Operator I	2	3	5
Transmission Operator II	0	1	0
Senior Transmission Operator	0	0	1
<b>Total</b>	<b>25</b>	<b>27</b>	<b>29</b>
<b>Lakeview Regional Water Reclamation System</b>			
LRWRS / Peninsula Operations Superintendent	1	1	1
Senior Wastewater Operator	1	2	2
Wastewater Operator III	4	2	3
Wastewater Operator II	2	2	2
Wastewater Operator I	0	1	1
Wastewater Operator I	1	2	1
Transmission Operator	1	1	1
<b>Total</b>	<b>10</b>	<b>11</b>	<b>11</b>
<b>Regional Treated Water System</b>			
Water Operations Manager	1	1	1
Senior Water Operator	1	1	1
Water Operator III	8	8	7
Water Operator II	3	4	4
Water Operator I	1	0	1
Transmission Operator	2	1	0
Transmission Operator III	0	0	1
<b>Total</b>	<b>16</b>	<b>15</b>	<b>15</b>
<b>Total Authorized Positions</b>	<b>125</b>	<b>130</b>	<b>136</b>

\* Requested Positions (6)

## ORGANIZATIONAL PROFILE

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

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

### HISTORY

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

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

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

### TREATED WATER SUPPLY AND FACILITIES

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

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

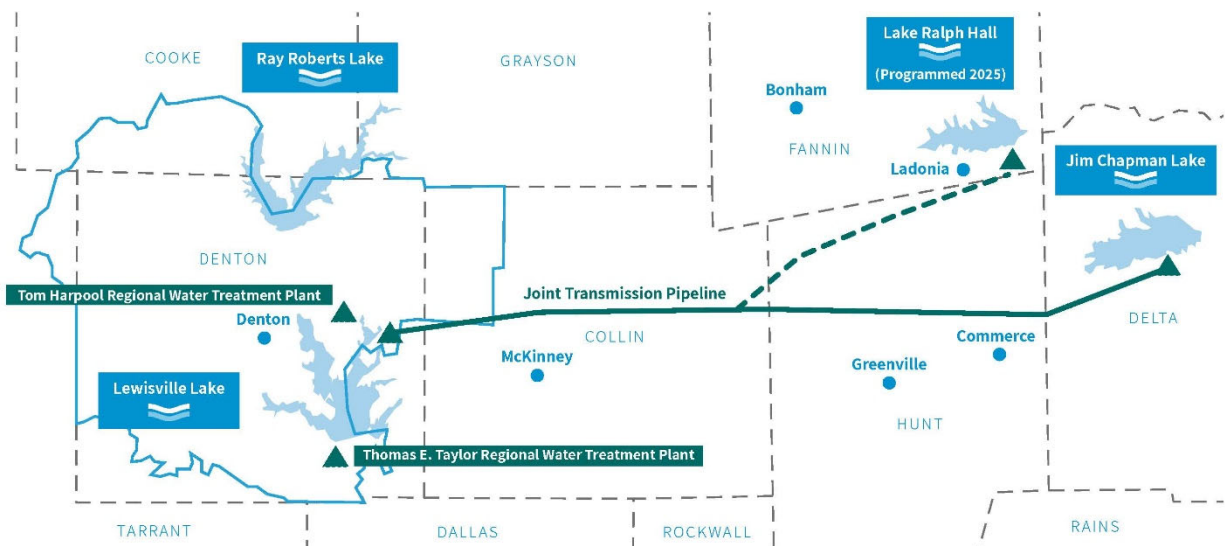
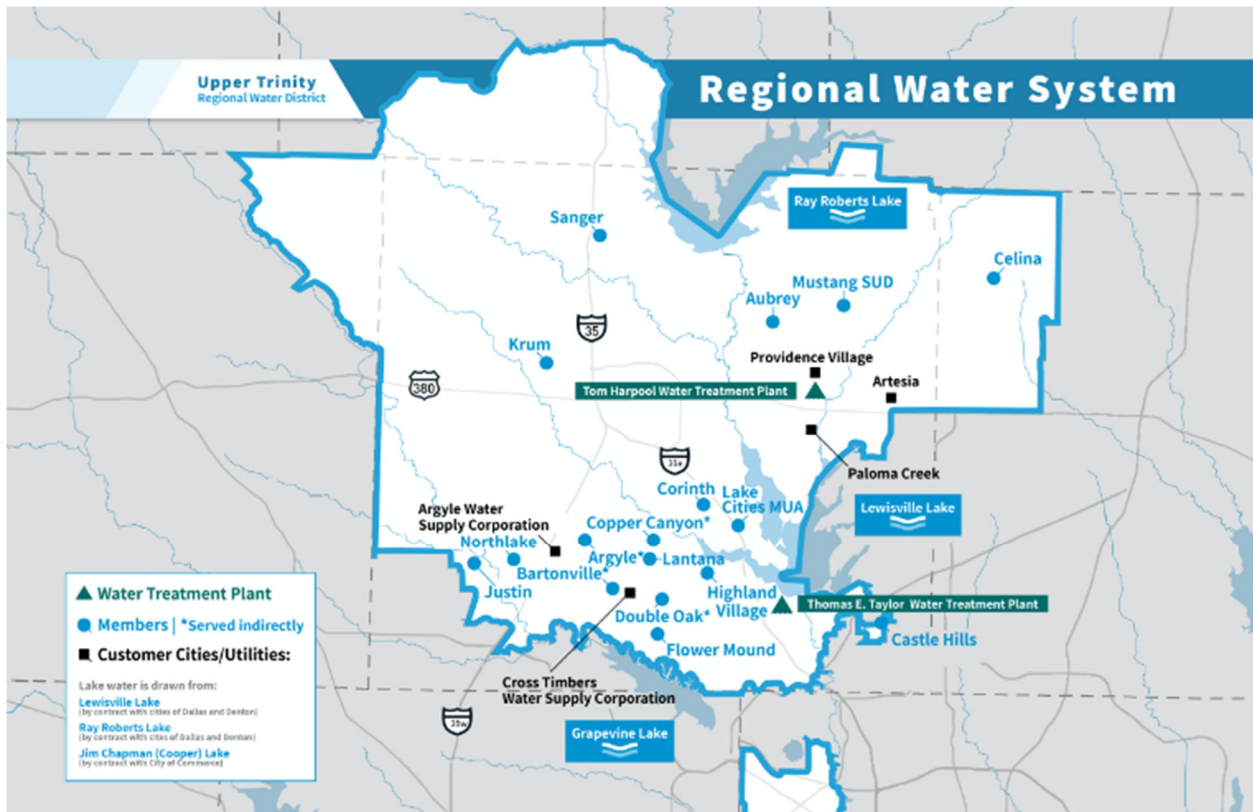
#### LONG TERM WATER SUPPLY SOURCES

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

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

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





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

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

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

#### **REGIONAL TREATED WATER SYSTEM**

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

**Thomas E. Taylor Regional Water Treatment Plant** - This water treatment plant provides treated drinking water to communities and utilities in southern Denton County. Treating to its full 20 million gallon per day (MGD) capacity the first full year of operation, the plant was expanded to 70 MGD in 2001. The 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 27 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 109.3 miles of pipelines transporting water to its members and customers, along with pump stations and water storage facilities. All of these facilities, and treatment plants, are a part of the District's regional treated water system, and transport dependable, high quality drinking water to its members and customers.

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

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

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

## **WATER RECLAMATION FACILITIES**

### **LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM**

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

The LRWRS has been constructed in phases, with each phase being a group of project elements. A project element is a distinct physical part of the system to which costs are allocated for ratemaking purposes. Phase 1 of the project, which included the Corinth Pipeline and Joint Pipeline, was completed in the fall of 1996. The treatment plant portion was completed in September 1998 and increased the capacity to 3.5 mgd. Phase 2 of the project, which includes a pipeline to deliver flows from the City of Highland Village and a pipeline to deliver flows from additional LCMUA customers, was completed in October 1998. In 2003, LRWRS plant was expanded to 5.0 mgd and wholesale service was extended to six member entities: LCMUA, Corinth, Highland Village, Denton County Fresh Water Supply District #7, Double Oak and Bartonville. The District upgraded the plant's processing equipment and expanded its treatment capacity to 5.5 mgd in FY 2013. As the District has experienced with its other water reclamation plants, flows in the Lakeview Regional Water Reclamation System have reached the point where expansion of the treatment capacity of the Plant is necessary. Construction to expand the treatment capacity of the Lakeview Plant from 5.5 mgd to 7.5 mgd is projected to begin in FY 2023.

### **NORTHEAST REGIONAL WATER RECLAMATION SYSTEM**

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

**Riverbend Plant** - Constructed in 2003 to serve the portion of northeastern Denton County generally north of U.S. Highway 380 and east of U.S. Highway 377. The plant consists of an influent lift station, biological treatment in sequencing batch reactors, filtration, and final ultraviolet disinfection. During FY 2013, the District completed improvements to this plant's treatment processes which included upgrades to the sludge holding tank to enhance the reliabilities and performance of the plant's solids management to facilitate a 2.0 mgd treatment capacity. Due to the rapid growth experienced in the northeast service area, the treatment capacity of the Riverbend Plant was expanded from 2.0 to 4.0 mgd and became operational in April 2019. Additional improvements 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 Elm Ridge WCID (formerly DCFWSD #10) and Mustang Special Utility District. Similar to the Riverbend Plant service area, the Doe Branch Plant service area has experienced tremendous population growth. An expansion of this Plant's treatment capacity from 2.0 to 4.0 mgd began in FY 2020 and became operational in FY 2022. Construction for a further expansion from 4.0 to 8.0 mgd is anticipated to begin in FY 2023.

#### **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. DCFWSD #1A was annexed by Lewisville in 2022.

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



## WATERSHED PROTECTION PROGRAM

*Protecting Our Water Supply Right Where We Live!*

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



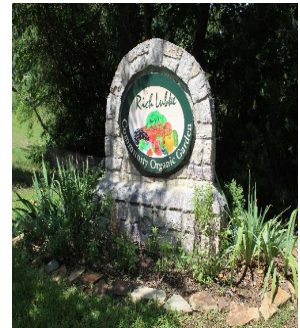
Communities in the local watersheds are knitted together by the many water ways that extend into and through neighborhoods. The District's coordinated program for Watershed Protection offers the opportunity to work with nearby communities on common strategies. Pursuing a shared vision about Watershed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

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



## RICH LUBKE COMMUNITY ORGANIC GARDEN

The District expanded the concept of the Nancy Tam Water-Wise Demonstration Garden to include an organic community vegetable garden. The garden provides healthy vegetables and fruits for local food banks and promotes organic gardening practices that protect water quality- no harmful pesticides, fertilizers, or herbicides are required. Working with the Salvation Army, Wal-Mart, Knight-Light Charities, Inc., Christian Community Action, etc., the vegetable garden provides educational opportunities that promote the District's Watershed Protection Program. The garden currently has a total of 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. The District also hosts tours of the Taylor Water Treatment Plant for schools and other groups to teach the importance of water conservation and to explain how water is treated and distributed. District staff coordinate with local partners to host educational events, such as presentations and workshops, and staff are also available to make presentations to schools and other groups upon request.

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

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

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

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

### UPPER TRINITY CONSERVATION TRUST (THE TRUST)

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

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



### HOUSEHOLD HAZARDOUS WASTE PROGRAM



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

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

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

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



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

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

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

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

**UPPER TRINITY REGIONAL WATER DISTRICT**

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

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

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

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

## BUDGET OVERVIEW

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The adopted FY 2023 budget presents a comprehensive projection of Upper Trinity Regional Water District (UTRWD) operations from October 1, 2022 through September 30, 2023. This budget overview describes the key recommendations encompassing the FY 2023 budget.

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

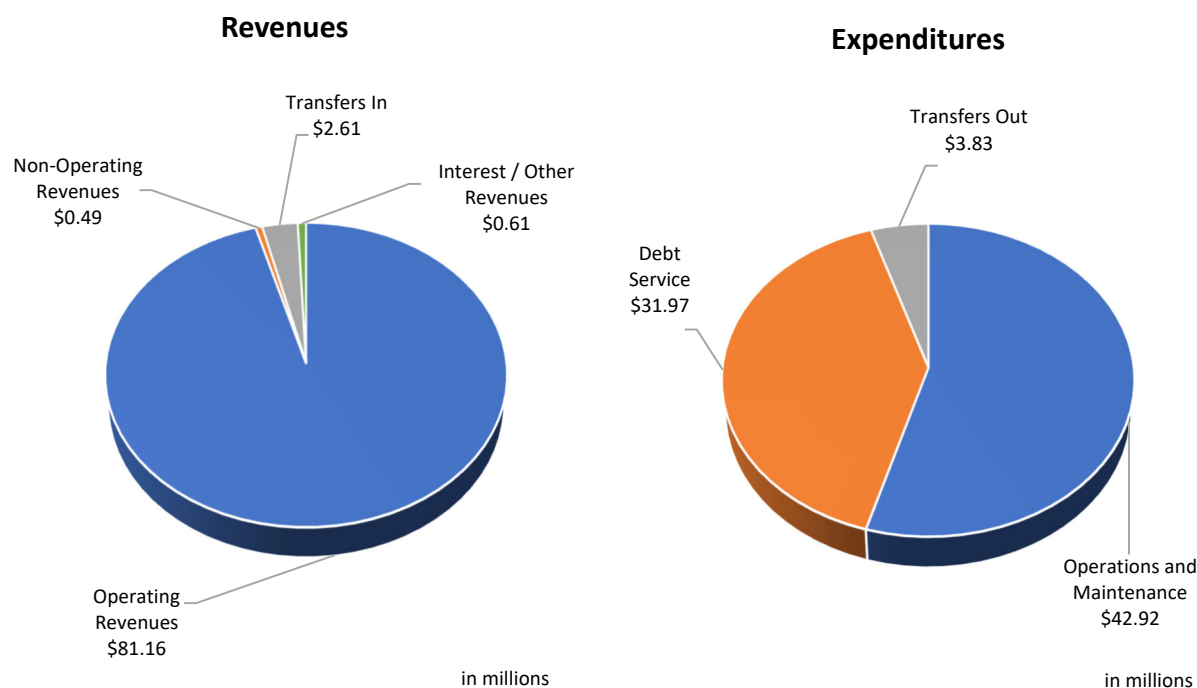
- **Water System** – the Regional Treated Water System includes functions related to the development and provision of additional water resources, pumping of raw water from existing sources, treatment of raw water, and distribution of treated water to members / customers of the System. Additionally, this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

UTRWD's FY 2023 Operating budget, adopted by its Board of Directors on September 1, 2022, totals \$78,718,385, an overall increase of 14.2% from the 2022 budget total of \$68,916,430. A District-wide summary of FY 2023 revenue requirements (expenses), as well as the sources of funding to meet these requirements (revenues), is provided in the following table. FY 2022 data is also provided for comparison purposes.

Operating Systems	\$ in Millions				
	FY 2022 Budget	FY 2023 Budget	\$ Change	% Change	
<b>Revenues</b>					
Operating Revenues	\$ 72.94	\$ 81.16	\$ 8.22	11.3%	
Non-Operating Revenues	0.54	0.49	(0.05)	(9.3%)	
Transfers In					
Internal Reserve Funds	0.90	2.39	1.49	165.6%	
Other Systems	0.20	0.22	0.02	10.0%	
Interest / Other Revenues	0.08	0.61	0.53	662.5%	
<b>Total</b>	<b>\$ 74.66</b>	<b>\$ 84.87</b>	<b>\$ 10.21</b>	<b>13.7%</b>	
<b>Expenditures</b>					
Operations and Maintenance	\$ 36.43	\$ 42.92	\$ 6.49	17.8%	
Debt Service and Related Expenses	28.20	31.97	3.77	13.4%	
Transfers Out					
Internal Reserve Funds	4.02	3.53	(0.49)	(12.2%)	
Other Systems	0.27	0.30	0.03	11.1%	
<b>Total</b>	<b>\$ 68.92</b>	<b>\$ 78.72</b>	<b>9.80</b>	<b>14.2%</b>	
<b>Increase / (Decrease) to Fund Balance</b>	<b>\$ 5.74</b>	<b>\$ 6.15</b>	<b>\$ 0.41</b>	<b>7.1%</b>	

The FY 2023 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 six new positions (full year funded) to keep up with the increasing workload as the District continues to grow.
  - A Water Operator in the Regional Treated Water System (Harpool Plant) to provide operational support for the tremendous growth in the District's northeast service area.
  - A Wastewater Operator to be shared between the Riverbend and Doe Branch Plants in the Northeast Regional Water Reclamation System to provide additional support for operations during the evening hours and to assist with continued growth in wastewater flows in the northeast service area.
  - A Maintenance Worker to provide additional support with maintenance activities for the District's increased operations.
  - A Communications Specialist to provide support for the District's increasing website design and publication activities.
  - A GIS Analyst to assist with drone activities and development of electronic maps of the District's ever-expanding land ownership and newly constructed facilities.
  - A Construction Inspector is needed to assist with increasing construction activities through the capital improvement program.
- Provide funding for 136 total authorized positions.
- 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 3% increase for the District's healthcare expense.
- Continue to repair and replace aging infrastructure, as needed.



## OPERATING REVENUES

FY 2023 District operating revenues reflect a 13.7% increase from FY 2022 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 2022 and FY 2023:

Operating Revenues	\$ in Millions				
	FY 2022 Budget	FY 2023 Budget	\$ Change	% Change	
Demand Revenues	\$ 38.22	\$ 41.74	\$ 3.52	9.2%	
Fixed O&M Revenues	7.01	7.45	0.44	6.3%	
Volume Revenues	16.16	19.61	3.45	21.3%	
Treatment / Transportation Revenues	4.74	5.21	0.47	9.9%	
Capital Charges					
Joint and Individual Facilities	6.64	6.96	0.32	4.8%	
Administrative and Planning Fees	0.16	0.17	0.01	6.3%	
Charges for Household Hazardous Waste	0.01	0.02	0.01	100.0%	
<b>Total</b>	<b>\$ 72.94</b>	<b>\$ 81.16</b>	<b>\$ 8.22</b>	<b>11.3%</b>	



## 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 9.3% from FY 2022 largely due to the non-renewal of leased office space by a current lessee at the District's 802 N. Kealy Street building (approximately \$27,000 shown in the Administration Fund) that is allocated to all Operating Funds (except the Household Hazardous Waste Fund). Additionally, there is a decrease of \$25,000 of lease payments (included in the Regional Treated Water System) received from tenants on land purchased by the District for the Lake Ralph Hall project who have had to vacate the property for the advancement of this project.

The following table represents District-wide Non-Operating Revenues for FY 2022 and FY 2023:

Non-Operating Revenues	\$ in Millions				
	FY 2022 Budget	FY 2023 Budget	\$ Change	% Change	
Contract Revenues	\$ 0.27	\$ 0.27	\$ -	0.0%	
Rental Revenues	0.19	0.14	(0.05)	(26.3%)	
Shared Debt Payments	0.08	0.08	-	0.0%	
<b>Total</b>	<b>\$ 0.54</b>	<b>\$ 0.49</b>	<b>\$ (0.05)</b>	<b>(9.3%)</b>	

## TRANSFERS IN

FY 2023 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 137.3% from FY 2022 due to a reduction of \$705,000 of O&M Reserve funding used to complete a raw water holding pond dredging project in the Regional Treated Water System in FY 2022. However, there is a net increase from FY 2022 of approximately \$385,000 (from \$0.04 to \$0.42 million) of Non-Bond Capital Reserve funding to be used as a rate stabilization tool for the Northeast Regional Water Reclamation System in FY 2023. Additionally, there is a net increase of approximately \$207,000 (from \$0.03 to \$0.24 million) for the replacement of a crane truck for the Maintenance Division (\$220,000) and a utility vehicle for the Northeast Regional Water Reclamation System-Riverbend Plant (\$17,640). For FY 2023, \$1.60 million is needed to be transferred from the Raw Water Holding Pond Dredging Reserve to the Regional Treated Water System's to offset costs to complete a dredging project at the Harpool Regional Water Treatment Plant to remove built up silt from the lagoon to increase the storage capacity of raw water dropped off from Chapman Lake.

FY 2023 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 2022 and FY 2023:

Transfers In	\$ in Millions			
	FY 2022 Budget	FY 2023 Budget	\$ Change	% Change
<b>From Internal Reserve Funds</b>				
Non-Bond Capital Reserve	\$ 0.04	\$ 0.42	\$ 0.38	950.0%
O&M Reserve	0.70	-	(0.70)	(100.0%)
Raw Water Holding Pond Dredging Reserve	-	1.60	1.60	N/A
Series 2000-A Bonds Reserve	0.12	0.12	-	0.0%
Vehicle / Equipment Replacement Reserve	0.03	0.24	0.21	700.0%
Working Capital	0.01	0.01	-	0.0%
<b>From Other Systems</b>				
Customer Rate Surcharge Revenue	0.14	0.16	0.02	14.3%
Loan Payments / Debt Service Payments	0.05	0.05	-	0.0%
Sludge Processing Payment	0.01	0.01	-	0.0%
<b>Total</b>	<b>\$ 1.10</b>	<b>\$ 2.61</b>	<b>\$ 1.51</b>	<b>137.3%</b>

## INTEREST AND OTHER REVENUES

FY 2023 Interest and Other Revenues consist of revenue earned from investment of operating funds (Interest) and Other Revenues, such as credit card and energy conservation rebates, and auction proceeds. This category of revenue is projected to increase 662.5% from FY 2022 due to the dramatic increase in interest rates during FY 2022 (and projected to continue increasing through FY 2023), as well as increases to District credit card rebates projected for FY 2023.

The following table represents District-wide Interest and Other Revenue for FY 2022 and FY 2023:

Interest and Other Revenues	\$ in Millions			
	FY 2022 Budget	FY 2023 Budget	\$ Change	% Change
Interest Revenue	\$ 0.05	\$ 0.54	\$ 0.49	980.0%
Other Revenues	0.03	0.07	0.04	133.3%
<b>Total</b>	<b>\$ 0.08</b>	<b>\$ 0.61</b>	<b>\$ 0.53</b>	<b>662.5%</b>

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

## OPERATIONS AND MAINTENANCE (O&M) BUDGET HIGHLIGHTS

The FY 2023 O&M budget totals \$42.92 million. This is an increase of \$6.49 million, or 17.8%, compared to \$36.43 million in FY 2022. The table below summarizes the primary drivers for the change in the O&M budget from FY 2022 to FY 2023:

	<u>\$ in Millions</u>
<b>FY 2022 O&amp;M Budget</b>	<b>\$ 36.43</b>
Personnel Services	\$ 0.59
Insurance (Property & General Liability)	0.10
Computer, Equipment & Supplies	0.20
Plant & Equipment Maintenance	1.75
Raw Water Purchases	1.15
Biosolids Disposal	0.15
Chemicals	1.58
Electricity	1.05
Other O&M Changes (Net)	(0.08)
Net Increase in O&M	<u>\$ 6.49</u>
<b>FY 2023 O&amp;M Budget</b>	<b><u>\$ 42.92</u></b>

The most significant increase of \$1.75 million (166.6%) to the District's operating costs for FY 2023 is due to the need to dredge silt from the Harpool Plant raw water holding pond (Regional Treated Water System) at a cost of \$1.60 million. As raw water is delivered to the Harpool Plant from Chapman Lake, it is held in this pond so that dirt particles can settle out of the water before it is pumped into the Plant for further treatment. Silt builds up over time, thereby decreasing the pond's holding capacity. Additionally, It is extremely critical that sediment is cleared from this water so that filter membranes do not become clogged with mud, causing additional damage to other treatment infrastructure. This holding pond (Harpool Plant) was last dredged in FY 2016, while dredging of the Taylor Plant holding pond was just recently completed in June 2022.

With the frequency of need to dredge the Harpool Plant holding pond every 6-8 years, along with the need to dredge the Taylor Plant holding pond every 8-10 years, District staff established a Raw Water Holding Pond Dredging Reserve at Mid-Year 2022 with an initial deposit of \$2.00 million from excess working capital from FY 2021 operations. \$1.6 million of this reserve balance will be utilized for the completion of this project in FY 2023. Additionally, a \$0.0075 per 1,000 gallon of flows treated contribution has been established for the FY 2023 Operating Budget for the Regional Treated Water System and will help provide funding for future holding pond dredging project expenditures so that these large and infrequent expenses do not cause large rate fluctuations.

District operations (water and wastewater) utilize a wide variety, as well as a large quantity, of chemicals in the production of treated water and for the treatment of wastewater. In FY 2022, the District

experienced multiple, double-digit percentage cost increases from its water treatment chemical vendors due to market pressures for oil and petroleum related products, as well as supply chain delivery issues. During Mid-Year 2022, the Regional Treated Water System's chemical budget was increased by \$0.28 million (14.8%). With updated bids received from a majority of the District's chemical vendors in June 2022, the overall FY 2023 chemical budget for all District operations reflects a \$1.58 million increase. This amount includes an increase of approximately \$1.47 million (78.8%) for water treatment operations alone.

The cost of Raw Water purchases projected for FY 2023 reflect a \$1.15 million (12.8%) increase from FY 2022. This overall increase is a result of a 2.7% rate increase from Dallas Water Utilities (DWU), as well as a rate increase from the City of Denton for their raw water, which is 85% of the DWU rate on a 1,000-gallon basis. For FY 2023, Dallas raw water makes up roughly 51.0%, with Denton raw water representing 13.9% of the Regional Treated Water System's (RTWS) raw water portfolio. The quantity-mix of these raw water sources also determine the overall cost to the Regional Treated Water System that determines the proposed Volume rate necessary to recoup the System's variable costs for the fiscal year.

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

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 provide a fixed kilowatt hour rate through May 2026, the FY 2023 budget includes increases to electricity rates for the District's other facilities that are not under a long-term contract. During FY 2022, the District's electricity costs for the Harpool Plant (Regional Treated Water System), the Northeast Regional Treated Water System (Riverbend and Doe Branch Plants), and the Peninsula Plant experienced double-digit percentage increases due to rising fuel costs for electric providers. The per-kilowatt hour rate between October 2021 and August 2022 reflected an average increase of 40.0%. Therefore, with the increases experienced through FY 2022, the 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 2023, yield an overall electricity cost increase of \$1.05 million (11.1%) compared to the FY 2022 adopted budget total.

The District's Personnel Services expense is projected to increase \$0.59 million for FY 2023 (6.0%), which includes a 4.0% increase for merit raises and promotions, along with a 3.0% increase for projected healthcare costs. In addition, a full year of expense is included for five new positions in Operations and Maintenance (a Water Operator for the Regional Treated Water System, a Wastewater Operator for the Northeast Regional Water Reclamation System, a GIS Analyst funded between Operations and Construction, a Communications Specialist, and a Maintenance Worker). There is also one new position (Construction Inspector) included for FY 2023 which is funded 100% through the Capital Improvement Program budget.

Insurance expense, which includes Property, General Liability, Vehicle, and Cybercrime, is projected to increase by \$0.10 million (11.5%) from FY 2022. This increase includes an approximate 5.0% rate increase for errors and omissions and a 15.0% increase for vehicle and property insurance. 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 biosolids from the District's water reclamation operations were made at a landfill owned by the City of Lewisville, Texas. After receiving notification by the City of Lewisville that their landfill would no longer be accepting water reclamation sludge byproducts, the District's disposal vendor began utilizing a slightly farther landfill in the City of Farmers Branch. Therefore, the FY 2023 sludge disposal budget for its wastewater operations reflects a \$0.15 million (13.7%) cost increase from FY 2022. This increase also includes a projected 10.0% rate increase when their contract is up for renewal in January 2023.

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 2023 Debt Service for the District is \$31.97 million, an increase of \$3.79 million (13.4%) from FY 2022.

A summary of the FY 2023 UTRWD debt service requirements (by type of funding), as well as total variable rate financing expense (interest and associated fees) are provided in the following table.

Debt Service and Related Expenses	\$ in Millions			
	FY 2022 Budget	FY 2023 Budget	\$ Change	% Change
<b>Senior Lien Debt Expense</b>				
Revenue / Refunding Bonds	\$ 23.46	\$ 24.85	\$ 1.39	5.9%
TWDB "D" Funds	1.26	1.64	0.38	30.2%
Subsidized Interest Bonds	2.14	2.14	-	0.0%
<b>Total Senior Lien Debt Expense</b>	<b>\$ 26.86</b>	<b>\$ 28.63</b>	<b>\$ 1.77</b>	<b>6.6%</b>
<b>Junior Lien Debt Expense</b>				
Board Participation Bonds	\$ 0.25	\$ 0.55	\$ 0.30	120.0%
State Participation Bonds	0.22	0.23	0.01	4.5%
Variable Rate Financing Expense	0.81	2.51	1.70	209.9%
<b>Total Junior Lien Debt Expense</b>	<b>\$ 1.28</b>	<b>\$ 3.29</b>	<b>\$ 2.01</b>	<b>157.0%</b>
<b>Fiscal Agent Fees</b>	<b>\$ 0.04</b>	<b>\$ 0.05</b>	<b>0.01</b>	<b>25.0%</b>
<b>Total</b>	<b>\$ 28.18</b>	<b>\$ 31.97</b>	<b>\$ 3.79</b>	<b>13.4%</b>

Revenue Bond debt service increased \$1.39 million (5.9%) from FY 2022 due to converting \$37.0 million of outstanding Variable Rate Debt into long-term debt. Texas Water Development Board “D” Fund Bonds increased approximately \$0.38 million (30.2%) due to principal payments beginning in FY 2023. Board Participation Bonds increased by \$0.30 million as annual payments gradually include additional interest over the next seven years (per issue). State Participation Bonds increased by approximately \$0.01 million due to an increase in the principal portion of the payment from FY 2022. The largest increase is the result of increasing market interest rates for variable rate financing such as Commercial Paper or a Direct Purchase Program. The FY 2022 budget reflected a Commercial Paper interest rate of 0.80%. However, with increases through FY 2022, the projected interest rate for variable rate financing for FY 2023 is 2.75%.

In September 2021, the Texas Legislature enacted Senate Bill 19 (SB19) which required private sector entities in Texas to confirm that they do not have policies against firearm entities or firearm trade associations in order to contract with the State of Texas or its political subdivisions. Since 2005, the District utilized Bank of America (BOA) for its Commercial Paper program. As of June 2022, BOA had not yet filed a standing letter with the Texas Attorney General verifying that it does not discriminate against such firearm entities or firearm trade associations. Therefore, the District was forced to start planning for a disconnect with BOA for their Commercial Paper program and look elsewhere for its short-term financing needs. After considering several viable short-term financing products, the decision was made to close out the Commercial Paper program with BOA and to begin a Direct Purchase Program with another financial institution in FY 2023.

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 2022 and FY 2023:

Transfers Out	\$ in Millions			
	FY 2022 Budget	FY 2023 Budget	\$ Change	% Change
<b>To Internal Reserve Funds</b>				
O&M Reserve	\$ 0.91	\$ 0.24	\$ (0.67)	(73.6%)
Capital Replacement Reserve	1.69	1.82	0.13	7.7%
Watershed Protection Reserve	0.19	0.28	0.09	47.4%
Water Conservation Reserve	0.19	0.28	0.09	47.4%
Future Water Reserve	0.25	0.28	0.03	12.0%
Non-Bond Capital Reserve	0.32	0.32	-	0.0%
Raw Water Holding Pond Dredging Reserve	-	0.10	0.10	N/A
Plant Permitting Reserve	0.03	0.03	-	0.0%
Vehicle and Equipment Replacement Rsrv.	0.44	0.19	(0.25)	(56.8%)
<b>To Other Systems</b>				
Administration (Customer Rate Surcharge)	0.14	0.16	0.02	14.3%
Internal Loans / Shared Debt Service Payments	0.13	0.13	-	0.0%
<b>Total</b>	<b>\$ 4.29</b>	<b>\$ 3.83</b>	<b>\$ (0.46)</b>	<b>(10.7%)</b>

The largest variance (73.6%) shown above is the change in contributions to District O&M Reserve Funds from FY 2022 to FY 2023. The District has five Operating Systems (Funds) that each utilize an O&M Reserve Fund. This reserve is required to have a balance equal to 25.0% each Systems' total operating expenses (excluding debt service and certain contributions to other reserve funds). Funds previously deposited to this reserve can be drawn upon (with Board authorization) to offset certain one-time and / or emergency expenses during the fiscal year or planned for an upcoming fiscal year. The decrease of \$0.67 million from FY 2022 to FY 2023 is largely the result transferring excess working capital identified from FY 2021 operations (\$0.60 million from the Regional Treated Water System and \$0.08 million from the Northeast Regional Water Reclamation System). The following information reflects the FY 2023 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	\$0.04 million	100.0%
Lakeview Regional Treated Water System	\$0.03 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%

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 4.60% for FY 2023:

- The Volume Rate adopted for members is \$1.40 / 1,000 gallons (a 12.0% increase from the FY 2022 rate of \$1.25 / 1,000 gallons) and for customers is \$1.50 / 1,000 gallons (an 11.9% increase from the FY 2022 rate of \$1.34 / 1,000 gallons).
- The Demand Charge increased to \$472,195 per mgd of contracted system capacity, a 1.5% increase over the FY 2022 charge of \$465,055 per mgd.
- The Flat Rate / Temporary Service Rate adopted by the Board is \$5.15 / 1,000 gallons, representing a 4.7% increase from the prior year rate of \$4.92 / 1,000 gallons.

FY 2023 total expenditures for the Regional Treated Water System reflect an overall increase of 15.4% (\$7.94 million) from the prior year total. This is due to a 78.8% cost increase (\$1.47 million) projected for chemicals used in the raw water treatment process, a 13.2% cost increase (\$1.12 million) for Dallas and Denton raw water, and a 24.8% cost increase (\$0.53 million) for electricity. These expenditures are recovered through the Volume Rate. Debt Service expense, recovered through the Demand Charge, is projected to increase 15.8% (\$3.41 million) from the FY 2022 total due to rising interest rates for variable rate financing and additional bonds issued to retire outstanding Commercial Paper.

#### LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

The following rates and charges are established to keep the overall average rate impact at 4.50% for FY 2023:

- The adopted Treatment Rate is \$1.30 / 1,000 gallons (a 4.0% increase from the FY 2022 rate of \$1.25 / 1,000 gallons).
- The adopted Fixed O&M Charge is \$444,275 per mgd of contracted system capacity, representing a 4.9% increase from the FY 2022 charge of \$423,500 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 2023 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 2023 total expenditures for the Lakeview Regional Water Reclamation System reflect an overall increase of 3.8% (\$0.25 million), due to a 17.5% projected increase (\$0.03 million) for Plant and Equipment Maintenance expenses for various repairs around the Lakeview Plant, a 9.4% increase (\$0.05 million) for Biosolids Disposal services after projecting a 10.0% rate increase from the disposal vendor for FY 2023, and a 21.1% increase (\$0.04 million) for chemicals used in the wastewater treatment process. In addition, Personnel Services expense for FY 2023 reflects a 7.4% increase (\$0.06 million) that includes a full-year impact for a new Wastewater Operator position that was funded for six months in FY 2022. Allocated Administration, Information Technology, and Maintenance Funds expenses also increased by 5.9% (\$0.04 million) from FY 2022.

#### 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 5.04% for FY 2023:

- The adopted Treatment Rate for members is \$1.39 / 1,000 gallons (an 11.2% increase from the FY 2022 rate of \$1.25 / 1,000 gallons).

- The adopted Fixed O&M Charge is \$600,000 per mgd of contracted system capacity, representing a 1.7% increase from the FY 2022 charge of \$589,650 per mgd.
- Capital Charges for Joint / Individual facilities are assessed to recover debt service costs associated with capital facilities for each customer. The FY 2023 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 2023 total expenditures for the Northeast Regional Water Reclamation System reflect an overall increase of 15.4% (\$1.42 million), due to a 7.9% increase (\$0.12 million) for Personnel Services expenses that includes a full year of funding for a new Wastewater Operator position, a 19.0% increase (\$0.09 million) for Biosolids Disposal services after projecting a 10.0% rate increase from the disposal vendor for FY 2023, and a 14.8% increase (\$0.03 million) for chemicals used in the wastewater treatment process. The largest increase projected for FY 2023 is for electricity expense due to increases already incurred through FY 2022 from its provider, Coserv. Electricity expense is projected to increase by 77.6% (\$0.48 million) from the adopted FY 2022 amount due to a 20% rate increase, combined with an increase in treatment flows. Allocated Administration, Information Technology, and Maintenance Funds expenses also increased by 22.8% (\$0.26 million) from FY 2022. Debt Service expense increased 10.9% (\$0.38 million) for requiring payment of the principal amount for the Series 2016 and 2017 Revenue Bonds (issued to expand the Riverbend Plant from 2.0 to 4.0 mgd). These bonds were originally structured with eighteen months of capitalized interest, with the remaining four years to require interest-only payments through FY 2022.

#### PENINSULA WATER RECLAMATION PLANT

The following rates and charges are established to keep the overall average rate impact at 3.30% for FY 2023:

- The adopted Treatment Rate for members is \$1.75 / 1,000 gallons, representing an 8.7% increase from the FY 2022 rate of \$1.61 / 1,000 gallons.
- The adopted Fixed O&M Charge of \$680,300 per mgd of contracted system capacity, representing a 0.04% increase from the FY 2022 charge of \$680,250 per mgd.
- Capital Charges for Joint facilities are assessed to recover debt service costs associated with capital facilities for Mustang Special Utility District (the only participant of the Peninsula Plant). The FY 2023 capital charges are based on the debt service requirement for the 2016 Revenue Bonds that were issued for the UV Disinfection System Improvement project.

FY 2023 total expenditures for the Peninsula Water Reclamation Plant reflect an overall increase of 9.0% (\$0.11 million), due to a 5.4% increase (\$0.02 million) to Personnel Services expense for a full-year impact for a new Wastewater Operator position that was funded for six months in FY 2022 and a 35.8% increase (\$0.03 million) for electricity (Coserv). Electricity expenses have already increased 30.0% (\$0.03 million) through July 2022 over the adopted FY 2022 estimate due to the increase in fuel costs, as well as market pressures being passed through to consumers. Chemical expense is projected to increase 185.0% (\$0.04 million) for FY 2023 due to price increases from chemical vendors due to rising fuel costs and for market pressures for petroleum related byproducts. However, a portion of this increase in projected chemical costs is due to the Peninsula Plant now having the ability to run a centrifuge to dewater sludge byproducts produced from the treatment of wastewater flows. With the expansion of the Peninsula Plant projected to be completed and placed into operations by July 2023, Polymer will be used for the first time at the



Plant for the dewatering process. The estimated cost of this product for three months in FY 2023 totals \$20,000.

#### ADMINISTRATION FUND

By Contract, each Member and Contract Utility pays for administration and planning costs of the District, generally according to population. The FY 2023 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 40.0% 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 2023 Administration budget includes a transfer of \$100,000 from the Regional Treated Water System and \$60,000 from the Northeast Regional Water Reclamation System that is generated from the Customer Rate surcharge to offset administration services provided to non-members (customers) of these two systems. Other Revenues include rebates received from the District's procurement card (credit card) program. In addition, Rental revenue captures income from the rental property at 802 N. Kealy and is reallocated to operating funds to offset total allocated debt for the purchase of the building.

Total FY 2023 expenditures (before allocation to Operating Funds and CIP) reflect an overall 12.6% (\$0.67 million) increase from the adopted FY 2022 budget. The FY 2023 adopted budget includes a 5.6% (\$0.18 million) increase to Personnel Service expense for the addition of a new Communication Specialist position and projecting a 3.0% increase for employee health insurance costs. Additionally, Banking Fees expense reflects a 150.0% (\$0.05 million) increase due to keeping District funds in higher interest yielding bank accounts. These items, along with the 31.3% (0.37 million) increase in the Information Technology budget for FY 2023, total an approximate \$0.64 million increase for the Administration budget. 95.0% of these expenses are then allocated to other District Operating Funds and the Capital Improvement Program budget.

#### NON-POTABLE WATER SYSTEM

The following rates and charges are established that reflect an overall average rate impact at 1.44% for FY 2023:

- The adopted Treated Effluent Water Rate is \$0.51 / 1,000 gallons (a 4.1% increase from the FY 2022 rate of \$0.49 / 1,000 gallons).
- The adopted Raw Water Rate is \$1.12 / 1,000 gallons (a 3.7% increase from the FY 2022 rate of \$1.08 / 1,000 gallons).
- The adopted Demand Charge of \$125,000 per mgd of contracted system capacity and is unchanged from FY 2022.

FY 2023 total expenditures for the Non-Potable Water System reflect an overall increase of 23.1% (\$0.03 million) from FY 2022, primarily due to a 66.2% increase in projected sales for Treated Effluent Water and

a 2.7% rate increase from Dallas Water Utilities for this type of water for FY 2023. Since the City of Lewisville annexed Dallas County Fresh Water Supply District #1A in mid-FY 2022, there has been a double-digit increase in Treated Effluent Water usage. Treated Effluent Water expense reflects a 70.4% (\$0.02 million) increase from FY 2022. FY 2022 Raw Water expense reflects a \$95 increase due to a 2.7% rate increase from Dallas Water Utilities from FY 2022.

#### HOUSEHOLD HAZARDOUS WASTE FUND

The FY 2023 adopted Collection and Disposal rate of \$112 per household and the individual voucher rate of \$91 per household, represent an increase of 23.1% and 41.0%, respectively. These increases were based on a projected increase of 50.0% from the City of Fort Worth for their Landfill Disposal Fee that the District is required to pay for the disposal of household hazardous waste materials per household participating in an event or for each single voucher sold by the District. The projected level of participation in the Household Hazardous Waste Program is 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.

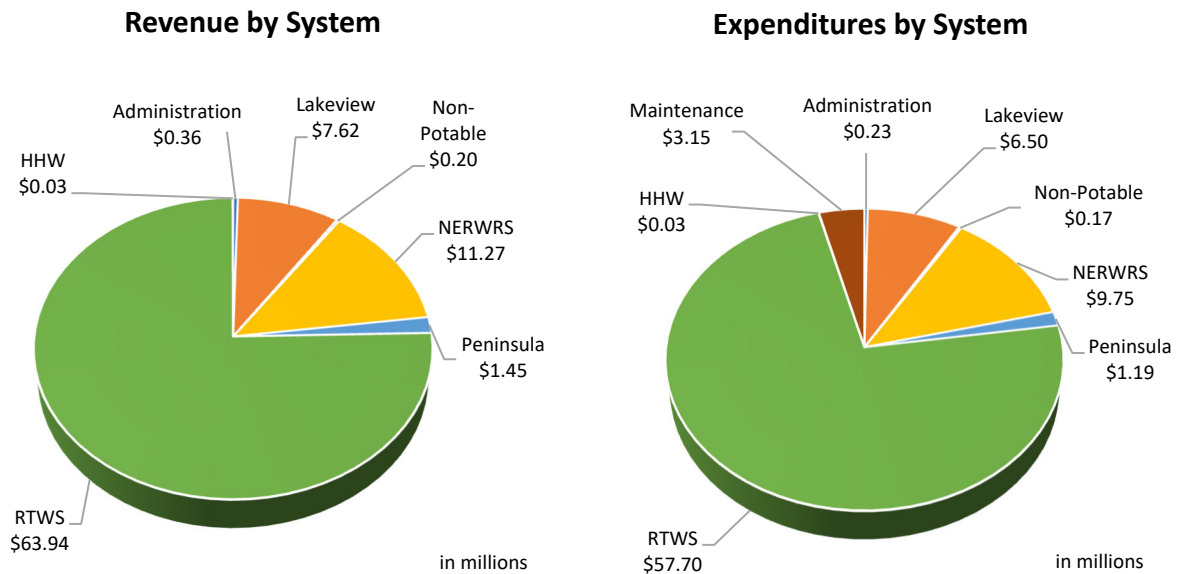
#### MAINTENANCE FUND

This fund is allocated to operating funds as follows and is based on work order distribution: Regional Treated Water System – 50.5%, Lakeview Water Reclamation System – 13.0%, Northeast Water Reclamation System – Riverbend and Doe Branch Plants – 29.0%, Peninsula Water Reclamation Plant – 4.0%, Non-Potable Water System – 0.5%, and Administration – 3.0%.

FY 2023 total expenditures reflect a 16.6% (\$0.45 million) increase over the prior year's adopted budget. Personnel Services expense reflects a 9.5% (\$0.22 million) increase due to including a full year of cost for a new Maintenance Worker position (approximately \$74,000 including benefits), 45.0% of allocated costs for the new GIS Analyst position (approximately \$55,180 including benefits), and a full year cost impact (approximately \$57,500) for the Northeast Maintenance Supervisor position that was funded for six months in FY 2022. A 3.0% cost increase was also projected for employee health insurance for FY 2023.

In FY 2022, the District's Board of Directors authorized the leasing of District vehicles rather than purchasing them through operating rates and charges or from the Vehicle and Equipment Replacement Reserve. Since the Maintenance Division has a large number of trucks (F-150s, F-250s, and F-350s), the Vehicle Expense budget for FY 2023 reflects a 261.6% (\$0.16 million) increase. The timeframe for receiving these lease vehicles is unpredictable due to the supply chain issues regarding vehicle manufacturers, so we have included partial year lease payments for the various trucks to be leased. Capital Equipment and Furniture (equal to or greater than \$5,000) reflects a 23.6% increase (\$0.04 million) from FY 2022 and includes \$220,000 for the purchase of a new crane truck to be used in the Northeast service area.

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

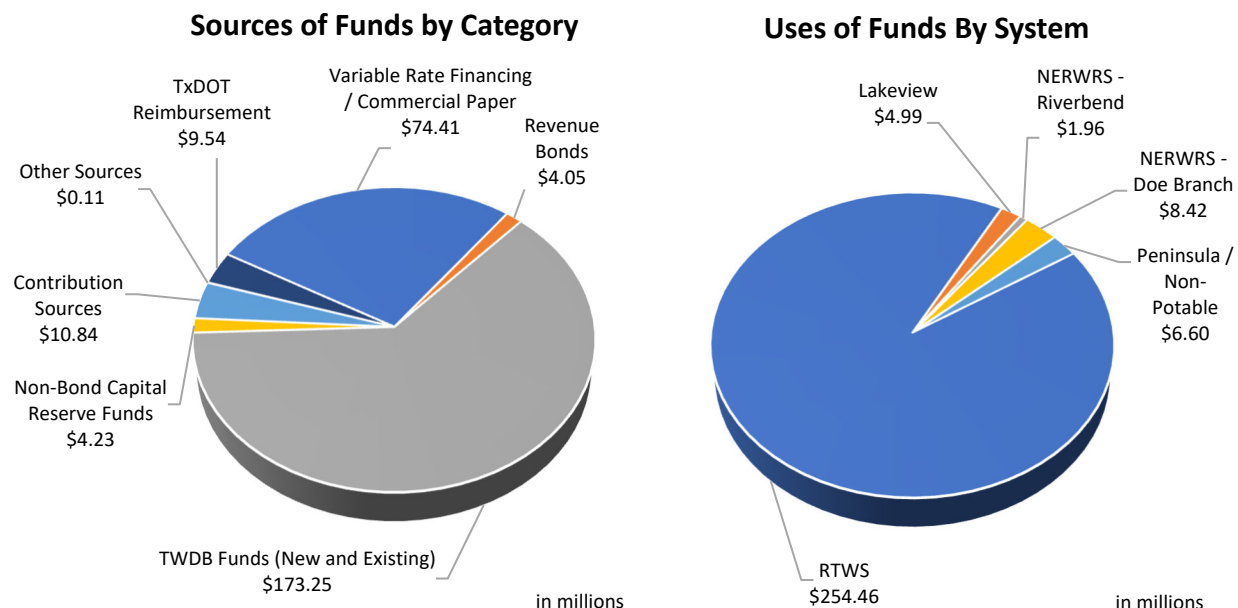


### CAPITAL IMPROVEMENT PROGRAM (CIP) HIGHLIGHTS

The FY 2023 Capital Improvement Program totals \$276,425,925, an overall increase 14.6% from the FY 2022 budget total of \$241,164,125. The planned projects include:

- Continued construction of various segments (Dam, Roadways, Bridges) of the Lake Ralph Hall project.
- Continued design, engineering, and construction of the Southwest Pump Station, Phase 1 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.
- Continued design and engineering to begin construction for the expansion the Lakeview Regional Water Reclamation Plant from 5.50 to 7.5 mgd of treatment capacity.
- 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 \$35.26 million from FY 2022 is largely due to increased efforts associated with the construction of the various segments of the Lake Ralph Hall project. The FY 2023 Lake Ralph Hall budget increased approximately \$21.35 million from FY 2022 and reflects the District's ever-increasing efforts to complete this project on-schedule.



The FY 2023 budget assumes that approximately 26.9% (\$74.41 million) of Variable Rate Financing (formerly Commercial Paper converting to a Direct Purchase Program) will be utilized in the Regional Treated Water System (RTWS). The District has an authorized maximum limit of \$75.0 million (currently for Commercial Paper) for variable rate financing. Although, \$74.41 million is projected to be issued during FY 2023 to advance the RTWS capital budget, \$37.0 million of outstanding variable rate debt is planned to be converted to long-term debt towards the end of FY 2023 so that no debt service is due.

Revenue Bond funding of \$4.05 million (1.5%) is required for FY 2023 CIP funding. Approximately \$0.05 million of this amount remains from the 2019 Revenue Bonds issued for the Phase 2 expansion of the Doe Branch Plant (Northeast Regional Water Reclamation System) being completed in early FY 2023. \$4.00 million of this amount represents proceeds received from the August 2022 issuance of Northeast Regional Water Reclamation Revenue bonds totaling \$10.69 million. Approximately \$2.14 million of this issue represents the first tranche of bonds for initial design and engineering of the new West Influent Pump Station that serves the Riverbend Plant. The remaining \$8.55 million is the first tranche of bonds to continue design and engineering, as well as to begin construction of the Phase 3 expansion of the Doe Branch Plant. This bond issue of \$10.69 million is structured with two years of capitalized interest with the first debt service payment due in February 2025.

62.7% (\$173.25 million) of required FY 2023 funding consists of previously secured funding from the Texas Water Development Board (TWDB) in the form of Board Participation and Deferred Interest funding for the Lake Ralph Hall project. Also included in this amount is funding from an additional \$110.00 million of TWDB Board Participation funding planned for November 2022 to continue construction on various segments of the Lake Ralph Hall project. With this issue of Board Participation, no debt service is due until

FY 2026. FY 2023 funding will also be provided from \$10.00 million of TWDB Deferred Interest funding also scheduled for November 2022 to continue with design and engineering activities of the Lake Ralph Hall project. With Deferred Interest funding, no debt service is due until the earlier of eight years or the project construction completion date, whichever is sooner. This category of funding for FY 2023 also includes a new Board Participation issue (planned for November 2022) totaling \$9.1 million for the Harpool Regional Water Treatment Plant Northeast Water Transmission Pipeline, Phase 1 – Phase 4.

Internal Reserve funding (Non-Bond Capital Reserve Funds) totals approximately \$4.23 million (net), which equates to approximately 1.5% of FY 2023 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 2023 and applied back to the District’s Non-Bond Capital Reserve funds. For FY 2023, a total of \$9.54 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.

Other Sources of FY 2023 CIP funding represent transfers from the Plant Permitting Reserves (\$0.04 million) for renewal of the Texas Pollutant Discharge Elimination System permits (TPDES) at the Lakeview and Riverbend Regional Water Reclamation Plants, as well as Customer Reimbursements (\$0.07 million) for any contingency projects to extend any Customer water and wastewater pipelines. Finally, contributions from District members / customers total approximately \$10.84 million (3.9%) of the required FY 2023 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

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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 be made in the budgets to accommodate changes in revenues and

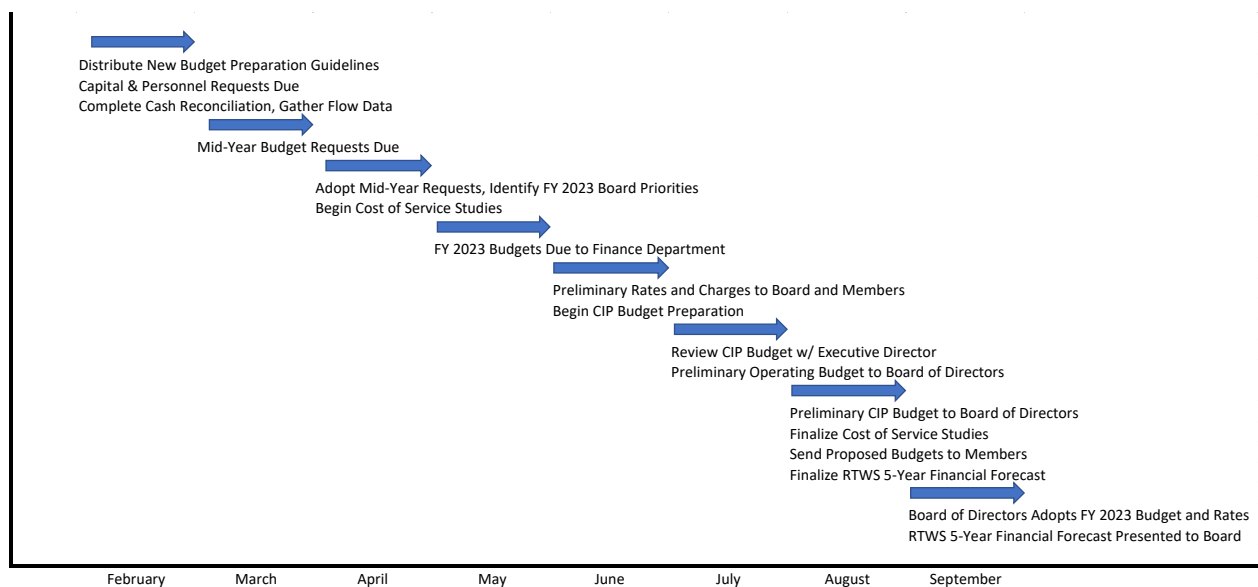
expenses for the remainder of the fiscal year. Mid-year budget amendments are then put together by the Budget Office for consideration. After review of the proposed mid-year budgets with the Executive Director in March, it is presented to the Board in April for review and adoption.

## **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 2022 mid-year budget and FY 2023 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 2022 mid-year budget requests due to Business Services FY 2023 new personnel requests due to Human Resources FY 2023 capital purchase requests due to Purchasing to assist in developing cost estimates FY 2023 Information Technology requests due
Mid-March	FY 2022 mid-year CIP meeting with Engineering Department FY 2022 mid-year budget salary and benefits forecast
Late March	Review proposed FY 2022 mid-year budget requests with Executive Director Complete FY 2022 mid-year budget amendments and resolution Receive flow data surveys
Early April	Adopt FY 2022 mid-year budget amendments and discuss FY 2023 budget priorities
Mid-April	FY 2023 budget request forms due to Directors Begin FY 2023 CIP review with Engineering Department FY 2023 budget request forms due to Business Services FY 2023 budget salary and benefit forecast
Mid-May	Review FY 2023 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 2023 preliminary operating budget

	Second review of FY 2023 preliminary operating budget with Executive Director
Early July	FY 2023 preliminary operating budget presented to Board of Directors
Mid-July	Finalize FY 2023 – 2027 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 2023 preliminary operating and capital budgets to members/customers Final review of FY 2023 proposed operating and capital budgets and rate, fees, and charges with Executive Director Finalize RTWS 5-Year Financial Forecast
September	Present FY 2023 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

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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 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 2023 budgets are projected to yield an increase in ending cash.

District Fund	Increase in Ending Cash
Administration Fund	\$33,105
Lakeview Regional Water Reclamation System	\$708,335
Non-Potable Water System	\$16,780
Northeast Regional Water Reclamation System	\$605,845
Peninsula Water Reclamation Plant	\$142,710
Regional Treated Water System	\$4,642,805
Household Hazardous Waste	\$585

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, 2022, the weighted average yield to maturity for the District's investments was 2.322% with an investment mix of Local Government Investment Pools and Bank Deposits. In addition, 5% of the District's investments are collateralized and 95% are invested in TexPool, which is rated AAA by Standard & Poor's.

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

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

## **OPERATING BUDGET POLICIES**

### **BUDGETARY BASIS**

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

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

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

### **ACCOUNTING BASIS**

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

### **BUDGETARY BASIS VS. ACCOUNTING BASIS**

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

## **EXPENSE POLICY**

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

## **WORKING CAPITAL POLICIES**

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

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

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

## **INTERFUND LOAN POLICIES**

The District has historically utilized Non-Bond Capital Reserve Fund and Working Capital, along with other available reserves as a source of "Internal Loans", if needed in each of the operating funds. This has been used for "bridge" financing for larger projects before the System 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 2023 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. However, with the April 2022 approval to begin leasing all District Vehicles (cars, light and medium trucks), this reserve fund will be funded with contributions for the future replacement of heavy and specialty equipment going forward.

Beginning in FY 2023, the District will establish an **Inventory Control Fund** to account for spare equipment and parts that are required to have on-hand in the event of a failure of items in service. This fund will help to maintain operations and alleviate potential supply chain concerns.

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

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

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

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

## **DEBT POLICIES**

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

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

The District ensures that debt is soundly financed by conservatively projecting revenue sources utilized to pay the debt and, by Board of Director Resolution, establishing rates and charges to achieve a goal coverage ratio of 1.25 to 1.35 on all debt (Cash 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 August 2022, the Regional Treated Water System issued \$43.97 million (par value) of Refunding Bonds to convert \$21.79 million of outstanding Commercial Paper to long-term debt. This issue also refinanced its Series 2012A Revenue Bonds (outstanding principal of \$22.18 million) that yielded a net present value savings of 4.0%.

The District utilizes Variable Rate Financing in the Regional Treated Water System to match cash flow needs more accurately for capital improvement projects and to lower the District's cost of debt service in early years. In prior years, the District participated in a Commercial Paper program. Beginning in FY 2023, the District has entered a Direct Purchase Program. The District's maximum authorized level for this program is \$75.00 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.

### **VARIABLE RATE FINANCING REPLACEMENT POLICIES**

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

Within the guidelines of the rate strategy adopted by the Board of Directors, short-term Commercial Paper and Direct Purchase loans should be converted to Revenue Bonds on an orderly basis.

As a general strategy, the amount of variable rate financing 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 2023 Budget includes a \$37.00 million conversion of outstanding Commercial Paper to Revenue Bonds, scheduled for late FY 2023. Due to the timing of the issuance, no debt service is budgeted for this conversion until FY 2024. The FY 2023 blended rate increase for the Regional Treated Water System is 4.60% from FY 2022. Refer to the Debt Summary section of this budget document for additional information regarding the District's Variable Rate Financing balance for FY 2023.

### **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 2027. 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

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### OUR MISSION

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

### OUR VISION

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

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

#### TREATED (DRINKING WATER)

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

#### LONG RANGE WATER SUPPLY

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

#### NON-POTABLE WATER

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

#### WATER RECLAMATION

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

#### WATERSHED PROTECTION

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

## WATER CONSERVATION

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

## COLLECTION OF HOUSEHOLD HAZARDOUS WASTES

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

## GOALS

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

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

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

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

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

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

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

Approved by the Board of Directors November 6, 1997

## STRATEGIC GOALS

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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 3, 2022 for the 2022 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 2022 - - with your help.

## GENERAL WORK PLAN GUIDELINES FOR 2022

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- 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 2022

### 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><b>Results / Reference(s):</b>  <a href="#">Water Sources / UTRWD</a></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"> <li>With funds provided by TWDB financial assistance, continue the District's enhanced efforts to purchase property needed for the Project - - with special emphasis on the conveyance system.</li> </ul> <p><b>Results / Reference(s):</b>  <i>As of October 6, 2022, out of the 137 parcels needed for the Lake Ralph Hall 32-Mile Pipeline, 82 parcels had been acquired, 19 parcels were pending, leaving 36 parcels remaining.</i>  <a href="#">Land Acquisition / Lake Ralph Hall</a>  <a href="#">Frequently Asked Questions (FAQ) / Lake Ralph Hall</a>  <a href="#">LRH Fast Facts-rev 5 (ctfassets.net)</a></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"> <li>Continue to support Fannin County and the City of Ladonia regarding zoning around LRH and completion of the comprehensive development plan.</li> </ul> <p><b>Results / Reference(s):</b>  <a href="#">Lake Ralph Hall Comprehensive Plan / Social Pinpoint (mysocialpinpoint.com)</a>  <a href="#">Lake Ralph Hall - Home / Facebook</a>  <a href="#">Documents - Lake Ralph Hall / Social Pinpoint (mysocialpinpoint.com)</a></p> <ul style="list-style-type: none"> <li>Initiate discussions with the City of Ladonia regarding responsibilities for water and / or sewer relocations, future water supply, and future operation of the Fossil Park, and take appropriate actions.</li> </ul> <p><b>Results / Reference(s):</b>  <a href="#">Lake Ralph Hall Comprehensive Plan Adopted 2022.10.11 -Website Version.pdf</a>  <a href="#">Ladonia Fossil Park Relocation / Lake Ralph Hall</a></p> <ul style="list-style-type: none"> <li>Continue coordinating with Fannin County on the relocation or abandonment of county roads by Lake Ralph Hall.</li> </ul> <p><b>Results / Reference(s):</b>  <a href="#">LRH What to Expect During Construction 8.5 x 11.pdf (ctfassets.net)</a>  <a href="#">Roads &amp; Bridges / Lake Ralph Hall</a>  <a href="#">MINUTES - 5-5-2022_20220603153101.pdf (ctfassets.net)</a>  <i>Agenda Item #16A(2) reflecting approval of Task Order #2 for the existing contract with Lamb-Star Engineering, LLC for professional services related to Construction Engineering and Inspection for Roadway Relocations associated with Lake Ralph Hall.</i></p>

	<ul style="list-style-type: none"> <li>Continue the planning / visioning for the area around Lake Ralph Hall. Begin to implement the conceptual plan for the overall lake site, including public access, water resource features, and public amenities.</li> </ul> <p><b>Results / Reference(s):</b>  <a href="#">Lake Ralph Hall Comprehensive Plan Adopted 2022.10.11 -Website Version.pdf</a>  <a href="#">SEPT22 Minutes.pdf (ctfassets.net)</a>  <i>Agenda Item #20 reflecting approval of a Resolution ratifying the District's position as stated in letter to the Fannin County Judge dated September 10, 2013 related to high quality development around and adjacent to Lake Ralph Hall, including provisions for boat docks according to master plans that will be developed with County participation.</i></p> <ul style="list-style-type: none"> <li>Continue outreach programs to District customers, elected officials, and the general-public, to provide project construction updates and other key information using the Lake Ralph Hall website, electronic newsletter, and social media channels; and provide presentations to elected officials and civic groups as requested.</li> </ul> <p><b>Results / Reference(s):</b>  <a href="#">Home   UTRWD</a>  <a href="#">Home   Lake Ralph Hall</a>  <a href="#">Upper Trinity Regional Water District (list-manage.com)</a>  <a href="#">Lake Ralph Hall - Home   Facebook</a>  <a href="#">Lake Ralph Hall (@LakeRalphHall1) / Twitter</a>  <a href="#">Upper Trinity R Water District (@uppertrinitywater1989) • Instagram photos and videos</a>  <a href="#">Upper Trinity Regional Water District - YouTube</a></p> <ul style="list-style-type: none"> <li>Continue to install watershed markers in appropriate locations along public roads on District property throughout the project site.</li> </ul> <p><b>Results / Reference(s):</b>  <a href="#">Our Watershed Protection   UTRWD</a>  <a href="#">Mitigation &amp; Watershed Protection   Lake Ralph Hall</a>  <a href="#">Education Public Awareness.pdf (ctfassets.net)</a>  <i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2021 – 2022, (Watershed Protection Program), Page #150.</i></p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Results / Reference(s):</b>  <a href="#">Conservation Easements   UTRWD</a></p>
Goal:	<p>In coordination with the City of Irving, begin implementing the agreement for transporting water from LRH through Irving's existing pipeline from Chapman Lake, including the design of the Princeton Booster Pump Station improvements; begin updating the Operations Plan in cooperation with Irving.</p> <p><b>Results / Reference(s):</b>  <a href="#">Minutes February 3 2022.pdf (ctfassets.net)</a>  <i>Agenda Item #17D reflecting approval of a Resolution authorizing the Executive Director to release funding to the City of Irving to design improvements to the Princeton Booster Pump Station in accordance with the Lake Ralph Hall Water Transportation Agreement.</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><b>Results / Reference(s):</b>  <i>See Operating Funds Detail section of this budget document – Regional Treated Water System, Accomplishments for FY 2021 – 2022, (Continued long-range planning for water supply), Page #209.</i></p>
Goal:	<p>Regarding Chapman Lake Reuse, secure:</p> <ul style="list-style-type: none"> <li>An amendment to the Chapman Lake Reuse Permit (#5778) to include effluent from Mustang SUD's Sandbrock Wastewater Treatment Plant.</li> </ul> <p><b>Results / Reference(s):</b>  <i>The amendment request is under technical review with the Texas Commission on Environmental Quality.</i></p> <ul style="list-style-type: none"> <li>Town of Prosper that flows to Doe Branch WRP as well as Members' and Customers' groundwater that flow to District water reclamation plants.</li> </ul> <p><b>Results / Reference(s):</b>  <i>Currently in process.</i></p> <ul style="list-style-type: none"> <li>Begin permitting process with TCEQ to secure an indirect Reuse Permit for LRH water, as well as a Bed and Banks Permit in order to discharge LRH water into Lewisville Lake.</li> </ul> <p><b>Results / Reference(s):</b>  <i>Pre-application meeting scheduled with TCEQ in November 2022.</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><b>Results / Reference(s):</b>  <i>District staff monitored the 87<sup>th</sup> Texas Legislature in cooperation with the Partners, which 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 Administration Fund and the RTWS Future Water Program. See Operating Funds Detail section of this budget document – Administration Fund (Legal Expense Comment), Page #147 and Other Funds section of this budget document – Future Water Program, Page #217 (Description) and Page #225 (Budget included under Professional Services).</i></p>
Initiative: Monitor Legislation	
Goal:	<p>Monitor legislative activities during the interim leading up to the 88<sup>th</sup> Legislative session to keep on top of any legislation being considered that potentially could affect the District or its Members / Customers.</p> <p><b>Results / Reference(s):</b>  <a href="#">MAR22 Minutes.pdf (ctfassets.net)</a>  <i>See Agenda item #5B (Executive Director's Status Report)</i>  <a href="#">APR22 Minutes.pdf (ctfassets.net)</a>  <i>See Agenda item #5B (Executive Director's Status Report)</i>  <a href="#">MINUTES - 5-5-2022 20220603153101.pdf (ctfassets.net)</a></p>



	See Agenda item #5B (Executive Director's Status Report)
<b>Initiative: Water Conservation / Drought Contingencies</b>	
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><b>Results / Reference(s):</b>  <a href="#">Conserving Water   UTRWD</a>  <i>Click on the "Water Conservation Plan" and "Drought Contingency" links for copies of the model plans and for more information.</i>  <a href="#">City &amp; Utility Resources   UTRWD</a>  <i>Customer entities are encouraged to adopt these model plans, which include the latest best management practices and are consistent across all Customers.</i></p>
Goal:	<p>In coordination with Customer entities, continue promoting the District's conservation programs, including implementation of strategies adopted as part of the District's Water Conservation Plan. For reporting purposes, document the conservation efforts, activities, and expenditures.</p> <p><b>Results / Reference(s):</b>  <a href="#">UPPER TRINTIY REGIONAL WATER DISTRICT (ctfassets.net)</a>  <a href="#">City &amp; Utility Resources   UTRWD</a>  <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 #217 (Description) and Page #224 (Budget).</i></p>

## ORGANIZATIONAL ITEMS

<b>Initiative: Administrative Directives</b>	
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><b>Results / Reference(s):</b>  <i>The Human Resources Department continues to review with Executive Staff the District's Administrative Directives and make updates as needed.</i></p>
<b>Initiative: Maintain a robust preventive maintenance program</b>	
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><b>Results / Reference(s):</b>  <i>Operations and Maintenance superintendents communicate their staffing needs to the Director of Operations when developing the annual preliminary budget. These requests are communicated to the District's Human Resource Department so that any requested positions are linked to a current job description with funding provided to the Budget Division.</i>  <i>See Operating Funds Detail section of this budget document – Administration Fund, Performance Measures Section (Employment Rate), Page #141.</i>  <i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2021 – FY 2022, (Recruit capable candidates for vacant positions), Page #149.</i></p>
Goal:	<p>Continue the on-going assessment of maintenance efforts for corrosion protection of District facilities (underground, underwater) and take necessary steps to address deficiencies and staff training.</p>

	<p><b>Results / Reference(s):</b>  <i>The mid-year 2021 CIP budget included a new project titled, "Cathodic Protection System Assessment" and in May 2021, the Board approved Task Order #3 for engineering services related to detailed cathodic protection system analysis. This analysis is on-going and once completed, the consultant will work 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. The engineering firm has spent approximately \$151,425 of the total \$314,000 approved for the task order under capital project 21-53G (RTWS), which is scheduled to be completed in FY 2023.</i>  <a href="#"><i>Minutes May 6 2021.pdf (ctfassets.net)</i></a>  <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 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><b>Results / Reference(s):</b>  <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 2023 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 #206.</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><b>Results / Reference(s):</b>  <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 for 2022 according to future needs and goals.</p> <p><b>Results / Reference(s):</b>  <i>The Human Resources Department continues to review with Executive staff all training needs for District staff and has incorporated these into the 2022 and 2023 annual training program. Additionally, Mission Square provided retirement related training as well as one-on-one meetings with District employees. The District also completed bi-annual First Aid / CPR training for its staff.</i></p>
Initiative: District Personnel Policies	
Goal:	<p>Continue review of District Personnel Policies and make needed revisions.</p> <p><b>Results / Reference(s):</b>  <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>

<b>Initiative: Electronic Filing System</b>	
<b>Goal:</b>	Continue implementation of the Laserfiche electronic filing system to include Engineering and Construction files. Continue developing a trained staff capable of maintaining the system to ensure full conversion of records to the electronic format. Provide in-house training to District employees on how to locate documents in Laserfiche to eliminate manual document searches.  <b>Results / Reference(s):</b> <i>The conversion of most of the Administration files to an electronic format has been completed. The conversion of Engineering / Construction documents just began in late FY 2022.</i>
<b>Initiative: Additional Meeting and Storage Space</b>	
<b>Goal:</b>	Complete plans for additional meeting and storage space for the District at the 802 Annex.  <b>Results / Reference(s):</b> <i>Currently under review to redesign the 802 Annex building for additional District staff.</i>
<b>Initiative: Development of a District Intranet</b>	
<b>Goal:</b>	Develop an Intranet to provide better internal communications to employees as the District continues to grow.  <b>Results / Reference(s):</b> <i>Only preliminary planning discussions have occurred between Information Technology and Human Resources staff.</i>

## FUNCTIONAL ITEMS

<b>Initiative: Lake Ralph Hall</b>	
<b>Goal:</b>	Implement staffing requirements (contractors / employees) needed to manage and monitor planning, design, and construction of Lake Ralph Hall.  <b>Results / Reference(s):</b> <i>The Human Resources Department continues to work with the Lake Ralph Hall Project Manager to ensure staffing requirements are met when necessary.</i> <i><a href="#">MINUTES - 5-5-2022_20220603153101.pdf (ctfassets.net)</a></i> <i>Agenda item 16A(1) reflecting approval of Task Order No.4 to the existing contract for Construction Management Services for twelve months in relation to the Lake Ralph Hall – Leon Hurse Dam.</i> <i>Agenda item 16A(2) reflecting approval of Task Order No. 2 to the existing contract for professional services relating to Construction Engineering and Inspection for Roadway Relocations associated with the LRH Project.</i> <i>Agenda item 16A(3) reflecting approval of Task Order No.2 to the existing contract for professional engineering services relating to Construction Quality Management and Assurance Team for the LRH Project.</i>
<b>Goal:</b>	Complete financing agreements with the Texas Water Development Board (TWDB) and / or other agencies to secure the funding necessary to complete the reservoir project.  <b>Results / Reference(s):</b> <i><a href="#">SEPT22_Minutes.pdf (ctfassets.net)</a></i> <i>Agenda Item #15 reflecting approval of a financing agreement with the TWDB for “Board Participation” funding for the Lake Ralph Hall Project, in the amount of \$110.0 million.</i>
<b>Goal:</b>	Regarding Lake Ralph Hall infrastructure: <ul style="list-style-type: none"> <li>Continue planning and design activities for the reservoir area demolition and clearing, lake support facilities, and amenities.</li> </ul>

	<p><b>Results / Reference(s):</b>  <a href="#">NOV22_Agenda.pdf (ctfassets.net)</a>  <i>Agenda Item #17A reflecting request to consider approval of a Resolution awarding a construction contract for Clearing and Demolition of the LRH Reservoir Area east of State Highway 34 Bridge.</i></p> <ul style="list-style-type: none"> <li>Complete design and initiate construction of raw water pipeline, raw water pump station, balancing reservoir, and delivery point into the Irving (Chapman) system.</li> </ul> <p><b>Results / Reference(s):</b>  <a href="#">LRH_FINAL_August_Bi-Monthly_Report_8.10.22.pdf (ctfassets.net)</a>  <a href="#">OCT22_Agenda.pdf (ctfassets.net)</a>  <i>Agenda Item #14A reflecting approval of Amendment No.10 to the existing Construction Manager at Risk contract for construction of an access road and groundwater supply pipeline as part of the LRH Pump Station.</i></p> <ul style="list-style-type: none"> <li>Continue construction of the Leon Hurse Dam, road, and bridge improvements, and complete the necessary utility relocations.</li> </ul> <p><b>Results / Reference(s):</b>  <a href="#">Reservoir   Lake Ralph Hall</a>  <a href="#">Roads &amp; Bridges   Lake Ralph Hall</a>  <a href="#">OCT22_Agenda.pdf (ctfassets.net)</a>  <i>Agenda Item #14B reflecting request to consider approval of Change Order No.6 to the existing contract for construction of the Leon Hurse Dam.</i>  <a href="#">Minutes_February_3_2022.pdf (ctfassets.net)</a>  <i>Agenda Item #17F reflecting approval of utility relocation agreements to the development of LRH and to authorize the Executive Director to execute the agreement with certain utilities.</i></p>
Goal:	<p>Continue acquiring necessary property for LRH project, including the conveyance system and mitigation areas.</p> <p><b>Results / Reference(s):</b>  <a href="#">Land Acquisition   Lake Ralph Hall</a></p>
Goal:	<p>Complete cultural resource studies as required by USACE Section 404 Permit and submit required reporting to the appropriate agencies.</p> <p><b>Results / Reference(s):</b>  <a href="#">MINUTES - 5-5-2022_20220603153101.pdf (ctfassets.net)</a>  <i>Agenda Item #16B reflecting approval of Task Order No.7 to the existing contract for Cultural Resources Consulting Services for continued cultural resource studies required by the Section 404 Permit for the LRH Project. As of November 2022, Phase 2 of Cultural Resources activities was still on-going.</i></p>
Goal:	<p>Secure amendment to TCEQ Water Rights Permit No. 5821 to align the mitigation requirements in said permit with those of the USACE Section 404 Permit.</p> <p><b>Results / Reference(s):</b>  <i>This amendment was granted by the TCEQ to the District's Water Rights Permit No.5821 on March, 15, 2022.</i></p>
Goal:	<p>Continue working with Texas Parks and Wildlife Fisheries Division to begin the process for fish stocking of LRH.</p> <p><b>Results / Reference(s):</b>  <i>District staff continues to work with Texas Parks and Wildlife – Inland Fisheries (TPWD) to stock fish for LRH. In April 2022, TPWD stocked 367 juvenile largemouth bass in an 8-acre pond that will be inundated when LRH fills.</i></p>

Goal:	<p>Continue developing an operations plan for LRH that outlines staffing, infrastructure, and logistical needs for the efficient operation of the project.</p> <p><b>Results / Reference(s):</b>  <i>The Human Resources Department continues to work with the Lake Ralph Hall Project Manager to ensure staffing requirements are met when necessary. The FY 2022 Adopted Budget reflected two new positions for the LRH project (Assistant Construction Manager and a Secretary). Both of these positions were filled during the FY 2022. There are currently seven positions, including one contract position, authorized for the LRH project.</i></p>
Goal:	<p>Begin evaluating the LRH watershed and develop, at an appropriate time, a watershed protection plan to protect water quality in the new reservoir.</p> <p><b>Results / Reference(s):</b>  <i>Nothing has been completed on this particular work plan item as of November 7, 2022.</i></p>
<b>Initiative: Security Matters</b>	
Goal:	<p>Continue review of District progress, strategies, and training efforts related to cybersecurity.</p> <p><b>Results / Reference(s):</b>  <i>The Human Resources Department continues to require cybersecurity online courses and have begun developing a Professional Competency Training Series. Information Technology staff completed updating its cybersecurity posture using multi-factor authentication efforts for all District network connections (local and remote). The District has also contracted with an unbiased security and compliance firm to perform Vulnerability Assessments and Penetration Testing on all District endpoints and evaluated / initiated applicable recommendations based on best practices. This testing will be performed on an annual basis. In addition, IT staff has updated its cybersecurity training curriculum that is provided to all District employees throughout the year to reinforce awareness of new and ever-evolving cyber threats. Simulated phishing campaigns will continue to be utilized to assess our user base to help identify problem areas.</i>  <i>See Operating Funds Detail section of this budget document – Information Technology Fund, Accomplishments for FY 2021 – 2022, Page #157.</i></p>
Goal:	<p>Continue conversion to a new Wonderware SCADA “platform” to allow offsite access with reduced exposure to cyber problems.</p> <p><b>Results / Reference(s):</b>  <i>See CIP Funds section of this budget document, Page #279.</i>  <i>This capital project was started in FY 2020 to convert all SCADA software that was segregated at each District facility, to one platform to reduce security threats and increase cybersecurity. Currently, this project is projected to be completed in FY 2023.</i></p>
<b>Initiative: Northeast Regional Water Reclamation System</b>	
Goal:	<p>Closeout Doe Branch WRP Expansion to 4.0 MGD.</p> <p><b>Results / Reference(s):</b>  <i>See CIP Funds section of this budget document, Page #316.</i>  <a href="#"><i>Minutes August 4 2022.pdf (ctfassets.net)</i></a>  <i>Agenda Item #13B reflecting acceptance of completed work, approval of final change order, final payment, and release of retainage for construction contract for construction of Phase 2 Expansion of Doe Branch Water Reclamation Plant. With additional punch list items to complete, the CIP budget reflects funding in FY 2023 for this project, 14-58T.</i></p>
Goal:	<p>Begin preliminary design of Doe Branch WRP Phase 3 Expansion to appropriate size, based on participants’ growth needs.</p>

	<b>Results / Reference(s):</b> <i>See CIP Funds section of this budget document, Page #317.</i> <a href="#"><u>SEPT22_Minutes.pdf (ctfassets.net)</u></a> <i>Agenda Item #18A reflecting approval of Task Order No.3 for preliminary design phase services related to the Phase 3 expansion of the Doe Branch WRP.</i>
Goal:	Finalize installation of planned landscaping improvements along north and west boundaries of Doe Branch Plant site.  <b>Results / Reference(s):</b> <i>See CIP Funds section of this budget document, Page #316.</i> <i>This project includes funding for FY 2023 to complete all landscaping.</i>
Goal:	Complete construction of additional improvements to the Riverbend WRP to include paving, sludge handling improvements, and a maintenance building.  <b>Results / Reference(s):</b> <a href="#"><u>SEPT22_Minutes.pdf (ctfassets.net)</u></a> <i>Agenda Item #19 reflecting acceptance of completed work and final payment, including release of retainage for construction contract for Riverbend Water Reclamation Plant Impr4ovemnets Project.</i>
Goal:	Complete design of Doe Branch Parallel Interceptor, Phase 1 and move forward with construction.  <b>Results / Reference(s):</b> <i>See CIP Funds section of this budget document, Page #318.</i> <a href="#"><u>SEPT22_Minutes.pdf (ctfassets.net)</u></a> <i>Agenda Item #18B reflecting approval of Task Order No.4 for engineering services related to final design for the Doe Branch Water Reclamation System Parallel Interceptor, Phase 1 Project.</i>
Goal:	Perform condition assessment of the Riverbend West Lift Station, identify components requiring repair / replacement and implement appropriate action.  <b>Results / Reference(s):</b> <i>See CIP Funds section of this budget document, Page #308.</i> <i>Also, the condition assessment of the Riverbend West Lift Station was completed in September 2022 with the evaluation report dated October 19, 2022.</i>
<b>Initiative: Regional Treated Water System</b>	
Goal:	Regarding Zebra Mussels in local lakes. <ul style="list-style-type: none"> <li>Continue to monitor implemented measures for control / mitigation at the Lewisville Lake Intake Structure.</li> <li>Continue to monitor Chapman Lake for Zebra Mussels, and in the event that Zebra Mussels are found, be prepared to proceed with design and construction of a control/mitigation system for the Harpool Plant and associated raw water pipeline.</li> </ul> <b>Results / Reference(s):</b> <a href="#"><u>Zebra Mussels   UTRWD</u></a>
Goal:	Continue to support the Texas Parks and Wildlife Department's Zebra Mussel Public Awareness Program.  <b>Results / Reference(s):</b>

	<i>See Other Funds section of this budget document - Watershed Protection Program, Page #217 (Description) and Page #223 (Budget).</i>
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><b>Results / Reference(s):</b>  <i>See CIP Funds section of this budget document, Page #276.</i></p>
Goal:	<p>Complete soil placement in North Storage area and Harpool North Transmission Pipeline easement areas in accordance with the agreement between North Texas Natural Select Materials (NTNSM), the developer, and the District.</p> <p><b>Results / Reference(s):</b>  <i>See CIP Funds section of this budget document (21-5HP), Page #267. FY 2022 funding shown for completion of soil placement.</i></p>
Goal:	<p>Complete construction 72” Taylor Plant on-site Parallel Pipeline and potable water system, including improvements to existing clear wells.</p> <p><b>Results / Reference(s):</b>  <a href="#"><i>Minutes June 2 2022.pdf (ctfassets.net)</i></a>  <i>Agenda Item #17 reflecting acceptance of completed work, approval of final change order, final payment, and release of retainage for Construction Manager at Risk Contract for the Taylor WTP to the Stone Hill Pump Station Parallel Pipeline Project.</i></p>
Goal:	<p>Complete dredging of Taylor WTP sludge storage pond.</p> <p><b>Results / Reference(s):</b>  <a href="#"><i>Minutes June 2 2022.pdf (ctfassets.net)</i></a>  <i>Agenda Item #18 reflecting acceptance of completed work, approval of final change order, final payment, and release of retainage for construction contract for the Tom Taylor WTP Recovery Pond Dredging Project.</i></p>
Goal:	<p>Begin the design and dredging of the Harpool WTP Recovery Pond.</p> <p><b>Results / Reference(s):</b>  <a href="#"><i>2021-2022 UTRWD Budget Cover (3) (ctfassets.net)</i></a>  <i>\$40,000 was included in the FY 2022 UTRWD Adopted Budget for the Regional Treated Water System for Engineering to design the next Harpool WTP Recovery Pond Dredging Project. See Budget Comments for Professional Services. Design for this upcoming dredging project was completed in September 2022 and is included in the FY 2023 UTRWD Adopted Budget for the RTWS.</i>  <i>See Operating Funds Detail section of this budget document – Regional Treated Water System (Plant and Maintenance Expense Comment), Page #206.</i>  <a href="#"><i>OCT22 Agenda.pdf (ctfassets.net)</i></a>  <i>Agenda Item #13A requesting approval to award a construction contract for the Harpool Water Treatment Plant Recycle Pond Dredging Project.</i></p>
Goal:	<p>Begin construction of segment of Phase 1A Water Pipeline along Copper Canyon Road.</p> <p><b>Results / Reference(s):</b>  <a href="#"><i>JUN22 Agenda.pdf (ctfassets.net)</i></a></p>



	<p><i>Agenda Item #17 reflecting acceptance of completed work, approval of final change order, final payment, and release of retainage for Construction Manager at Risk Contract for the Taylor WTP to the Stone Hill Pump Station Parallel Pipeline Project. This change order included construction to be completed on a segment of the Phase 1A Water Pipeline along Copper Canyon Road. This project was completed by the end of FY 2022 and is not shown in the District's FY 2023 Capital Budget for the RTWS.</i></p>
Goal:	<p>Complete design, purchase, and installation of new membranes for the Harpool WTP.</p> <p><b>Results / Reference(s):</b>  <a href="#"><i>MINUTES - DEC 2 2021 20220208092241.pdf (ctfassets.net)</i></a>  <i>Agenda Item #11 reflecting acceptance of completed work, approval of final change order, final payment, and release of retainage for construction contract for construction of Tom Harpool RWTP that includes the installation of additional membranes.</i>  <i>See CIP Funds section of this budget document, Page #275. This project was a component of this overall capital improvement project (5HO).</i></p>
Goal:	<p>Finalize design of the Harpool WTP diurnal pond and associated inflow structure and begin construction.</p> <p><b>Results / Reference(s):</b>  <a href="#"><i>OCT22 Agenda.pdf (ctfassets.net)</i></a>  <i>Agenda Item #13B reflecting approval of a construction contract awarded for the Harpool WTP Diurnal Pond.</i>  <i>See CIP Funds section of this budget document, Page #275. This project is a component of this overall capital improvement project (5HO).</i></p>
Goal:	<p>Complete the design of a second water transmission pipeline to Celina's existing delivery point (for resiliency and redundancy) and begin easement acquisition.</p> <p><b>Results / Reference(s):</b>  <i>See CIP Funds section of this budget document, Page #277.</i>  <a href="#"><i>Minutes August 5 20210903.pdf (ctfassets.net)</i></a>  <i>Agenda Item #13A reflecting approval of Task Order #2 with Kimley-Horn Associates, Inc. for engineering project, along with preliminary design of Phase 2 of this project (54N &amp; 55N). Design currently being done on 21-54N.</i>  <a href="#"><i>NOV22 Agenda.pdf (ctfassets.net)</i></a>  <i>Agenda Item #13B reflecting approval of Texas Water Development Board funding agreement of \$9.1M of Board Participation Funding for the Regional Treated Water System Northeast Pipeline Project.</i></p>
Goal:	<p>Assist Artesia in easement acquisition for the Northeast Pipeline Phase 1 pipeline, complete design and advertise for construction bids.</p> <p><b>Results / Reference(s):</b>  <i>This project is substantially complete and is not shown in the FY 2023 RTWS CIP budget. Funding is shown internally in the CIP budget for this project to be finished by the end of FY 2022.</i></p>
Goal:	<p>Finalize overhead storage tank evaluation and move forward with property acquisition and preliminary design.</p> <p><b>Results / Reference(s):</b>  <i>The District is currently awaiting the results of a site evaluation from its consultant. A task order was approved by the District's Board of Directors in June 2020. Funding is shown internally in the CIP budget for this evaluation project to be finished by the end of FY 2022.</i></p>



Goal:	<p>Complete design of necessary pump additions and upgrades to existing facilities within the Regional Treated Water System and begin construction.</p> <p><b>Results / Reference(s):</b>  <a href="#">See CIP Funds section of this budget document, Page #271.</a>  <a href="#">Minutes June 2 2022.pdf (ctfassets.net)</a>  <a href="#">Agenda Item #19 reflecting approval of construction contract for Taylor Water Treatment Plant and Stone Hill Pump Station Pumping and Process Improvements Project. This project is a component of this overall capital improvement project (21-59Y).</a></p>
Goal:	<p>Complete design of Southwest Pump Station, perform necessary interim improvements to meet anticipated summer flows, and advertise for construction bids.</p> <p><b>Results / Reference(s):</b>  <a href="#">See CIP Funds section of this budget document (21-SWP), Page #269.</a>  <a href="#">APR22 Agenda.pdf (ctfassets.net)</a>  <a href="#">Minutes June 2 2022.pdf (ctfassets.net)</a>  <a href="#">Agenda Item #14A reflecting approval of Task Order No.5 for final design, bidding, and construction services related to the Southwest Pump Station.</a>  <a href="#">AUG22 Agenda.pdf (ctfassets.net)</a>  <a href="#">Agenda Item #13A reflecting approval to award a construction contract for installation of additional pumps, drives, motors, and associated appurtenances for the Southwest Booster Pump Station (interim improvements).</a></p>
Goal:	<p>Continue coordination with TxDOT and other public entities regarding TxDOT's proposed paving and drainage improvements that may affect existing District ROW and facilities along FM 407, IH35E, FM 720, FM 2931, FM 1385, US 377, and HWY 380. Be ready to make adjustment to District facilities as required by such proposed public improvements.</p> <p><b>Results / Reference(s):</b>  <a href="#">See CIP Funds (RTWS) section of this budget document, Page #284 - 286. District staff are still working with TxDOT staff for reimbursements due to the District for completed project costs.</a>  <a href="#">MAY22 Agenda.pdf (ctfassets.net)</a>  <a href="#">Agenda Item #15 reflecting approval to award a construction contract for relocation of District force mains for the Texas Department of Transportation (TxDOT) US 380 Utility Relocations Project.</a></p>
<b>Initiative: Lakeview Regional Water Reclamation System and Peninsula Water Reclamation Plant</b>	
Goal:	<p>Perform condition assessments of lift station, identify and design necessary repairs and improvements.</p> <p><b>Results / Reference(s):</b>  <a href="#">See the Project Development section of this budget document, Page #331 - 332. \$90,000 is shown to complete this project in FY 2023. District staff are still working with TxDOT staff for reimbursements due to the District for completed project costs.</a>  <a href="#">Minutes Nov 4 2021.pdf (ctfassets.net)</a>  <a href="#">Agenda Item #17A reflecting approval of Task Order No.1 for professional services related to condition assessments and development of rehabilitation recommendations for the District's water reclamation lift stations.</a></p>
Goal:	<p>Finish design of Lakeview WRP to 7.5 mgd, develop financing plan, and move forward toward construction.</p> <p><b>Results / Reference(s):</b>  <a href="#">See CIP Funds section of this budget document (11-5L2), Page #295.</a></p>

	<p><a href="#">Minutes August 5 20210903.pdf (ctfassets.net)</a>  <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). Currently, this project is under design through FY 2023, with minimal pre-construction purchases of expansion equipment reflected in the FY 2023 CIP budget. The District has utilized LRWRS Non-Bond Capital Reserve funds for this project and do not anticipate issuing revenue bonds for the actual construction of this expansion until FY 2024.</i></p>
Goal:	<p>With regards to the <b>Peninsula Water Reclamation</b>, continue construction to expand the Peninsula Plant from 0.94 to 2.0 MGD.</p> <p><b>Results / Reference(s):</b>  <i>See CIP Funds (Peninsula Plant) section of this budget document (16-5N3), Page #325.</i></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><b>Results / Reference(s):</b>  <i>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.</i></p>
Initiative: Lake Chapman	
Goal:	<p>Continue working with other water users of Chapman Lake to share information to assure that operation of the Harpool Plant is not adversely affected by repairs to the Chapman Lake transmission pipeline system.</p> <p><b>Results / Reference(s):</b>  <i>District Management / Staff actively communicates this information to City of Irving Management / Staff on an on-going basis.</i></p>
Initiative: Extension of water service to Members/Customers	
Goal:	<p>In conjunction with development activity in the area near the City of Aubrey, north of the Harpool Plant, coordinate with Mustang SUD, Aubrey, Pilot Point, City of Celina, and developers concerning planned extension of water services.</p> <ul style="list-style-type: none"> <li>Complete construction of a water transmission pipeline and new Point of Delivery for Mustang SUD, north of FM 2931.</li> </ul> <p><b>Results / Reference(s):</b>  <i>Neither of these projects (21-5H1 – Harpool RWTP North Transmission Main and 21-5M3 – Mustang Point Of Delivery) are shown in the FY 2023 CIP (RTWS) budget due to being completed by the end of FY 2022.</i></p> <ul style="list-style-type: none"> <li>Finalize design for updated water delivery service to Artesia and City of Celina and begin construction.</li> </ul> <p><b>Results / Reference(s):</b>  <i>See CIP Funds section (RTWS) of this budget document, Pages #277 - 278. District staff are currently attempting to finalize the design of this pipeline segments. The task order for design services was approved by the District's Board of Directors in August 2021 <a href="#">AUG21 Agenda.pdf (ctfassets.net)</a> 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 &amp; 55N).</i></p>

	<ul style="list-style-type: none"> <li>Continue to coordinate with developers for future ROWs through the areas of development, to enable efficient future pipeline extensions northward.</li> </ul> <p><b>Results / Reference(s):</b>  <i>See CIP Funds (RTWS) section of this budget document, Page #287. 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><b>Results / Reference(s):</b>  <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><b>Results / Reference(s):</b>  <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, continue to evaluate the long-term future water needs of both Members, including the possibility of serving entities along FM 407 west of the City of Justin, Texas.</p> <p><b>Results / Reference(s):</b>  <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>
<b>Initiative: Harpool Emergency Water Supply Lake</b>	
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><b>Results / Reference(s):</b>  <i>Negotiations with the Town of Providence are currently on-going.</i></p>
<b>Initiative: District Rights-Of-Way</b>	
Goal:	<p>Continue field surveys and actions to keep pipeline markers current and adequate for changing conditions along District rights-of-way.</p> <p><b>Results / Reference(s):</b>  <i>These are on-going and are regularly completed by the District's Transmission Operators as part of their normal maintenance activities.</i></p>
<b>Initiative: Riverbend and Doe Branch Site Discharge Permits</b>	

Goal:	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.  <b>Results / Reference(s):</b> <i>The Discharge Permits for the Doe Branch and Peninsula Plants were final at the end of FY 2022. However, the Riverbend Plant's permit will likely be approved by the end December 2022 by the Texas Commission on Environmental Quality.</i>
Initiative: Emergency Reliability and Redundancy	
Goal:	Work with the City of Lewisville and other members, as appropriate, to evaluate and implement strategic inter-connections between water systems that provide emergency reliability and redundancy for both parties.  <b>Results / Reference(s):</b> <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>
Initiative: Zoning of District administration facilities	
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.  <b>Results / Reference(s):</b> <i>This was completed during late 2021 (FY 2022).</i>
Initiative: Protect District Pipelines	
Goal:	Continue to coordinate with USACE to protect District pipelines during the Lewisville Lake Dam Safety Rehabilitation Project.  <b>Results / Reference(s):</b> <i>See CIP Funds section (RTWS and NPWS) of this budget document, Page #283 (21-5W3) and #302 (13-53N).</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.  <b>Results / Reference(s):</b> <i>24-hour staffing was initiated in the Northeast Service area during FY 2022 (late 2021 calendar year).</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.  <b>Results / Reference(s):</b> <i>See CIP Funds (RTWS) section of this budget document, Page #274. With the completion of the Ground Storage Tank Site Evaluation being nearly complete, a contract to begin construction could occur by the end of calendar year 2022 or in 2023.</i>
Initiative: Long-Term Water Supply needs of western Denton County and eastern Wise County.	

Goal:	In coordination with the appropriate stakeholders, begin evaluating the long-term water supply needs of western Denton County and eastern Wise County, and coordinate with the Denton County Transportation Plan.
	<b>Results / Reference(s):</b> <i>Governmental Affairs and Communications staff have only completed an initial meeting with the stakeholders.</i>

## FINANCIAL ITEMS

Initiative: Rate Impact Strategies	
Goal:	<p>Continue efforts to utilize Texas Water Development Board funding for LRH to assist in minimizing the rate impact in the early years of the project construction.</p> <p><b>Results / Reference(s):</b>  <a href="#">Fact Sheet 2.pdf (ctfassets.net)</a>  <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>  <a href="#">SEPT22 Minutes.pdf (ctfassets.net)</a>  <i>Agenda Item #15 reflecting approval of a financing agreement of \$110.0M with the Texas Water Development Board (TWDB) to continue utilizing Board Participation funding for the LRH Project.</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><b>Results / Reference(s):</b>  <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>  <a href="#">Minutes June 2 2022.pdf (ctfassets.net)</a>  <i>Agenda Item #15B reflecting authorization to issue UTRWD RTWS Revenue Refunding Bonds, Series 2022 to refund \$24.8M of outstanding principal from 2012A Revenue Bonds and \$22.5M of outstanding Commercial Paper to bonds at a reduced interest rate and at a minimum of 3.0% Net Present Value Savings.</i>  <i>In August 2022, the Regional Treated Water System issued \$43.97M (par value) of Revenue Refunding Bonds to convert \$21.79M of Commercial Paper and \$22.18M of outstanding principal from the 2012A refunding bonds. This refunding achieved a net present savings of 4.0%.</i>  <a href="#">Minutes August 4 2022.pdf (ctfassets.net)</a>  <i>Agenda Item #9 reflecting acceptance of the District's Quarterly Investment Report for the Quarter Ending June 30, 2022. This investment report is reported to the District's Board of Directors each quarter.</i> </p>
Initiative: Management Reports	
Goal:	<p>Complete format for Management Reports to provide additional information related Operations and Engineering &amp; Construction.</p> <p><b>Results / Reference(s):</b>  <i>District management is continuing to review possible changes to the current format of the Monthly Management Report. Once developed, this newly formatted report will be presented to the District's Executive Director for approval to ultimately be presented to the Board of Directors monthly meetings.</i> </p>
Initiative: Financial Software	

Goal:	<p>Continue work to upgrade Financial System to Incode's web-based software.</p> <p><b>Results / Reference(s):</b>  <i>Select District staff began meeting in June 2022 to begin planning and strategizing for the upcoming migration from the current version of Incode to the hosted Software as a Service (SaaS). This was in preparation for the anticipated upgrade to Incode version 10. This upgrade to Incode 10 is expected to be completed by May 2023.</i></p>
<b>Initiative: Financing of TxDOT Projects</b>	
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><b>Results / Reference(s):</b>  <i>District Finance staff have been able to arrange funding for all TxDOT related projects from Non-Bond Capital Reserve funds that have accumulated from years of deposits of excess working capital identified during the closing process of current period operations. As funds are spent, periodic reimbursement requests are made by District staff to TxDOT staff so that reimbursed funds are returned and used for on-going project expenses from these types of projects.</i>  <i>The funding of these projects is discussed in the CIP Funds section of this budget document.</i></p>
<b>Initiative: Commercial Paper Refunding</b>	
Goal:	<p>Prepare for the issuance of RTWS Revenue Bonds to refund a portion of the outstanding balance of Commercial Paper.</p> <p><b>Results / Reference(s):</b>  <a href="#"><u>Minutes June 2 2022.pdf (ctfassets.net)</u></a>  <i>Agenda Item #15B reflecting authorization to issue UTRWD RTWS Revenue Refunding Bonds, Series 2022 to refund \$24.8M of outstanding principal from 2012A Revenue Bonds and \$22.5M of outstanding Commercial Paper to bonds at a reduced interest rate and at a minimum of 3.0% Net Present Value Savings.</i>  <i>In August 2022, the Regional Treated Water System issued \$43.97M (par value) of Revenue Refunding Bonds to convert \$21.79M of Commercial Paper and \$22.18M of outstanding principal from the 2012A refunding bonds. This refunding achieved a net present savings of 4.0%.</i>  <i>The Adopted FY 2023 Budget also includes plans to convert \$37.0M of outstanding variable rate financing (formerly Commercial Paper) to long-term debt in late FY 2023 and structured so that debt service begins in FY 2024.</i>  <i>See Executive Summary in the Introduction section of the budget document, Page #14.</i></p>
<b>Initiative: Renewal of Commercial Paper Program or Development of similar Financing Product</b>	
Goal:	<p>Begin looking into possible renewal of RTWS Commercial Paper Program or development of another similar financing product.</p> <p><b>Results / Reference(s):</b>  <a href="#"><u>Minutes June 2 2022.pdf (ctfassets.net)</u></a>  <i>Agenda Item #16 reflecting approval of a Term Sheet for Short-Term Financing as a viable replacement of the District's Commercial Paper program for the Regional Treated Water System.</i>  <a href="#"><u>OCT22 Agenda.pdf (ctfassets.net)</u></a>  <i>Agenda Item #11 reflecting approval to establish the UTRWD RTWS Revenue Subordinate Lien Variable Rate Note Program in an aggregate principal amount not to exceed \$75.0M at any one time outstanding.</i></p>
<b>Initiative: Dual Authentication for all District Computer Networks</b>	
Goal:	<p>Complete work to incorporate Dual Authentication for all of the District's computer networks.</p> <p><b>Results / Reference(s):</b></p>

	<a href="#"><u>Minutes June 2 2022.pdf (ctfassets.net)</u></a> <i>The Information Technology Division completed a District-wide (including all Laptops used for remote work) Dual Authentication Protocol and provided training / assistance to all District staff for its use. The was done by the end of FY 2022.</i>
<b>Initiative: Eminent Domain Report</b>	
<b>Goal:</b>	File the Eminent Domain Report with the State of Texas Comptroller's Office.  <b>Results / Reference(s):</b> <a href="#"><u>Minutes June 2 2022.pdf (ctfassets.net)</u></a> <i>The District's Manager of Property Services has filed this report as of November 2022. Per the Texas Comptroller's Office, there is a three-month period (November 1<sup>st</sup> through February 1<sup>st</sup>) to file this report.</i> <a href="#"><u>Eminent Domain Reporting (texas.gov)</u></a> <i>The link reflects general instructions regarding filing of the State of Texas' Eminent Domain Report.</i>

## PARTNERSHIP ITEMS

<b>Initiative: Member and Customer Entities</b>	
<b>Goal:</b>	Continue to develop and improve working relationships with Member/Customer entities for mutual benefit. <ul style="list-style-type: none"> <li>Promote better coordination, increased information sharing, and develop relationships between employees with related duties.</li> <li>Arrange and host joint training opportunities when mutually beneficial.</li> </ul> <b>Results / Reference(s):</b> <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>
<b>Initiative: Cities of Dallas and Denton</b>	
<b>Goal:</b>	Continue coordination with the City of Denton regarding the renewal of existing agreements. <ul style="list-style-type: none"> <li>For temporary raw water purchases out of Lewisville and Ray Roberts Lakes.</li> <li>For treated water services from Denton and potential interconnections for emergency operation.</li> <li>For-now water from Dallas purchases out of Lewisville and Ray Roberts Lakes.</li> </ul> <b>Results / Reference(s):</b> <a href="#"><u>Minutes February 3 2022.pdf (ctfassets.net)</u></a> <i>Agenda Item #14 reflects approval of renewing the Wholesale Untreated Water Purchase Contract with the City of Dallas, Texas to continue purchasing raw water out of Lewisville Lake and Lake Ray Roberts, as part of the Regional Treated Water System.</i> <i>Currently, the District is in negotiations with the City of Denton, Texas regarding the renewal of the Treated Water Services contract with UTRWD.</i>
<b>Initiative: Long Range Water Supply in the Sulphur River Basin</b>	
<b>Goal:</b>	Continue partnership with other regional water providers and the Sulphur River Basin Authority (SRBA). Continue working with partners on a joint project to study and analyze the development of future water supply projects in the Sulphur River Basin, including the yields of such projects consistent with requirements of water rights permitting. Also, monitor the water rights filing by the City of Texarkana.  <b>Results / Reference(s):</b>



	<p><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><a href="#">NOV21 Agenda.pdf (ctfassets.net)</a></i></p> <p><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>An interim presentation of the progress and results of this study has been received by District staff. A final presentation to District staff is expected in early December 2022, with a final report anticipated for January 2023.</i></p>
<b>Initiative: Participation in a Hydrographic Study of Chapman Lake</b>	
<b>Goal:</b>	<p>Jointly participate with other partners in a hydrographic study of Chapman Lake to be performed by the Texas Water Development Board that will provide critical information with regard to reservoir storage capacity, existing sedimentation levels, and projected water supply availability .</p> <p><b>Results / Reference(s):</b></p> <p><i>This project is currently on-going.</i></p>
<b>Initiative: Identify Excessive Inflow and Infiltration</b>	
<b>Goal:</b>	<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><b>Results / Reference(s):</b></p> <p><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>
<b>Initiative: Emergency Operations</b>	
<b>Goal:</b>	<p>Stand ready to assist Members and Customers during emergency operational situations.</p> <p><b>Results / Reference(s):</b></p> <p><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><i><a href="#">APR22 Minutes.pdf (ctfassets.net)</a></i></p> <p><i>Agenda Item #15 consists of a briefing on an emergency repair to the District's 18-inch treated water transmission pipeline in the City of Justin. A valve seized during scheduled maintenance preventing the delivery of treated water service to be provided to the City of Justin, Texas. District staff were able to make this a long-term repair situation due to having access to critical inventory on-site and utilizing a vendor that was already working with the District on another capital project, to complete this repair and to return treated water service to Justin within only a few days.</i></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>

## ENVIRONMENTAL ITEMS

<b>Initiative: Upper Trinity Conservation Trust Staff Support</b>	
<b>Goal:</b>	<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><b>Results / Reference(s):</b></p>





	<a href="#">Home / UTCT</a> <i>To promote the District's regional Watershed Protection program, District staff provides administrative support to the Upper Trinity Conservation Trust.</i> <i>See Other Funds section of this budget document – Upper Trinity Conservation Trust Page #219 (Description) and Page #249 (Budget).</i>
<b>Initiative: Expand Partners Program</b>	
<b>Goal:</b>	<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><b>Results / Reference(s):</b>  <a href="#">Home / UTCT</a>  <a href="#">Watershed Partners Program / UTCT</a> </p>
<b>Initiative: Watershed Protection Program</b>	
<b>Goal:</b>	<p>Continue to communicate the District's Watershed Protection Program to cities and utilities throughout the Lewisville Lake Watershed.</p> <p><b>Results / Reference(s):</b>  <a href="#">Our Watershed Protection / UTRWD</a>  <i>Throughout the year, District staff makes presentations and provides information to interested parties on how to protect water quality in the District's water supply lakes.</i>  <i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2021 – 2022, (Watershed Protection Program), Page #150.</i> </p>
<b>Initiative: USACE Conservation Trust</b>	
<b>Goal:</b>	<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><b>Results / Reference(s):</b>  <a href="#">Home / UTCT</a>  <i>This is a continued, long-term goal of the Upper Trinity Conservation Trust and District.</i> </p>
<b>Initiative: Denton County Greenbelt Plan</b>	
<b>Goal:</b>	<p>Continue to coordinate with cities, utilities, and developers to promote adoption of the Plan within the respective jurisdictions.</p> <p><b>Results / Reference(s):</b>  <a href="#">Denton County Greenbelt Plan / UTCT</a>  <i>In coordination with the Upper Trinity Conservation Trust, District staff work to implement various elements of the Plan.</i> </p>
<b>Goal:</b>	<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><b>Results / Reference(s):</b>  <a href="#">Denton County Greenbelt Plan / UTCT</a> </p>
<b>Initiative: Participation in the State of Texas' Clean Rivers Program</b>	
<b>Goal:</b>	<p>Continue participation in the state's Clean Rivers Program administered by the Trinity River Authority and perform quarterly sampling to monitor water quality trends in local creeks to help focus watershed protection activities.</p>

	<b>Results / Reference(s):</b> <a href="#">Our Watershed Protection / UTRWD</a> <i>Quarterly payments are made to the Trinity River Authority through the District's Watershed Protection Program and quarterly sampling is completed.</i>
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## EDUCATIONAL ITEMS

<b>Initiative: Nancy Tam Water-Wise Demonstration Garden and Rich Lubke Community Garden</b>	
Goal:	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.  <b>Results / Reference(s):</b> <a href="#">Water Conservation / UTRWD</a>
<b>Initiative: Water Conservation Goals</b>	
Goal:	To help achieve on-going water conservation goals, take steps to increase visibility, understanding and implementation of the District's overall water conservation program.  <b>Results / Reference(s):</b> <a href="#">Save Water Outdoors / UTRWD</a> <a href="#">Conserving Water / UTRWD</a> <a href="#">Water Efficient Lawn and Garden Care for North Texas- UTRWD Pub 2020.pdf(ctfassets.net)</a>
<b>Initiative: Promotion of District's Water Conservation and Watershed Protection Programs</b>	
Goal:	Work with local schools, teachers, and others to promote the District's water conservation and watershed programs (including EnviroScape).  <b>Results / Reference(s):</b> <a href="#">Teacher Resources / UTRWD</a> <a href="#">School Outreach and Education Resources info sheet.pdf(ctfassets.net)</a> <i>In partnership with the University of North Texas, a curriculum was developed for 5<sup>th</sup> graders regarding Watershed Protection. The curriculum developed was aligned with the science Texas Essential Knowledge and Skills assessment (TEKS).</i>
<b>Initiative: Water / Wastewater Operations Internships</b>	
Goal:	Continue to partner with local community colleges to provide internships for students enrolled in water/wastewater certification programs.  <b>Results / Reference(s):</b> <i>The Human Resources Department worked with Operations Directors to determine the need for interns. An agreement was renewed with one junior college that offers the internship program and the District continues to work with other junior colleges to develop future internship program agreements. See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2021 – 2022, (Wastewater Internship Program), Page #149.</i>
<b>Initiative: Engineering / Business Division Internships</b>	
Goal:	Continue college internship program to support the Engineering and Business Divisions.  <b>Results / Reference(s):</b> <a href="#">JUN22 Agenda.pdf(ctfassets.net)</a> <i>Work Session Item B – Presentation of Summer Interns.</i>

	<i>The Human Resources Department coordinated with the Engineering and Business Divisions and provided four interns to work with the District through the year.</i>
<b>Initiative: Virtual Training Opportunities</b>	
<b>Goal:</b>	<p>Given the constraints related to COVID, develop alternative (virtual) means of water conservation and watershed protection education and outreach activities.</p> <p><b>Results / Reference(s):</b>  <i>District staff have developed water conservation and watershed protection training and educational opportunities due to the continued COVID pandemic situation. The following links reflect examples of the District's efforts for this goal.</i>  <a href="#"><u>UTRWD NewsFlow September 2022  (mailchi.mp)</u></a>  <a href="#"><u>UTRWD NewsFlow August 2022  (mailchi.mp)</u></a>  <a href="#"><u>Lawn Care Basics for North Texas - YouTube</u></a>  <a href="#"><u>What's New in Irrigation Technology? - YouTube</u></a></p>

## LONG RANGE FINANCIAL PLAN

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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 2023 – 2027:

- 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

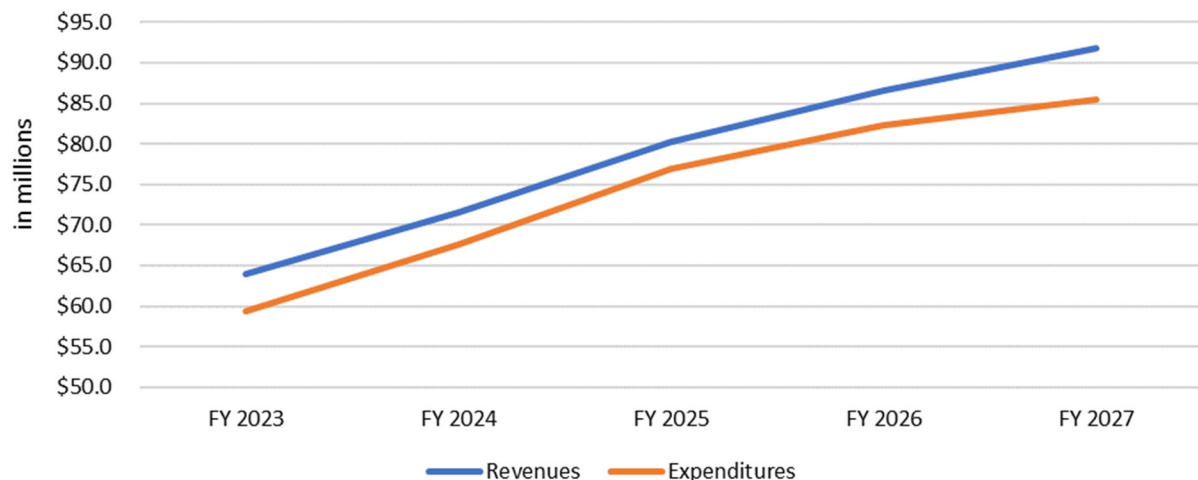
### RTWS FIVE-YEAR FINANCIAL PLAN

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

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

	<b>Adopted</b>				
	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Estimated Blended Rate Impact</b>	4.60%	6.25% - 6.75%	6.50% - 7.00%	7.50% - 8.00%	4.75% - 5.25%
Demand Revenues	\$ 41.62	\$ 45.49	\$ 50.30	\$ 56.59	\$ 62.28
Volume Revenues	\$ 19.53	\$ 22.86	\$ 24.58	\$ 25.61	\$ 26.36
Contract Payments, Loan Repayments, Interest & Other Revenues	\$ 0.95	\$ 1.03	\$ 1.14	\$ 1.29	\$ 1.09
<b>Operating Revenue Subtotal</b>	<b>\$ 62.11</b>	<b>\$ 69.39</b>	<b>\$ 76.02</b>	<b>\$ 83.50</b>	<b>\$ 89.74</b>
Interfund Transfers (from Operations)	\$ 1.83	\$ 0.17	\$ 1.16	\$ 0.05	\$ 0.05
Contributions from Lake Ralph Hall Reserve	\$ -	\$ 2.00	\$ 3.00	\$ 3.00	\$ 1.97
<b>Operating Revenues</b>	<b>\$ 63.94</b>	<b>\$ 71.55</b>	<b>\$ 80.18</b>	<b>\$ 86.55</b>	<b>\$ 91.76</b>
Operating Expenses	\$ 34.32	\$ 36.23	\$ 39.81	\$ 42.52	\$ 42.84
Debt Service	\$ 24.97	\$ 31.39	\$ 37.17	\$ 39.78	\$ 42.63
<b>Total Expenses</b>	<b>\$ 59.30</b>	<b>\$ 67.62</b>	<b>\$ 76.98</b>	<b>\$ 82.30</b>	<b>\$ 85.47</b>
<b>Net Revenues from Operations before Transfer to Lake Ralph Hall Rsrv.</b>	<b>\$ 4.64</b>	<b>\$ 3.93</b>	<b>\$ 3.21</b>	<b>\$ 4.25</b>	<b>\$ 6.29</b>
<b>Transfers to Lake Ralph Hall Reserve from Excess Working Capital</b>	<b>\$ -</b>	<b>\$ 2.00</b>	<b>\$ 2.00</b>	<b>\$ 2.00</b>	<b>\$ 2.00</b>
<b>Net Revenues from Operations After Transfer to Lake Ralph Hall Rsrv.</b>	<b>\$ 4.64</b>	<b>\$ 1.93</b>	<b>\$ 1.21</b>	<b>\$ 2.25</b>	<b>\$ 4.29</b>
<b>Bond Coverage Ratio (Cash Basis)</b> (1.15 Minimum per District Policy)	1.18	1.17	1.17	1.15	1.19
<b>Estimated Subscriptions (MGD)</b>	88.64	92.34	94.09	95.49	97.54
<b>Estimated Flows (MGD)</b>	37.74	39.64	41.25	42.69	44.26
<b>CIP Expenditures</b>	\$ 254.45	\$ 209.33	\$ 155.67	\$ 58.14	\$ 50.11

RTWS Projected Revenues and Expenditures



## ASSUMPTIONS

### RAW WATER SOURCE RATES & QUANTITIES

The District will utilize the following Sources in MGD:

	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
Dallas Water Utilities	22.52	23.72	20.97	15.67
City of Denton	5.00	5.00	5.00	5.00
Chapman Lake	9.50	9.50	10.00	10.00
Lake Ralph Hall	-	-	3.50	7.00

Dallas Water Utilities and City of Denton each reflect an 8% annual rate increase. Chapman Lake includes a 3% annual rate increase for Transportation in addition to \$100K per year for differences between Budgeted and Actual expenses incurred by the City of Irving.

### TREATED WATER RATES

The City of Denton provides treated water for Krum and Sanger. This rate includes a 3% increase in FY 2024 and a 3.5% increase in FY 2025 through FY 2027.

### ELECTRICITY RATES

The Plants utilize different Electric providers. The Taylor Plant has contracts in place through May 2027, while Harpool participates in an electric cooperative. The following rate changes per kWh are anticipated:

	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
Taylor Plant	(3.5%)	-	-	3.0%
Harpool Plant	6.5%	6.0%	5.5%	3.0%

### CHEMICALS

Includes a 5% annual increase through FY 2027.

### PERSONNEL

Includes a 5% annual increase through FY 2027. An additional \$100K is included in FY 2024 and FY 2027 for additional water operator positions.

### PLANT EQUIPMENT, MAINTENANCE, AND MATERIALS

Includes a 4% annual increase through FY 2027. FY 2024 includes an additional \$65K for road improvements at the Harpool Plant. FY 2025 includes \$200K to replace the Taylor Plant roof. FY 2026 includes \$750K for Lake Ralph Hall operating expenses, increasing to \$1.58M in FY 2027.

### MAINTENANCE FUND ALLOCATION

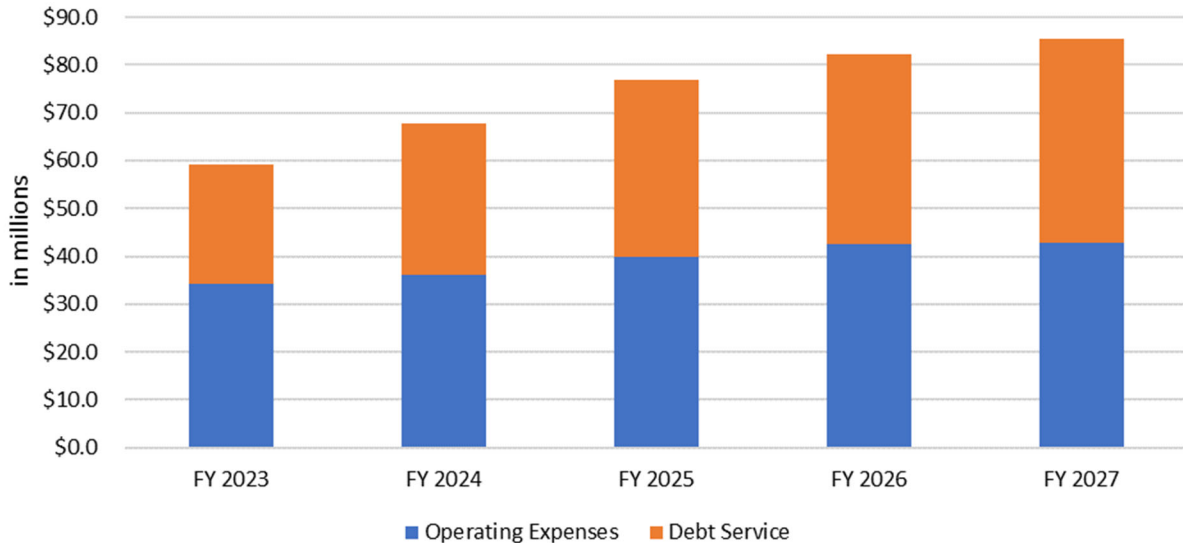
Includes a 4% annual increase, with funding for additional Maintenance Staff in FY 2024 through FY 2027.

### ADMINISTRATION AND INFORMATION TECHNOLOGY FUND ALLOCATION

Includes a 4% annual increase for FY 2024 through FY 2027.

## DEBT SERVICE

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



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

Issue	Debt Service Terms
2016	Payback increases annually to 70% (FY'24), 85% (FY'25) and 100% (FY'26)
2020	Payback increases annually to 20% (FY'24), 30% (FY'25), 40% (FY'26), and 55% (FY'27)
2021	Payback increases annually to 20% (FY'24 & FY'25), 30% (FY'26), and 40% (FY'27)
2022	No Debt Service through FY 2024; then @ 20% (FY'25 & FY'26) and 30% (FY'27)
2023	No Debt Service through FY 2025; then @ 20% (FY'26 & FY'27)

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

Issue	Debt Service Terms
2016	Debt Service begins in FY 2024 (\$1.6M - \$2.0M per year over 22 years)
2023	No Debt Service through FY 2027
2024	No Debt Service through FY 2027

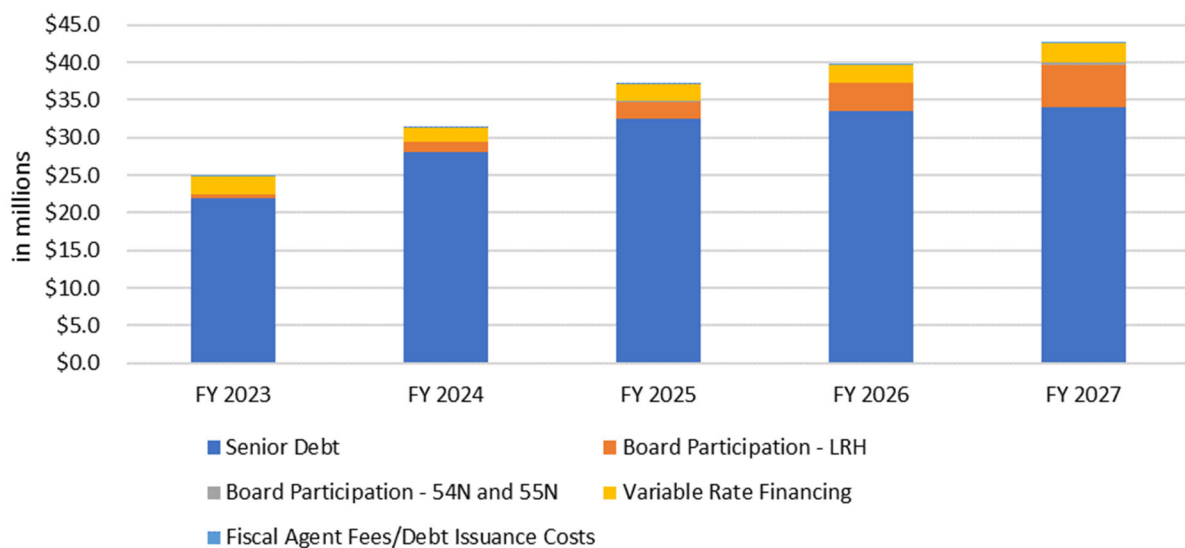
Debt Service includes the following Board Participation issuances to fund 75% of the Harpool RWTP Northeast Transmission Pipeline, Ph 1 & 2 (54N):

Series	Amount	Debt Service Terms
S2021	\$10.6M	No Debt Service FY 2024; then, Deferred Interest Payback @ 20% (FY'25)
S2023	\$9.1M	No Debt Service through FY 2025; then, Deferred Interest Payback @ 20% (FY'26)
S2024	\$4.6M	No Debt Service through FY 2026; then, Deferred Interest Payback @ 20% (FY'27)
S2025	\$5.0M	No Debt Service FY 2024 through FY 2027

Debt Service includes the following Board Participation issuances to fund 75% of the Harpool RWTP Northeast Transmission Pipeline, Ph 3 & 4 (55N):

Series	Amount	Debt Service Terms
S2024	\$1.65M	No Debt Service through FY 2026; then, Deferred Interest Payback @ 20% (FY'27)
S2026	\$18.5M	No Debt Service FY 2024 through FY 2027
S2027	\$6.57M	No Debt Service FY 2024 through FY 2027

Other debt service includes revenue bonds (senior lien debt) issued to convert variable rate financing (Commercial Paper, Direct Purchase notes) to long-term debt with \$60M in FY 2024; \$50M in FY 2025; \$40M in FY 2026; and \$40M in FY 2027. The following graph shows the anticipated debt service obligations over the five-year period:





**RESERVE / PROGRAM CONTRIBUTIONS**

Watershed Protection Program - \$0.02 per 1,000 gallons for FY 2024 through FY 2027

Water Conservation Program - \$0.02 per 1,000 gallons for FY 2024 through FY 2027

Future Water Program - \$0.02 per 1,000 gallons for FY 2024 through FY 2027

Capital Replacement Reserve - \$0.11 per 1,000 gallons for FY 2024 through FY 2027

Raw Water Pond Dredging Reserve - \$0.01 per 1,000 gallons for FY 2024 through FY 2027

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

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

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

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

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

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

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

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

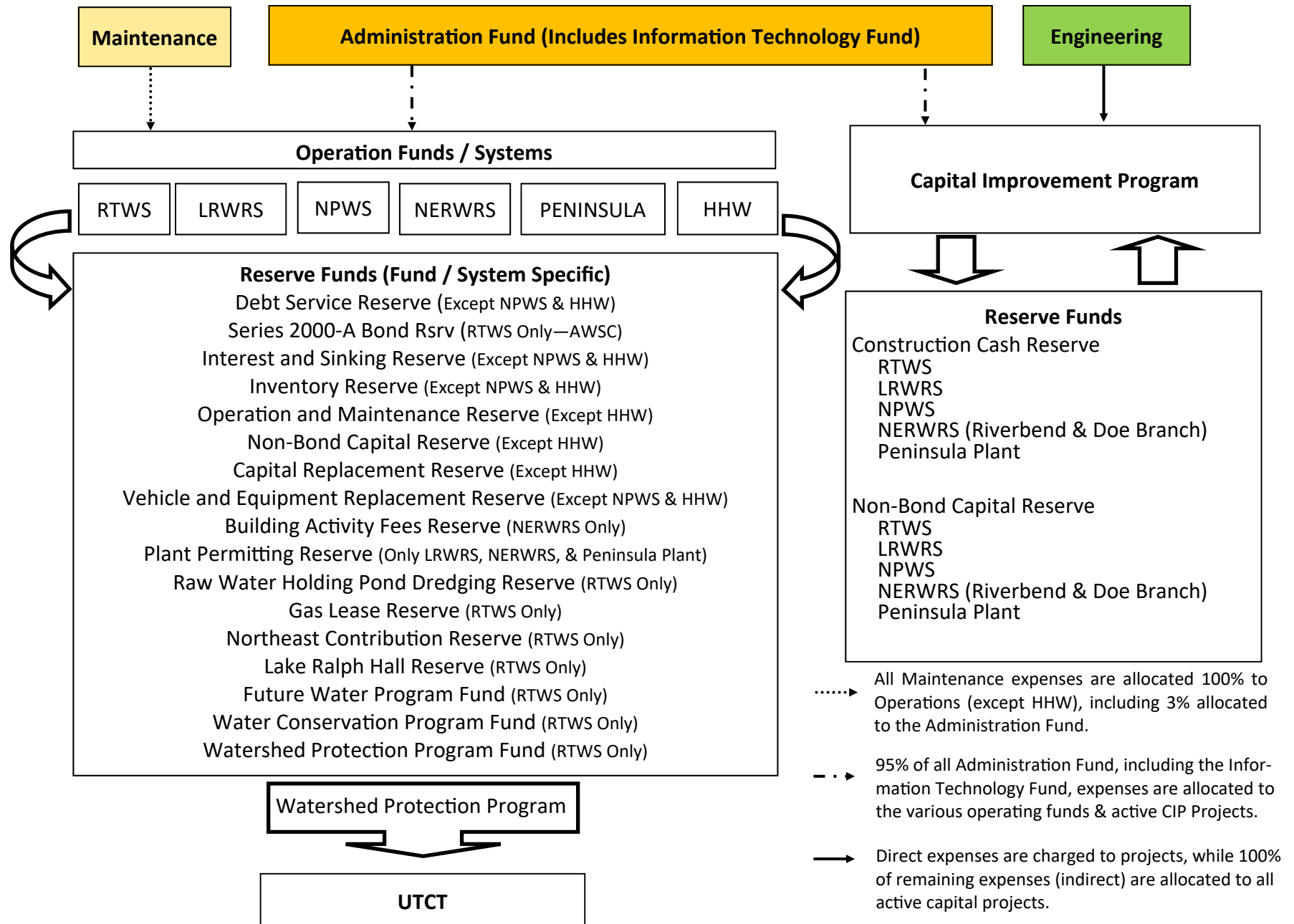
A flowchart that demonstrates the fund structure of the District is also included in this section.

## DISTRICT FUNDS / SYSTEMS AND RELATED RESERVE FUNDS

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

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

# UTRWD FUND STRUCTURE



## ALL OPERATING, RESERVE, AND CAPITAL FUNDS - COMBINED

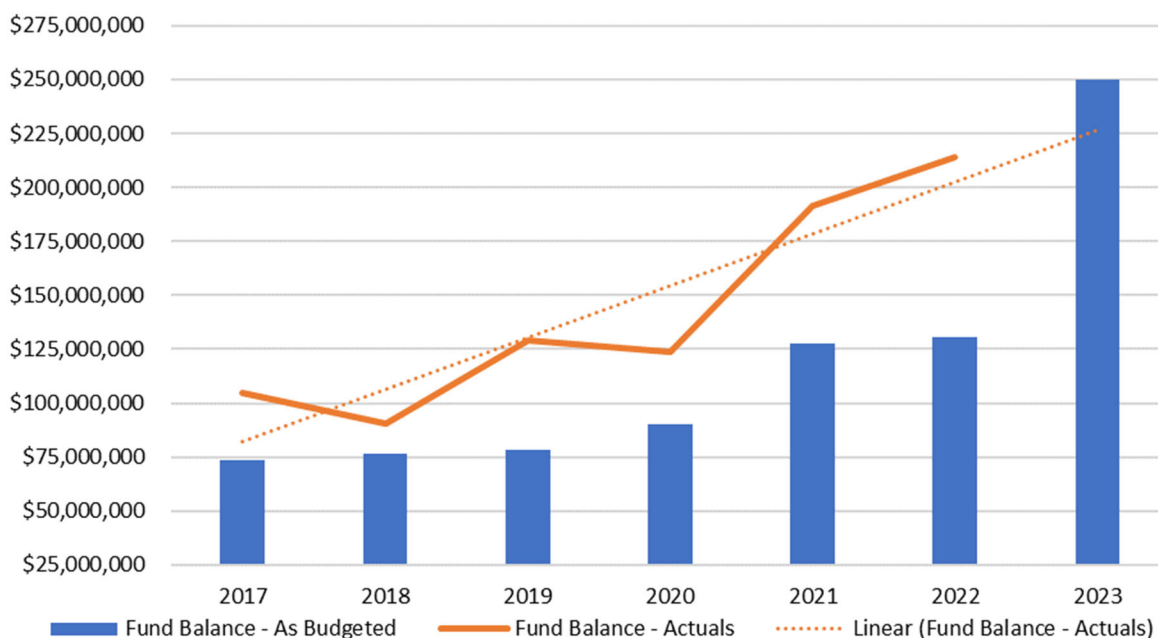
	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>Beginning Balance</b>	<b>\$ 123,518,955</b>	<b>\$ 143,036,473</b>	<b>\$ 191,317,306</b>	<b>\$ 214,070,846</b>
Less: Transfers from Working Capital / Carryforwards *	\$ (11,288,301)	\$ (24,762,970)	\$ (16,147,700)	\$ (15,286,370)
<b>BEGINNING BALANCE Revised</b>	<b>\$ 112,230,654</b>	<b>\$ 118,273,503</b>	<b>\$ 175,169,606</b>	<b>\$ 198,784,476</b>
<b>Revenues</b>				
Demand Charges	\$ 36,276,046	\$ 38,222,310	\$ 39,130,720	\$ 41,744,280
Capital Charges for Joint / Individual Facilities with Interim Finance Charges	7,064,705	6,637,320	6,596,690	6,963,635
Fixed O&M Costs for Joint Facilities	5,837,603	7,005,465	7,005,465	7,451,420
Fees for Administration and Planning	173,696	179,820	175,745	181,480
Contract Payments	408,491	267,645	280,400	269,810
Volume Revenues	14,598,766	16,112,825	18,864,980	19,533,475
Volume - Treated Effluent	33,420	39,200	67,620	67,820
Volume - Raw Water	-	3,780	3,920	3,920
Treatment and Transportation	4,876,568	4,731,080	4,711,290	5,208,620
Charges for Services (HHW)	12,682	15,320	21,695	18,910
Commercial Paper Proceeds	6,500,000	45,916,874	45,000,000	74,500,000
Bond Proceeds (includes Contributions for Capital Projects)	891,534	17,871,490	11,646,230	38,779,980
Texas Water Development Board				
SWIFT Deferred Interest Funds	6,360,686	3,834,425	9,463,140	10,661,095
SWIFT Board Participation Funds	100,108,938	144,051,545	96,791,640	162,002,970
SWIFT Subsidized Interest Funds	15,024,800	699,400	698,000	-
Reimbursements (Includes CIP Projects)	6,397,688	7,773,340	2,572,125	15,597,110
Contribution Sources	21,388,954	603,126	2,000	9,693,430
Conservation Symposiums	-	-	-	-
Watershed Partners Programs	4,125	3,875	5,025	3,875
Charitable Contributions	750	1,500	1,000	1,500
Building Activity Fees	6,950	3,450	8,100	6,750
Rental Revenues	170,696	194,520	185,155	142,840
Other Revenues (Includes Land & Easement Proceeds)	745,005	27,800	103,345	64,800
Interest Income	145,892	192,980	1,079,995	2,644,350
<b>Total Revenues</b>	<b>\$ 227,027,995</b>	<b>\$ 294,389,090</b>	<b>\$ 244,414,280</b>	<b>\$ 395,542,070</b>
Interfund Transfers *	\$ 60,259,180	\$ 79,306,560	\$ 70,123,145	\$ 69,622,730
<b>Total Revenues and Interfund Transfers</b>	<b>\$ 287,287,175</b>	<b>\$ 373,695,650</b>	<b>\$ 314,537,425</b>	<b>\$ 465,164,800</b>
<b>Expenditures</b>				
Administration Fund	\$ 300,744	\$ 268,080	\$ 264,320	\$ 303,920
Lakeview Regional Water Reclamation System	5,666,785	6,143,790	6,037,795	6,402,455
Non-Potable Water System	78,915	94,455	144,040	129,405
Northeast Regional Water Reclamation System	7,740,706	8,770,460	9,466,615	10,219,720
Peninsula Water Reclamation Plant	954,006	1,124,875	1,103,945	1,226,980
Regional Treated Water System	40,945,419	48,191,055	49,553,025	56,578,480
Household Hazardous Waste Program	20,212	26,115	30,960	31,275
Interest and Sinking Reserve Fund	27,557,939	27,722,615	26,965,640	29,921,510
Capital Improvement Program	101,031,212	241,164,125	153,743,465	276,425,925
Vehicle and Equipment Replacement Fund	-	30,395	30,395	237,640
Self-Insurance Fund	2,158,915	2,470,540	2,113,670	2,848,340
Watershed Protection Program Fund	151,568	223,030	217,030	250,485
Water Conservation Program Fund	225,105	258,210	290,860	343,165
Future Water Program Fund	132,360	254,000	174,100	254,000
Upper Trinity Conservation Trust	19,863	40,000	33,500	40,000
Project Development Fund	-	290,000	200,000	340,000
Refund to Prior Construction Contributions	271,600	-	-	-
Inventory Reserve Fund	-	-	-	351,390
<b>Total Expenditures</b>	<b>\$ 187,255,349</b>	<b>\$ 337,071,745</b>	<b>\$ 250,369,360</b>	<b>\$ 385,904,690</b>
Interfund Transfers *	\$ 20,945,174	\$ 24,444,740	\$ 25,266,825	\$ 28,132,180
<b>Total Expenditures and Interfund Transfers</b>	<b>\$ 208,200,523</b>	<b>\$ 361,516,485</b>	<b>\$ 275,636,185</b>	<b>\$ 414,036,870</b>
<b>Net Revenues / (Expenses)</b>	<b>\$ 79,086,652</b>	<b>\$ 12,179,165</b>	<b>\$ 38,901,240</b>	<b>\$ 51,127,930</b>
<b>Ending Balance</b>	<b>\$ 191,317,306</b>	<b>\$ 130,452,668</b>	<b>\$ 214,070,846</b>	<b>\$ 249,912,406</b>

\* 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
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	\$ 123,518,955
2021	\$ 127,342,073	\$ 191,317,306
2022	\$ 130,452,668	\$ 214,070,846*
2023	\$ 249,912,406	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

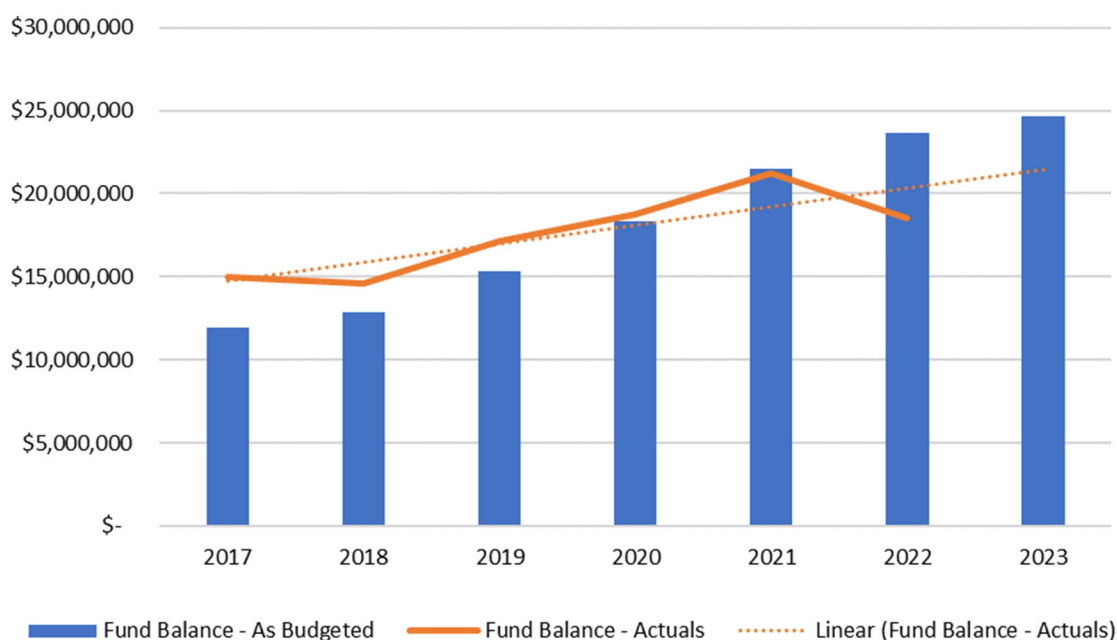
	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>Beginning Balance</b>	\$ 18,752,701	\$ 17,928,156	\$ 21,212,744	\$ 18,512,809
Less: Transfers from Working Capital *	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,750)
<b>BEGINNING BALANCE Revised</b>	\$ 18,741,701	\$ 17,917,156	\$ 21,201,744	\$ 18,501,059
<b>Revenues</b>				
<b>Fixed</b>				
Demand Charges (RTWS and NPWS)	\$ 36,276,046	\$ 38,222,310	\$ 39,130,720	\$ 41,744,280
Capital Charges for Joint / Individual Facilities with Interim Finance Charges (Water Reclamation Systems)	7,064,705	6,637,320	6,596,690	6,963,635
Fixed O&M Costs for Jt. Facilities (Water Reclamation Systems)	5,837,603	7,005,465	7,005,465	7,451,420
Fees for Administration and Planning (Administration)	155,983	161,680	161,030	166,230
Contract Payments (RTWS)	408,491	267,645	280,400	269,810
<b>Subtotal</b>	\$ 49,742,828	\$ 52,294,420	\$ 53,174,305	\$ 56,595,375
<b>Variable</b>				
Volume Revenues (RTWS)	\$ 14,598,766	\$ 16,112,825	\$ 18,864,980	\$ 19,533,475
Volume - Treated Effluent (NPWS)	33,420	39,200	67,620	67,820
Volume - Raw Water (NPWS)	-	3,780	3,920	3,920
Treatment and Transportation (Water Recl. Systems)	4,876,568	4,719,760	4,711,290	5,208,620
Charges for Services (HHW)	12,682	15,320	21,695	18,910
<b>Subtotal</b>	\$ 19,521,436	\$ 20,890,885	\$ 23,669,505	\$ 24,832,745
<b>Miscellaneous</b>				
Rental Revenues	\$ 170,696	\$ 194,520	\$ 185,155	\$ 142,840
Other Revenues	745,005	27,800	103,345	64,800
Interest Income	49,022	56,735	323,015	542,765
<b>Subtotal</b>	\$ 964,723	\$ 279,055	\$ 611,515	\$ 750,405
<b>Total Revenues</b>	\$ 70,228,987	\$ 73,464,360	\$ 77,455,325	\$ 82,178,525
Interfund Transfers *	\$ 2,156,745	\$ 1,197,035	\$ 1,208,690	\$ 2,690,025
<b>Total Revenues and Interfund Transfers</b>	\$ 72,385,732	\$ 74,661,395	\$ 78,664,015	\$ 84,868,550
<b>Expenditures (w/o Debt Service)</b>				
Administration Fund	\$ 300,744	\$ 268,080	\$ 264,320	\$ 303,920
Lakeview Regional Water Reclamation System (LRWRS)	2,627,914	3,093,205	2,997,400	3,367,700
Non-Potable Water System (NPWS)	78,915	94,455	144,040	129,405
Northeast Regional Water Reclamation System (NERWRS)	4,223,544	5,260,715	5,956,870	6,327,275
Peninsula Water Reclamation Plant (PWRP)	886,408	1,051,940	1,031,010	1,155,045
Regional Treated Water System (RTWS)	19,495,327	26,626,815	28,513,480	31,606,030
Household Hazardous Waste Program (HHW)	20,212	26,115	30,960	31,275
<b>Subtotal</b>	\$ 27,633,064	\$ 36,421,325	\$ 38,938,080	\$ 42,920,650
<b>Debt Service (Net of Capitalized Interest)</b>				
Lakeview Regional Water Reclamation System	\$ 3,038,871	\$ 3,040,395	\$ 3,040,395	\$ 3,034,755
Northeast Regional Water Reclamation System	3,517,162	3,509,745	3,509,745	3,892,445
Peninsula Water Reclamation Plant (w/Fiscal Agent Fees)	67,598	72,935	72,935	71,935
Regional Treated Water System (w/Commercial Paper)	21,450,092	21,564,240	21,039,545	24,972,450
<b>Subtotal</b>	\$ 28,073,723	\$ 28,187,315	\$ 27,662,620	\$ 31,971,585
<b>Total Expenditures and Debt Service</b>	\$ 55,706,787	\$ 64,608,640	\$ 66,600,700	\$ 74,892,235
Interfund Transfers *	\$ 14,207,902	\$ 4,307,790	\$ 14,752,250	\$ 3,826,150
<b>Total Expenditures and Interfund Transfers</b>	\$ 69,914,689	\$ 68,916,430	\$ 81,352,950	\$ 78,718,385
<b>Net Revenues / (Expenses)</b>	\$ 2,471,043	\$ 5,744,965	\$ (2,688,935)	\$ 6,150,165
<b>Ending Balance</b>	\$ 21,212,744	\$ 23,662,121	\$ 18,512,809	\$ 24,651,224

\* 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
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	\$ 21,212,744
2022	\$ 23,662,121	\$ 18,512,809*
2023	\$ 24,651,224	N/A

\* - Estimate



The District's ending fund balances have steadily increased since FY 2017. However, as shown in the above graph, there were years (FY 2017 to FY 2018 and FY 2021 to FY 2022) 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 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 actual ending fund balance for FY 2021 versus the budgeted ending fund balance yielded a decrease of \$0.26 million. This includes transferring \$8.23 million of excess working capital (from FY 2020 results) to various District System reserve funds.
- FY 2021 actual operating revenues exceeded budgeted revenues by approximately \$0.26 million due to higher than projected water and wastewater flows treated in the District's systems.

#### **FY 2022 OPERATING RESULTS**

- The FY 2022 estimated ending fund balance is projected to decrease by approximately \$5.15 million due to transferring approximately \$10.24 million of excess working capital (savings from FY 2021 budgeted expenses versus actual results) to various District System reserve funds.
- FY 2022 estimated operating revenues are projected to exceed budgeted revenues by \$4.00 million due to higher than projected flows in addition to unbudgeted subscription increases in the Regional Treated Water System.

#### **FY 2023 OPERATING RESULTS**

- The FY 2023 budgeted ending fund balance is projected to increase by \$6.15 million from estimated FY 2022 ending fund balance (a \$0.99 million increase from the FY 2022 budgeted ending fund balance).
- FY 2023 rates and charges for the operating systems were established to yield a \$6.15 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 2023 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

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

### SENIOR LIEN DEBT

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

### JUNIOR LIEN DEBT

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

### VARIABLE RATE FINANCING

The District maintains a 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. The expiration date of the Letter of Credit and Reimbursement Agreement is December 30, 2022.

Due to changes in Texas law, the District began searching for a viable replacement for the Commercial Paper program in FY 2022. On June 2, 2022 the Board approved PNC Bank as the District's new Short-Term Financing provider. This Direct Note Purchase Program is a short-term financing tool in which PNC Bank provides immediate liquidity in the form of a loan. PNC Bank is the holder of all the loan notes issued. The term of the Direct Purchase Agreement with PNC Bank is 3 years, commencing in November 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 2022, the District's Systems have the following bond ratings:

	<b>Standard &amp; Poor's</b>	<b>Moody's</b>
Regional Treated Water System	A+	A1
Lakeview Regional Treated Water System	A+	A2
Northeast Regional Water Reclamation System	AA-	-
Peninsula Water Reclamation	AA-	-

**DEBT COVERAGE**

In accordance with the District's Debt policies, FY 2023 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:

	<b>CDCR</b>	<b>ABTCR</b>
Regional Treated Water System	1.19	2.41
Lakeview Regional Treated Water System	1.23	2.91
Northeast Regional Water Reclamation System	1.16	1.25
Peninsula Water Reclamation	2.98	3.94

## REGIONAL TREATED WATER SYSTEM

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### SENIOR LIEN DEBT

For FY 2023, the District will have the following Bonds outstanding.

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

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

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

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

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

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

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

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

The Series 2010A bonds were issued to repurchase the Series 1993, 1994, 1995, and 1996 State Participation bonds held by the TWDB, that were originally issued to construct the first generation of the Taylor RWTP (20 mgd), as well as raw and treated water pipelines representing the first generation of the District's water system.

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

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

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

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

**Series 2023 (Commercial Paper Conversion)** – Preliminary \$36.94 million bond issue to convert Commercial Paper to long-term debt. Debt service for this issue is anticipated to begin in FY 2024.

**Series 2023 TWDB SWIFT Deferred Bonds** – Preliminary \$10.39 million issue to provide funding for engineering and design services for the future Lake Ralph Hall.

#### **JUNIOR LIEN DEBT**

For FY 2023, the District will have the following Bonds outstanding.

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

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

**Series 2020 TWDB Board Participation Bonds** – \$120.00 million used for land purchases, mitigation, and construction activities for the Lake Ralph Hall project. Interest-only payments begin FY 2024 and increase gradually through FY 2030. Full interest-only payments last from FY 2031 through FY 2033, with payback of portions of previously deferred interest included from FY 2034 through FY 2040. Principal and interest payments are scheduled for FY 2041 through FY 2055.

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

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

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

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

#### VARIABLE RATE FINANCING

In prior years, the District utilized Commercial Paper as it's variable rate financing. These Regional Treated Water System Revenue Commercial Paper Notes (Series A) are rated A-1 by Standard & Poor's. Beginning in FY 2023, the District will participate in a Direct Purchase Program. As these notes will be held by PNC Bank, they will not be rated. Approximately \$74.41 million of variable rate financing will be utilized in FY 2023 with fees and interest expenses projected at \$2.51 million.

Variable Rate Financing Balances	\$ in Millions
Outstanding Balance 9-30-22	\$31.00
Projected Draws	\$74.50
Projected Conversion to Long-Term Debt	(\$37.00)
Projected Outstanding Balance 9-30-23	\$68.50

## SCHEDULE OF REQUIREMENTS

Series	Description	TIC *	Maturity	Principal	Interest	Total
2013	Revenue Bonds (Refunding)	3.11%	2030	\$ 1,120,000	\$ 310,845	\$ 1,430,845
2015	Revenue Bonds (Refunding)	3.06%	2044	2,895,000	1,143,130	4,038,130
2015	TWDB Board Participation Bonds	4.02%	2050	-	344,140	344,140
2016	Revenue Bonds (Refunding)	2.27%	2032	1,695,000	640,950	2,335,950
2017	Revenue Bonds (CP Conversion)	3.31%	2047	465,000	542,450	1,007,450
2018	TWDB SWIFT Subsidized Bonds	2.68%	2043	250,000	171,315	421,315
2019	TWDB SWIFT Subsidized Bonds	2.02%	2044	645,000	306,160	951,160
2019	TWDB Board Participation Bonds	3.38%	2054	-	202,645	202,645
2019A	Revenue Bonds (CP Conversion)	2.88%	2049	420,000	584,190	1,004,190
2020	Revenue Bonds (Refunding)	0.51%	2026	2,340,000	340,300	2,680,300
2020A	TWDB SWIFT Subsidized Bonds	1.77%	2045	570,000	199,675	769,675
2021	Revenue Bonds (Refunding)	2.20%	2051	2,205,000	1,357,150	3,562,150
2022	Revenue Bonds (Refunding)	3.69%	2052	1,665,000	2,004,640	3,669,640
<b>Total</b>				<b><u>\$ 14,270,000</u></b>	<b><u>\$ 8,147,590</u></b>	<b><u>\$ 22,417,590</u></b>

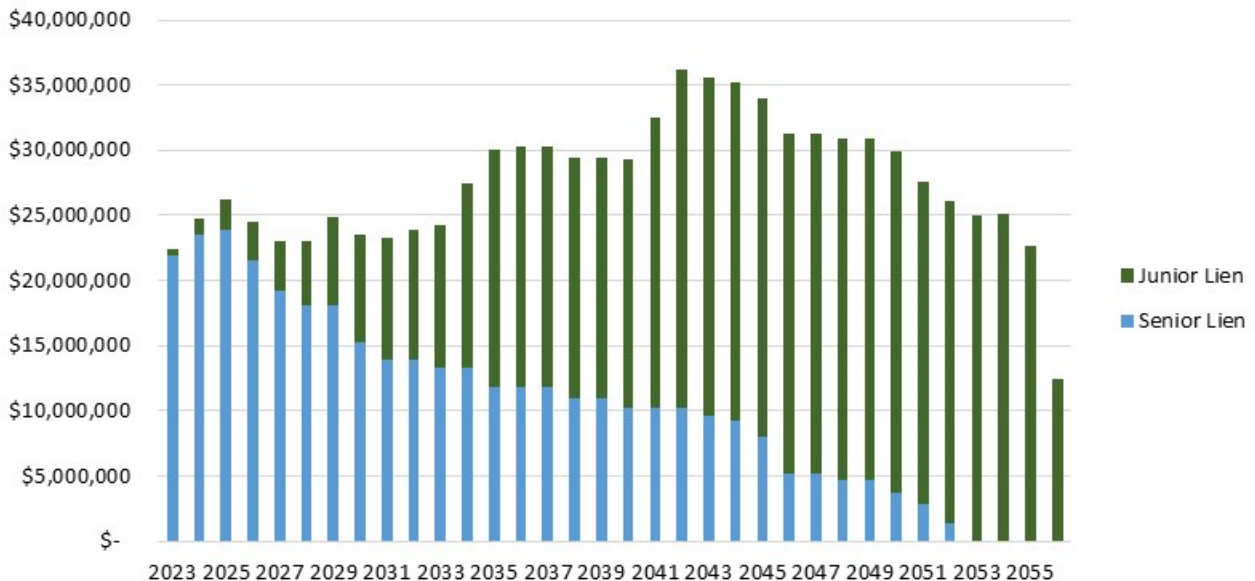
\* True Interest Cost

This schedule represents the FY 2023 debt service payments due on each outstanding Regional Treated Water System bond issue. For future debt issues during the five-year planning period (FY 2023 - FY 2027), refer to the Capital Improvement Program section as well as the Long Range Financial Plan section of this budget document.



## LONG-TERM DEBT INDEBTEDNESS TO MATURITY

Year	Senior Lien	Junior Lien	Total
2023	\$ 21,870,805	\$ 546,785	\$ 22,417,590
2024	23,461,595	1,314,685	24,776,280
2025	23,876,830	2,401,795	26,278,625
2026	21,607,100	2,933,995	24,541,095
2027	19,182,520	3,868,970	23,051,490
2028	18,047,145	4,972,450	23,019,595
2029	18,050,810	6,874,970	24,925,780
2030	15,301,435	8,201,435	23,502,870
2031	13,882,985	9,375,915	23,258,900
2032	13,882,260	10,044,865	23,927,125
2033	13,324,740	10,990,545	24,315,285
2034	13,330,240	14,138,755	27,468,995
2035	11,830,550	18,256,865	30,087,415
2036	11,842,240	18,445,815	30,288,055
2037	11,851,555	18,445,370	30,296,925
2038	10,999,405	18,448,725	29,448,130
2039	11,016,335	18,450,695	29,467,030
2040	10,232,500	19,070,500	29,303,000
2041	10,223,520	22,330,205	32,553,725
2042	10,222,745	25,988,815	36,211,560
2043	9,637,490	25,994,725	35,632,215
2044	9,210,330	26,014,625	35,224,955
2045	7,991,965	26,042,790	34,034,755
2046	5,218,020	26,094,340	31,312,360
2047	5,223,505	26,111,380	31,334,885
2048	4,738,965	26,124,505	30,863,470
2049	4,736,400	26,146,680	30,883,080
2050	3,734,315	26,161,940	29,896,255
2051	2,802,550	24,757,850	27,560,400
2052	1,315,600	24,820,535	26,136,135
2053	-	24,975,680	24,975,680
2054	-	25,135,645	25,135,645
2055	-	22,617,055	22,617,055
2056	-	12,500,835	12,500,835
<b>Total</b>	<b>\$ 358,646,455</b>	<b>\$ 566,099,905</b>	<b>\$ 924,746,360</b>



## DEBT SERVICE RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 11,120,275	\$ 12,011,810	\$ 12,009,501	\$ 12,009,501
<b>REVENUES</b>				
Deposits				
Series 2021 Refunding Bonds (\$30.0M Commercial Paper)	891,534	-	-	-
Series 2022 Refunding Bonds (\$22.5M Commercial Paper)	-	306,000	-	-
Series 2023 TWBD Bonds (\$10M Deferred Interest)	-	-	-	393,055
Series 2023 Refunding Bonds (\$37M Commercial Paper)	-	-	-	1,451,945
Interest Income	3,259	5,305	56,420	130,225
<b>TOTAL REVENUES</b>	<b>\$ 894,793</b>	<b>\$ 311,305</b>	<b>\$ 56,420</b>	<b>\$ 1,975,225</b>
<b>EXPENDITURES</b>				
Interfund Transfer - Operations	5,567	5,305	56,420	130,225
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,567</b>	<b>\$ 5,305</b>	<b>\$ 56,420</b>	<b>\$ 130,225</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 12,009,501</b>	<b>\$ 12,317,810</b>	<b>\$ 12,009,501</b>	<b>\$ 13,854,501</b>

FY 2023 Ending Balance increase of \$1,536,691 is due to converting \$37.0 million of outstanding Commercial Paper to long-term debt, as well as a deposit provided for the TWDB Deferred Interest Bond issue.
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## SERIES 2000-A DEBT SERVICE RESERVE FUND

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 575,845	\$ 459,845	\$ 459,845	\$ 344,845
Transfer to Operations	\$ (116,000)	\$ (115,000)	\$ (115,000)	\$ (115,000)
<b>BEGINNING CASH BALANCE Revised</b>	<b>\$ 459,845</b>	<b>\$ 344,845</b>	<b>\$ 344,845</b>	<b>\$ 229,845</b>
<b>REVENUES</b>				
Interfund Transfer - Working Capital	116,000	115,000	115,000	115,000
<b>TOTAL REVENUES</b>	<b>\$ 116,000</b>	<b>\$ 115,000</b>	<b>\$ 115,000</b>	<b>\$ 115,000</b>
<b>EXPENDITURES</b>				
Interfund Transfer - Operations	116,000	115,000	115,000	115,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 116,000</b>	<b>\$ 115,000</b>	<b>\$ 115,000</b>	<b>\$ 115,000</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 459,845</b>	<b>\$ 344,845</b>	<b>\$ 344,845</b>	<b>\$ 229,845</b>

<p>FY 2023 Ending Balance decrease of \$115,000 is due to the scheduled transfer of accumulated funds received from Argyle Water Supply Corporation (AWSC) after purchasing their share of the Argyle Joint Ground Storage Tank (a joint-project between the District and AWSC), to operations for offsetting debt service from bond issues used to originally complete this project.</p>
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## INTEREST AND SINKING RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 1,095,655	\$ 1,097,115	\$ 1,911,558	\$ 1,968,998
<b>REVENUES</b>				
Interfund Transfer - Operations	21,752,337	20,723,990	20,349,795	22,417,590
Interest Income	1,369	1,375	57,440	69,690
<b>TOTAL REVENUES</b>	<b>\$ 21,753,706</b>	<b>\$ 20,725,365</b>	<b>\$ 20,407,235</b>	<b>\$ 22,487,280</b>
<b>EXPENDITURES</b>				
Debt Service	20,937,803	20,723,990	20,349,795	22,417,590
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,937,803</b>	<b>\$ 20,723,990</b>	<b>\$ 20,349,795</b>	<b>\$ 22,417,590</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 1,911,558</b>	<b>\$ 1,098,490</b>	<b>\$ 1,968,998</b>	<b>\$ 2,038,688</b>

FY 2023 Ending Balance increase of \$940,198 is due to a higher than anticipated transfer in from Operations in FY 2021.
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## LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

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### SENIOR LIEN DEBT

For FY 2023, 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

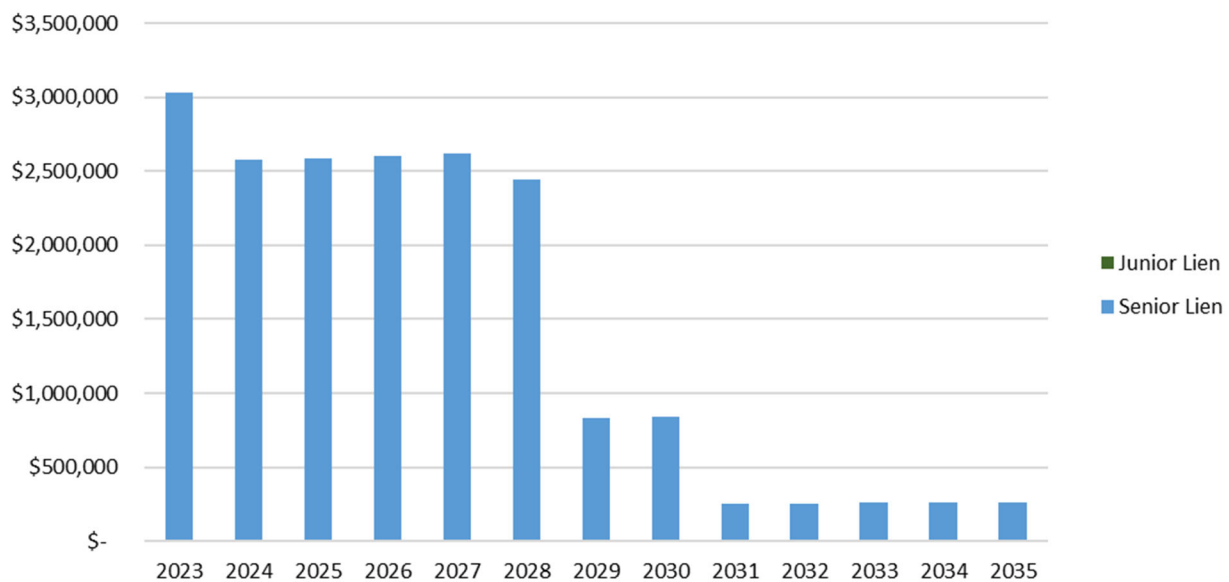
Series	Description	TIC *	Maturity	Principal	Interest	Total
2012	Revenue Bonds (Refunding)	2.91%	2028	\$ 565,000	\$ 43,035	\$ 608,035
2012A	Revenue Bonds (Refunding)	3.11%	2028	1,130,000	314,490	1,444,490
2014	Revenue Bonds (Refunding)	3.08%	2030	190,000	54,750	244,750
2015	Revenue Bonds	3.38%	2035	155,000	91,545	246,545
2020	Revenue Bonds (Refunding)	0.90%	2035	405,000	81,300	486,300
<b>Total</b>				<b>\$ 2,445,000</b>	<b>\$ 585,120</b>	<b>\$ 3,030,120</b>

\* True Interest Cost

This schedule represents the FY 2023 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 2023 - FY 2027), refer to the Capital Improvement Program section of this budget document.

## LONG-TERM DEBT INDEBTEDNESS TO MATURITY

Year	Senior Lien	Junior Lien	Total
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
<b>Total</b>	<b>\$ 18,818,480</b>	<b>\$ -</b>	<b>\$ 18,818,480</b>



## DEBT SERVICE RESERVE FUND

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	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 2,173,442	\$ 2,173,442	\$ 2,173,387	\$ 2,173,387
Transfer to Operations	\$ (55)			
<b>BEGINNING CASH BALANCE Revised</b>	<b>\$ 2,173,387</b>			
<b>REVENUES</b>				
Interfund Transfer - Working Capital	55	-	-	-
Interest Income	1,023	1,485	10,955	22,820
<b>TOTAL REVENUES</b>	<b>\$ 1,078</b>	<b>\$ 1,485</b>	<b>\$ 10,955</b>	<b>\$ 22,820</b>
<b>EXPENDITURES</b>				
Interfund Transfer - Operations	1,078	1,485	10,955	22,820
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,078</b>	<b>\$ 1,485</b>	<b>\$ 10,955</b>	<b>\$ 22,820</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 2,173,387</b>	<b>\$ 2,173,442</b>	<b>\$ 2,173,387</b>	<b>\$ 2,173,387</b>

## INTEREST AND SINKING RESERVE FUND

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	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 136,795	\$ 136,975	\$ 110,317	\$ 117,952
Transfer to Operations	\$ (26,478)			
<b>BEGINNING CASH BALANCE Revised</b>	<b>\$ 110,317</b>			
<b>REVENUES</b>				
Interfund Transfers				
Operations	3,009,106	3,035,895	3,035,895	3,030,120
Working Capital	26,478	-	-	-
Interest Income	179	195	7,635	7,600
<b>TOTAL REVENUES</b>	<b>\$ 3,035,763</b>	<b>\$ 3,036,090</b>	<b>\$ 3,043,530</b>	<b>\$ 3,037,720</b>
<b>EXPENDITURES</b>				
Debt Service	3,035,763	3,035,895	3,035,895	3,030,120
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,035,763</b>	<b>\$ 3,035,895</b>	<b>\$ 3,035,895</b>	<b>\$ 3,030,120</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 110,317</b>	<b>\$ 137,170</b>	<b>\$ 117,952</b>	<b>\$ 125,552</b>



## NORTHEAST REGIONAL WATER RECLAMATION SYSTEM

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### SENIOR LIEN DEBT

For FY 2023, the District will have the following Bonds outstanding.

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

**Series 2017 TWDB “D” Funds** – \$23.99 million bond issue used for the Riverbend Water Reclamation Plant Expansion, Phase 3. This issue has a 29-year term with Interest-only payments 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)** – \$10.68 million bond issue with \$2.14 million to be used for West Influent Pump Station and Dewatering Improvements at the Riverbend Plant and \$8.55 million for the Doe Branch Plant Expansion, Phase 3. The first two years of payments will be funded by capitalized interest.

**Series 2023 (Revenue)** – Preliminary \$37.56 million to be used as the second and final tranche of funding for the Doe Branch Plant Expansion, Phase 3. The initial payment will be funded by capitalized interest.

### JUNIOR LIEN DEBT

For FY 2023, 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	\$ 110,000	\$ 114,540	\$ 224,540
2016	TWDB "D" Funds	3.30%	2045	125,000	365,880	490,880
2017	TWDB "D" Funds	3.89%	2045	250,000	898,390	1,148,390
2019	Revenue and Refunding Bonds	3.94%	2032	160,000	101,000	261,000
2022	Revenue Bonds **	3.98%	2047	-	102,540	102,540
<b>Total</b>				<b>\$ 645,000</b>	<b>\$ 1,582,350</b>	<b>\$ 2,227,350</b>

\* True Interest Cost

\*\* Paid with Capitalized Interest

### DOE BRANCH PLANT

Series	Description	TIC *	Maturity	Principal	Interest	Total
2019	Revenue and Refunding Bonds	3.94%	2048	\$ 670,000	\$ 1,094,825	\$ 1,764,825
2022	Revenue Bonds **	3.98%	2047	-	409,690	409,690
<b>Total</b>				<b>\$ 670,000</b>	<b>\$ 1,504,515</b>	<b>\$ 2,174,515</b>

\* True Interest Cost

\*\* Paid with Capitalized Interest

These schedules represent the FY 2023 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 2023 - FY 2027), refer to the Capital Improvement Program section of this budget document.

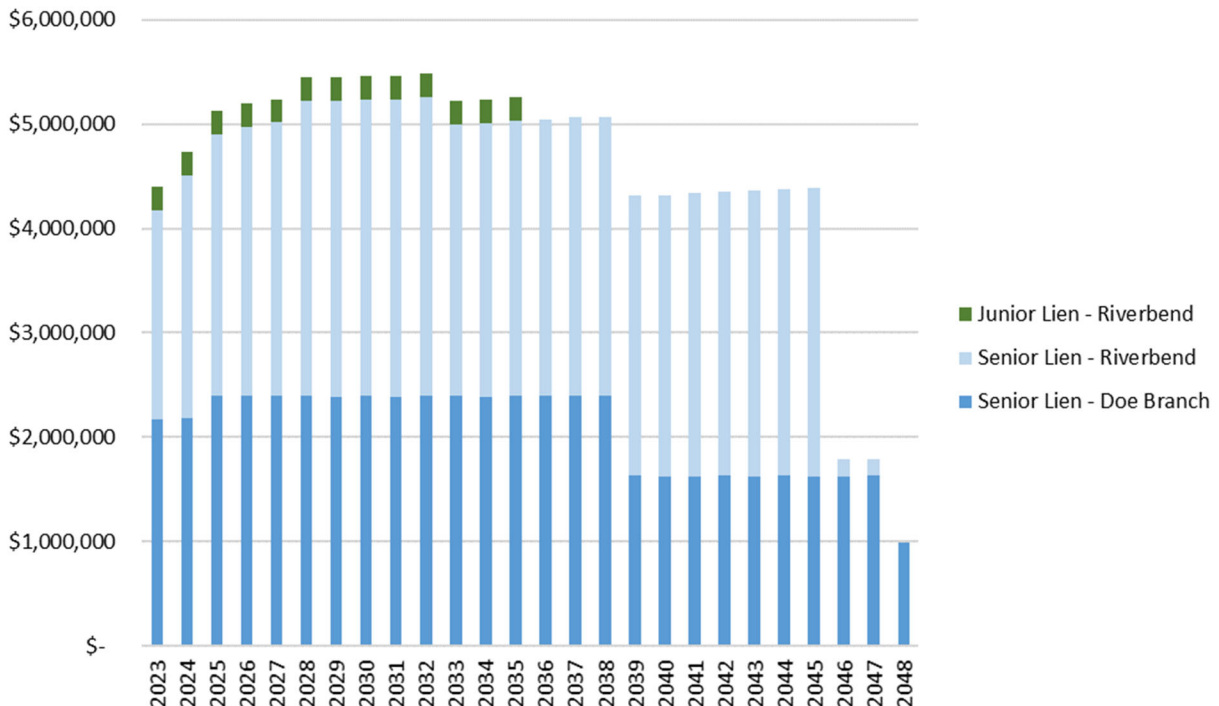
## LONG-TERM DEBT INDEBTEDNESS TO MATURITY

### RIVERBEND PLANT

Year	Senior Lien	Junior Lien	Total
2023	\$ 2,002,810	\$ 224,540	\$ 2,227,350
2024	2,322,605	223,345	2,545,950
2025	2,506,045	221,815	2,727,860
2026	2,577,785	220,000	2,797,785
2027	2,615,415	222,900	2,838,315
2028	2,819,120	225,230	3,044,350
2029	2,833,430	221,925	3,055,355
2030	2,842,810	223,330	3,066,140
2031	2,852,780	219,160	3,071,940
2032	2,863,355	224,705	3,088,060
2033	2,604,610	224,390	2,829,000
2034	2,619,645	218,410	2,838,055
2035	2,635,770	222,140	2,857,910
2036	2,642,785	-	2,642,785
2037	2,662,405	-	2,662,405
2038	2,667,255	-	2,667,255
2039	2,679,930	-	2,679,930
2040	2,693,950	-	2,693,950
2041	2,709,140	-	2,709,140
2042	2,720,220	-	2,720,220
2043	2,731,715	-	2,731,715
2044	2,747,530	-	2,747,530
2045	2,763,610	-	2,763,610
2046	159,750	-	159,750
2047	157,500	-	157,500
<b>Total</b>	<b>\$ 61,431,970</b>	<b>\$ 2,891,890</b>	<b>\$ 64,323,860</b>

**DOE BRANCH PLANT**

<u>Year</u>	<u>Senior Lien</u>	<u>Junior Lien</u>	<u>Total</u>
2023	\$ 2,174,515	\$ -	2,174,515
2024	2,183,825	-	2,183,825
2025	2,394,075	-	2,394,075
2026	2,397,075	-	2,397,075
2027	2,397,575	-	2,397,575
2028	2,400,575	-	2,400,575
2029	2,390,825	-	2,390,825
2030	2,393,825	-	2,393,825
2031	2,383,825	-	2,383,825
2032	2,396,325	-	2,396,325
2033	2,395,075	-	2,395,075
2034	2,390,575	-	2,390,575
2035	2,394,850	-	2,394,850
2036	2,400,900	-	2,400,900
2037	2,401,650	-	2,401,650
2038	2,398,400	-	2,398,400
2039	1,634,700	-	1,634,700
2040	1,626,950	-	1,626,950
2041	1,626,950	-	1,626,950
2042	1,634,200	-	1,634,200
2043	1,628,200	-	1,628,200
2044	1,629,450	-	1,629,450
2045	1,625,650	-	1,625,650
2046	1,629,400	-	1,629,400
2047	1,630,250	-	1,630,250
2048	993,200	-	993,200
<b>Total</b>	<b>\$ 53,552,840</b>	<b>\$ -</b>	<b>\$ 53,552,840</b>



## DEBT SERVICE RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 3,654,594	\$ 3,654,594	\$ 3,674,362	\$ 4,273,862
<b>REVENUES</b>				
Deposits				
Series 2022 Revenue Bonds	-	565,490	599,500	-
Series 2023 Revenue Bonds	-	-	-	2,448,820
Interfund Transfers				
Operations	20,000	-	-	-
Interest Income	1,582	1,855	21,370	23,530
<b>TOTAL REVENUES</b>	<b>\$ 21,582</b>	<b>\$ 567,345</b>	<b>\$ 620,870</b>	<b>\$ 2,472,350</b>
<b>EXPENDITURES</b>				
Interfund Transfer - Operations	1,814	1,855	21,370	23,530
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,814</b>	<b>\$ 1,855</b>	<b>\$ 21,370</b>	<b>\$ 23,530</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 3,674,362</b>	<b>\$ 4,220,084</b>	<b>\$ 4,273,862</b>	<b>\$ 6,722,682</b>

FY 2023 Ending Balance increase of \$2,502,598 largely due to the required deposit from the issuance of Series 2023 Revenue Bonds to provide funding for the Doe Branch Plant Expansion, Phase 3 (14-58U).
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## INTEREST AND SINKING RESERVE FUND

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 576,562	\$ 577,022	\$ 562,569	\$ 1,616,634
Transfer to Operations	\$ (13,993)			
<b>BEGINNING CASH BALANCE Revised</b>	<b>\$ 562,569</b>			
<b>REVENUES</b>				
Deposit (Capitalized Interest)				
Series 2022 Revenue Bonds	-	382,780	1,046,730	-
Deposit (Capitalized Interest)				
Series 2023 Revenue Bonds	-	-	-	2,879,215
Interfund Transfers				
Operations	3,502,361	3,507,015	3,507,015	3,889,635
Working Capital	13,993	-	-	-
Interest Income	426	520	7,335	6,970
<b>TOTAL REVENUES</b>	<b>\$ 3,516,780</b>	<b>\$ 3,890,315</b>	<b>\$ 4,561,080</b>	<b>\$ 6,775,820</b>
<b>EXPENDITURES</b>				
Debt Service	3,516,780	3,889,795	3,507,015	4,401,865 *
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,516,780</b>	<b>\$ 3,889,795</b>	<b>\$ 3,507,015</b>	<b>\$ 4,401,865</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 562,569</b>	<b>\$ 577,542</b>	<b>\$ 1,616,634</b>	<b>\$ 3,990,589</b>

FY 2023 Ending Balance increase of \$3,413,047 is largely due to the deposit of Capitalized Interest funds from the issuance of Series 2023 Revenue Bonds to provide funding for the Doe Branch Plant Expansion, Phase 3 (14-58U).
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\* FY 2023 debt service includes \$512,230 funded via Capitalized Interest (Series 2022 Revenue Bonds)

## PENINSULA WATER RECLAMATION PLANT

### SENIOR LIEN DEBT

For FY 2023, 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

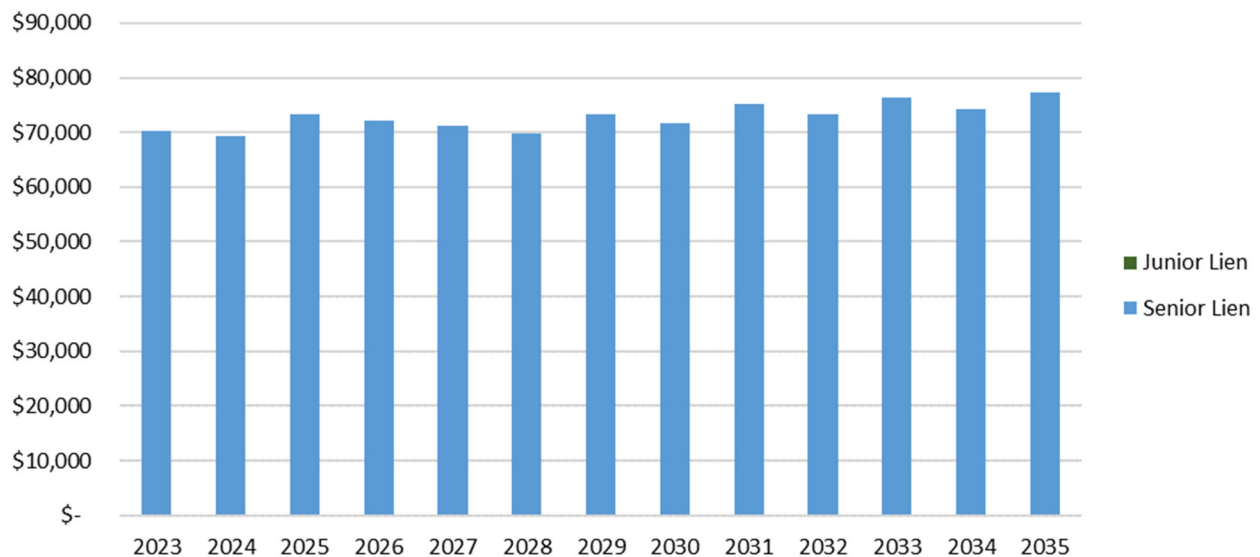
Series	Description	TIC *	Maturity	Principal	Interest	Total
2016	Revenue Bonds	2.60%	2035	\$ 50,000	\$ 20,345	\$ 70,345
<b>Total</b>				<b>\$ 50,000</b>	<b>\$ 20,345</b>	<b>\$ 70,345</b>

\* True Interest Cost

This schedule represents the FY 2023 debt service on the outstanding Peninsula Water Reclamation Plant bond issue. For future debt issues during the five-year planning period (FY 2023 - FY 2027), refer to the Capital Improvement Program section of this budget document.

### LONG-TERM DEBT INDEBTEDNESS TO MATURITY

Year	Senior Lien	Junior Lien	Total
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
<b>Total</b>	<b>\$ 947,615</b>	<b>\$ -</b>	<b>\$ 947,615</b>



## DEBT SERVICE RESERVE FUND

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	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2021 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 75,231	\$ 75,231	\$ 75,202	\$ 75,202
Transfer to Operations	\$ (29)			
<b>BEGINNING CASH BALANCE Revised</b>	<b>\$ 75,202</b>			
<b>REVENUES</b>				
Interfund Transfer - Working Capital	29	-	-	-
Interest Income	8	35	360	1,055
<b>TOTAL REVENUES</b>	<b>\$ 37</b>	<b>\$ 35</b>	<b>\$ 360</b>	<b>\$ 1,055</b>
<b>EXPENDITURES</b>				
Interfund Transfer - Operations	37	35	360	1,055
<b>TOTAL EXPENDITURES</b>	<b>\$ 37</b>	<b>\$ 35</b>	<b>\$ 360</b>	<b>\$ 1,055</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 75,202</b>	<b>\$ 75,231</b>	<b>\$ 75,202</b>	<b>\$ 75,202</b>

## INTEREST AND SINKING RESERVE FUND

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 3,807	\$ 3,817	\$ 3,658	\$ 3,873
Transfer to Operations	\$ (149)			
<b>BEGINNING CASH BALANCE Revised</b>	<b>\$ 3,658</b>			
<b>REVENUES</b>				
Interfund Transfers				
Operations	67,440	72,935	72,935	71,935
Working Capital	149	-	-	-
Interest Income	4	15	215	1,075
<b>TOTAL REVENUES</b>	<b>\$ 67,593</b>	<b>\$ 72,950</b>	<b>\$ 73,150</b>	<b>\$ 73,010</b>
<b>EXPENDITURES</b>				
Debt Service (w/Fiscal Agent Fees)	67,593	72,935	72,935	71,935 *
<b>TOTAL EXPENDITURES</b>	<b>\$ 67,593</b>	<b>\$ 72,935</b>	<b>\$ 72,935</b>	<b>\$ 71,935</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 3,658</b>	<b>\$ 3,832</b>	<b>\$ 3,873</b>	<b>\$ 4,948</b>

FY 2023 Ending Balance increase of \$1,116 is due to increasing interest income based on current market conditions.
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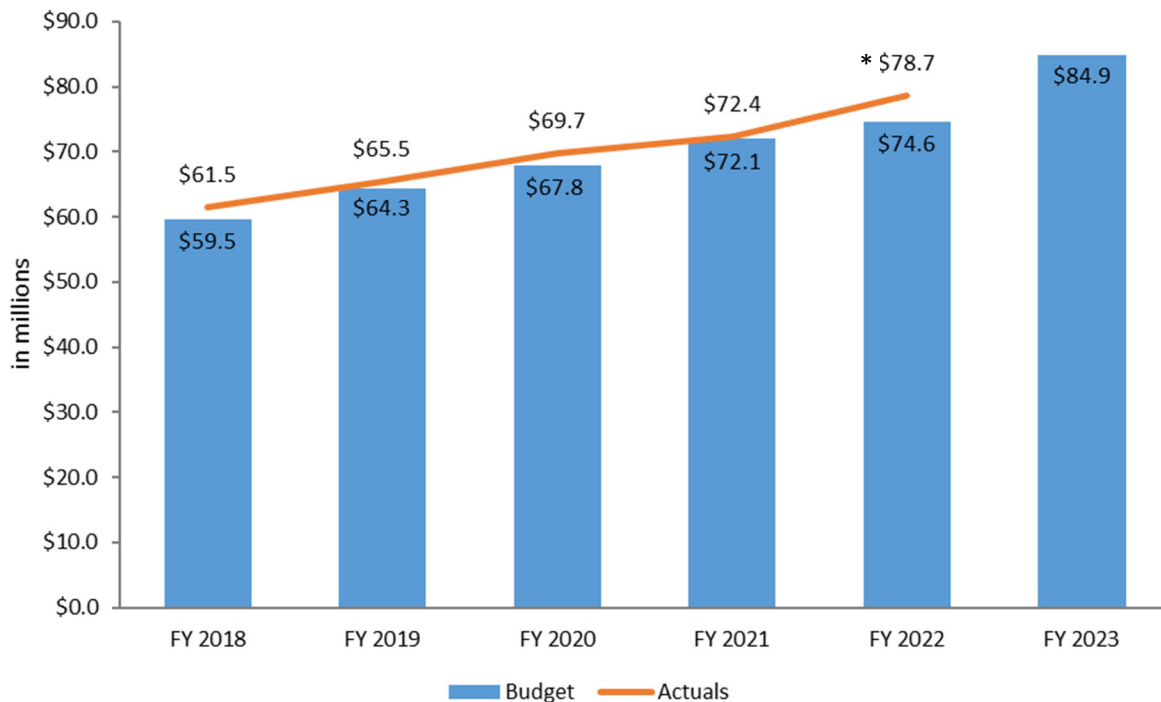
\* Includes Fiscal Agent Fees of \$1,590



## 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 2021 (Actuals), FY 2022 (Adopted and Estimates) and FY 2023 (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

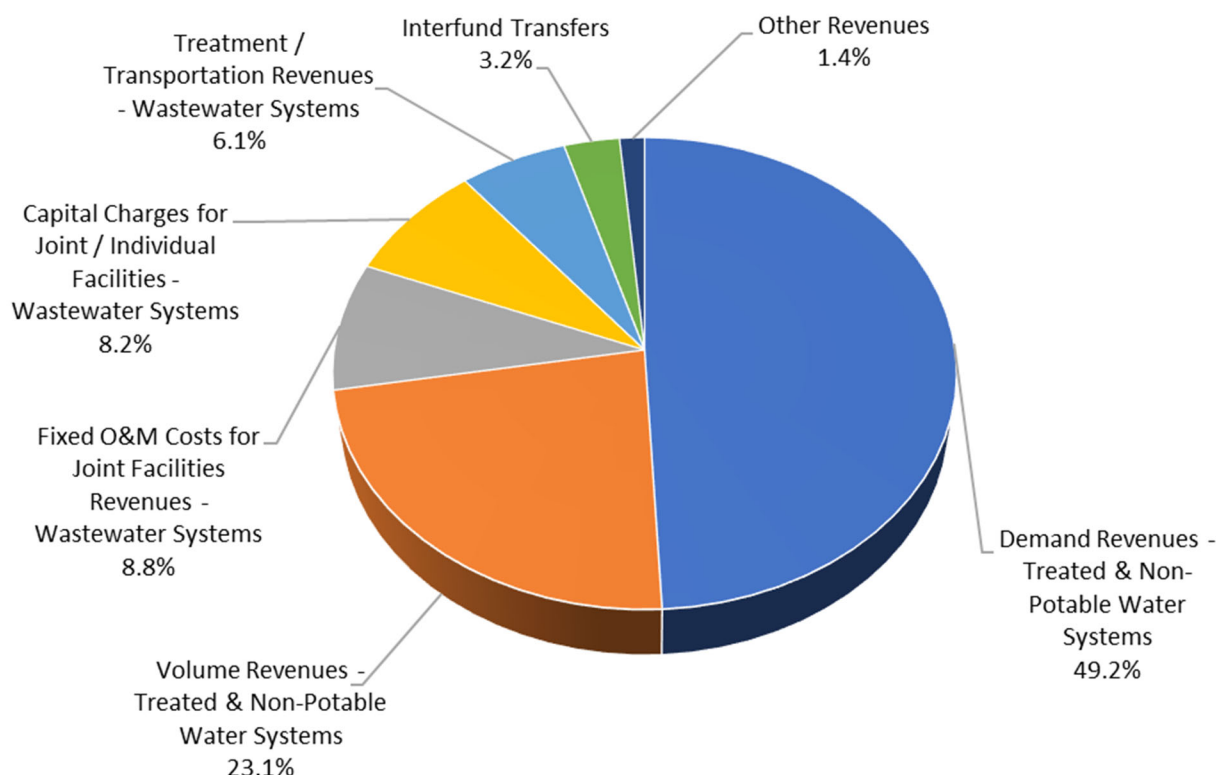


\* Represents FY 2022 Estimates

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.

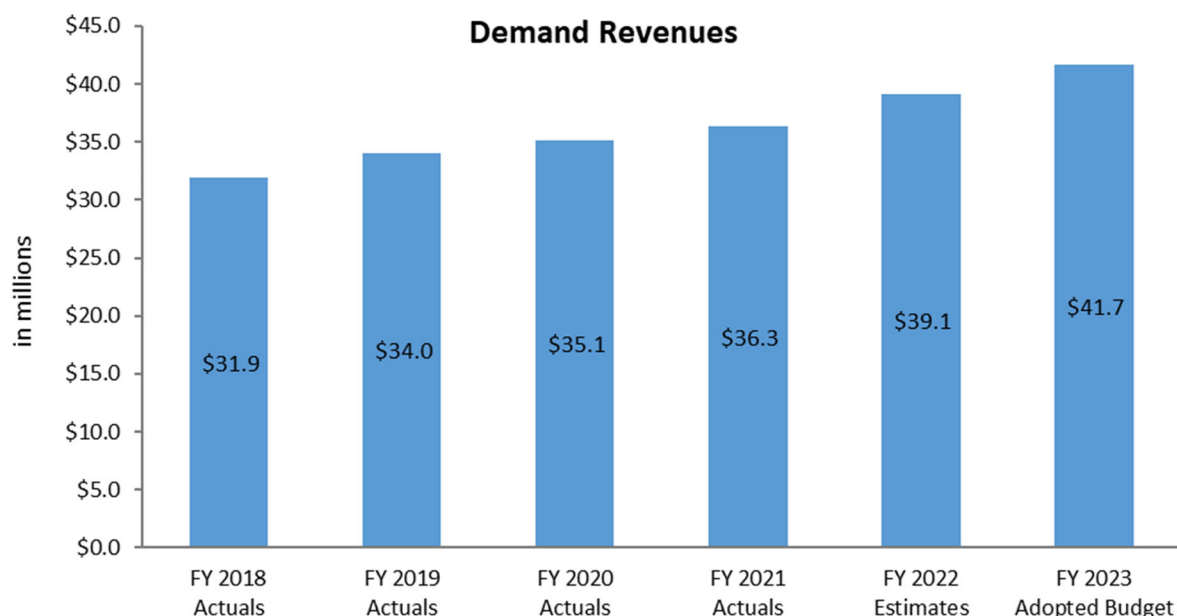


### DEMAND REVENUES – TREATED AND NON-POTABLE WATER SYSTEMS

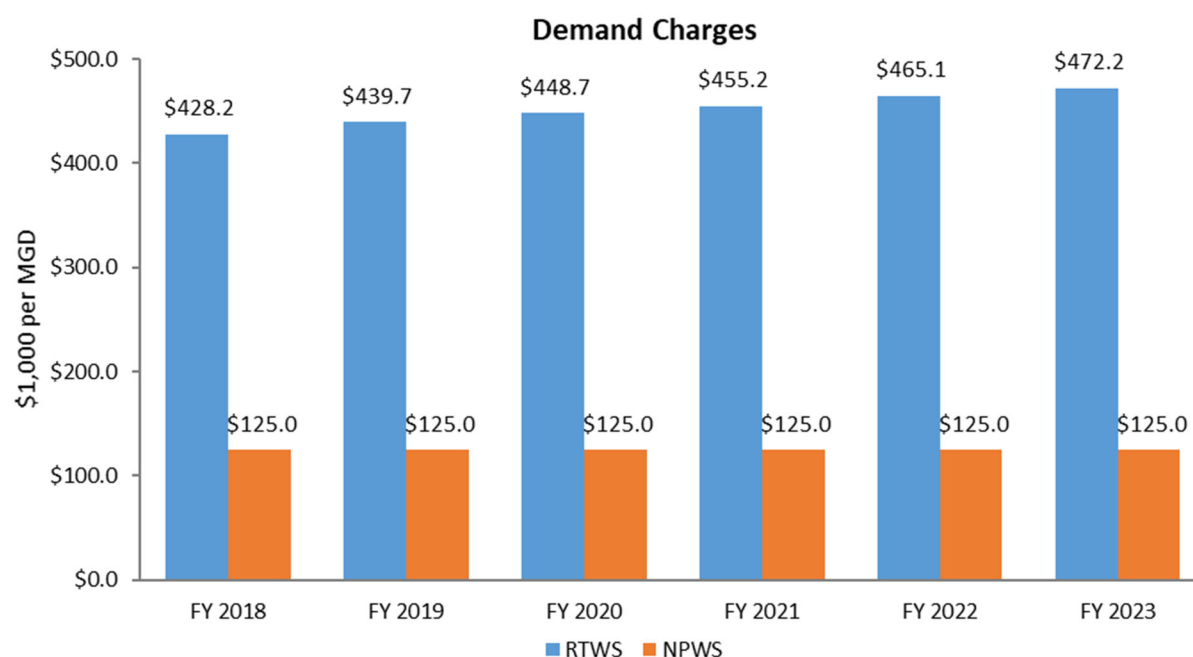
This type of revenue is the largest type of revenue for the District and represents the amount of fixed revenues needed to recover annual fixed operation expenses, such as payroll, overhead expense, debt service (if applicable), maintenance expense, office expenses, and equipment purchases, in the Regional 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 2023 is \$41,619,280. This amount represents a 9.2% increase from Adopted FY 2022 and was necessary to increase the Cash Debt Coverage Ratio to 1.19. FY 2023 subscriptions are expected to increase by 7.6% (6.22 mgd increase from FY 2022). The RTWS Demand Charge was increased by 1.5% from FY 2022 to FY 2023 (from \$465,055 / mgd to \$472,195 / mgd, respectively). Meanwhile, Non-Potable Water System (NPWS) Demand Revenue for FY 2023 is \$125,000; unchanged from Adopted FY 2022.

The following graph reflects annual growth in Demand Revenues experienced by the Regional Treated Water and Non-Potable Water Systems since FY 2018.



The following graphs reflects annual change in Demand Rate for the Regional Treated Water and Non-Potable Water Systems since FY 2018. Rates are shown on a per MGD basis.



Demand Revenues have increased an average of 5.5% from FY 2018 and reflects a combination of moderate growth in our participants' required capacity for treated and non-potable water services, as well as increases to the annual Demand Charge to adequately recover increases in fixed operating expenses and debt service payments. While the NPWS does not have any outstanding debt issues and

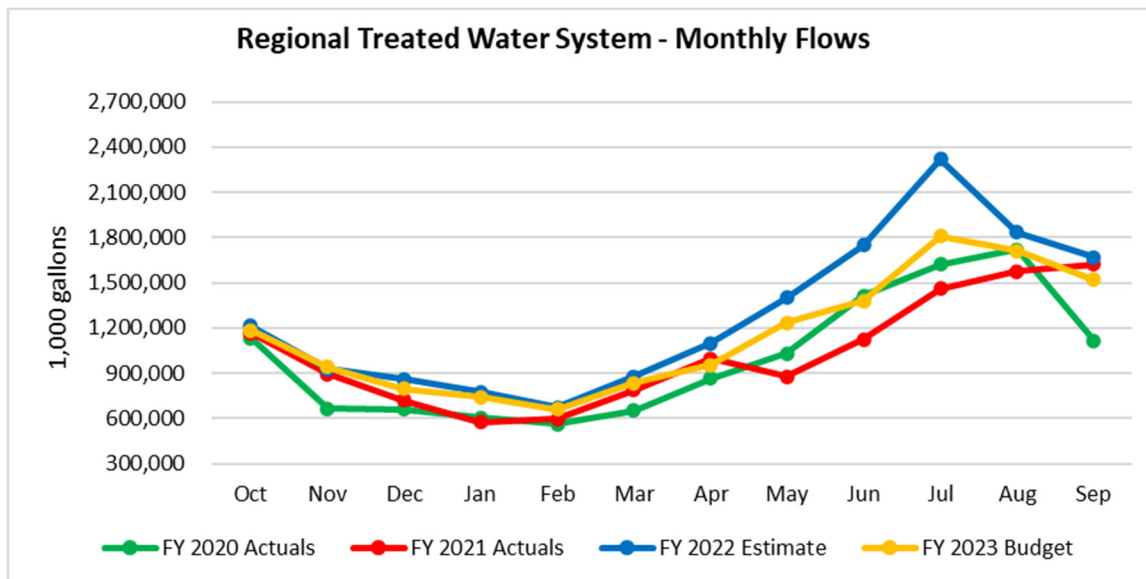
does not anticipate any future issues, the RTWS will incur increased debt service expense over the next five years as various “large-dollar” capital projects are projected for this period. Refer to the Long-Range Financial Plan section of this budget document for additional information.

#### VOLUME REVENUES – TREATED AND NON-POTABLE WATER SYSTEMS

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

Projected Volume Revenue for RTWS is \$19,533,475 for FY 2023 and represents a 21.2% increase from the Adopted FY 2022 amount due to projecting an 8.4% increase in RTWS participant flows from FY 2022. The RTWS Volume Rate, set at \$1.40 / 1,000 gallons for FY 2023, was increased by \$0.15 / 1,000 gallon from FY 2022 due to projected electric and chemical cost increases.

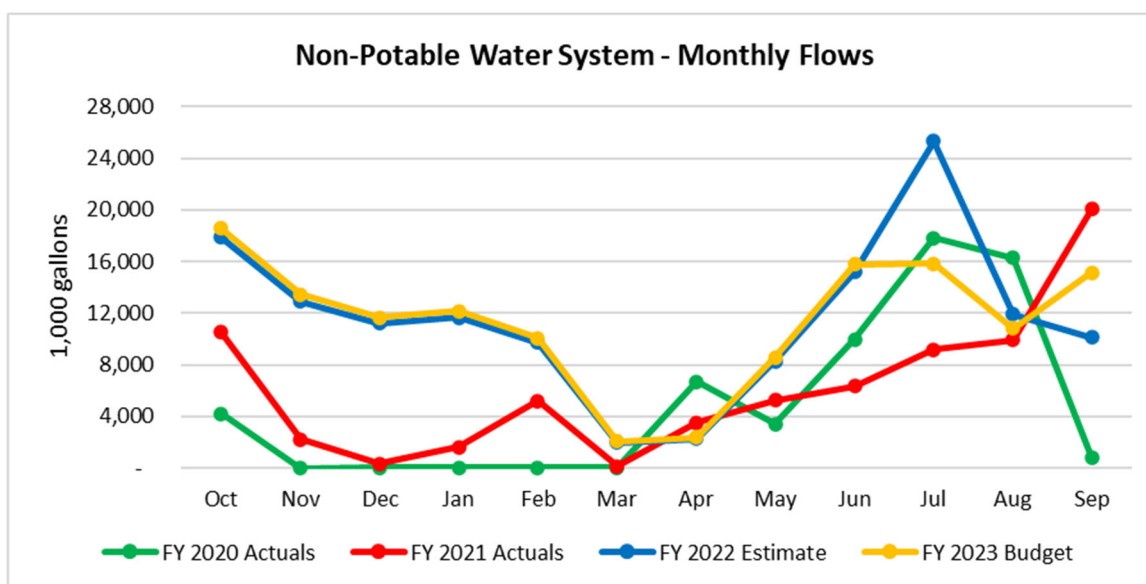
The following graph reflects actual monthly flows from treated water sales for FY 2020 through FY 2022, with projections for FY 2023.



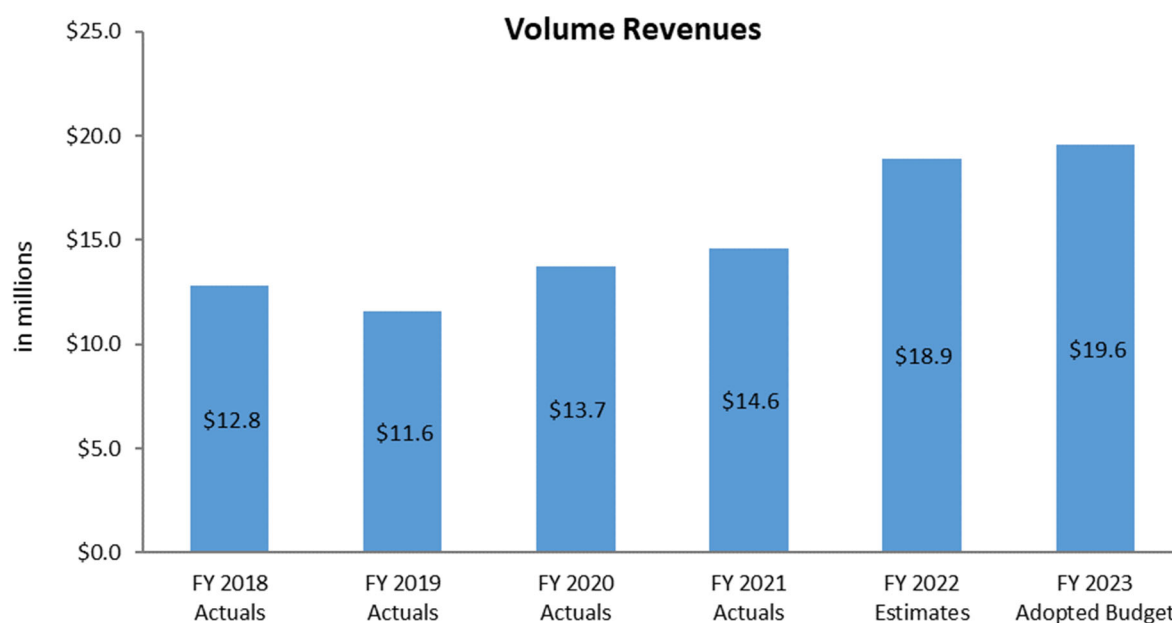
Projected Treated Effluent Volume Revenue for NPWS is \$67,820 for FY 2023, a 73.0% increase from Adopted FY 2022. This is driven by a 66.2% increase in projected treated effluent flows from FY 2022. After the City of Lewisville annexed DCFWSD #1A in March 2022, treated effluent flows have grown tremendously. The Treated Effluent Volume Rate increased to \$0.51 / 1,000 gallons, an increase of \$0.02 / 1,000 gallons from Adopted FY 2022. Projected Raw Water Volume Revenue for NPWS is \$3,920 for FY 2023, a 3.7% increase from Adopted FY 2022. The District’s Raw Water Volume Rate was increased from

\$1.08 / 1,000 gallons to \$1.12 / 1,000 gallons for Adopted FY 2023, an increase of \$0.04 / 1,000 gallons or 3.7%. Projected raw water flows remain unchanged for FY 2023.

The following graph reflects actual monthly flows from treated effluent water sales for FY 2020 through FY 2022, with projections for FY 2023.



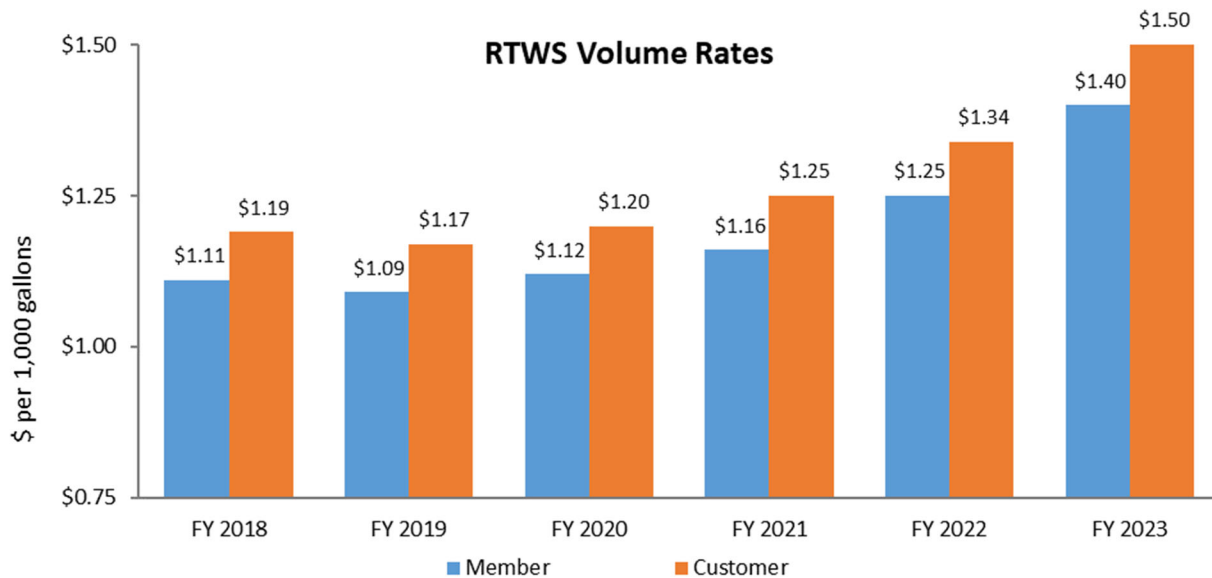
The following graph reflects annual growth in Volume Revenues experienced by the Regional Treated Water and Non-Potable Water Systems since FY 2018.



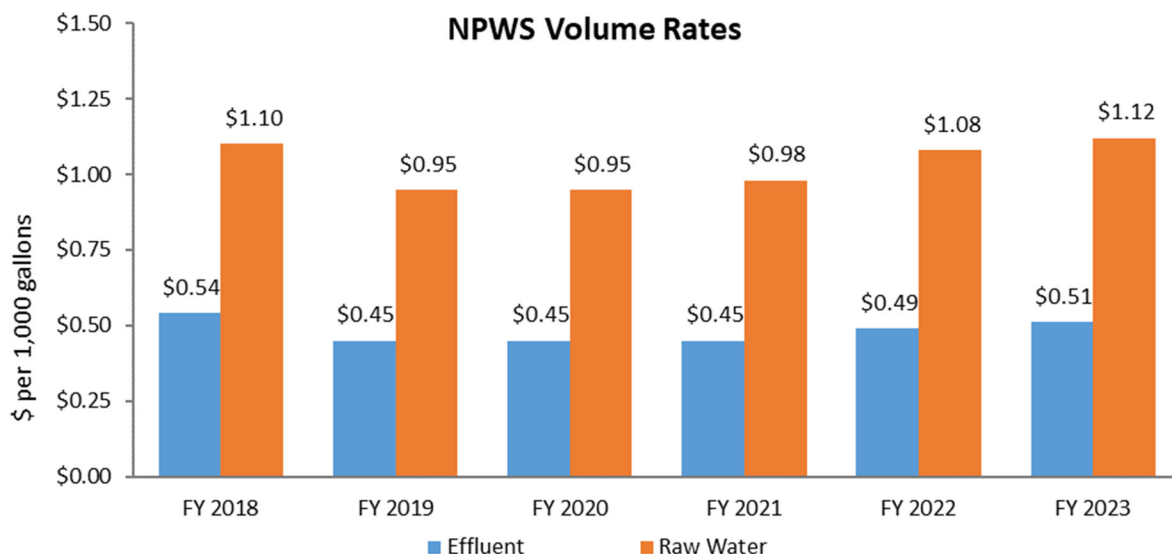
This category includes Treated Effluent and Raw Water Volume Revenues from the Non-Potable Water System (NPWS), as well as Volume Revenues (Treated Water Sales) from the Regional Treated Water

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 9.7% from FY 2018 due to strong growth in the RTWS, as well as increasing the Volume Rate from \$1.11 / 1,000 gallons in FY 2018 to \$1.40 / 1,000 gallons for FY 2023; an annual average of 4.9%.

The following graph reflects annual Volume rates for the Regional Treated Water System since FY 2018.



The following graph reflects annual Volume rates for the Non-Potable Water System since FY 2018.



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%

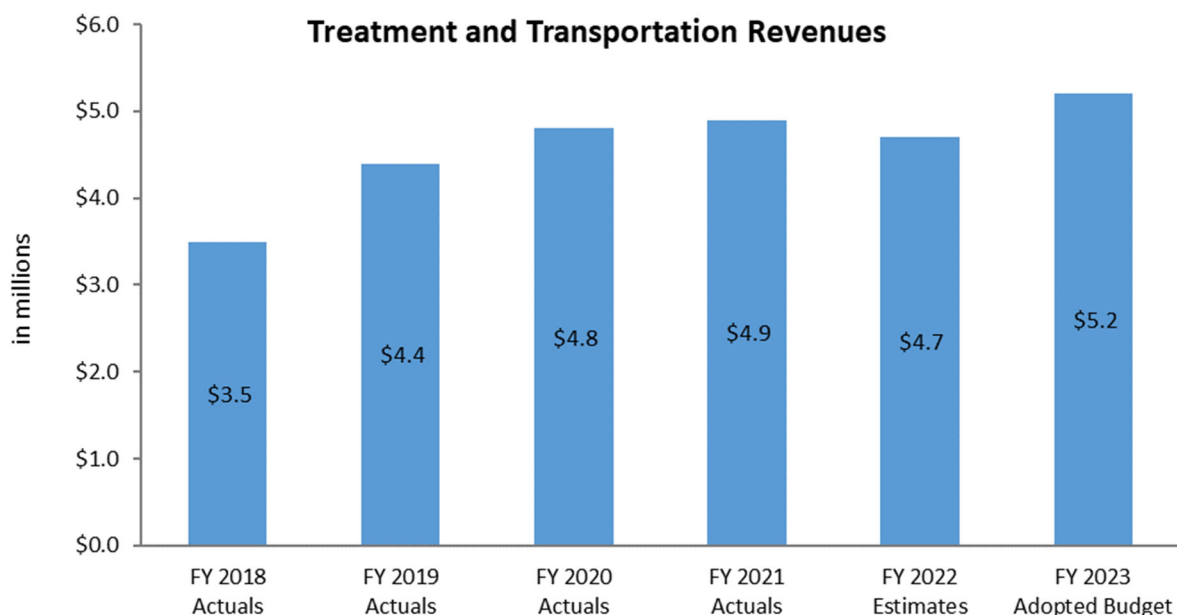
decrease in treated water flows sold. FY 2020 Volume Revenues reflect a 18.2% increase over FY 2019 Volume Revenues due to a \$0.03 / 1,000 gallon (2.8%) increase to the RTWS volume rate and a 15.6% increase in treated water flows sold over FY 2020. FY 2021 Volume Revenues reflect a 6.4% increase due to a \$0.04 increase from the FY 2020 Member rate. Estimated FY 2022 Volume Revenues reflect a 29.5% increase due to a \$0.09 increase from the FY 2021 Member rate combined with an increase in flows. Adopted FY 2023 revenues are projected to increase 3.7%, primarily due to a \$0.15 /1,000 gallon increase in the volume rate. The Customer Rate reflects a 7.0% surcharge over the Member Rate, with the additional revenue used to fund the Administration Fund for overall planning and administrative activities provided on behalf of all RTWS Customer participants. For FY 2023, the Customer Volume Rate is \$1.50 / 1,000 gallons, with participant flows projected to increase 8.4% from Adopted FY 2022.

Future (Post FY 2023) Volume Revenues are expected to increase annually, both from the estimated increases to flows (3.5% to 5.0% per year) and increases to the RTWS volume rate (estimated between 0.0% to 10.0% per year). These increases are necessary to secure raw water sources, cover anticipated chemical expenses, and continue contributions to RTWS' reserve funds. Refer to the Long-Range Financial Plan section for future rate increase projections.

#### TREATMENT AND TRANSPORTATION REVENUES – WATER RECLAMATION SYSTEMS

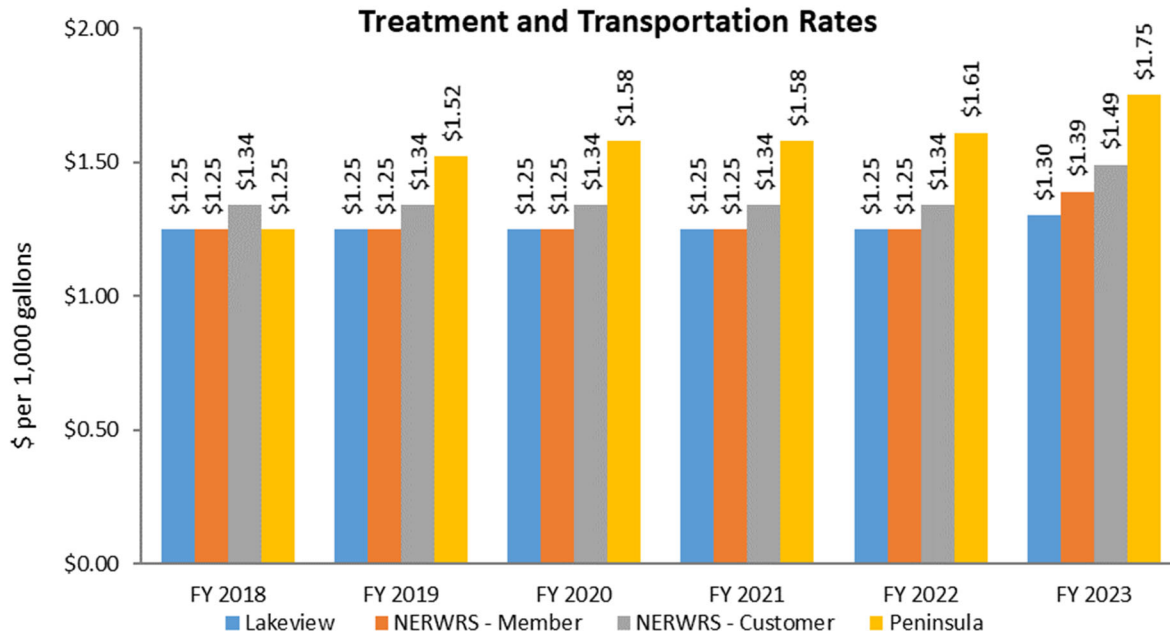
This type of revenue represents the amount of revenues needed to recover annual variable operation expenses, such as electricity, chemicals, sludge processing and disposal services, and reserve fund contributions, incurred by the Lakeview and Northeast Regional Water Reclamation Systems, and the Peninsula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

The following graph reflects annual growth in Treatment and Transportation Revenues experienced by the Lakeview and Northeast Regional Water Reclamation Systems and the Peninsula Water Reclamation Plant since FY 2018.



Treatment and Transportation Revenues remained relatively flat since FY 2019, but a 10.6% increase is projected for Adopted FY 2023. Participant wastewater flows are anticipated to continue to significantly increase over the next 3-5 years, especially in the Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants) and Peninsula Water Reclamation Plant service areas.

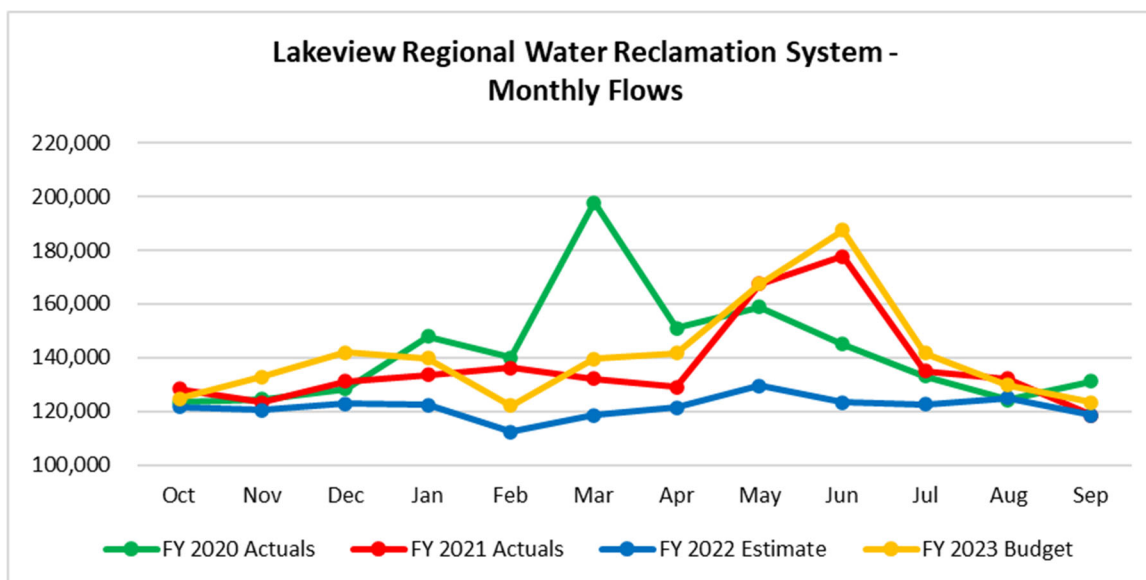
The following graph represents the adopted rates for each Water Reclamation System from FY 2018 to FY 2023.



Projected Treatment and Transportation Revenue (including the Corinth Entry Point near I35) for the Lakeview Regional Water Reclamation System (LRWRS) is \$2,179,220 for FY 2023 and reflects a 4.0% increase from the Adopted FY 2022 amount due to a rate increase of the same amount. The Treatment Rate of \$1.30 / 1,000 gallons represents \$0.05 / 1,000 gallons increase from Adopted FY 2022.

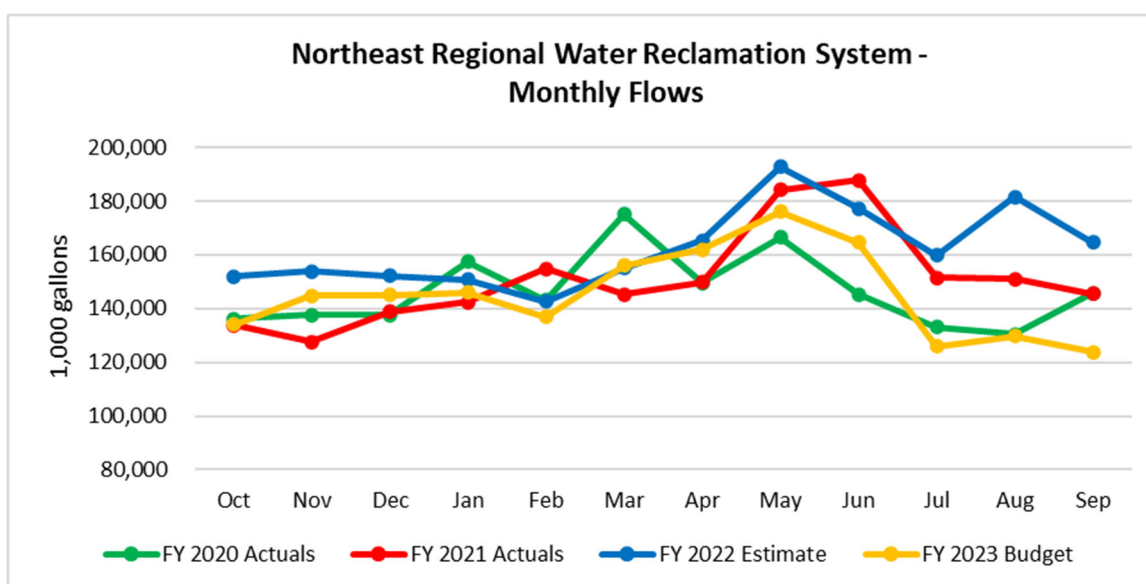
The following graph reflects actual monthly flows from wastewater sales for FY 2020 through FY 2022, with projections for FY 2023.





Projected Treatment Revenue for the Northeast Regional Water Reclamation System (NERWRS) is \$2,486,460 for FY 2023 and reflects a 15.4% increase from the Adopted FY 2022 amount due to an 11.2% rate increase combined with a 3.9% increase in projected wastewater flows. The Treatment Rate for Adopted FY 2023 is set at \$1.39 / 1,000 gallons, an increase of \$0.14 from \$1.25 / 1,000 gallons and was necessary to recover anticipated cost increases for electricity and chemicals.

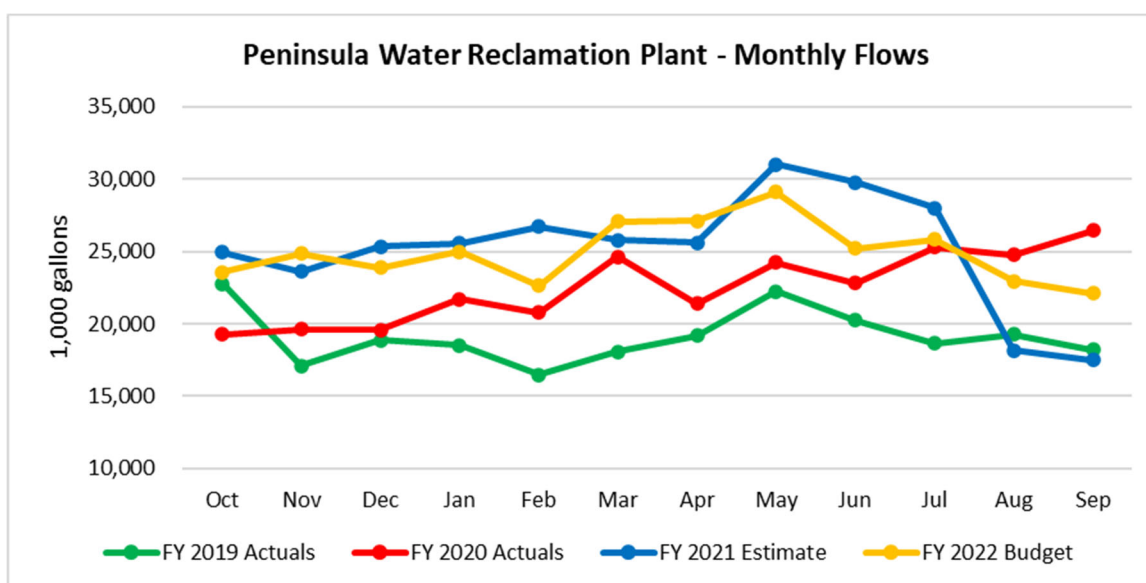
The following graph reflects actual monthly flows from wastewater sales for FY 2020 through FY 2022, with projections for FY 2023.



Projected Treatment Revenue for the Peninsula Water Reclamation Plant is \$542,940 for FY 2023 and reflects a 12.7% increase from the Adopted FY 2022 amount due to an 8.7% rate increase combined with a 3.7% increase in projected wastewater flows. The FY 2023 Treatment Rate of \$1.75 / 1,000 gallons includes an increase of \$0.14 / 1,000 gallons from FY 2022 to absorb a projected 185.0% increase for

Chemical expenses and a 35.8% increase in Electricity 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 5.3% in wastewater flows for FY 2020 through projected FY 2023. 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 will be completing the Phase 3 Expansion of the Peninsula Plant in July 2023 (from 0.94 to 2.0 mgd) and has programmed the next expansion (from 2.0 to 4.0 mgd) into its five-year capital budget (see CIP Funds tab).

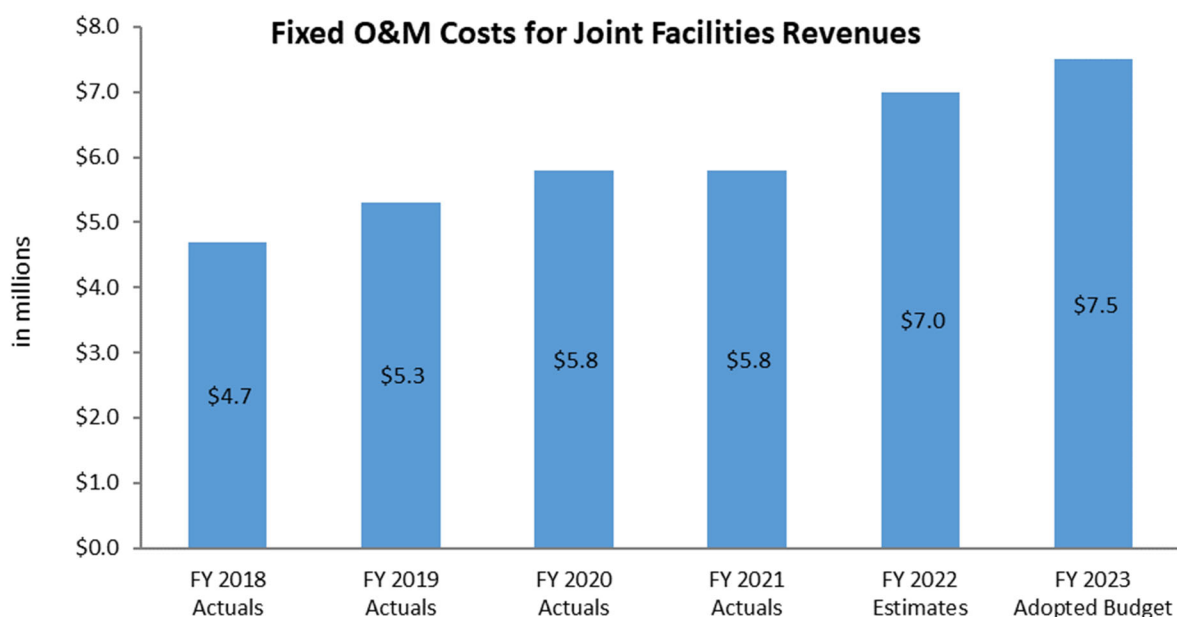
The following graph reflects actual monthly flows from wastewater sales for FY 2020 through FY 2022, with projections for FY 2023.



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

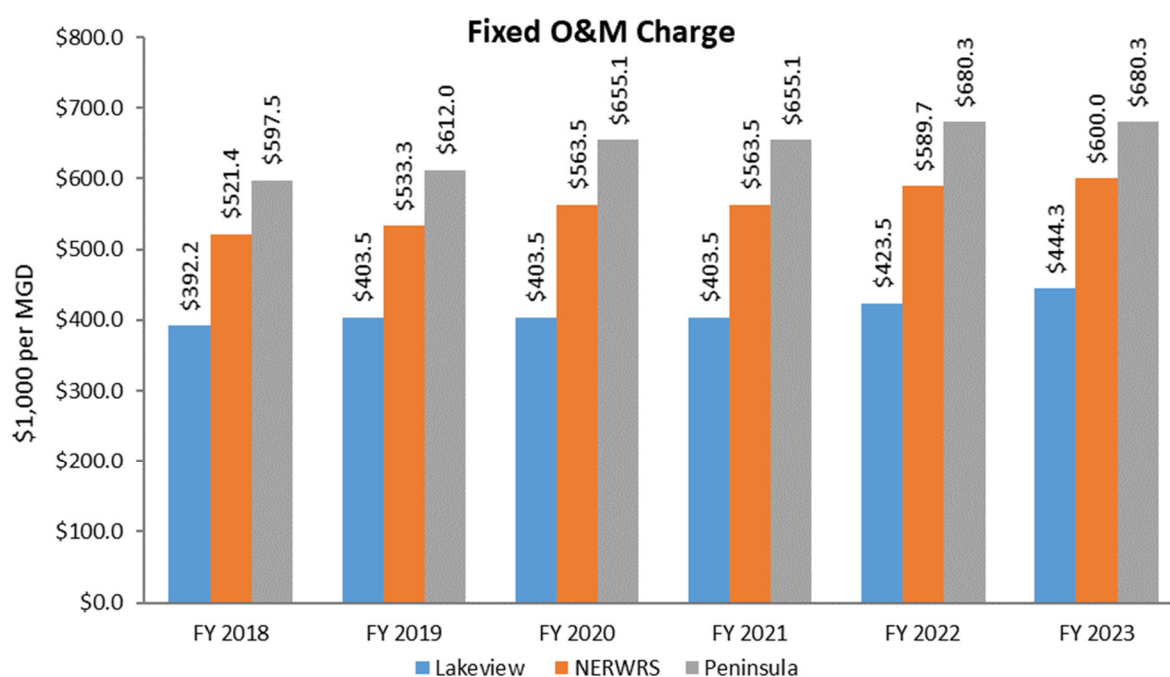
This type of revenue represents the amount of fixed revenues needed to recover annual fixed operation expenses, such as payroll, overhead expense, maintenance expense, office expenses, and equipment purchases, for the District's water reclamation systems (Lakeview and Northeast Systems and the Peninsula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

The following graph reflects annual growth in Fixed O&M Costs for Joint Facilities Revenues experienced by the Lakeview and Northeast Regional Water Reclamation Systems, including the Peninsula Water Reclamation Plant, since FY 2018.



Fixed O&M Costs for Joint Facilities Revenues have increased an average of 10.0% from FY 2018 mainly due to having experienced tremendous growth in the Northeast service area. A large increase in revenue was realized in FY 2022 as the expanded capacity of the Doe Branch plant became available. The Adopted FY 2023 budget shows an additional increase as the expanded capacity of the Peninsula plant is expected to be available in FY 2023.

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



- Projected Fixed O&M Costs for Joint Facilities revenues for the Lakeview Regional Water Reclamation System for FY 2023 is \$2,367,460, a 4.9% increase from FY 2022.
- Projected Fixed O&M Costs for Joint Facilities revenues for the Northeast Regional Water Reclamation System for FY 2023 is \$4,264,200, a 3.8% increase from FY 2022.
- Projected Fixed O&M Costs for Joint Facilities for the Peninsula Water Reclamation Plant for FY 2023 is \$819,760, a 28.2% increase from FY 2022. This large increase is due to the anticipated completion of the Plant Expansion, Phase 3 project in FY 2023, which will result in a 0.27 mgd, or 28.2%, increase in subscriptions.

#### 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 2023 Capital Charge for Joint and Individual Facilities Revenues for the Lakeview Regional Water Reclamation System (LRWRS) is \$2,953,310 and reflects a 1.8% decrease from the Adopted FY 2022 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 2023 Capital Charges for Joint Facilities is \$2,119,010 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 \$834,300 for FY 2023 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 \$3,938,390 for FY 2023 and reflects a 10.8% increase from the Adopted FY 2022 amount primarily due to increased debt service payments related to the 2016 and 2017 TWDB Funds for the Riverbend plant.

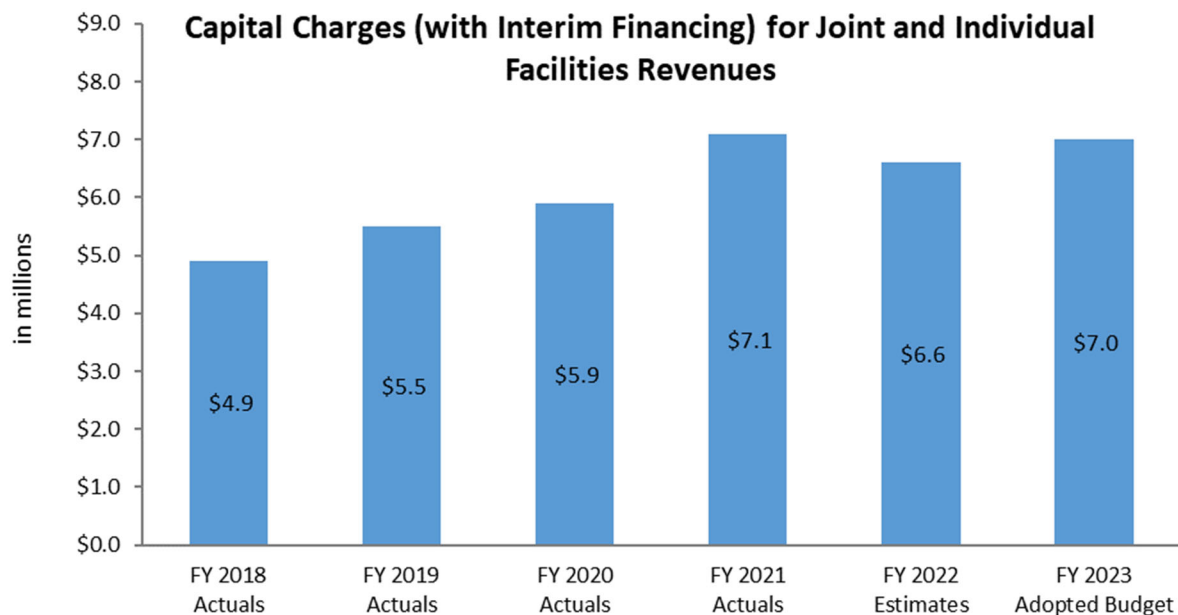
- Total FY 2023 Capital Charges for Joint Facilities (Riverbend Plant participants) is \$773,615 and reflects the total amount of debt service payments from debt issues to construct all common-to-all portions of the Riverbend Plant and related infrastructure (Series 2002 State Participation Bonds and 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 2023 Capital Charges for Joint Facilities (Doe Branch Plant participants) is \$293,530 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, Capital Charges for Individual Facilities (Riverbend Plant participants) total \$1,351,195 for FY 2023 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 2023 Capital Charges for Individual Facilities (Doe Branch) total \$1,471,300 and includes \$767,725 (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 \$703,575 (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 \$71,935 for FY 2023 and reflects a 1.4% decrease from the Adopted FY 2022 amount due to a reduction in the annual debt service payment for the Series 2016 Revenue Bonds that were issued to fund the installation of a new ultraviolet disinfection system at the Peninsula Plant (completed in FY 2017).

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

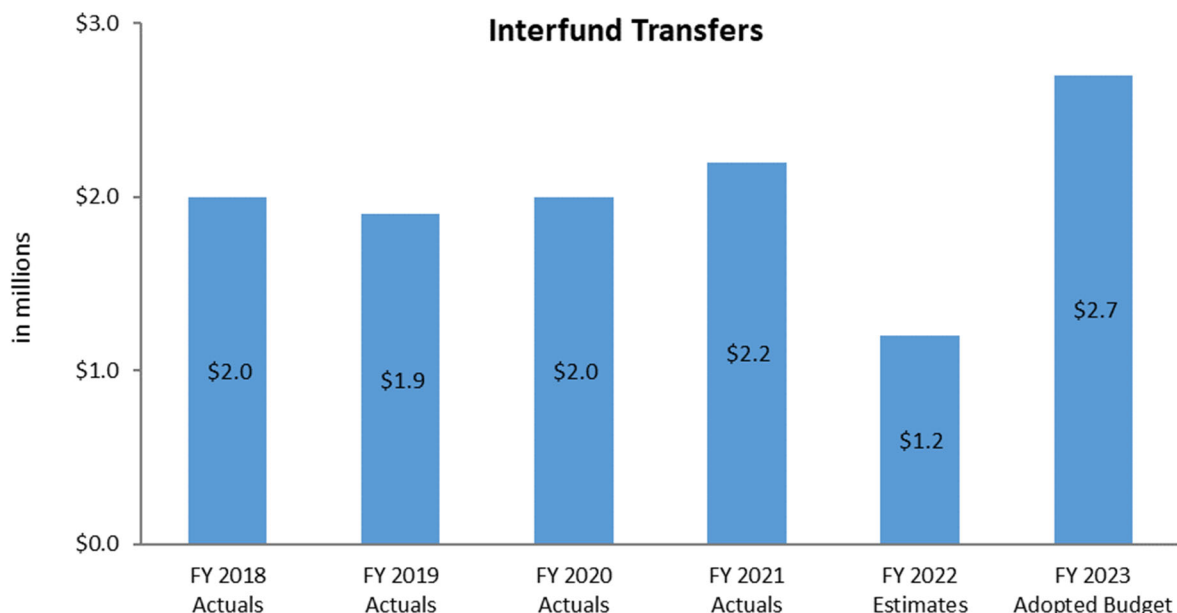


Capital Charges (with Interim Financing) for Joint and Individual Facilities Revenues have increased an average of 7.8% from FY 2018 from the use of bond funding for the construction and expansion of the Doe Branch Plant, the expansion of the Riverbend Plant and the use of interim financing (loans) between Systems for completion of capital projects such as UV Disinfection Improvements (Riverbend and Peninsula Plants) and the Doe Branch Interceptor, Phase 2. Capitalized interest was used to partially offset debt service payments for two bond issues in FY 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. Capitalized interest was also used offset debt service payments for the FY 2022 bond issue. As annual debt service requirements increase, these revenues will be increased to recover these debt service payments. This category of revenues is strictly based on the use and amount of loans and / or debt financing for completion of capital projects for the Systems and is not associated with the setting of a specific charge or rate.

#### 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 equipment is 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 2023 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 2018.

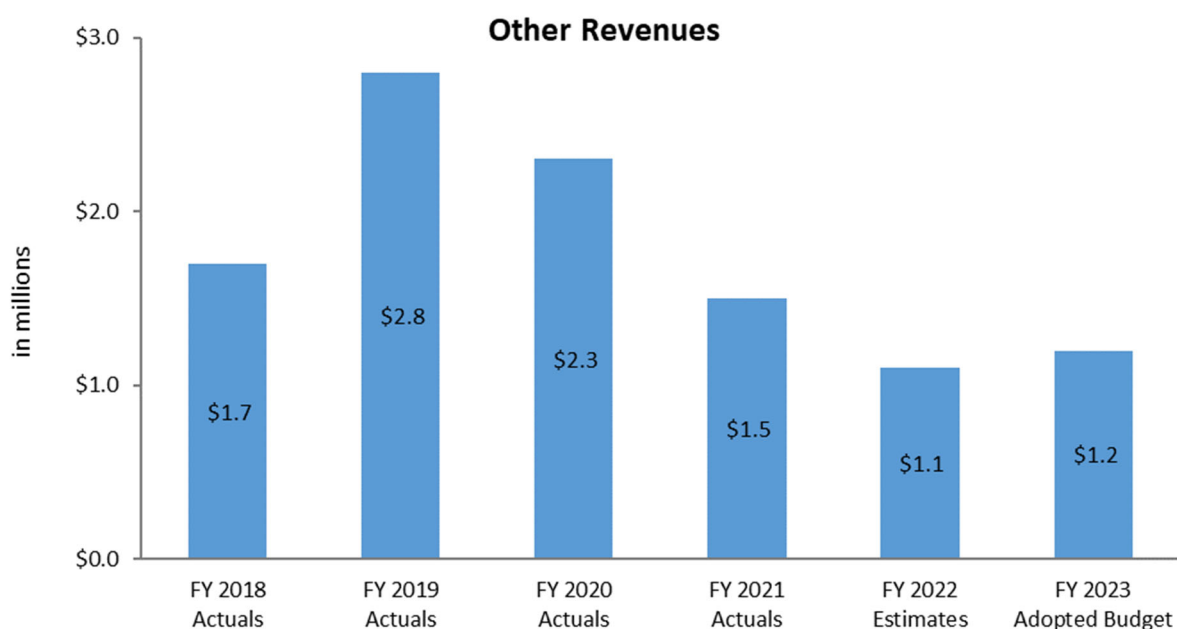


Interfund Transfers In can fluctuate from year-to-year based on operating needs. The FY 2023 amount of \$2.7 million includes a \$1.6 million transfer from the Raw Water Holding Pond Dredging Reserve in the Regional Treated Water System to begin the dredging and sludge removal project at the Harpool Regional Treated Water Plant raw water storage pond. This also includes a transfer of \$425,000 from the Non-Bond Capital Reserve in the Northeast Regional Water Reclamation System to be used for rate stabilization. Information on the smaller transfers in can be found in the Operating Fund Detail section of this budget document.

#### OTHER REVENUES

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

The following graph reflects annual growth of District Other Revenues since FY 2018.



Other Revenues have decreased an average of 1.1% from FY 2018. These revenues have declined over the past few years as market interest rates have dropped considerably, reducing Interest Income. FY 2023 revenues are projected to increase, as market interest rates trend upward. 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:

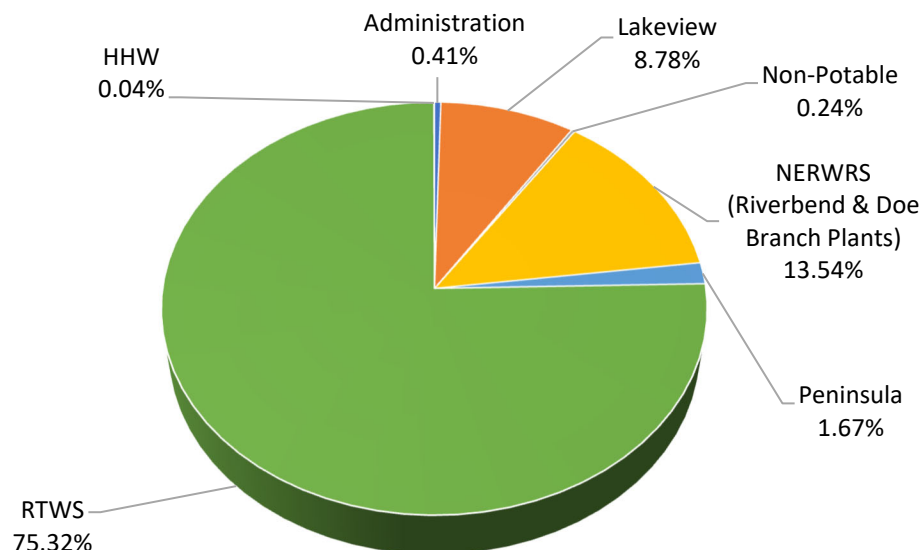
- Regional Treated Water System (Fund 21)
- Lakeview Regional Water Reclamation System (Fund 11)
- Northeast Regional Water Reclamation System (Fund 14)
- Peninsula Water Reclamation Plant (Fund 16)
- Non-Potable Water System (Fund 13)
- Household Hazardous Waste (Fund 43)

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 2023 BUDGETED EXPENDITURES BY OPERATING FUND

Fund	Budget
Administration Fund	\$ 324,280
Lakeview Regional Water Reclamation System	6,909,900
Non-Potable Water System	185,975
Northeast Regional Water Reclamation System	10,660,160
Peninsula Water Reclamation Plant	1,311,620
Regional Treated Water System	59,292,175
Household Hazardous Waste	31,275
<b>TOTAL EXPENDITURES</b>	<b>\$ 78,718,385</b>

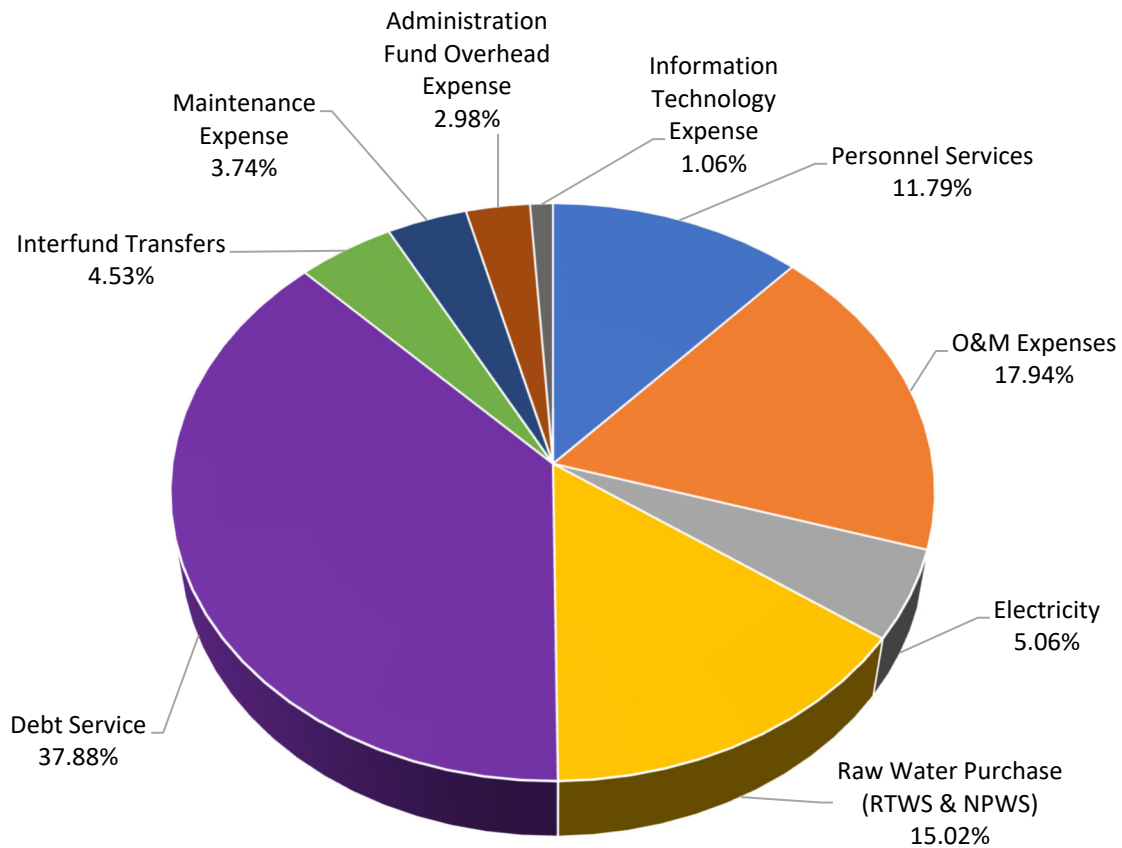




## FY 2023 BUDGETED EXPENDITURES BY CATEGORY – ALL OPERATING FUNDS

Fund	Budget
Personnel Services	\$ 9,947,975
O&M Expenses	15,137,095
Electricity	4,273,305
Raw Water Purchase (RTWS & NPWS)	12,678,325
Debt Service	31,971,585
Interfund Transfers	3,826,150
Maintenance Expense	3,152,310
Administration Fund Overhead Expense	2,512,265
Information Technology Expense	895,260
<b>Gross Expenditures before Allocations</b>	<b>\$84,394,270</b>
Allocated to CIP Projects	(5,675,885)
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 78,718,385</b>

(Percentages shown below are based on Gross Expenditures)



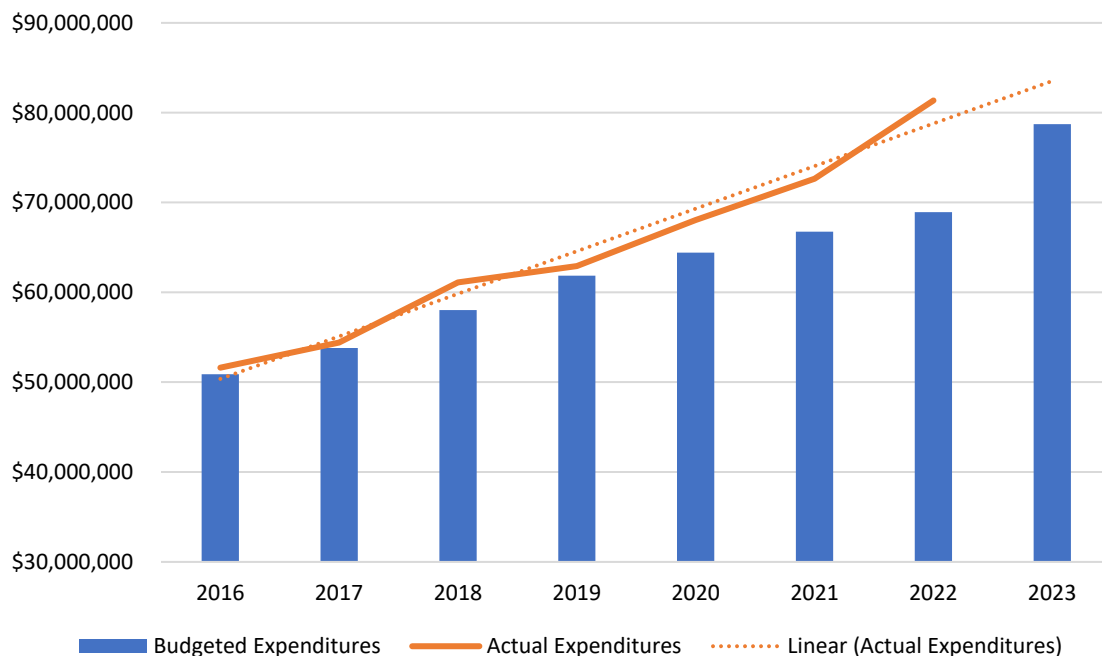
## HISTORICAL OPERATING BUDGET VS. ACTUAL OPERATING EXPENDITURES

Fiscal Year	Budgeted Expenditures	Actual Expenditures*
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	\$ 81,352,950***
2023	\$ 78,718,385	N/A

\* - FYs 2017, 2018, 2019, 2020, 2021 and 2022 (Estimate) expenditure amounts include transfers of excess working capital of \$6.0M, \$5.7M, \$5.7M, \$7.2M, \$8.2M and \$10.2M 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 FY 2016.

\*\*\* - Estimate



## ADMINISTRATION

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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 2021 Actuals	FY 2022 Estimates	FY 2023 Target
Ensure timely and accurate Board agendas, reports, and minutes	Board Agendas mailed the Friday prior to the Thursday Board meeting and the Board Minutes approved at the next regularly scheduled Board meeting	100%	100%	100%
Payroll Processing	Process all bi-weekly and special payrolls within required timelines with a minimum accuracy rate of 99%	100%	100%	100%
Employment Rate	Maintain an annual average employment rate of 95% or greater (% of filled positions)	98%	100%	100%
Employee Benefits Administration	Process and maintain all employee benefits within policy requirements	100%	100%	100%
Staffing Requirements for LRH Project <b>(from Annual Work Plan – Functional)</b>	Number of new positions added, or current positions transferred to, the Lake Ralph Hall Project	2	2	0
Addressing staffing levels to support Operations & Maintenance of District Facilities <b>(from Annual Work Plan – Organizational)</b>	Number of new positions added to Operations and Maintenance staff	3	3	4
Operating expense to budget	The % of actual expenditures to current budget	109%	118%	100%
Operating revenue to budget	Revenue actually collected as a % of the amount projected in current budget	100%	105%	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%
Commercial Paper Refunded <b>(from Annual Work Plan – Financial)</b>	Number / Dollar Amount of Commercial Paper refundings completed by the Finance Division	1 \$30.0M	1 \$22.5M	1 \$37.0M
TxDOT Project Financing <b>(from Annual Work Plan – Financial)</b>	Number of TxDOT Capital Projects funded with Non-Bond Capital Reserve Funds (No Rate Effect)	7 of 7	7 of 7	5 of 5
Engineering and Business Internships <b>(from Annual Work Plan – Educational)</b>	Number of students participating in the District Intern Program created by the Human Resources Division	2	4	6

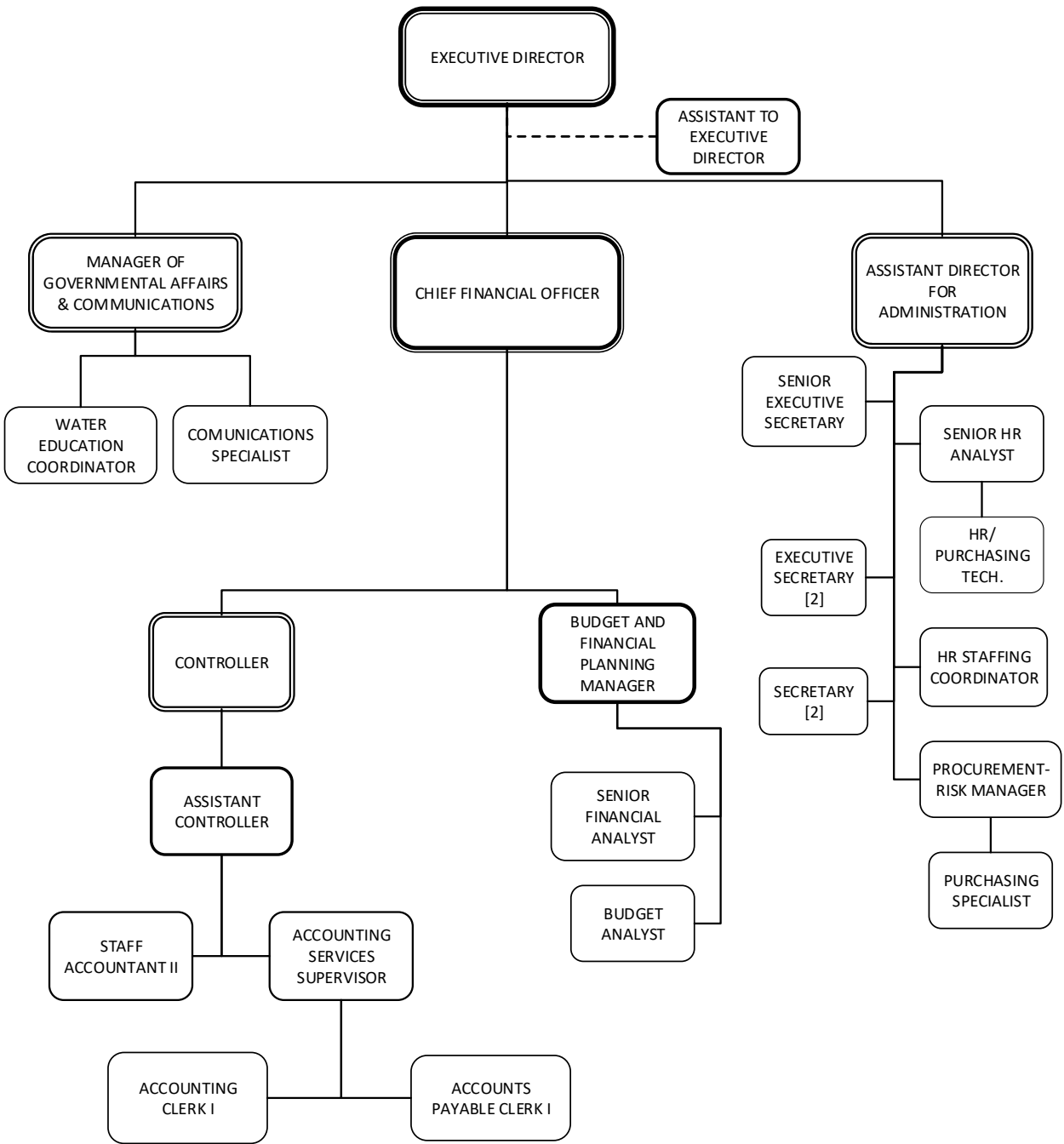
## PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2021 Actuals	FY 2022 Estimates	FY 2023 Target
Website updated	Board Agenda and updated Board of Director information posted monthly	100%	100%	100%
Pay all undisputed invoices within 30 days	# of invoices paid within 30 days	100%	100%	100%
Purchase Orders Processing	Process all purchase orders within 3 business days of receipts of a correct and approved purchase requisition	100%	100%	100%
TWDB Financing Agreements Completed for LRH Project <b>(from Annual Work Plan – Functional)</b>	Number / Dollar Amounts of Financing agreements completed by Finance Division for the Lake Ralph Hall Reservoir	1 \$120.5M	1 \$135.5M	1 \$110.0M
District's current Commercial Paper Program <b>(from Annual Work Plan – Financial)</b>	Effort to renew the District's Commercial Paper Program or find a new provider with a similar financial product	On-Going	On-Going	Completed
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 2021 Actuals	FY 2022 Budget	FY 2022 Revised	FY 2023 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	.25
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	1	1	1	1
HR / Purchasing Technician	1	1	1	1
Procurement and Risk Manager	0	0	0	1
Procurement Supervisor	1	1	1	0
Purchasing Specialist	1	1	1	1
Senior Executive Secretary	1	1.50	1.50	1
Executive Secretary	2	1	1	1
Secretary	2	2	2	2
Communications Specialist	0	0	0	.20
Chief Financial Officer	1	1	1	1
Controller	1	1	1	1
Assistant Controller	1	1	1	1
Supervisor of Accounting Services	0	0	0	1
Senior Accountant	1	1	1	0
Staff Accountant II	0	0	0	1
Staff Accountant I	1	1	1	0
Accounting Clerk II	1	0	0	0
Accounting Clerk I	1	2	2	1
Account Payable Clerk	0	0	0	1
Budget and Financial Planning Manager	1	1	1	1
Senior Financial Analyst	1	1	1	1
Budget Analyst	0	1	1	1
Financial Analyst	1	0	0	0
Engineering	1.60	2.60	2.60	2.75
<b>Total FTEs</b>	<b>24.50</b>	<b>25.00</b>	<b>25.00</b>	<b>24.90</b>

ORGANIZATIONAL CHART

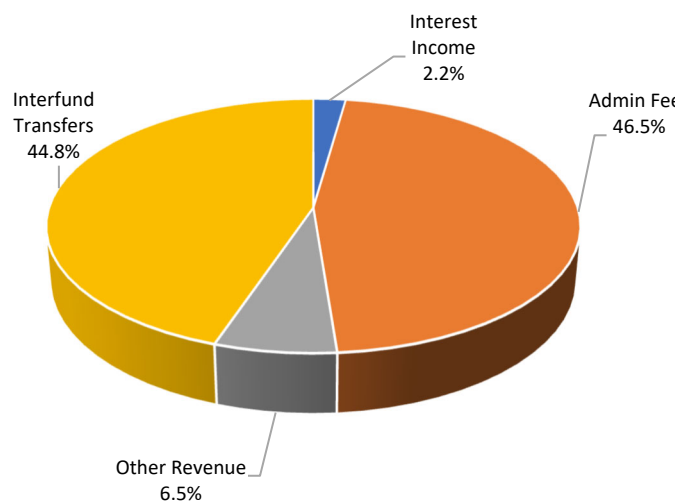




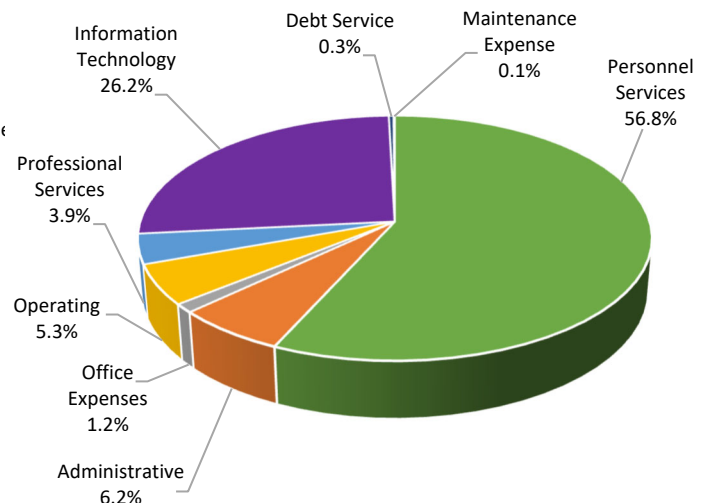
## BUDGET SUMMARY

	FY 2021 Actuals	FY 2022 Adopted	FY 2022 Estimates	2023 Adopted
<b>Beginning Balance</b>	<b>\$ 336,867</b>	<b>\$ 360,332</b>	<b>\$ 304,043</b>	<b>\$ 348,938</b>
<b>Operating Revenue</b>				
Interest Income	\$ 809	\$ 825	\$ 3,920	\$ 8,000
Admin Fees	155,983	161,680	161,030	166,230
Other Revenue	20,285	8,625	24,625	23,155
Interfund Transfers	125,000	140,000	140,000	160,000
<b>Total Operating Revenue</b>	<b>\$ 302,077</b>	<b>\$ 311,130</b>	<b>\$ 329,575</b>	<b>\$ 357,385</b>
<b>Operating Expense</b>				
Personnel Services	\$ 2,920,345	\$ 3,221,980	\$ 3,056,295	\$ 3,405,240
Administrative	217,370	322,345	306,435	374,700
Office Expenses	60,030	67,400	62,865	69,300
Professional Services	242,989	226,450	229,045	236,640
Operating	221,276	267,675	268,115	318,095
Information Technology	1,223,060	1,196,155	1,311,120	1,570,630
Shared Debt Payment	20,357	20,360	20,360	20,360
Interfund Transfers	13,800	-	-	-
Maintenance Expense	2,130	2,975	2,625	5,200
<b>Total Operating Expense</b>	<b>\$ 4,921,357</b>	<b>\$ 5,325,340</b>	<b>\$ 5,256,860</b>	<b>\$ 6,000,165</b>
Transfer Out	(4,586,456)	(5,036,900)	(4,972,180)	(5,675,885)
<b>Net Operating Expense</b>	<b>\$ 334,901</b>	<b>\$ 288,440</b>	<b>\$ 284,680</b>	<b>\$ 324,280</b>
<b>Ending Balance</b>	<b>\$ 304,043</b>	<b>\$ 383,022</b>	<b>\$ 348,938</b>	<b>\$ 382,043</b>

### Operating Revenues



### Operating Expenditures



## SUMMARY OF MAJOR CHANGES

### FEE STRUCTURE

	FY 2022 Budget	FY 2023 Budget
Minimum fee	\$500	\$500
Population up to 5,000	\$0.435 per capita	\$0.435 per capita
Population 5,001 to 25,000	\$0.244 per capita	\$0.244 per capita
Population over 25,000	\$0.096 per capita	\$0.096 per capita

### REVENUE

- Adopted fees for FY 2023 are based on 2022 population estimates from the North Central Texas Council of Governments or provided directly by customers / members. During FY 2022, Denton County Fresh Water Supply District #1A (Castle Hills Community) was annexed by the City of Lewisville.
- Other Revenue includes revenues from credit card rebates and auction items.
- Rental Revenue reflects rental income estimated for 802 N. Kealy and reallocates to operating funds to offset total allocated debt for this facility. Due to the non-renewal of leased office space by a current lessee, annual rental income is projected to decrease by approximately \$27,000 for FY 2023. On a pro rata basis, this equates to an approximate decrease of \$1,470 from FY 2022 for the Administration Fund. Additionally, District management is planning to utilize this non-leased office space to house select District staff.
- This transfer from the Regional Treated Water System (\$100,000) and the Northeast Regional Water Reclamation System (\$60,000) is the customer surcharge that assists in funding administration services.
- Interest income is representative of current market conditions.

### EXPENSES

#### PERSONNEL SERVICES

- The adopted budget for Administration provides funding for 24.90 full-time equivalent positions including one new position (Communications Specialist).

#### ADMINISTRATIVE

- Employee Recognition Program increase is due to projected higher food costs for the District's quarterly employee luncheons and recognition program, as well as additional costs projected for the annual employee event.
- Insurance – Property, General Liability (GL), Vehicle, and Cyber expense increase is inclusive of a projected 5% rate increase for General Liability and a 15% increase for Vehicle and Property insurance.
- Bank Fees increase is related to keeping District funds in higher interest yielding bank accounts.
- Property Taxes increase is based on the increasing property value of the 802 N. Kealy Street (Annex) building.
- Meetings cost decrease is based on providing food and refreshments for a projected number of Board and Committee meetings.

- Public Information cost decrease is based on a reduction of new District headquarters signage that was already replaced in FY 2022.
- Equipment and Furniture less than \$5,000 (Non-capitalized assets) includes administrative items such as desks, office chairs, filing cabinets that have a cost less than \$5,000. The decrease in this expense category is due to requiring less of these types of items for FY 2023 than in the prior fiscal year.

#### PROFESSIONAL SERVICES

- Legal expense increase is due to the bi-annual funding of \$15,000 for monitoring of pending legislation during the 2023 Texas Legislature session that might affect District operations.
- Equipment Service expense is due to reclassifying budget amounts related to Fire Alarm Inspections and preventive maintenance services from the Other Outside Services category to Equipment Service.
- Other Outside Services decrease is due to completing the parking lot restriping projects at the 900 and 802 N. Kealy Administrative buildings in FY 2022.

#### OPERATING

- Building Maintenance & Improvements decrease is due to the completion of various building modification projects (reconfiguration of workspace cubicles and replacement / repairs made to HVAC ductwork) in FY 2022. This budget category includes \$4,000 to replace gutters at the 802 N. Kealy Street building, as well as funding for routine building maintenance activities.
- Vehicle expense increase is due to the inception of a lease program for District vehicles. This includes a partial year of costs to lease 1 vehicle for the Administration Fund and 5 vehicles used by Engineering / Construction personnel. This also includes 1 additional vehicle to be leased for the new Construction Inspector position requested for FY 2023.
- Miscellaneous expense increase is due to the cost of various items used by District staff that do not fall into other expense categories (i.e., sympathy flowers / appreciation gifts for Board Members).
- There are no budget requests for Furniture and Equipment greater than \$5,000 for FY 2023.
- Maintenance Expense is for the 802 N. Kealy rental property. The portion of the adopted Maintenance budget allocated to this property reflects an increase of 0.945% from FY 2022 (1.890% to 2.835%).

#### 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 at 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 (0.165%), an increase of 0.055% from FY 2022.

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 2021-2022

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- ✓ Issue Comprehensive Annual Financial Report which conforms to program standards of the Governmental Finance Officers Association that must satisfy both generally accepted accounting principles and applicable legal requirements.
  - *The District received its twenty-first 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 thirteenth 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 \$1,821,441 of medical claims and approximately \$261,229 of Medical Stop-Loss Claims.*
  - *Teladoc services available with an annual utilization of 79.4% with an estimated District savings of \$29,742.*
  - *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 14 vacant full-time positions.*
- ✓ Continued contract renewal for the Wastewater Internship Program with Tarrant County College (TCC).
  - *The program was expanded to all District Water Reclamation Plants and an agreement was renewed with one junior college that offers the internship program.*
- ✓ Continued the District's Summer Intern Program to support the Engineering and Business Divisions.
  - *The District had four interns participating in the District's summer intern program from June to September 2022.*

- ✓ Continued to monitor and manage the Commercial Paper Program.
  - *As of September 30, 2022, \$6.5M 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 12 competitive sealed bids and 1 sealed proposal.*
  - *Completed 48 contract renewals.*
  - *Processed / Issued 248 Purchase Orders for a total of \$6.5 million.*
  - *Processed / Issued 9 new contracts.*
- ✓ Continue to expand the Watershed Protection Program.
  - *Conduct quarterly water quality sampling at four different locations within the Lewisville Lake watershed to monitor stream flow, dissolved oxygen, pH factor, and other parameters.*
  - *Continued the operation of the Upper Trinity Conservation Trust as a 501(c)(3) land trust to acquire conservation easements or fee simple ownership of riparian buffer areas along streams and creeks as a means of protecting the water quality in local water supplies.*
  - *More than 200 watershed signs have been installed along roads and creeks throughout the Lewisville, Grapevine, and Ray Roberts Lakes' watersheds as well as the Trinity River and North Sulphur River watersheds. Said signs have been GIS identified and are maintained in District databases. Additionally, staff continue to monitor the condition and visual status of these signs, making upgrades and improvements as needed.*
  - *Continued providing outreach and education opportunities to civic groups, students, and others about being good stewards of our land and water resources, emphasizing the need to keep our watershed clean 'right where we live'.*
  - *In a joint effort with the Upper Trinity Conservation Trust and Denton County, continue implementing the Greenbelt Master Plan for Denton County. The purpose of the Plan is to protect greenbelt areas and riparian assets and to create a common vision for voluntary participation in preserving these irreplaceable assets. Held an educational event to promote preservation and protection of riparian areas.*

## INFORMATION TECHNOLOGY

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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.

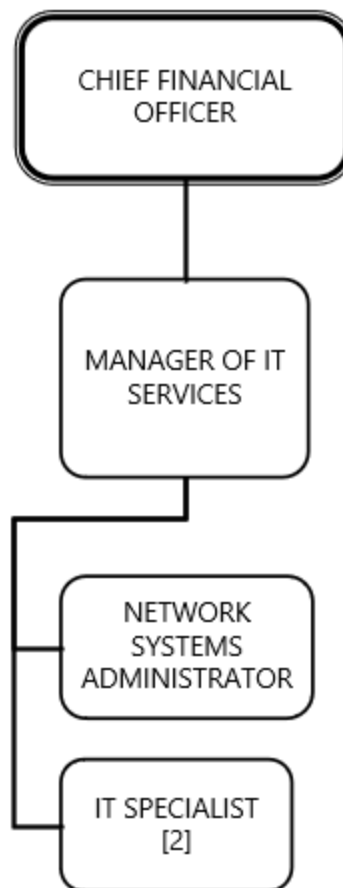
## PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2022 Actuals	FY 2022 Estimates	FY 2023 Target
Servers, desktop and laptop computers, mobile devices maintained	% of total number of hardware components maintained	100%	100%	100%
Network reliability	Calculation of network operational days as a percentage of total available network days	99%	100%	100%
Monitor life cycles of all District devices and software to ensure continued support and plan for end-of-life replacement	% of total number of devices and software life cycles monitored	100%	100%	100%
Dual Authentication <b>(from Annual Work Plan – Financial)</b>	Completion of Dual Authentication software incorporated for all District computer networks	On-going	Completed	N/A
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

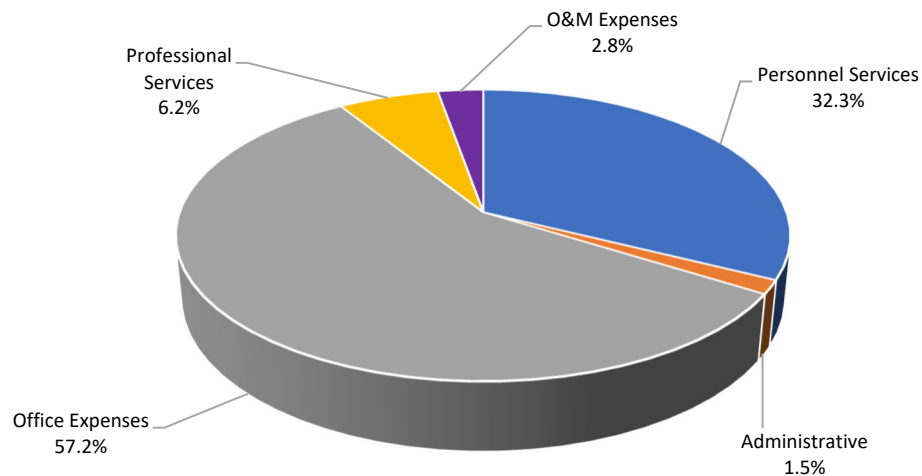
Positions	FY 2021 Actuals	FY 2022 Budget	FY 2022 Revised	FY 2022 Budget
Manager of IT Services	1	1	1	1
Network Systems Administrator	1	1	1	1
IT Specialist	2	2	2	2
<b>Total FTEs</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>



## BUDGET SUMMARY

	<b>FY 2021 Actuals</b>	<b>FY 2022 Adopted</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Adopted</b>
<b>Beginning Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Operating Expense</b>				
Personnel Services	\$ 512,508	\$ 502,025	\$ 491,695	\$ 507,850
Administrative	7,325	7,760	10,820	23,955
Office Expenses	607,362	565,585	650,190	898,555
Professional Services	63,871	103,020	117,430	96,600
O&M Expenses	31,994	17,765	40,985	43,670
<b>Total Operating Expense</b>	<b>\$ 1,223,060</b>	<b>\$ 1,196,155</b>	<b>\$ 1,311,120</b>	<b>\$ 1,570,630</b>
Allocation Transfer to Administration	(1,223,060)	(1,196,155)	(1,311,120)	(1,570,630)
<b>Ending Balance</b>	\$ -	\$ -	\$ -	\$ -

## Operating Expenditures



## SUMMARY OF MAJOR CHANGES

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### EXPENSES

#### PERSONNEL SERVICES

- The adopted budget includes funding for 4.00 full-time equivalent positions.

#### ADMINISTRATIVE

- Insurance – Property, GL, Vehicle expense reflects insurance for the two vehicles assigned to the Information Technology Division.
- Public Information expense reflects hosting service fees for the District and Lake Ralph Hall project websites.
- Conference, Training, and Travel expenses include funding for Information Technology staff certification training and Cyber-Security awareness training for the District.
- Equipment and Furniture less than \$5,000 includes the purchase of 2 Switchport expansion devices at the Riverbend and Doe Branch Plants.

#### OFFICE EXPENSES

- Communications include District-wide cell phone service expense and leased fiber optic services. The increase in fiber optic services is due to adding additional fiber optic connections to connect the Stone Hill Pump Station and the Southwest Booster Pump Station to the rest of the District's fiber optic system during FY 2022.
- 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 an increase due to upgrading the District's accounting software (Incode) to a newer version, a scheduled replacement of District desktop and laptop computers, and the addition of Sharepoint Development / Design software.

#### PROFESSIONAL SERVICES

- Other Outside Service expense includes Security Compliance / Penetration testing services. This expense decrease was the result of moving data backup services (One Safe Place) from this expense category to the Computer, Equipment, and Supplies category.

#### O&M EXPENSES

- Vehicle expense reflects an increase for fuel and maintenance costs for 2 vehicles assigned to the Information Technology Department.
- Plant and Equipment Maintenance includes funding for Fiber Optics maintenance and has increased from FY 2022 due to having increased the number of District locations with fiber optics in use.
- The Machinery, Equipment, and Tools account increase reflects additional funding for the purchase of hand tools for computer / printer maintenance.
- Furniture and Equipment greater than \$5,000 includes funding to purchase Allterra Controllers for the Trimble GPS unit.

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 2021-2022

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- ✓ Continue to promote awareness and knowledge of potential cybersecurity issues.
  - *Updated cybersecurity posture using MFA (multi-factor-authentication) to authenticate all connections to District network, both local and remote. Also included MFA for all hosted or online services containing District data.*
  - *Contracted with unbiased Security and Compliance firm to perform Vulnerability Assessments and Penetration Testing on all District endpoints and evaluated and initiated applicable recommendations based on best practices. This testing will be performed on an annual basis.*
  - *Updated cybersecurity training curriculum provided to all District employees throughout the year to reinforce awareness of new and ever-evolving cyber threats. Simulated phishing campaigns will continue to be utilized to assess our user base to identify problem areas.*
- ✓ 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

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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.



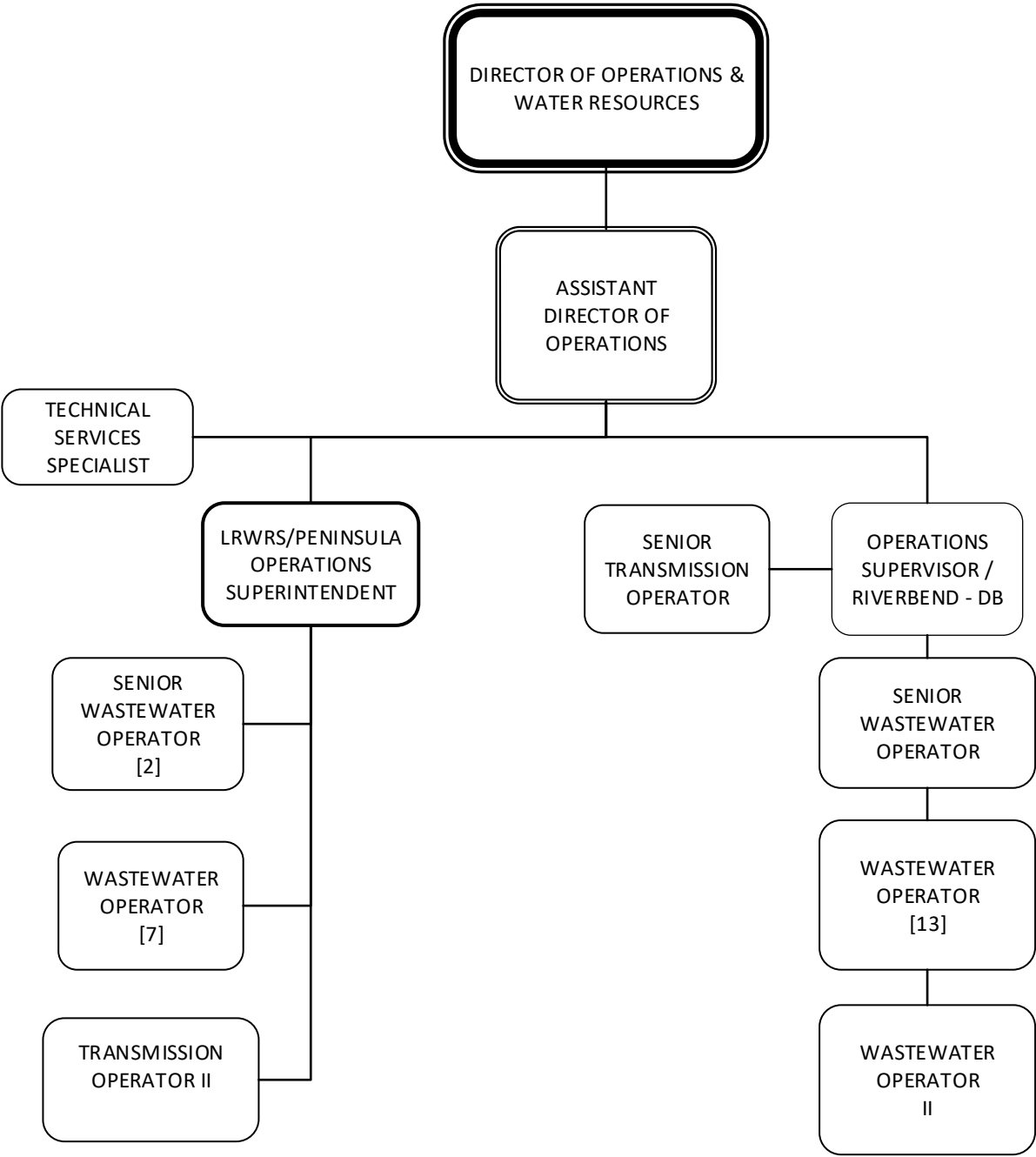
## PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2021 Actuals	FY 2022 Estimates	FY 2023 Target
Effluent Quality	Achieve 100% regulatory compliance / NACWA Award - All District Water Reclamation Plants	100% / Platinum	100% / Platinum	100% / Platinum
Process Control Testing	Ratio (%) of tests completed / total tests required - All District Water Reclamation Plants	200%	200%	200%
Biosolids Processing	Number of tons of biosolids processed and hauled to disposal - Lakeview - Riverbend - Doe Branch - Peninsula	1,400 900 500 200	1,400 1,000 600 290	1,330 1,100 1,300 481
Equipment Shutdowns	Percent of time critical equipment is available - All District Water Reclamation Plants	>99%	>99%	>99%
Complaints From Neighbors / Addressed	Number of odor complaints per year / percent addressed - All District Water Reclamation Plants	0 / 100%	0 / 100%	0 / 100%
Lift Station Assessments (from Annual Work Plan – Functional)	Percentage of budgeted funds expended by District staff to complete a condition assessment of all District water reclamation lift stations	N/A	65%	100%
TCEQ Discharge Permits (from Annual Work Plan – Functional)	Finalize the discharge permits for Riverbend and Doe Branch Water Reclamation Plants -Riverbend -Doe Branch	On-Going On-Going	On-Going Completed	Dec-22 N/A

## PERSONNEL SUMMARY

Positions	FY 2021 Actuals	FY 2022 Budget	FY 2022 Revised	FY 2023 Budget
Director of Operations & Water Resources	.50	.50	.50	.50
Assistant Director of Operations	.50	.55	.55	.55
Technical Services Specialist	.55	.55	.55	.55
Electrical Engineer	.15	.15	.15	.15
Water Resource Specialist	.20	.15	.15	0
LRWRS/Peninsula Operations Superintendent	1	1	1	1
Operations Supervisor-Riverbend / Doe Branch	1.70	.95	.95	1
Senior Wastewater Operator	2	3	3	3
Wastewater Operator III	8	9	9	8
Wastewater Operator II	4	6	6	5
Wastewater Operator I	7	5	5	7
Senior Transmission Operator	0	0	0	.50
Transmission Operator	.50	.50	.50	0
Water Operator II / Clerk	.40	.10	.10	0
Regulatory & Environmental Compliance Coordinator	0	0	0	.15
Wastewater Operator II	0	0	0	1
<b>Total FTEs</b>	<b>26.50</b>	<b>27.45</b>	<b>27.45</b>	<b>28.40</b>

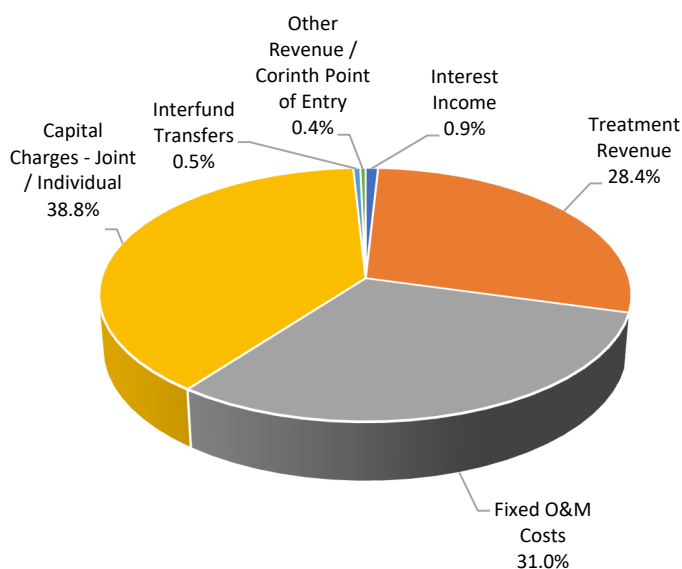
ORGANIZATIONAL CHART



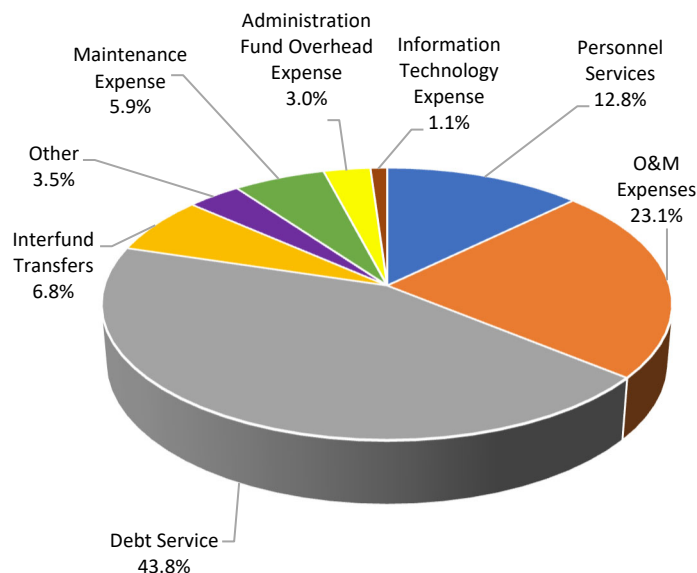
## BUDGET SUMMARY - LRWRS

	FY 2021 Actuals	FY 2022 Adopted	FY 2022 Estimates	FY 2023 Adopted
<b>Beginning Balance</b>	<b>\$ 2,006,909</b>	<b>\$ 1,538,489</b>	<b>\$ 1,951,011</b>	<b>\$ 1,624,321</b>
<b>Operating Revenue</b>				
Interest Income	\$ 5,645	\$ 6,930	\$ 36,345	\$ 65,000
Treatment Revenue	2,024,371	2,083,285	1,809,015	2,167,900
Fixed O&M Costs	2,150,171	2,256,755	2,256,755	2,367,460
Capital Charges - Joint / Individual	3,043,140	3,008,620	3,008,620	2,953,310
Interfund Transfers	9,624	8,980	9,875	36,805
Corinth Point of Entry	11,912	11,320	11,285	11,320
Other Revenue	17,056	17,775	17,855	16,440
<b>Total Operating Revenue</b>	<b>\$ 7,261,919</b>	<b>\$ 7,393,665</b>	<b>\$ 7,149,750</b>	<b>\$ 7,618,235</b>
<b>Operating Expense</b>				
Personnel Services	\$ 801,694	\$ 820,785	\$ 827,375	\$ 881,120
Administrative	100,925	121,570	121,050	138,185
Office Expenses	3,148	2,900	2,410	2,900
Professional Services	75,378	52,400	52,950	49,500
O&M Expenses	1,231,002	1,441,365	1,407,530	1,593,260
Debt Service	3,038,871	3,040,395	3,040,395	3,034,755
Interfund Transfers	1,610,216	470,965	1,397,830	466,630
Shared Debt Payments	40,816	40,815	40,815	40,815
DCFWS #7 - Corinth Point of Entry	10,721	10,190	10,155	10,190
Maintenance Expense	309,761	378,650	334,035	409,800
Administration Fund Overhead Expense	72,277	213,310	181,235	208,350
Information Technology Expense	23,008	62,225	60,660	74,395
<b>Total Operating Expense</b>	<b>\$ 7,317,817</b>	<b>\$ 6,655,570</b>	<b>\$ 7,476,440</b>	<b>\$ 6,909,900</b>
<b>Ending Balance</b>	<b>\$ 1,951,011</b>	<b>\$ 2,276,584</b>	<b>\$ 1,624,321</b>	<b>\$ 2,332,656</b>

### LRWRS Operating Revenues



### LRWRS Operating Expenditures



## SUMMARY OF MAJOR CHANGES - LRWRS

### SUBSCRIBED CAPACITIES

Entity	FY 2022 Budget	FY 2023 Budget
Bartonville	0.0378 mgd	0.0378 mgd
Corinth	1.6080 mgd	1.6080 mgd
DCFWSD #7	0.8440 mgd	0.8440 mgd
Double Oak	0.0080 mgd	0.0080 mgd
Highland Village	1.6500 mgd	1.6500 mgd
Lake Cities MUA	1.1810 mgd	1.1810 mgd
<b>Total</b>	<b>5.3288 mgd</b>	<b>5.3288 mgd</b>

### PROJECTED FLOWS

Entity	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
Bartonville	0.0040 mgd	0.0049 mgd	0.0040 mgd
Corinth	1.4100 mgd	1.2905 mgd	1.4100 mgd
DCFWSD #7	0.8400 mgd	0.7854 mgd	0.8400 mgd
Double Oak	0.0025 mgd	0.0022 mgd	0.0025 mgd
Highland Village	1.3500 mgd	1.0653 mgd	1.3500 mgd
Lake Cities MUA	1.0300 mgd	0.8722 mgd	1.0300 mgd
<b>Total</b>	<b>4.6365 mgd</b>	<b>4.0205 mgd</b>	<b>4.6365 mgd</b>

### RATE STRUCTURE

	FY 2022 Budget	FY 2023 Budget
Volume Charge - Treatment	\$1.25 / 1,000 gallons	\$1.30 / 1,000 gallons
Fixed O&M Charges*	\$423,500 / mgd	\$444,275 / 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	\$5,965	\$15,030	\$20,995
Corinth	\$84,255	\$639,425	\$723,680
DCFWSD #7	\$458,125	\$335,620	\$793,745
Double Oak	\$10,855	\$3,180	\$14,035
Highland Village	\$230,610	\$656,125	\$886,735
Lake Cities MUA	\$44,490	\$469,630	\$514,120
<b>Total</b>	<b>\$834,300</b>	<b>\$2,119,010</b>	<b>\$2,953,310</b>

## 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 2023 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.
- Interfund transfers include funds from the Vehicle and Equipment Reserve (\$29,700) for the Lakeview System's pro rata share of a new Crane Truck for the Maintenance Division. Additionally, the Lakeview Plant processes biosolids sludge from the Peninsula Plant and receives \$0.03 / 1,000 gallons as a reimbursement for electricity expense (\$7,105). Due to the projected completion of the Peninsula Plant Expansion, Phase 3, which included the installation of sludge processing facilities, the transfer of biosolids from the Peninsula Plant to the Lakeview Plant will be discontinued at the end of June 2023.
- Corinth point-of-entry near I-35E transportation charge is collected and credited to DCFWSD #7 (Lantana) for rental of pipeline capacity.
- Other Revenue includes income from Lake Dallas animal shelter and the electric load shedding rebate program through Voltus.
- Rental Revenue includes the pro rata share of 802 N. Kealy annex rental income. Due to the non-renewal of leased office space by a current lessee, total annual rental income is projected to decrease by approximately \$27,000 for FY 2023. On a pro rata basis, this equates to an approximate \$1,335 decrease from FY 2022 for the Lakeview System.

## EXPENSES

### PERSONNEL SERVICES

- The adopted budget includes funding for 8.18 full-time equivalent positions that are allocated between the Lakeview Plant and the Peninsula Plant based on a 74% (Lakeview) and 26% (Peninsula) basis.

### ADMINISTRATIVE

- Insurance – Property, General Liability (GL), and Vehicle expense is inclusive of a projected 5% rate increase for General Liability and a 15% increase for Vehicle and Property insurance.
- Membership Dues and Subscriptions expense includes annual dues for Lakeview Plant staff in professional organizations consisting of the Texas Water Utilities Association (TWUA), Water Environment Federation (WEF), and Water Environment Association of Texas (WEAT). Additionally, this expense includes the Lakeview Plant's portion of the District's National Association of Clean Water Agencies annual membership cost. This increase reflects higher dues for the upcoming fiscal year.
- Conference, Training, and Travel expense includes annual continuing education training for wastewater operators and staff participation in the North Central Texas Council of Governments (NCTCOG) wastewater roundtable. This increase reflects higher training rates for the upcoming fiscal year and more travel / training opportunities compared to prior years that were limited by the Covid pandemic.
- Equipment and Furniture less than \$5,000 (Non-capitalized assets) includes administrative items such as desks, office chairs, and appliances for breakrooms with a cost of less than \$5,000. The decrease in this expense category is due to separating administrative type items from those purchased for the Plant and associated operations (included under Tools, Machinery, and Equipment less than \$5,000).

### PROFESSIONAL SERVICES

- Equipment Service expense includes all preventive maintenance agreements for equipment used in operations. Previously, these expenses were included under Other Outside Services.
- Other Outside Services expense includes services performed by outside organizations to assist or improve management or to provide technical assistance. Funding for FY 2023 includes fees for financial advisory services to Hilltop Securities.

### O&M EXPENSES

- Vehicle expense increase is due to the inception of a lease program for District vehicles. This includes a partial year of costs to lease 5 vehicles used in Lakeview Plant operations. Cost of leased vehicles are allocated 74% to the Lakeview Plant and 26% to the Peninsula Plant (same as the Personnel allocation between both Plants for shared staff).
- Plant and Equipment Maintenance expense includes all general repairs to pumps, blowers, lift station equipment, etc. Due to the age of the Lakeview facilities, this increase was necessary to help ensure continuing operations.
- Utilities includes water, gas, trash, and recycling services and reflects a projected increase in rates for these services from FY 2022.
- Chemical expense increase is due to projected price increases (already incurred during FY 2022) for wastewater chemicals affected by volatility in the oil and petroleum industry.

- Tools, Machinery, and Equipment less than \$5,000 includes small motors, pumps, tools, etc., used in operations. These items differ from Administrative type items such as filing cabinets, desks, office chairs, etc. that are shown in the Administrative expense section of this budget.

#### INTERFUND TRANSFERS

- Equity funding is generated for projects within the Capital Improvement Program and earmarked to be placed in the Non-Bond Capital Reserve.
- The transfer to the O&M Reserve is a required contribution amount equal to 25% of O&M expenses (less debt service). This reserve is anticipated to be 100% funded at the end of FY 2023.
- Funding for the Capital Replacement Reserve is provided for in the volume rate at \$0.10 / 1,000 gallons (same as FY 2022).
- The transfer to the Plant Permitting Reserve is to accumulate funds for the next renewal of the Texas Pollutant Discharge Elimination Permit renewal for the Lakeview Plant. Based on the District's Capital Improvement Program budget, this next renewal period is scheduled to begin in FY 2023.
- The transfer to the Vehicle and Equipment Replacement Reserve amount is calculated according to the quantity and age of District owned vehicles and equipment. With the inception of a vehicle lease program for District vehicles, this annual contribution was decreased due to no longer owning certain vehicles used in operations. However, the District still owns specialized heavy-duty equipment such as cranes, vacuum trucks, and forklifts that will continue to require annual contributions for their eventual replacement. This amount is funded according to an established replacement schedule.

#### SHARED DEBT PAYMENTS

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

#### DCFWSD #7- CORINTH POINT OF ENTRY

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

#### MAINTENANCE EXPENSE

- This allocation represents 13% of the adopted Maintenance budget.

#### ADMINISTRATIVE FUND OVERHEAD EXPENSES

- Allocation of Administration Fund expenses to operations.

#### INFORMATION TECHNOLOGY

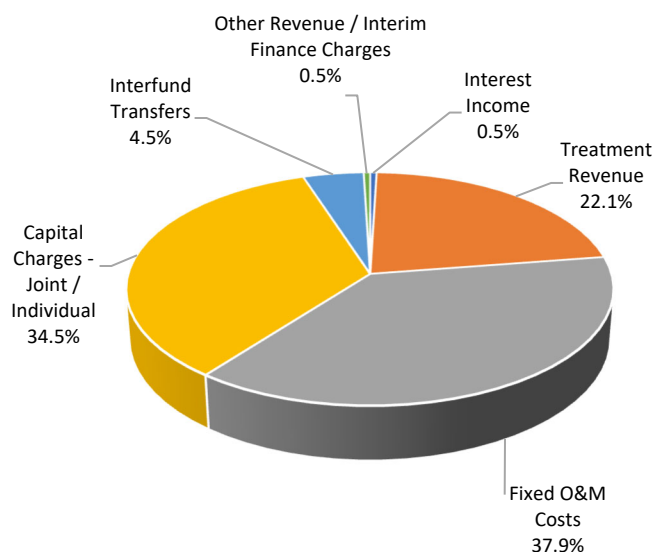
- Allocation of Information Technology Fund expenses to operations.



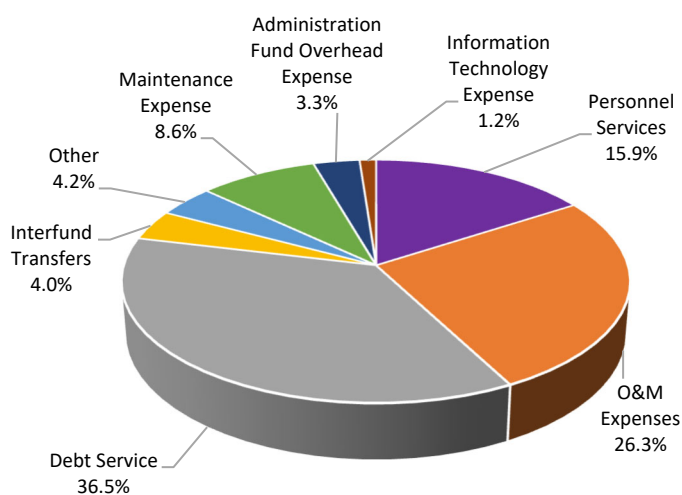
## BUDGET SUMMARY – NERWRS

	FY 2021 Actuals	FY 2022 Adopted	FY 2022 Estimates	FY 2023 Adopted
<b>Beginning Balance</b>	<b>\$ 2,535,160</b>	<b>\$ 1,932,160</b>	<b>\$ 2,470,630</b>	<b>\$ 1,880,555</b>
<b>Operating Revenue</b>				
Interest Income	\$ 5,061	\$ 5,960	\$ 42,540	\$ 54,200
Treatment Revenue	2,333,429	2,154,600	2,361,150	2,486,460
Fixed O&M Costs	3,071,638	4,109,275	4,109,275	4,264,200
Capital Charges - Joint / Individual	3,952,630	3,507,015	3,507,015	3,889,640
Interim Finance Charges		48,750	8,120	48,750
Interfund Transfers	300,000	30,395	30,395	508,640
Other Revenue	27,847	5,180	19,450	14,115
<b>Total Operating Revenue</b>	<b>\$ 9,690,605</b>	<b>\$ 9,861,175</b>	<b>\$ 10,077,945</b>	<b>\$ 11,266,005</b>
<b>Operating Expense</b>				
Personnel Services	\$ 1,382,964	\$ 1,573,395	\$ 1,502,220	\$ 1,697,820
Administrative	201,401	256,560	218,345	299,610
Office Expenses	4,846	5,625	4,675	5,745
Professional Services	117,820	166,250	172,980	124,345
O&M Expenses	1,960,676	2,121,280	2,988,615	2,803,140
Debt Service	3,517,162	3,509,745	3,509,665	3,892,445
Interfund Transfers	1,999,596	450,625	1,186,575	425,610
Shared Debt Payments	14,833	14,830	14,830	14,830
Maintenance Expense	406,561	716,730	632,285	914,170
Administration Fund Overhead Expense	112,359	325,830	328,040	355,505
Information Technology Expense	36,917	95,045	109,790	126,940
<b>Total Operating Expense</b>	<b>\$ 9,755,135</b>	<b>\$ 9,235,915</b>	<b>\$ 10,668,020</b>	<b>\$ 10,660,160</b>
<b>Ending Balance</b>	<b>\$ 2,470,630</b>	<b>\$ 2,557,420</b>	<b>\$ 1,880,555</b>	<b>\$ 2,486,400</b>

### NERWRS Operating Revenues



### NERWRS Operating Expenditures



## SUMMARY OF MAJOR CHANGES - NERWRS

### SUBSCRIBED CAPACITIES

Entity	FY 2022 Budget	FY 2023 Budget
DCFWSD #8A	0.45375 mgd	0.45375 mgd
Providence Village	0.55000 mgd	0.55000 mgd
DCFWSD #10 (name changed to Elm Ridge WCID)	0.37467 mgd	0.00000 mgd
Elm Ridge WCID (formerly DCFWSD #10)	0.00000 mgd	0.38600 mgd
DCFWSD #11	0.71575 mgd	0.71575 mgd
Mustang SUD	2.54983 mgd	2.61650 mgd
Celina	1.32500 mgd	1.38500 mgd
Prosper	1.00000 mgd	1.00000 mgd
<b>Total</b>	<b>6.96900 mgd</b>	<b>7.10700 mgd</b>

### PROJECTED FLOWS

Entity	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
DCFWSD #8A	0.3300 mgd	0.3792 mgd	0.3300 mgd
Providence Village	0.4200 mgd	0.3714 mgd	0.4000 mgd
DCFWSD #10	0.3000 mgd	0.1666 mgd	0.0000 mgd
Elm Ridge WCID	0.0000 mgd	0.1236 mgd	0.3000 mgd
DCFWSD #11	0.6500 mgd	0.6204 mgd	0.6500 mgd
Mustang SUD	1.3000 mgd	1.5641 mgd	1.4000 mgd
Celina	0.8500 mgd	1.0616 mgd	0.9500 mgd
Prosper	0.7500 mgd	0.7686 mgd	0.7500 mgd
<b>Total</b>	<b>4.6000 mgd</b>	<b>5.0555 mgd</b>	<b>4.7800 mgd</b>

### RATE STRUCTURE

	FY 2022 Budget	FY 2023 Budget
Volume Charge – Members	\$1.25 / 1,000 gallons	\$1.39 / 1,000 gallons
Volume Charge - Customers	\$1.34 / 1,000 gallons	\$1.49 / 1,000 gallons
Joint Fixed O&M Charge	\$589,650 / mgd	\$600,000 / mgd

## CAPITAL CHARGES

Entity	Individual	Interim	Joint	Total
DCFWSO #8A	\$211,030	\$ ---	\$104,565	\$315,595
Providence Village	\$413,320	\$ ---	\$126,745	\$540,065
Elm Ridge WCID	\$5,910	\$4,795	\$33,410	\$44,115
DCFWSO #11	\$345,655	\$ ---	\$164,945	\$510,600
Mustang SUD	\$375,280	\$12,305	\$450,795	\$838,380
Celina	\$1,471,300	\$17,795	\$108,410	\$1,597,505
Prosper	\$ ---	\$13,855	\$78,275	\$92,130
<b>Total</b>	<b>\$2,822,495</b>	<b>\$48,750</b>	<b>\$1,067,145</b>	<b>\$3,938,390</b>

## 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 2023 capital charges are based on the allocated debt service for each entity's individual ownership of System Plants and / or associated pipeline facilities, as well as their portion of joint (common-to-all) debt.
- Interim Finance Charges represent interest due from Doe Branch Plant participants for 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 August 2022 (estimated) and will be assessed monthly in FY 2023 while the loaned funds are encumbered.
- Interfund transfers include funds from the Vehicle and Equipment Reserve (\$83,640) for the Northeast System's allocated share of a new Crane Truck for the Maintenance Division (\$66,000) and for a new UTV (\$17,640) to replace an older model used at the Riverbend Plant. In addition, there is an interfund transfer (\$425,000) from the Non-Bond Capital Reserve to be used for rate stabilization, in lieu of a larger increase to the FY 2023 Fixed O&M Charge.
- Other Revenue includes income from the electric load shedding rebate program through Voltus.
- Rental Revenue includes the pro rata share of 802 N. Kealy annex rental income. Due to the non-renewal of leased office space by a current lessee, total annual rental income is projected to decrease by approximately \$27,000 for FY 2023. On a pro rata basis, this equates to an approximate decrease of \$1,065 from FY 2022 for the Northeast System.

## EXPENSES

### PERSONNEL SERVICES

- The adopted budget includes funding for 16.90 full-time equivalent positions including one new position (Wastewater Operator II split between the Riverbend and Doe Branch Plants).

#### ADMINISTRATIVE

- Equipment Rental expense includes rental fees for temporary restroom facilities required by Staff while working at the Doe Branch Plant.
- Insurance - Property, General Liability (GL), and Vehicle expense is inclusive of a projected 5% rate increase for General Liability and a 15% increase for Vehicle and Property insurance.
- Advertising expense includes the cost to place bid notices in local newspapers for various projects and was decreased to better match prior year spending levels.
- Membership Dues and Subscriptions expense includes annual dues for Riverbend and Doe Branch Plant staff in professional organizations consisting of the Texas Water Utilities Association (TWUA), Water Environment Federation (WEF), and Water Environment Association of Texas (WEAT). Additionally, this expense includes the Northeast System's portion of the District's National Association of Clean Water Agencies annual membership cost. This increase reflects higher dues for the upcoming fiscal year and additional dues expense for a new wastewater operator position requested for FY 2023.
- Employee Recognition Program expenses include rewards given to outstanding employees, along with team building activities and was decreased to better match prior year spending levels.
- Conference, Training, and Travel expense includes annual continuing education training for wastewater operators and staff participation in the North Central Texas Council of Governments (NCTCOG) wastewater roundtable. This increase reflects higher training rates for the upcoming fiscal year and more travel / training opportunities compared to prior years that were limited by the Covid pandemic.
- Equipment and Furniture less than \$5,000 (Non-capitalized assets) includes administrative items such as desks, office chairs, and appliances for breakrooms with a cost of less than \$5,000. The decrease in this expense category is due to separating administrative type items from those purchased for the Plant and associated operations (included under Tools, Machinery, and Equipment less than \$5,000).

#### PROFESSIONAL SERVICES

- Legal expense increase is based on projected increases to attorney hourly rates for FY 2023.
- Equipment Service expense includes all preventive maintenance agreements for equipment used in operations. Previously, these expenses were included under Other Outside Services.
- Security expenses decreased due to budgeting the installation of previously purchased security cameras under the Information Technology Fund.
- Other Outside Services expense includes services performed by outside organizations to assist or improve management or to provide technical assistance. FY 2023 projected expenses include periodic wet well cleanout services at the Riverbend and Doe Branch Plants. Annual preventive maintenance plans, previously budgeted under this expense category, are now budgeted under Equipment Service.

#### O&M EXPENSES

- The Botanical account reflects a 10% rate increase from the District's mowing vendor and includes additional funding for brush and tree clearing services along fence lines, pipelines, easements, and Plant facilities.
- Vehicle expense increase is due to the inception of a lease program for District vehicles. This includes a partial year of costs to lease 2 vehicles used in the Northeast System's operations. This category

also includes fuel expense that is projected to further increase for FY 2023 due to rising gas and diesel prices.

- Utilities includes water, gas, trash, and recycling services and reflects a projected increase in rates for these services already being experienced in FY 2022.
- Lab Supplies and Services expense includes lab supplies used by District staff for required monitoring and testing of wastewater, including an outside testing service as required by the Texas Commission on Environmental Quality's monitoring system. Due to the projected increase in flows treated at the Riverbend and Doe Branch Plants, these services are shown to increase approximately 15% from FY 2022 costs.
- The Biosolids Disposal account increased due to treating additional System participant flows, as well as a projected 19% cost increase from higher fuel expenses by the District's vendor to transport these materials to a landfill for disposal.
- The increase in Electricity expense is related to a projected 20% rate increase from Coserv due to increasing natural gas prices, as well as an increase in System participant flows.
- Chemical expense reflects current year trending on a per 1,000-gallon rate, along with an increase for FY 2023 due to the treatment of additional System participant projected flows.
- The Equipment and Furniture greater than \$5,000 account includes:

**Riverbend Plant**

- New UTV to replace older model (Vehicle #053) - \$17,640
- Washer Compactor Housing Unit - \$16,000
- Rebuild Kit (Motor Seals and Bearings) for Gearmotor- \$12,785
- HMI Centrifuge - \$8,500
- Installation of a new Lab Sink - \$7,635

**Doe Branch Plant**

- New bank of Filters for the Backwash System - \$60,000
- Installation of a 2nd Clarifier Collection Arm - \$22,800

**DEBT SERVICE**

- Debt Service for the 2016 and 2017 Revenue Bonds increased by \$378,200 due to the completion of interest only payments in FY 2022. This increase includes the first year of principal payments of \$125,000 for the Series 2016 and \$250,000 for the Series 2017 revenue bonds for FY 2023.

**INTERFUND TRANSFERS**

- Funding for the Non-Bond Capital Reserve is provided for in the volume rate at \$0.01 / 1,000 gallons. The FY 2022 transfer included \$683,655 from excess working capital from FY 2021 operations.
- The transfer to the Plant Permitting Reserve is to accumulate funds for the next renewal of the Texas Pollutant Elimination System Permit for the Riverbend and Doe Branch Plants. Based on the District's Capital Improvement Program budget, the next renewal period is scheduled to begin in FY 2026.
- The transfer to the Vehicle and Equipment Replacement Reserve amount is calculated according to the quantity and age of District owned vehicles and equipment. With the inception of a vehicle lease program for District vehicles, this annual contribution was decreased due to no longer owning certain vehicles used in operations. However, the District still owns specialized heavy-duty equipment such as cranes, vacuum trucks, and forklifts that will continue to require annual contributions for their eventual replacement. This amount is funded according to an established replacement schedule.

- The transfer to the O&M Reserve is a required contribution amount equal to 25% of O&M expenses (less debt service). This reserve is anticipated to be 100% funded at the end of FY 2023.
- Funding for the Capital Replacement Reserve is provided for in the volume rate at \$0.05 / 1,000 gallons (same as FY 2022).
- 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 at 802 N. Kealy.

#### MAINTENANCE EXPENSE

- This allocation represents 29.0% of the adopted Maintenance budget.

#### ADMINISTRATION FUND OVERHEAD EXPENSE

- Allocation of Administration Fund expenses to operations.

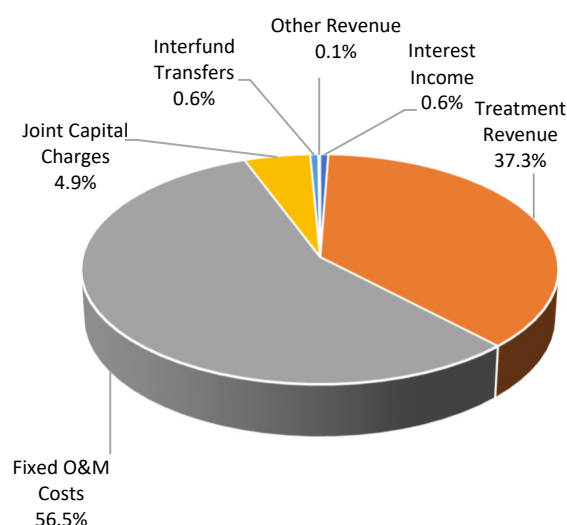
#### INFORMATION TECHNOLOGY EXPENSE

- Allocation of Information Technology Fund expenses to operations.

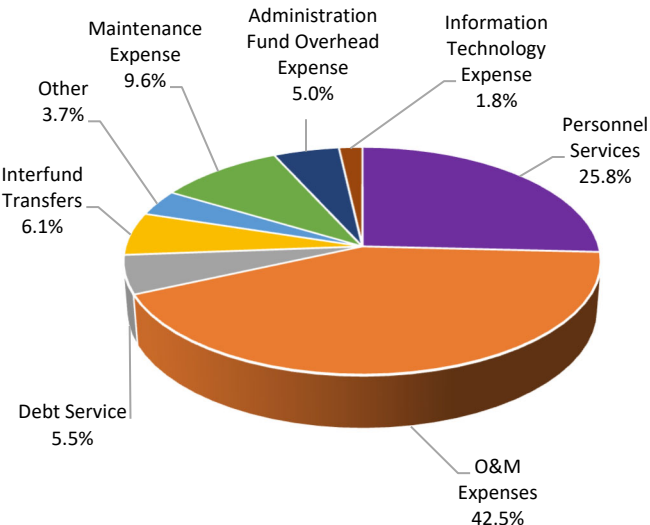
## BUDGET SUMMARY - PWRP

	FY 2021 Actuals	FY 2022 Adopted	FY 2022 Estimates	FY 2023 Adopted
<b>Beginning Balance</b>	<b>\$ 358,960</b>	<b>\$ 251,650</b>	<b>\$ 311,986</b>	<b>\$ 239,426</b>
<b>Operating Revenue</b>				
Interest Income	\$ 875	\$ 970	\$ 3,860	\$ 8,865
Treatment Revenue	506,856	481,875	529,840	542,940
Fixed O&M Costs	615,794	639,435	639,435	819,760
Joint Capital Charges	68,935	72,935	72,935	71,935
Interfund Transfers	-	42,000	-	8,800
Other Revenue	2,674	1,295	2,905	2,030
<b>Total Operating Revenue</b>	<b>\$ 1,195,134</b>	<b>\$ 1,238,510</b>	<b>\$ 1,248,975</b>	<b>\$ 1,454,330</b>
<b>Operating Expense</b>				
Personnel Services	\$ 224,532	\$ 320,900	\$ 287,285	\$ 338,200
Administrative	24,308	31,980	28,270	36,380
Office Expenses	33	500	305	500
Professional Services	6,971	6,650	11,165	6,650
O&M Expenses	463,469	472,260	508,250	557,850
Debt Service	67,598	72,935	72,935	71,935
Interfund Transfers	283,219	73,980	212,710	79,760
Shared Debt Payments	4,883	4,880	4,880	4,880
Maintenance Expense	135,521	135,230	119,300	126,095
Administration Fund Overhead Expense	23,802	65,355	57,270	65,855
Information Technology Expense	7,772	19,065	19,165	23,515
<b>Total Operating Expense</b>	<b>\$ 1,242,108</b>	<b>\$ 1,203,735</b>	<b>\$ 1,321,535</b>	<b>\$ 1,311,620</b>
<b>Ending Balance</b>	<b>\$ 311,986</b>	<b>\$ 286,425</b>	<b>\$ 239,426</b>	<b>\$ 382,136</b>

**PWRS Operating Revenues**



**PWRS Operating Expenditures**



## SUMMARY OF MAJOR CHANGES - PWRP

### SUBSCRIBED CAPACITIES

Entity	FY 2022 Budget	FY 2023 Budget
Mustang SUD	0.940 mgd	1.205 mgd
<b>Total</b>	<b>0.940 mgd</b>	<b>1.205 mgd</b>

### PROJECTED FLOWS

Entity	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
Mustang SUD	0.8200 mgd	0.9016 mgd	0.8500 mgd
<b>Total</b>	<b>0.8200 mgd</b>	<b>0.9016 mgd</b>	<b>0.8500 mgd</b>

### RATE STRUCTURE

	FY 2022 Budget	FY 2023 Budget
Volume Charge - Treatment	\$1.61 / 1,000 gallons	\$1.75 / 1,000 gallons
Fixed O&M Charges	\$680,250 / mgd	\$680,300 / mgd

### CAPITAL CHARGES

Entity	FY 2022 Budget	FY 2023 Budget
Mustang SUD	\$72,935	\$71,935
<b>Total</b>	<b>\$72,935</b>	<b>\$71,935</b>



## REVENUE

- Interest Income is representative of current market conditions.
- Total treatment revenue reflects the projected flows at adopted rates.
- The adopted Fixed O&M Charges for Joint Facilities are assessed to recover fixed costs. With the completion of the Phase 3 treatment capacity expansion project expected at the end of June 2023, total capacity will increase from 0.94 mgd to 2.0 mgd beginning in July 2023. This treatment capacity increase yields a FY 2023 pro-rated Plant capacity of 1.205 mgd.
- The Capital Charge is necessary to make the required annual debt service payment (Series 2016 Revenue Bonds).
- Interfund transfer includes funds from the Vehicle and Equipment Reserve (\$8,800) for the Peninsula Plant's allocated share of a new Crane Truck for the Maintenance Division. Additionally, the \$42,000 transfer from the Non-Bond Capital Reserve for rate stabilization in FY 2022 was not necessary in FY 2023.
- Rental Revenue includes the pro rata share of 802 N. Kealy annex rental income. Due to the non-renewal of leased office space by a current lessee, total annual rental income is projected to decrease by approximately \$27,000 for FY 2023. On a pro rata basis, this equates to an approximate decrease of \$265 from FY 2022 for the Peninsula Plant.
- Other Revenue includes income from the electric load shedding rebate program through Voltus.

## EXPENSES

### PERSONNEL SERVICES

- The adopted budget includes funding for 3.32 full time equivalent positions.

### ADMINISTRATIVE

- Insurance – Property, General Liability (GL), and Vehicle expense increase is inclusive of a projected 5% rate increase for General Liability insurance and a 15% increase for Vehicle and Property insurance.
- Membership Dues and Subscriptions expense includes annual dues for Peninsula Plant staff in professional organizations consisting of the Texas Water Utilities Association (TWUA), Water Environment Federation (WEF), and Water Environmental Association (WEAT). Additionally, this expense includes the Peninsula Plant's portion of the District's National Association of Clean Water Agencies annual membership cost. This increase reflects higher dues for these organizations, along with additional fees for wastewater operator license renewals and upgrades.
- Conference, Training, and Travel expense includes annual continuing education training for wastewater operators and staff participation in the North Central Texas Council of Governments (NCTCOG) wastewater roundtable. The increase from FY 2022 reflects higher training rates for the upcoming fiscal year and more travel / training opportunities compared to prior years that were limited by the Covid pandemic.

### PROFESSIONAL SERVICES

- Equipment Service expense includes all preventive maintenance agreements for equipment used in operations. Previously, these expenses were included under Other Outside Services.
- Other Outside Services includes services performed by outside organizations to assist or improve management or to provide technical assistance. Funding for FY 2023 includes fees for financial advisory services to Hilltop Securities.

## O&M EXPENSES

- The Botanical account reflects a 10% rate increase from the District's mowing vendor and includes additional funding for landscaping supplies.
- Vehicle expense increase is due to the inception of a lease program for District vehicles. This includes a partial year of costs to lease 5 vehicles used at the Peninsula Plant. Cost of leased vehicles are allocated 26% to the Peninsula Plant and 74% to the Lakeview Plant (same as the Personnel allocation between both Plants for shared staff). This category also includes fuel expense that is projected to further increase for FY 2023 due to rising gas and diesel prices.
- Plant and Equipment Maintenance expense includes all general repairs to pumps, blowers, lift station equipment, etc. Due to the age of the Peninsula facilities, this increase was necessary to help ensure continuing operations.
- The increase in Electricity expense is related to a projected 20% rate increase from Coserv due to increasing natural gas prices, as well as an increase in System participant flows.
- Chemical expense reflects current year trending on a per 1,000-gallon rate, along with the need for a new chemical (Polymer) due to the construction of sludge processing facilities (via the Phase 3 treatment capacity expansion project) that are projected to be available beginning July 2023.
- Tools, Machinery, and Equipment less than \$5,000 includes small motors, pumps, tools, etc., used in operations. These items differ from Administrative type items such as filing cabinets, desks, office chairs, etc., that are shown in the Administrative expense section of this budget.

## INTERFUND TRANSFERS

- Funding for the Non-Bond Capital Reserve is provided for in the volume rate at \$0.01 / 1,000 gallons.
- The transfer to the Vehicle and Equipment Reserve amount is calculated according to the quantity and age of District owned vehicles and equipment. With the inception of a vehicle lease program for District vehicles, this annual contribution was decreased due to no longer owning certain vehicles used in operations. However, the District still owns specialized heavy-duty equipment such as cranes, vacuum trucks, and forklifts that will continue to require annual contributions for their eventual replacement. This amount is funded according to an established replacement schedule.
- The transfer to the Plant Permitting Reserve is to accumulate funds for the next renewal of the Texas Pollutant Elimination System Permit for the Peninsula Plant. Based on the District's Capital Improvement Program budget, the next renewal period is scheduled to begin in FY 2026.
- The transfer to the O&M Reserve is required contribution amount equal to 25% of O&M expenses (less debt service). This reserve is anticipated to be 100% funded at the end of FY 2023.
- Funding for the Capital Replacement Reserve is provided for in the volume rate at \$0.05 / 1,000 gallons (same as FY 2022).

## SHARED DEBT PAYMENTS

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

## MAINTENANCE EXPENSE

- This allocation represents 4% of the adopted Maintenance budget.

## ADMINISTRATION FUND OVERHEAD EXPENSE

- Allocation of Administration Fund expenses to operations.

INFORMATION TECHNOLOGY EXPENSE

- Allocation of Information Technology Fund expenses to operations.

## ACCOMPLISHMENTS FOR FY 2021-2022

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- ✓ Discharge effluent from District water reclamation facilities that meets all regulatory treatment requirements.
  - Lakeview Regional Water Reclamation System
    - *Maintained perfect regulatory compliance for 23 consecutive years and NACWA Platinum Status.*
    - *Maintained 100% survival of all Biomonitoring test species for over 22 years.*
    - *Began design for Plant expansion to 7.5mgd.*
  - Northeast Regional Water Reclamation System – Riverbend Plant
    - *Maintained perfect regulatory compliance for 14 consecutive years and NAWCA Platinum status.*
    - *Maintained 100% survival of all Biomonitoring test species for over 19 years.*
    - *Treated flows from the Doe Branch Plant to assist with Doe Branch construction project.*
  - Northeast Regional Water Reclamation System - Doe Branch Plant
    - *Maintained perfect regulatory compliance for 6 consecutive years and NAWCA Platinum status.*
    - *Phase 2 expansion (2.0 mgd – 4.0 mgd) is complete.*
    - *Experiencing enormous, continued growth in the Doe Branch system.*
    - *Engineering design services for the Phase 3 expansion has begun.*
    - *Continually adapted to increased flows and challenges due to influent quality episodes and construction activities, while maintaining perfect regulatory compliance and NACWA Platinum Status. Continue to assist customers with collection system issues.*
    - *Coordinated with contractors and venders to ensure full functionality and usefulness of all new equipment and control strategies during phase 2 construction project.*
    - *Made operational adjustments to solids processing system that have greatly increased operational and overall solids processing efficiency.*
  - Peninsula Water Reclamation Plant
    - *Maintained perfect regulatory compliance for 18 consecutive years and NACWA Platinum status.*
    - *Construction for Phase 3 expansion (0.94 mgd to 2.0 mgd) is around 50% complete.*
  - *As noted above, all District water reclamation plants received the NACWA Platinum Award, in recognition of five or more years of consecutive perfect compliance with their discharge permits. All plants met discharge permit limits through record-setting spring floods.*
  - *The Riverbend WRF has maintained compliance despite repairs being conducted on the mixer platforms for all three basins. These repairs required frequent basin full-volume transfers, causing destabilization of the process. Additionally, during this time the basin blowers could not be operated automatically. Staff did a great job of keeping the process running smooth while always producing superior effluent.*
  - *Completed voluntary Demand Response Testing at all plants and other facilities, running the plants using emergency generation during load shedding events on multiple occasions in FY22.*

- *Continued the Operations to Maintenance cross-training program for new staff members that has proven to be very beneficial to the Northeast Operations and Maintenance groups.*
- *Continued ongoing management and leadership training opportunities for mid-level management and other employees.*
- *Design for US Highway 380 widening project is continuing. 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 design is underway.*

✓ Maintain all water reclamation facilities to the highest standard of operational efficiency.

- *Continued using the mechanical clarifier cleaning systems at the Lakeview and Doe Branch plants with good results, reducing labor hours, and increasing staff safety.*
- *Continued vendor service to clean out the Riverbend wet well and influent pipeline, the Doe Branch lift station, and select Lakeview system lift stations.*
- *Continued to maintain on-hand spare parts inventory of key operational equipment at all facilities.*
- *Continued to utilize and optimize maintenance management software program to help increase O&M efficiency and CIP planning efficiency.*
- *Completed Riverbend improvement project that included a new maintenance facility, improved roads, new larger alum bulk storage tank/containment pit, and rehabilitation of piping in the original sludge holding tank, providing full two-tank redundancy. The increased sludge storage and operations flexibility allows operation of sludge processing equipment during more favorable electric billing times, reducing electrical costs.*
- *Completed a Lift Station upgrade to the Hickory Creek Lift Station under emergency conditions, to prevent failure at the station to stay in compliance with TCEQ.*
- *GIS program for all District pipelines has been implemented. GPS data points continue to be collected on new pipelines, and during maintenance on existing pipelines and facilities to improve GIS system accuracy.*
- *Implemented an online safety program for all NE WW staff with the goal to eliminate accidents and injuries. The NE WW system is a past winner of the Water Environment Federation George W. Burke Jr. Safety Award for excellence in our ongoing safety program and record. This new program is an enhancement to the safety program, reinforcing an organizational commitment to doing things the safe way, which is not always the easy way.*
- *The District, working with all customer cities, developed and implemented our Emergency Preparedness Plan to ensure facilities are prepared for, and able to maintain operability during, emergency events.*

✓ Maintain facilities with a good neighbor policy.

- *Operations has continued the on-going landscape and maintenance of the property along the Riverbend entry road that borders neighboring Paloma Creek making for a very aesthetically appealing area to visitors and residents.*
- *Continue to ensure that all property owned by the District is well maintained, especially around the Doe Branch, Riverbend, and Peninsula facilities to promote good neighbor relations.*
- *Continue to feed iron salts at Lakeview System pumping stations and hydrogen peroxide at the plant for effective odor control both in the pipeline system and at the Lakeview Plant.*
- *Implemented an odor control system at the Riverbend Plant headworks that has since resulted in zero complaints over the past year. In addition to this, operations also begun directing return*

*sludge into the east plant drain, providing odor abatement in the influent pump station wet-well, bagging grit before disposal and sealed the grit structure to better contain odors.*

✓ Maintain security / safety of systems and resources.

- *Completed a large easement reclamation project on the Doe Branch Phase II Interceptor from Fishtrap Road to the Doe Branch Plant that provides ready access to the pipeline easement for inspection and maintenance. Continued the ongoing pipeline and easement maintenance program to ensure that all District pipelines are now fully accessible.*
- *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 unify the design and function of SCADA for all District plants. Upgrades have been completed at the Taylor, Riverbend, Lakeview, Harpool and Peninsula Plants. Expected completion date for Doe Branch is Fall of 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 other District plants with cameras and / or SCADA monitoring.*
- *Numerous cameras are installed throughout the District to improve site security.*
- *Operations data and records such as meter readings and laboratory test results have been fully migrated over to a SQL server with redundancy. This improves data integrity and security to preserve both historical and current records, while still maintaining a high degree of usability.*
- *Tableau has been implemented as the District operational data visualization and analyzation tool, with outstanding results. Further implementation of its capabilities is expected this year.*
- *Data Management User-Interface (UI) project is underway to aid in the ease and accuracy of the data capturing process.*

## NON-POTABLE WATER SYSTEM

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

### MISSION

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

### GOALS AND OBJECTIVES

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

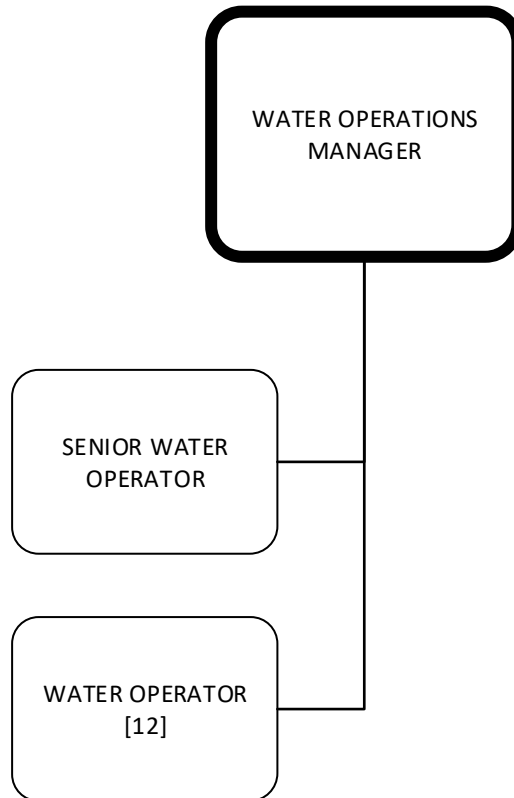
## PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2021 Actuals	FY 2022 Estimates	FY 2023 Target
Availability of effluent for irrigation	Percent of time requested effluent is delivered.	99%	100%	100%
Effluent monitoring program	Meet or exceed all applicable federal, state, and local effluent regulations.	100%	100%	100%
Meter Accuracy	Yearly pass of meter calibration checks for accuracy.	97%	100%	100%



## PERSONNEL SUMMARY / ORGANIZATIONAL CHART

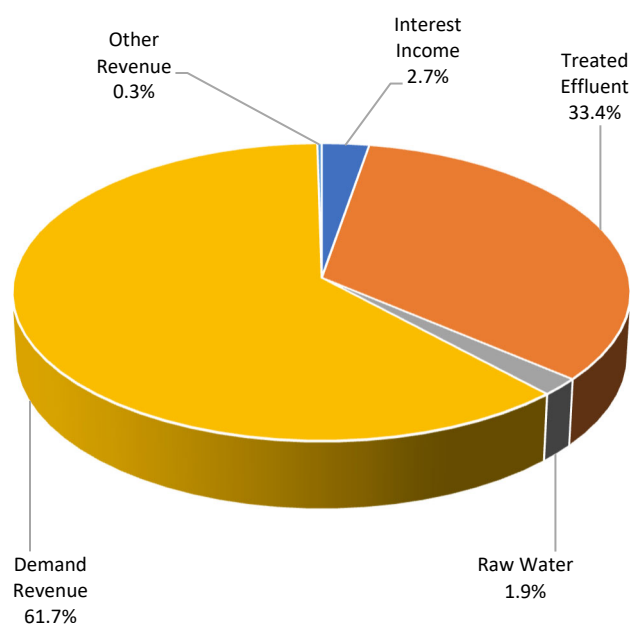
Positions	FY 2021 Actuals	FY 2022 Budget	FY 2022 Revised	FY 2023 Budget
Water Operations Manager	.01	.01	.01	.01
Senior Water Operator	.01	.01	.01	.01
Water Operator III	.08	.08	.08	.07
Water Operator II	.04	.04	.04	.04
Water Operator I	0	0	0	.01
<b>Total FTEs</b>	<b>.14</b>	<b>.14</b>	<b>.14</b>	<b>.14</b>



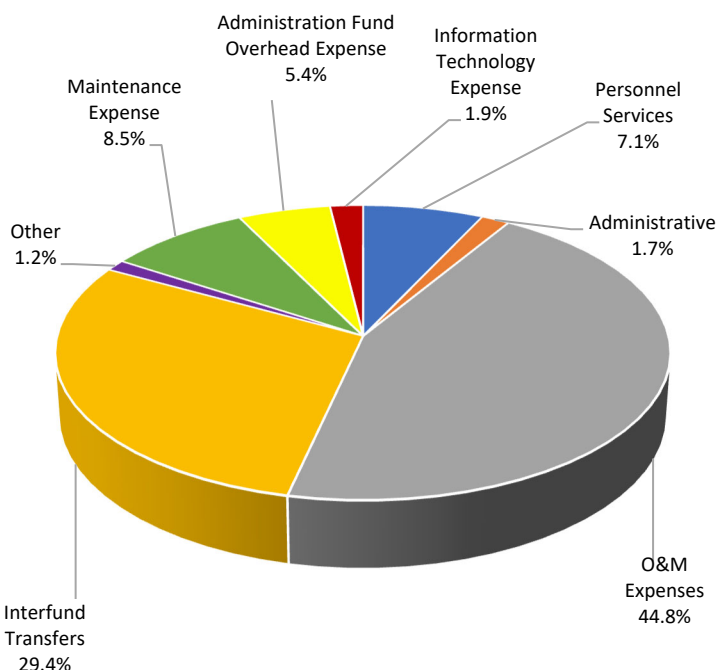
## BUDGET SUMMARY

	FY 2021 Actuals	FY 2022 Adopted	FY 2022 Estimates	FY 2023 Adopted
<b>Beginning Balance</b>	\$ 39,080	\$ 47,365	\$ 46,949	\$ 56,784
<b>Operating Revenue</b>				
Interest Income	\$ 499	\$ 585	\$ 2,485	\$ 5,500
Treated Effluent Volume Revenue	33,420	39,200	67,620	67,820
Raw Water Volume Revenue	-	3,780	3,920	3,920
Demand Revenue	125,000	125,000	125,000	125,000
Interfund Transfers	-	-	31,300	-
Other Revenue	15,923	650	660	515
<b>Total Operating Revenue</b>	<b>\$ 174,842</b>	<b>\$ 169,215</b>	<b>\$ 230,985</b>	<b>\$ 202,755</b>
<b>Operating Expense</b>				
Personnel Services	\$ 10,949	\$ 12,500	\$ 10,280	\$ 13,140
Administrative	2,626	2,850	2,705	3,100
Professional Services	-	500	1,500	500
O&M Expenses	42,815	53,615	103,545	83,260
Interfund Transfers	86,216	54,725	75,265	54,725
Shared Debt Payments	1,842	1,845	1,845	1,845
Maintenance Expense	19,360	13,525	11,930	15,760
Administration Fund Overhead Expense	2,477	8,875	10,550	10,055
Information Technology Expense	688	2,590	3,530	3,590
<b>Total Operating Expense</b>	<b>\$ 166,973</b>	<b>\$ 151,025</b>	<b>\$ 221,150</b>	<b>\$ 185,975</b>
<b>Ending Balance</b>	<b>\$ 46,949</b>	<b>\$ 65,555</b>	<b>\$ 56,784</b>	<b>\$ 73,564</b>

### Operating Revenues



### Operating Expenditures



## SUMMARY OF MAJOR CHANGES

### PROJECTED FLOWS

Type	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
Treated Effluent	0.2192 mgd	0.3781 mgd	0.3643 mgd
Raw Water	0.0096 mgd	0.0096 mgd	0.0096 mgd

### RATE STRUCTURE

	FY 2022 Budget	FY 2023 Budget
Treated Effluent Rate	\$0.49 / 1,000 gallons	\$0.51 / 1,000 gallons
Raw Water Rate	\$1.08 / 1,000 gallons	\$1.12 / 1,000 gallons
Demand Charge	\$125,000	\$125,000

### REVENUE

- Interest Income is representative of current market conditions.
- Total Treated Effluent volume revenue reflects the projected flows at the adopted rate.
- Total Raw Water volume revenue reflects the projected flows at the adopted rate.
- Demand revenue reflects an annual charge of \$125,000.
- Rental Revenue consists of a pro-rata share of rental income from 802 N. Kealy. Due to the non-renewal of leased office space by a current lessee, total annual rental income is projected to decrease by approximately \$27,000 for FY 2023. On a pro rata basis, this equates to an approximate \$135 decrease from FY 2022 for the Non-Potable Water System.

### 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

- Botanical expense includes the cost of brush and tree removal services around System infrastructure (pipelines and structures).
- Tools, Machinery, and Equipment less than \$5,000 includes funding for small pumps, equipment, tools, etc., used in operations.
- Treated Effluent Water cost reflects a 2.6% rate increase from FY 2022 by Dallas Water Utilities, along with a higher quantity required for projected sales.
- Raw Water cost reflects a 2.7% rate increase from FY 2022 by Dallas Water Utilities.
- Electricity expense includes a 4.0% rate increase due to the inclusion of a \$0.0015 / kwh line charge from Oncor. This additional charge, in addition to a projected 66.2% increase in treated effluent flows from FY 2022, yields a combined 23.0% increase for FY 2023 electricity expense.

#### 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 at 802 N. Kealy Street.

#### MAINTENANCE EXPENSE

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

#### ADMINISTRATION FUND OVERHEAD EXPENSE

- Allocation of Administration Fund expenses to operations.

#### INFORMATION TECHNOLOGY EXPENSE

- Allocation of Information Technology Fund expenses to operations.

## ACCOMPLISHMENTS FOR FY 2021-2022

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- ✓ As per our contract with Denton County Fresh Water Supply District #1A which was annexed by the City of Lewisville in March 2022 supply non-potable water for golf course irrigation and maintained recreational pond by utilizing treated effluent that was provided from the City of Lewisville wastewater treatment plant and pumped to the Castle Hill golf course in Carrollton for irrigation. Raw water is provided from Lewisville Lake to Lake Avalon when requested.
  - *151,317,000 gallons of effluent provided for golf course irrigation.*

## MAINTENANCE

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

### MISSION

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

### GOALS AND OBJECTIVES

- Maintain all District assets in a high-quality manner to achieve maximum useful life expectancy.
  - Maintain facilities, equipment, and other machinery, in the manner 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 always safety conscious, read and understand the District's health and safety manual.
  - Identify safety hazards before each task is performed.
  - Watch out for yourself and fellow co-workers.
- Ensure everything is tested and in compliance annually for each facility so that all documentation is in place for TCEQ inspections.

## PERFORMANCE MEASUREMENTS

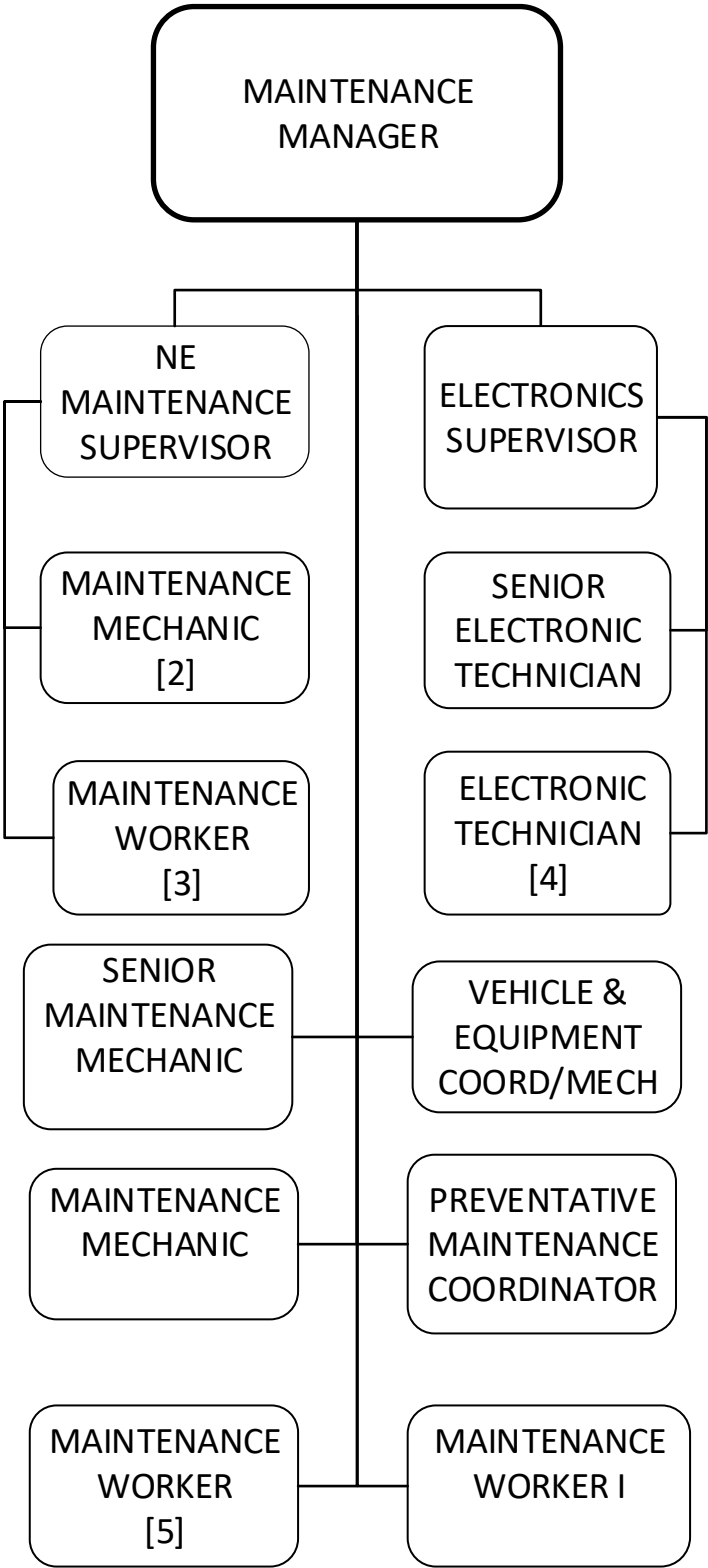
Work Element	Measure	FY 2021 Actuals	FY 2022 Estimates	FY 2023 Target
Reduce response time on Preventative (PM), Scheduled (SM) & Landscape (LM) Maintenance Work Orders	Complete PMs within 5 working days	95%	100%	100%
Reduce response time on Corrective Maintenance (CM) Work Orders	Complete CMs within 5 working days	95%	100%	100%
Emergency Response	Response and repair time less than 24 hours	95%	100%	100%
Special Projects	Total # of special projects each FY completed on time	93%	100%	100%
Funding	Total # of special projects each FY completed within budget	100%	100%	100%
Safety	12 safety training hours / employee / year	80%	100%	100%
Staffing	% of time at full staff	99%	100%	100%
Annual review of required Maintenance staffing based on projected growth <b>(from Annual Work Plan – Organizational)</b>	Number of new positions added to the Maintenance Department	3	1	2
Prioritizing Maintenance activities <b>(from Annual Work Plan – Functional)</b>	Use of Condition Assessment to prioritize Maintenance activities for District facilities	On-Going	On-Going	On-Going

## PERSONNEL SUMMARY

Positions	FY 2021 Actuals	FY 2022 Budget	FY 2022 Revised	FY 2023 Budget
Maintenance Manager	1	1	1	1
Northeast Maintenance Supervisor	0	1	1	1
Preventative Maintenance Coordinator	1	1	1	1
Vehicle & Equipment Coordinator / Mechanic	1	1	1	1
Senior Electronic Technician	1	1	1	1
Electronics Supervisor	0	0	0	1
Electronic Technician II	1	1	1	2
Electronic Technician I	3	3	3	2
Senior Maintenance Mechanic	2	2	2	1
Maintenance Mechanic	3	4	4	3
Maintenance Worker II	3	2	2	4
Maintenance Worker I	4	4	4	4
Landscape Assistant (Temporary)	1	1	1	0
Process Controls Analyst	1	1	1	0
GIS Analyst	.45	.45	.45	.90
Maintenance Worker I	0	0	0	1
<b>Total FTEs</b>	<b>22.45</b>	<b>23.45</b>	<b>23.45</b>	<b>23.90</b>



ORGANIZATIONAL CHART

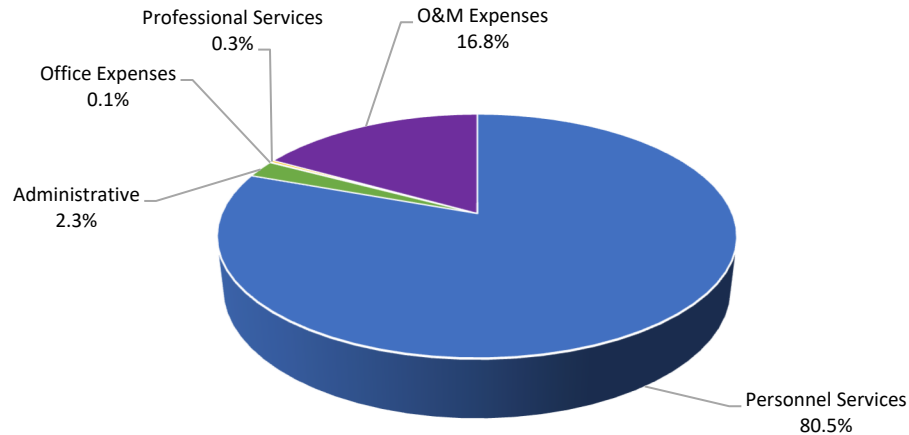


## BUDGET SUMMARY

	FY 2021 Actuals	FY 2022 Adopted	FY 2022 Estimates	FY 2023 Adopted
<b>Beginning Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Operating Expense</b>				
Personnel Services	\$ 1,779,129	\$ 2,317,220	\$ 2,029,390	\$ 2,537,880
Administrative	46,379	61,215	64,925	71,515
Office Expenses	5,298	3,000	2,575	2,900
Professional Services	2,402	8,500	14,855	8,500
O&M Expenses	102,800	314,700	274,235	531,515
<b>Total Operating Expense</b>	<b>\$ 1,936,008</b>	<b>\$ 2,704,635</b>	<b>\$ 2,385,980</b>	<b>\$ 3,152,310</b>
Allocation Transfer to Operating	(1,936,008)	(2,704,635)	(2,385,980)	(3,152,310)
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* 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 23.90 full-time equivalent positions including one new position (Maintenance Worker).

#### ADMINISTRATIVE

- Membership Dues and Subscriptions expense includes annual dues for Maintenance staff in professional organizations consisting of the Texas Water Utilities Association (TWUA), Texas Commission on Environmental Quality (TCEQ), American Water Works Association (AWWA), and the Water Environment Association of Texas (WEAT).
- Conference, Training, and Travel expense includes annual continuing education training for Maintenance staff. This expense category also includes participation at the Texas Water and Membrane Users conferences in FY 2023. The increase from FY 2022 is due to the District needing to provide commercial driver training to two staff members (\$5,000 per employee).
- Equipment and Furniture less than \$5,000 (Non-capitalized assets) includes administrative items such as desks, office chairs, and appliances for breakrooms with a cost of less than \$5,000. The decrease in this expense category is due to separating administrative type items from those purchased for the Plant and associated operations (included under Tools, Machinery, and Equipment less than \$5,000).

#### O&M EXPENSES

- Vehicle expense increase is due to the inception of a lease program for District vehicles. This includes a partial year of costs to lease 13 vehicles used in the Maintenance Division.
- Utilities includes water, gas, trash, and recycling services and reflects a projected increase in rates for these services from FY 2022.
- Tools, Machinery, and Equipment less than \$5,000 includes small motors, pumps, tools, etc. used in operations. These items differ from Administrative type items such as filing cabinets, desks, officer chairs, etc. that are shown in the Administrative expense section of this budget.
- The Furniture and Equipment greater than \$5,000 account includes the purchase of a new Crane Truck (\$220,000) for the new Northeast service area Maintenance facility. All District Systems will utilize funds transferred from the Vehicle and Equipment Replacement Reserve to offset this cost.

	RTWS	LRWRS	NERWRS	PWRP	NPWS	ADMIN	TOTAL
Allocation %	50.50%	13.00%	29.00%	4.00%	0.50%	3.00%	100%
FY 23	\$1,591,915	\$409,800	\$914,171	\$126,095	\$15,760	\$94,570	\$3,152,311

#### TRANSFER OUT

- Total operating expenses for the Maintenance budget are allocated to the following projects: Regional Treated Water System (50.5%), Lakeview Regional Water Reclamation System (13.0%), Northeast Regional Water Reclamation System (29.0%), Peninsula Water Reclamation Plant (4.0%), Non-Potable Water System (0.5%), and Administration (3.0%). This allocation is based on the updated methodology of work order distribution.

## ACCOMPLISHMENTS FOR FY 2021-2022

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- ✓ 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 Parking Lot striping.*
    - *Entered into Fleet Rental contract with Enterprise.*
    - *Tree Removal Annex deck.*
  - *Thomas E. Taylor Regional Treated Water System*
    - *Worked with Smith Pump on High Service Pump #7 de-stage.*
    - *Rebuilt High Service Pump #3 with Smith Pump.*
    - *Rebuilt High Service Pump #5 with Odessa Pumps.*
    - *Rebuilt In-line Pump #2 with Smith Pump*
    - *Installed Portable Emergency A/C for Large MCC Building.*
    - *Emergency Repair of 16" Water Leak at Stone Hill.*
    - *Repaired 24" Water Leak at Lantana.*
    - *Stone Hill Pump #3 & #4 Bearing Failures*
  - *Lakeview Water Reclamation System*
    - *Replaced 20' of 12" failed Air Piping.*
    - *Emergency Repair Highland Village Pig Vault leak.*
  - *Harpool Regional Water System*
    - *Installed new chlorine line to Junction Structure.*
    - *Rebuilt Plant Water Pump #2*
  - *Northeast Regional Water Reclamation System*
    - *Archer Western completed repairing Mixer Stands at Riverbend.*
    - *Maintenance painted plant piping at Riverbend saving the District roughly \$70,000 per the received bid to complete this task.*
- ✓ Maintain all apparatuses and exceed the life expectancy of all equipment and facilities.
- ✓ Maintain all District assets with the expectations of exceeding their life expectancy.

## REGIONAL TREATED WATER SYSTEM

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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.

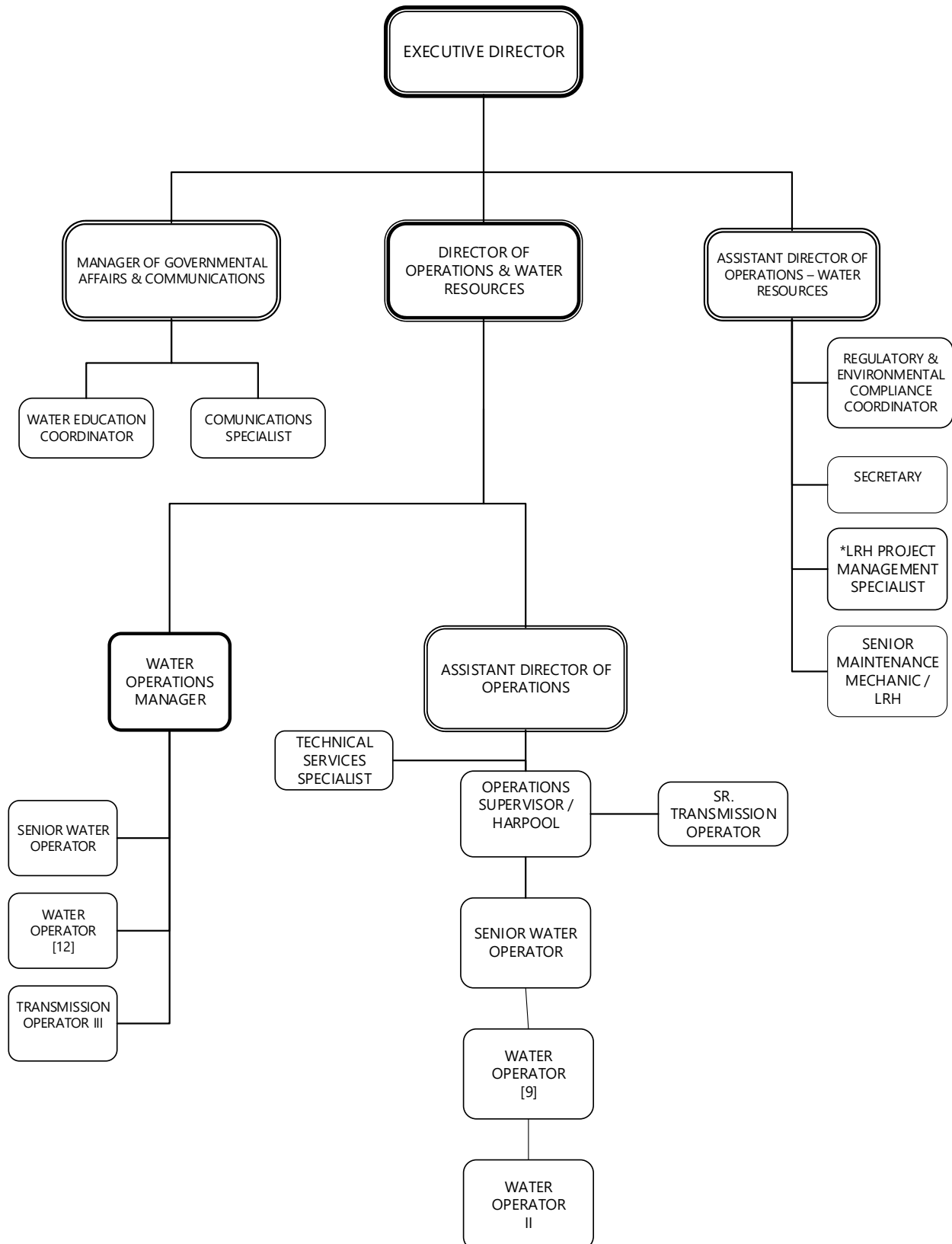
## PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2021 Actuals	FY 2022 Estimates	FY 2023 Target
Meet or Exceed all State and Federal rules and regulations	Percentage of time the treatment system in compliance % Time System Compliance = $[1 - (\text{non-compliant samples or readings} / \text{total samples or readings})] \times 100$	100%	100%	100%
Disruption in service, plant shutdowns due to non-construction related activity	Percentage of time the treatment system was on-line % Time on-line = $[1 - (\text{\#days offline} / 365)] \times 100$	>99%	>99%	>99%
Meter Accuracy	Yearly meter calibration checks inaccuracy % Meter accuracy = $[1 - (\text{inaccurate meters} / \text{total meters})] \times 100$	>97%	>97%	>97%
Billed flow accuracy	Billing adjustments as a result of meter inaccuracy. Accuracy = $[1 - (\text{\# total flow adjust} / \text{\# total flows billed})] \times 100$	>99%	>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	100%	100%	100%
Minimize taste or odor complaint episodes	Establish baseline trends; then target reductions	0 Taylor 0 Harpool	0 Taylor 0 Harpool	0 Taylor 0 Harpool
Minimize unaccounted water loss	Unaccounted for water, annual average UFW = $\text{billed} + \text{accounted flows} / \text{raw water flow}$	<5%	<5%	<5%
Dual Certified Operators	Number of Operators with both Water and Wastewater certification	>75%	>75%	>50%
Maintain Qualified / Trained Staff	Percentage of positions filled $[1 - (\text{vacancies} / \text{filled})] \times 100$	>90%	>90%	>90%
Taylor RWTP Recovery Pond Dredging Project (from the Annual Work Plan – Functional)	% completion of the Taylor Regional Water Treatment Plant raw water holding pond dredging project by Operations staff	48%	100%	N/A
Harpool RWTP Recovery Pond Dredging Project (from the Annual Work Plan – Functional)	% completion of the Harpool Regional Water Treatment Plant raw water holding pond dredging project by Operations staff	N/A	3%	100%

## 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	.50
Water Education Coordinator	.80	.80	.80	.80
Manager of Water Resources Program	.15	.10	.10	0
Assistant Director of Water Resources	0	0	0	.10
Water Resource Specialist	.10	.05	.05	0
Director of Operations and Water Resources	.50	.50	.50	.50
Assistant Director of Operations	.50	.45	.45	.45
Technical Services Specialist	.45	.45	.45	.45
Electrical Engineer	.35	.35	.35	.35
Water Operations Manager	.99	.99	.99	.99
Operations Supervisor	.30	1.05	1.05	1
Senior Water Operator	1.99	1.99	1.99	1.99
Water Operator III	11.92	10.92	10.92	9.93
Water Operator II	5.96	6.86	6.86	7.96
Water Operator I	2	3	3	2.99
Water Operator II / Clerk	.60	0	0	0
Transmission Operator	2.50	1	1	0
Transmission Operator II	0	.50	.50	.50
Transmission Operator III	0	1	1	1
Senior Transmission Operator	0	0	0	1
Regulatory and Environmental Compliance Coordinator	0	0	0	.05
Communications Specialist	0	0	0	.80
Water Operator II	0	0	0	1
<b>Total FTEs</b>	<b>30.01</b>	<b>30.91</b>	<b>30.91</b>	<b>32.61</b>

## ORGANIZATIONAL CHART

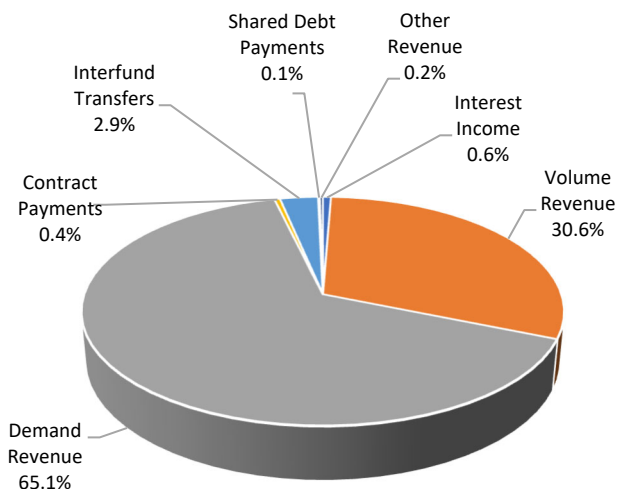




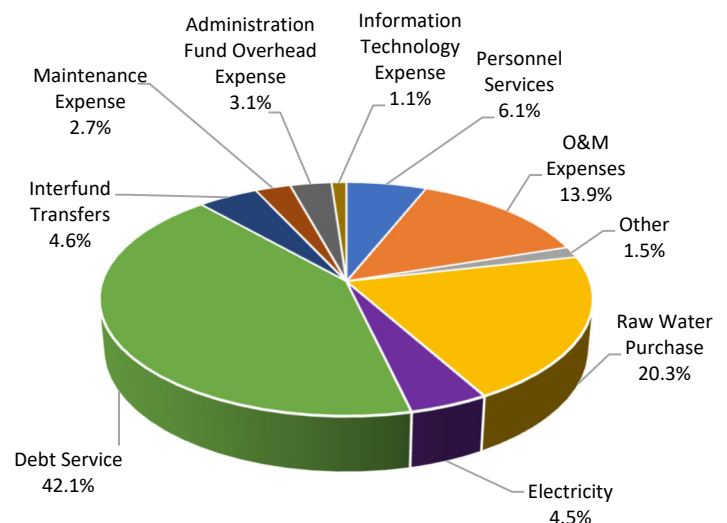
## BUDGET SUMMARY

	FY 2021 Actuals	FY 2022 Adopted	FY 2022 Estimates	FY 2023 Adopted
<b>Beginning Balance</b>	<b>\$ 13,331,297</b>	<b>\$ 13,668,922</b>	<b>\$ 15,991,033</b>	<b>\$ 14,234,068</b>
<b>Operating Revenue</b>				
Interest Income	\$ 35,939	\$ 41,270	\$ 232,975	\$ 400,000
Volume Revenue	14,598,766	16,112,825	18,864,980	19,533,475
Demand Revenue	36,151,046	38,097,310	39,005,720	41,619,280
Contract Payments	408,491	267,645	280,400	269,810
Interfund Transfers	1,628,391	870,610	903,390	1,881,300
Shared Debt Payments	82,730	82,730	82,730	82,730
Other Revenue	831,916	188,795	223,005	151,385
<b>Total Operating Revenue</b>	<b>\$ 53,737,279</b>	<b>\$ 55,661,185</b>	<b>\$ 59,593,200</b>	<b>\$ 63,937,980</b>
<b>Operating Expense</b>				
Personnel Services	\$ 3,410,106	\$ 3,402,385	\$ 3,349,655	\$ 3,603,370
Administrative	504,273	552,770	557,385	609,785
Office Expenses	12,550	13,150	11,000	13,250
Professional Services	1,141,897	1,320,900	905,980	291,310
O&M Expenses	4,219,964	4,682,650	6,534,380	8,229,555
Chapman Raw Water Purchase	2,439,176	2,432,375	2,510,120	2,496,485
Dallas/Denton Raw Water Purchase	4,069,193	8,445,005	8,525,880	9,560,620
Electricity	1,971,225	2,144,325	2,668,300	2,675,420
Debt Service	21,450,092	21,564,240	21,039,545	24,972,450
Interfund Transfers	10,132,124	3,164,575	11,797,140	2,716,695
Maintenance Expense	1,026,084	1,406,410	1,240,710	1,591,915
Administration Fund Overhead Expense	542,379	1,723,965	1,655,875	1,867,500
Information Technology Expense	158,480	502,880	554,195	666,820
Adjustment for Accrued Expenditures				
<b>Total Operating Expense</b>	<b>\$ 51,077,543</b>	<b>\$ 51,355,630</b>	<b>\$ 61,350,165</b>	<b>\$ 59,295,175</b>
<b>Ending Balance</b>	<b>\$ 15,991,033</b>	<b>\$ 17,974,477</b>	<b>\$ 14,234,068</b>	<b>\$ 18,876,873</b>

### Operating Revenues



### Operating Expenditures



## SUMMARY OF MAJOR CHANGES

### SUBSCRIBED CAPACITIES

Entity	FY 2022 Budget	FY 2023 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	6.00 mgd	7.20 mgd
Corinth	7.50 mgd	7.50 mgd
DCFWSO #1A (Acquired by Lewisville)	3.00 mgd	0.00 mgd
DCFWSO #7	4.00 mgd	4.00 mgd
DCFWSO #8A	1.87 mgd	1.87 mgd
DCFWSO #10 (name changed to Elm)	1.10 mgd	0.00 mgd
DCFWSO #11A	3.30 mgd	3.30 mgd
Elm Ridge WCID (formerly DCFWSO)	0.00 mgd	1.02 mgd
Flower Mound	30.00 mgd	30.00 mgd
Highland Village	3.00 mgd	3.00 mgd
Justin	1.25 mgd	1.45 mgd
Krum	0.40 mgd	0.40 mgd
Lake Cities MUA	3.90 mgd	3.80 mgd
Lewisville (Acquired DCFWSO #1A)	0.00 mgd	4.00 mgd
Mustang SUD	5.80 mgd	7.80 mgd
Northlake	3.80 mgd	5.80 mgd
Providence Village	2.40 mgd	2.40 mgd
Sanger	0.50 mgd	0.50 mgd
<b>Total</b>	<b>82.42 mgd</b>	<b>88.64 mgd</b>

## PROJECTED FLOWS

Entity	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
Argyle WSC	1.2000 mgd	1.3777 mgd	1.3000 mgd
Aubrey	0.0000 mgd	0.0000 mgd	0.0000 mgd
Celina	3.0000 mgd	4.1211 mgd	3.9880 mgd
Corinth	3.0000 mgd	3.1901 mgd	3.0000 mgd
Cross Timbers WSC	0.6000 mgd	0.8966 mgd	0.6000 mgd
DCFWSO #1A	1.6000 mgd	0.5416 mgd	0.0000 mgd
DCFWSO #7	2.0000 mgd	2.1039 mgd	2.0000 mgd
DCFWSO #8A	0.2900 mgd	0.2871 mgd	0.2900 mgd
DCFWSO #10	0.5000 mgd	0.2434 mgd	0.0000 mgd
DCFWSO #11A	1.3000 mgd	1.3795 mgd	1.3000 mgd
Elm Ridge WCID	0.0000 mgd	0.3064 mgd	0.5100 mgd
Flower Mound	9.6000 mgd	11.1751 mgd	9.8000 mgd
Highland Village	2.3000 mgd	2.3208 mgd	2.3000 mgd
Justin	0.6800 mgd	0.8226 mgd	0.7000 mgd
Krum	0.1000 mgd	0.1260 mgd	0.1000 mgd
Lake Cities MUA	1.7000 mgd	1.8763 mgd	1.8000 mgd
Lewisville (Acq'd #1A)	0.0000 mgd	1.2270 mgd	1.6000 mgd
Mustang SUD	4.6000 mgd	5.7170 mgd	5.5000 mgd
Northlake	1.4000 mgd	2.0951 mgd	2.0000 mgd
Providence Village	0.7500 mgd	0.7256 mgd	0.7500 mgd
Sanger	0.1800 mgd	0.2308 mgd	0.2000 mgd
<b>Total</b>	<b>34.8000 mgd</b>	<b>40.7637 mgd</b>	<b>37.7380 mgd</b>

## RATE STRUCTURE

	FY 2022 Budget	FY 2023 Budget
Volume Rate – Members	\$1.25 / 1,000 gallons	\$1.40 / 1,000 gallons
Volume Rate – Customers	\$1.34 / 1,000 gallons	\$1.50 / 1,000 gallons
Flat Rate/Temporary Service	\$4.92 / 1,000 gallons	\$5.15 / 1,000 gallons
Demand Rate	\$465,055 / mgd	\$472,195 / mgd

## REVENUE

- Interest Income is representative of current market conditions.
- Total volume revenue reflects the projected flows at the adopted rates.
- The demand revenue reflects the current and anticipated increases in subscriptions at the adopted charge.
- The contract payment (P&I) from Mustang SUD is for a joint capital project with the District. Argyle WSC completed their payments to the District as of November 2021.
- Interfund transfers include funds from the Vehicle and Equipment Replacement Reserve (\$115,500) for the Regional Treated Water System's allocated share of a new Crane Truck for the Maintenance Division, Raw Water Holding Pond Dredging Reserve (\$1,600,000) to complete dredging of the Harpool Plant raw water storage pond of silt to increase its holding capacity, 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 (\$1,800) 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.
- Other Revenue generally consists of income from the electric load shedding rebate program through Voltus and from items auctioned throughout the fiscal year.
- Rental Revenue includes the pro rata share of 802 N. Kealy annex rental income. Due to the non-renewal of leased office space by a current lessee, total annual rental income is projected to decrease by approximately \$27,000 for FY 2023. On a pro rata basis, this equates to an approximate \$22,410 decrease from FY 2022 for the Regional Treated Water System. This revenue category also includes income received for rental of District owned properties around the Lake Ralph Hall site and this amount reflects a decrease due to some properties no longer having renters living on these purchased properties.
- 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).

## EXPENSES

### PERSONNEL SERVICES

- The adopted budget includes funding for 32.61 full-time equivalent positions, including a new water operator position at the Harpool Plant.

### ADMINISTRATIVE

- Insurance – Property, General Liability (GL), and Vehicle expense increase is inclusive of a projected 5% rate increase for General Liability and a 15% increase for Vehicle and Property insurance.
- Membership Dues and Subscriptions expense includes annual dues for Regional Treated Water System staff in professional organizations consisting of American Water Works Association (AWWA), Texas Water Utilities Association (TWUA), Water Environmental Federation (WEF), and Water Environmental Association of Texas (WEAT). Additionally, this expense includes fees to renew annual water operator licenses as required by the Texas Commission on Environmental Quality (TCEQ).
- Conference, Training, and Travel expense includes annual continuing education training for water operators. This increase reflects higher training rates for the upcoming fiscal year and more travel / training opportunities compared to prior years that were limited by the Covid pandemic

### PROFESSIONAL SERVICES

- The reduction to Engineering expense is due to completing a power study and engineering services associated with planning for the next raw water holding pond dredging project (Harpool Plant) under the Other Outside Services expense category in FY 2022.
- Equipment Service expense includes all preventive maintenance agreements for equipment used in operations. The decrease from FY 2022 is due to transferring the budget amount for a pump repair to the Plant and Equipment Maintenance expense category.
- Other Outside Services expense includes services performed by outside organizations to assist or improve management or to provide technical assistance. Funding for FY 2023 includes fees for financial advisory services to Hilltop Securities, funding to complete annual dive inspections of treated water holding tanks, and costs associated with data management support services.
- Other Outside Services – Pond Sludge Removal expense decreased due to completing the dredging project at the Taylor Plant raw water holding pond in FY 2022. Additionally, the expense related to the upcoming (FY 2023) Harpool Plant pond dredging project is now budgeted under Plant and Equipment Maintenance – Harpool Pond Dredging.

### O&M EXPENSES

- Plant Supplies includes Janitorial and Cleaning Services, Staff uniforms, Personal Safety and Medical / First Aid supplies, and other miscellaneous supplies used by Staff around the Plant.
- The Botanical account reflects a 10% rate increase from the District's mowing vendor and includes additional funding for brush and tree clearing services along fence lines, pipelines, easements, and Plant facilities.
- Vehicle expense increase is due to the inception of a lease program for District vehicles. This includes a partial year of costs to lease 11 vehicles used in the Regional Treated Water System's operations. This category also includes fuel expense that is projected to further increase for FY 2023 due to rising gas and diesel prices.

- Plant and Equipment Maintenance expense includes costs to complete general maintenance and repairs on various pumps, motors, electrical and HVAC equipment, etc. at the Taylor and Harpool Plants. The increase in maintenance expense is due to the age and condition of the Plant facilities
- Plant and Equipment Maintenance – (Harpool Pond Dredging) expense (\$1.6 million) includes costs for the removal of accumulated silt that has reduced its storage capacity and is funded 100% from the Raw Water Holding Pond Dredging Reserve.
- Pipeline Maintenance expense is reduced for FY 2023 due to completing most of the Smart-ball testing and pipeline leak repairs in FY 2022. However, funding of \$150,000 is provided to complete identified needs for Smart-ball testing and pipeline repairs to water pipelines in FY 2023.
- The reduction in Permits, Licenses, and Fees expense is based on a scheduled yearly reduction for the Lake Ralph Hall permit.
- Raw water purchases reflect a 2.66% increase in the price of raw water from Dallas Water Utilities. Assumptions for raw water sources include a total of 39.32 MGD from the following sources:
  - Dallas water – 20.07 MGD
  - Denton water – 5.47 MGD
  - Chapman Lake – 9.50 MGD
  - Reuse - 4.28 MGD
- With an increase in the reuse water source and an increased CPI factor of 10.1%, the pass-thru cost for due to the City of Denton reflects an increase.
- Electricity expense is increased due to a projected 20% 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.
- Due to petroleum price increases and supply chain disruptions, Chemical expense reflects a 79% cost increase for FY 2023. After having experienced double-digit price increases from the District's chemical vendors during FY 2022, raw water chemicals were re-bid in June 2022 with the FY 2023 budget reflecting the total projected cost of \$3.3 million (an increase of approximately \$1.5 million from the FY 2022 Adopted budget). In addition, increased sales projections for FY 2023 have also increased total quantities of chemicals used in the treatment process.
- Requests for Furniture and Equipment greater than \$5,000 include:

**Taylor Plant**

- Replacement of two Chemical Dosing Pumps - \$18,000
- Replacement of an Electric Valve Opener - \$9,000
- Additional Funds to complete Rehabilitation of Lab and Restroom - \$15,000
- Rehabilitation of High Service Pump #6 - \$275,000
- Rehabilitation of High Service Pump #4 - \$60,000
- Purchase of a new Utility Vehicle - \$13,000
- Replacement of the Justin Pipeline Valve - \$50,000

**Harpool Plant**

- Replacement of five Clean-in-Place (CIP) Chemical Pumps - \$90,000
- Purchase of an On-Line Monochloramine Analyzer - \$22,000
- Replacement of four Recycle Pump Flow Control Valves and two Check Valves - \$20,000
- Purchase of two On-Line Color Analyzers - \$20,000
- Purchase of a new Batwing Mower - \$20,000

- Debt Service includes an increased payment totaling \$296,500 for deferred interest related to the 2015 (\$93,855) and 2019 (\$202,645) TWDB Board Participation issues. Additionally, Revenue Bond debt service is projected to increase by approximately \$1.3 million for the Series 2022 issue to refund \$22.5 million of outstanding Commercial Paper. Due to rising interest rates already incurred in FY 2022, interest costs for the variable rate financing program is projected to increase by approximately \$1.7 million to \$2.5 million for FY 2023, along with the need to issue additional variable rate debt for on-going capital improvement projects.

#### INTERFUND TRANSFERS

- The transfer to the O&M Reserve Fund is a required contribution amount equal to 25% of O&M expenses (less debt service). This reserve is anticipated to be 100% funded at the end of FY 2023.
- Funding for the Capital Replacement Reserve is provided for in the volume rate at \$0.11 / 1,000 gallons, same as FY 2022.
- Transfer to the Vehicle and Equipment Replacement Reserve Fund amount is calculated according to the quantity and age of District owned vehicles and equipment. With the inception of a vehicle lease program for District vehicles, this annual contribution was decreased due to no longer owning certain vehicles used in operations. However, the District still owns specialized heavy-duty equipment such as cranes, vacuum trucks, and forklifts that will continue to require annual contributions for their eventual replacement. This amount is funded according to an established replacement schedule.
- 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 2023. The FY 2022 contribution reflects a deposit of \$2.7 million from excess working capital (generated from FY 2021 operations) through a mid-year budget adjustment.
- Funding for the Raw Water Holding Pond Dredging Reserve is at \$0.0075 / 1,000 gallons, and is a new reserve established to accumulate funds for future raw water holding pond dredging activities at the Taylor and Harpool Regional Treated Water Plants.
- Funding for the Water Conservation Program is at \$0.02 / 1,000 gallons, a \$0.005 increase from FY 2022.
- Funding for the Watershed Protection Program is at \$0.02 / 1,000 gallons, a \$0.005 increase from FY 2022.
- Funding for the Future Water Program is at \$0.02 / 1,000 gallons, same as FY 2022.
- There is no contribution from rates to the Non-Bond Capital Reserve Fund in FY 2023. The FY 2022 contribution reflects a deposit of \$3.0 million of excess working capital (generated from FY 2021 operations) through a mid-year budget adjustment. The FY 2023 contribution amount includes \$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 and shared debt service payments from the Administration Fund (\$8,160), Lakeview Regional Water Reclamation System (\$7,415), Non-Potable Water System (\$745), Northeast Regional Water Reclamation System (\$5,930), and Peninsula Water Reclamation Plant (\$1,480) for funding the purchase of the 802 N. Kealy Street (Annex) building.

#### MAINTENANCE EXPENSE

- This allocation represents 50.5% of the adopted Maintenance budget.

**ADMINISTRATION FUND OVERHEAD EXPENSE**

- Allocation of Administration Fund expenses to operations.

**INFORMATION TECHNOLOGY**

- Allocation of Information Technology Fund expenses to operations.



## ACCOMPLISHMENTS FOR FY 2021-2022

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- ✓ Provide all District customers with dependable, high-quality water.
- *The District's Operations staff employ technologies and monitoring programs to ensure the finished water is safe and healthy. Daily, monthly, and semi-annual testing confirms that the water meets and exceeds the high standards of drinking water required by EPA and TCEQ regulations.*
  - *Taylor and Harpool Plants follow TCEQ approved monitoring plans. These plans ensure that all required testing is conducted and provides transparency of means and methods for meeting or exceeding all standards and regulations.*
  - *Updated Revised Total Coliform Rule site sampling plan to confirm TCEQ guidelines are met.*
  - *Continually confirm that laboratory testing, both in-house and contracted, follow EPA or TCEQ required testing guidelines and methods.*
  - *Both Harpool and Taylor Plant passed TCEQ inspections with no violations. Taylor Plant hosted an EPA Inspector Training Event and passed the EPA inspection performed during the training.*
  - *Maintained compliance and performance during challenging events such as construction shutdowns, plant improvements, and record high demand on the water system.*
  - *Construction of the Leon Hurse Dam for Lake Ralph Hall has commenced, with expected completion by 2025. Design of the associated raw water pump station is nearing completion.*
  - *The District continues to coordinate and provide data to assist the Region C Water Planning Group in its preparation of future Region C Water Plans.*
  - *The District continues to monitor three water rights permit applications (Kiamichi River, Muddy Boggy Creek, and Lake Texoma) filed with the Oklahoma Water Resources Board (OWRB) seeking a total of 115,000 acre-feet/year of raw water from any combination of these sources.*
  - *Upgraded Stonehill Pump Station with new SEL Motor Protection Relays to improve pump monitoring capabilities and added the pump temperature and power monitoring to SCADA.*
  - *Performed inspection of the raw water inlet structure at the Harpool Emergency Storage Lake to assess condition of the structure and identify signs of potential zebra mussels. The inlet structure is in good condition and no zebra mussels were found.*
  - *Continued partnership with Texas Parks and Wildlife Department that includes the Harpool Emergency Storage Lake in the statewide zebra mussel testing and monitoring program.*
  - *GIS program for all District pipelines was completed. GPS data points continue to be collected on new and existing pipelines and facilities to improve GIS system accuracy.*
  - *The District, working with all customer cities, developed, and implemented our Emergency Preparedness Plan to ensure facilities are prepared for, and able to, maintain operability during emergency events.*
  - *A cross-training program has been initiated for Taylor Plant operators to assist with the recently implemented nightshift operations at the Harpool Plant.*
  - *Completed the Taylor Plant recycle pond dredging project.*
  - *The Harpool Operations and Maintenance Team conducted the 8th annual full-scale condition audit of all the membrane filtration units during April 2022.*
  - *Harpool operations have started a water quality monitoring plan for manganese to provide data to engineering to develop treatment options to minimize finished water aesthetic issues.*
  - *Planning is underway on a second raw water storage lake one mile north of the Harpool Plant.*
  - *Completed construction of the Harpool North Finished Water Pipeline to Mustang SUD and ultimately, customers farther north in the service area.*

- *The Harpool Plant expansion project to increase capacity from 20 MGD to 25 MGD by increasing membrane size and quantities was completed. Additional membrane replacements scheduled for Fall 2022 will further increase the treatment capacity to 30mgd.*
- ✓ Minimize the impact of water treatment costs to offset water rate increases.
  - *Reservoir levels were continuously monitored, and water sources were optimally used to provide the lowest raw water costs possible while managing our available water supply.*
  - *Construction of redundant internal plant piping and clear well improvements at Taylor Plant were completed, which will provide more efficient delivery of finished water.*
  - *Taylor Plant GAC filter media level measurements and other filter testing to determine backwash efficiency and underdrain integrity, are performed several times per year.*
  - *Taylor Plant sodium hypochlorite generation system is routinely monitored, and cells are repaired or replaced as needed. Preventive repairs and maintenance are performed on the system to maintain efficient function and to ensure proper water quality is being fed to the generation cells.*
  - *Performed preventive maintenance on the variable frequency drives at the Intake pump station.*
  - *Completed numerous repairs and modifications to Stonehill High Service Pumps to provide more efficient pumping of finished water to customers.*
  - *Numerous other projects are underway to provide redundancy and more efficient delivery of water to customers.*
  - *Completed robotic leak detection on approximately 10,000 feet of pipeline in the Regional Treated Water Systems' transmission system.*
  - *Maintained 100% billing meter accuracy for the fifth consecutive year.*
  - *Operations group at Northeast facilities implemented an Operations/Maintenance cross-training program for new staff members. Plans are underway to incorporate this program District-wide based on its success.*
  - *The Northeast Transmission System preventive maintenance program continues, to quickly identify and address problems before they become emergencies. All pipeline appurtenances are easily identified and all easements easily navigable.*
  - *Awarded construction for a diurnal raw water pond that will provide pretreatment as well as additional efficiency and flexibility at the Harpool Plant.*
  - *Continued to maintain spare parts inventory of key operational equipment at all facilities.*
  - *Installed new AC unit for Sodium Hypochlorite tank room that has significantly slowed the chlorine decay rate. Expected life cycle bulk chemical cost savings are over \$500,000.*
  - *Installed an isolation valve between Lake Providence raw water pumps and Recovery Pond pumps, providing the ability to accurately track how much recycle water is treated daily.*
  - *Utilizing hydraulic modeling and long-range flow projections, the District is developing transmission system improvements and treatment plant needs to facilitate CIP planning.*

- ✓ Maintain security/safety of systems and resources.
- *The SCADA upgrade to System Platform to unify the design and function of SCADA for all District plants continues. Work has been completed at Taylor, Riverbend, Harpool, Lakeview and Peninsula Plants. The Doe Branch Plant is nearing completion.*
  - *The Taylor Plant is linked to all the plants in the District with cameras and/or SCADA monitoring.*
  - *Numerous cameras are installed throughout the District to improve site security.*
  - *Operations data and records such as meter readings and laboratory test results have now been fully migrated to a SQL Server, with redundancy. This improves data integrity and security for both historical and current records, while still maintaining a high degree of usability.*
  - *Tableau continues to be used as the operational data visualization and analyzation tool, with favorable results. Further implementation is expected this year.*
  - *Data Management User-Interface is underway to aid in the ease and accuracy of data capture.*
  - *Harpool operations group has begun organizing its historical data to be migrated to SQL server. This process has allowed for the creation of multiple weekly and monthly data reports for raw water flows, electrical usage, customer flows and Lake Jim Chapman raw water storage to help optimize every component of treatment operations.*

## HOUSEHOLD HAZARDOUS WASTE

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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.

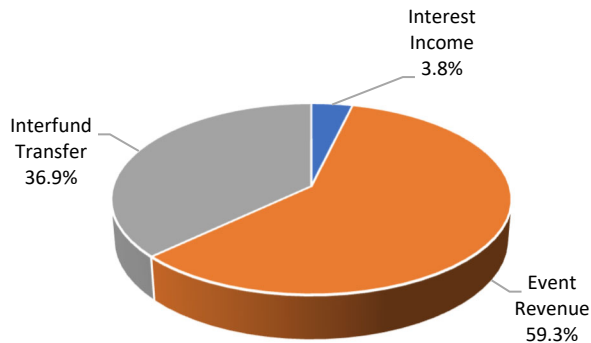
## PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2021 Actuals	FY 2022 Estimates	FY 2023 Target
Program Summary	Maintain current information about HHW program on the District's website.	100%	100%	100%
Program Promotion	Continue promoting HHW program throughout service area.	100%	100%	100%
Team Member's Training	Keep all staff current on HHW training.	100%	100%	100%
Processing and Collecting Equipment	Continue to improve event protocol and acquire needed equipment for efficient and safe collection events.	100%	95%	100%

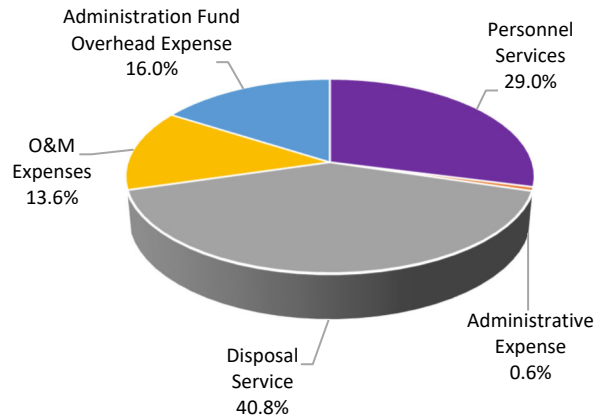
## BUDGET SUMMARY

	FY 2021 Actuals	FY 2022 Adopted	FY 2022 Estimates	FY 2023 Adopted
<b>Beginning Balance</b>	<b>\$ 144,428</b>	<b>\$ 129,238</b>	<b>\$ 137,092</b>	<b>\$ 128,717</b>
Transfer to Operations	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,750)
<b>Beginning Balance Revised</b>	<b>\$ 133,428</b>	<b>\$ 118,238</b>	<b>\$ 126,092</b>	<b>\$ 116,967</b>
<b>Operating Revenue</b>				
Event Revenue	\$ 12,682	\$ 15,320	\$ 21,695	\$ 18,910
Interest Revenue	194	195	890	1,200
Transfer in - Working Capital	11,000	11,000	11,000	11,750
<b>Total Operating Revenue</b>	<b>\$ 23,876</b>	<b>\$ 26,515</b>	<b>\$ 33,585</b>	<b>\$ 31,860</b>
<b>Operating Expense</b>				
Personnel Services	\$ 4,002	\$ 8,085	\$ 8,780	\$ 9,085
Administrative Expense	450	300	155	200
Purchased Disposal Service	7,021	8,500	13,000	12,750
O&M Expenses	3,739	4,230	4,025	4,240
Administration Fund Overhead Expense	5,000	5,000	5,000	5,000
<b>Total Operating Expense</b>	<b>20,212</b>	<b>26,115</b>	<b>30,960</b>	<b>31,275</b>
<b>Ending Balance</b>	<b>\$ 137,092</b>	<b>\$ 118,638</b>	<b>\$ 128,717</b>	<b>\$ 117,552</b>

### Operating Revenues



### Operating Expenditures



## SUMMARY OF MAJOR CHANGES

### HOUSEHOLDS

Entity	FY 2022 Budget	FY 2023 Budget
Cross Roads	40 households	40 households
Denton County	125 households	125 households
District Vouchers	5 households	5 households
<b>Total</b>	<b>170 households</b>	<b>170 households</b>

### RATE STRUCTURE

	FY 2022 Budget	FY 2023 Budget
Collection Events & Disposal	\$91 / household	\$112 / household
Ft. Worth Voucher	\$61 / household	\$86 / household
Event Voucher	\$91 / household	\$112 / 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

#### OPERATING EXPENSES

- The adopted budget includes funding for staffing the HHW events.
- Landfill disposal fee from City of Fort Worth is projected to increase from \$50 to \$75 per voucher for FY 2023.

#### ADMINISTRATIVE FUND OVERHEAD EXPENSE

- Allocation of Administration Fund expenses to operations.

## ACCOMPLISHMENTS FOR FY 2021-2022

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- ✓ 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
  - *Processed 8 Eight Fort Worth voucher participants and 70 event voucher participants.*
- ✓ Hold at least 2 mobile events each fiscal year
  - *Hosted 3 mobile events, with 184 households participating. A total of 4,950 lbs. of household hazardous waste was collected at these mobile events.*
- ✓ Collected HHW materials from District employees
  - *District employees continue to properly dispose of hazardous materials used and collected at the various District facilities, including light bulbs, used oil, and batteries.*



## OTHER FUNDS

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

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

### OPERATIONS AND MAINTENANCE RESERVE FUND

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

### CAPITAL REPLACEMENT RESERVE FUND

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

### RAW WATER HOLDING POND DREDGING FUND

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

### WATERSHED PROTECTION PROGRAM FUND

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

### WATER CONSERVATION PROGRAM FUND

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

### FUTURE WATER PROGRAM FUND

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

#### **LAKE RALPH HALL RESERVE FUND**

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

#### **NORTHEAST CONTRIBUTION RESERVE FUND**

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

#### **GAS LEASE RESERVE FUND**

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

#### **NON-BOND CAPITAL RESERVE FUND**

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

#### **PLANT PERMITTING RESERVE FUND**

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

#### **BUILDING ACTIVITY FEE RESERVE FUND**

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

#### **VEHICLE AND EQUIPMENT REPLACEMENT FUND**

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

#### **INVENTORY RESERVE FUND**

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

#### **SELF-INSURANCE FUND**

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

**UPPER TRINITY CONSERVATION TRUST FUND (THE TRUST)**

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

## OPERATING AND MAINTENANCE RESERVE FUND

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 6,568,191	\$ 7,008,766	\$ 7,078,029	\$ 7,961,659
Transfer to Operations		\$ (705,000)	\$ (494,535)	
<b>BEGINNING CASH BALANCE Revised</b>		<b>\$ 6,303,766</b>	<b>\$ 6,583,494</b>	
<b>REVENUES</b>				
Interfund Transfers				
Operations	1,250,000	738,700	1,338,700	41,500
Working Capital	-	705,000	494,535	-
Interest Income	9,889	12,000	39,465	112,045
<b>TOTAL REVENUES</b>	<b>\$ 1,259,889</b>	<b>\$ 1,455,700</b>	<b>\$ 1,872,700</b>	<b>\$ 153,545</b>
<b>EXPENDITURES</b>				
Interfund Transfer - Operations	750,051	705,000	494,535	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 750,051</b>	<b>\$ 705,000</b>	<b>\$ 494,535</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 7,078,029</b>	<b>\$ 7,054,466</b>	<b>\$ 7,961,659</b>	<b>\$ 8,115,204</b>

FY 2023 Ending Balance increase of \$1,060,738 is due to transferring excess working capital of \$600,000 (from FY 2021 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 2021, this reserve has funded a total of \$1,244,586 of maintenance projects in the Regional Treated Water System (\$975,104 for the Taylor Plant Raw Water Holding Pond Sludge Removal Project and \$269,482 for Smartball testing and pipeline leak repairs). Additionally, the FY 2023 Ending Balance includes a deposit of \$41,500 so that the reserve balance is equivalent to 25% of the total operating expenses.

## CAPITAL REPLACEMENT RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 5,740,607	\$ 7,172,962	\$ 7,219,930	\$ 8,856,590
<b>REVENUES</b>				
Interfund Transfers				
RTWS Operations	1,363,002	1,397,220	1,636,660	1,515,180
NERWRS Operations	116,321	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 1,479,323</b>	<b>\$ 1,397,220</b>	<b>\$ 1,636,660</b>	<b>\$ 1,515,180</b>
<b>EXPENDITURES</b>	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 7,219,930</b>	<b>\$ 8,570,182</b>	<b>\$ 8,856,590</b>	<b>\$ 10,371,770</b>

FY 2023 Ending Balance increase of \$1,801,588 is a result of reflecting FY 2023 transactions for this reserve. Additionally, FY 2022 flows were higher than originally projected, therefore increasing the FY 2022 contribution amount by \$239,440.

## RAW WATER HOLDING POND DREDGING RESERVE FUND

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ -	\$ -	\$ -	\$ 2,008,295
Transfer to Operations				\$ (1,489,530)
<b>BEGINNING CASH BALANCE Revised</b>				<b>\$ 518,765</b>
<b>REVENUES</b>				
Interfund Transfers				
Operations	-	-	2,000,000	103,310
Working Capital	-	-	-	1,489,530
Interest Income	-	-	8,295	7,160
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,008,295</b>	<b>\$ 1,600,000</b>
<b>EXPENDITURES</b>				
Interfund Transfer - Operations	-	-	-	1,600,000
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,600,000</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,008,295</b>	<b>\$ 518,765</b>

<p>The Raw Water Holding Pond Dredging Reserve Fund was established in FY 2022. Funds will be utilized in FY 2023 to complete dredging of the Harpool plant raw water storage pond of silt to increase its holding capacity.</p>
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## WATERSHED PROTECTION PROGRAM FUND

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 259,671	\$ 307,091	\$ 330,921	\$ 312,071
		\$ (32,500)	\$ (18,850)	
<b>BEGINNING CASH BALANCE Revised</b>		<b>\$ 274,591</b>	<b>\$ 312,071</b>	
<b>REVENUES</b>				
Interfund Transfers				
Operations	247,818	190,530	223,180	275,485
Working Capital	-	32,500	18,850	-
<b>TOTAL REVENUES</b>	<b>\$ 247,818</b>	<b>\$ 223,030</b>	<b>\$ 242,030</b>	<b>\$ 275,485</b>
<b>EXPENDITURES</b>				
Personnel Services	62,534	67,780	81,900	90,000
Administrative	15,327	5,500	7,500	7,500
Program Expenses (Public Information)				
Public Information	-	5,000	5,000	10,000
Media Campaigns	45,002	58,750	58,750	80,000
Watershed Signs	-	2,000	2,000	2,000
Program Expenses (Public Outreach)				
Public Information				
Texas Parks and Wildlife				
Zebra Mussels	5,000	5,000	5,000	5,000
Shade Trees	-	-	-	-
Festivals	50	1,500	1,500	1,985
Sponsorships	500	3,000	3,000	7,500
Professional Services				
USGS Monitoring Program	15,900	17,500	19,080	19,500
Greenbelt Plan Implementation	-	15,000	15,000	15,000
Chapman Lake Hydrographic Survey	-	7,500	7,500	-
Water Quality Monitoring	-	2,500	2,500	5,000
Other Outside Services	930	-	1,300	-
Overhead Allocation	6,325	7,000	7,000	7,000
Interfund Transfer - Upper Trinity				
Conservation Trust	25,000	25,000	25,000	25,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 176,568</b>	<b>\$ 223,030</b>	<b>\$ 242,030</b>	<b>\$ 275,485</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 330,921</b>	<b>\$ 274,591</b>	<b>\$ 312,071</b>	<b>\$ 312,071</b>

FY 2023 Ending Balance increase of \$37,480 is largely due to higher transfers in from Operations due to higher than anticipated flows within the Regional Treated Water System.
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## WATER CONSERVATION PROGRAM FUND

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 252,377	\$ 333,367	\$ 275,090	\$ 207,410
Transfer to Operations		\$ (67,680)	\$ (67,680)	\$ (67,680)
<b>BEGINNING CASH BALANCE Revised</b>		<b>\$ 265,687</b>	<b>\$ 207,410</b>	<b>\$ 139,730</b>
<b>REVENUES</b>				
Interfund Transfers				
Operations	247,818	190,530	223,180	275,485
Working Capital	-	67,680	67,680	67,680
<b>TOTAL REVENUES</b>	<b>\$ 247,818</b>	<b>\$ 258,210</b>	<b>\$ 290,860</b>	<b>\$ 343,165</b>
<b>EXPENDITURES</b>				
Personnel Services	58,014	67,750	89,300	90,000
Administrative	3,903	5,900	16,000	5,925
Program Expenses	155,197	177,560	177,560	240,240 *
Overhead Allocation	7,991	7,000	8,000	7,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 225,105</b>	<b>\$ 258,210</b>	<b>\$ 290,860</b>	<b>\$ 343,165</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 275,090</b>	<b>\$ 265,687</b>	<b>\$ 207,410</b>	<b>\$ 139,730</b>

FY 2023 Ending Balance decrease of \$125,957 is due to the FY 2022 and FY 2023 expenditures exceeding contributions.
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**\* - FY 2023 Program Expenses**

Water My Yard	
Annual Renewal of AgriLife	\$ 5,500
Weather Station Maintenance	2,000
Telephones	3,060
Media Campaigns	175,000
Public Information	5,000
Public Outreach	
Sponsorships	3,250
Festivals	1,000
School Outreach Program	1,500
Regional Symposium	4,500
GreenPros Program	680
Irrigation System Check-Ups	
Administration Fee	3,750
Check-Ups	30,000
Industrial, Commercial, & Institutional Audit Program	5,000
Total	<b>\$ 240,240</b>



## FUTURE WATER PROGRAM FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 272,496	\$ 348,276	\$ 387,954	\$ 511,429
Transfer to Operations				
<b>BEGINNING CASH BALANCE Revised</b>				
<b>REVENUES</b>				
Interfund Transfer - Operations	247,818	254,040	297,575	275,485
<b>TOTAL REVENUES</b>	<b>\$ 247,818</b>	<b>\$ 254,040</b>	<b>\$ 297,575</b>	<b>\$ 275,485</b>
<b>EXPENDITURES</b>				
Personnel Services	17,891	30,000	18,000	30,000
Administrative	7,395	10,000	3,100	10,000
Professional Services	101,214	200,000	143,000	200,000
Overhead Expenses	5,860	14,000	10,000	14,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 132,360</b>	<b>\$ 254,000</b>	<b>\$ 174,100</b>	<b>\$ 254,000</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 387,954</b>	<b>\$ 348,316</b>	<b>\$ 511,429</b>	<b>\$ 532,914</b>

FY 2023 Ending Balance increase of \$184,598 is due to higher flows resulting in a larger transfer in and lower than anticipated expenditures in FY 2022.
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## LAKE RALPH HALL RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 14,830,706	\$ 16,987,301	\$ 16,987,668	\$ 19,814,933
<b>REVENUES</b>				
Interfund Transfer - Operations	2,147,085	-	2,724,920	-
Interest Income	9,877	33,975	102,345	312,085
<b>TOTAL REVENUES</b>	<b>\$ 2,156,962</b>	<b>\$ 33,975</b>	<b>\$ 2,827,265</b>	<b>\$ 312,085</b>
<b>EXPENDITURES</b>	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 16,987,668</b>	<b>\$ 17,021,276</b>	<b>\$ 19,814,933</b>	<b>\$ 20,127,018</b>

FY 2023 Ending Balance increase of \$3,104,742 is due primarily to the transfer of excess FY 2021 working capital of \$2,724,920 in FY 2022 and higher interest earnings projected for FY 2023.
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## NORTHEAST CONTRIBUTION RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 467,909	\$ 573,894	\$ 573,893	\$ 573,893
<b>REVENUES</b>				
Interfund Transfer - NERWRS Operations	105,984	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 105,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ENDING CASH BALANCE 9/30</b>	<u><u>\$ 573,893</u></u>	<u><u>\$ 573,894</u></u>	<u><u>\$ 573,893</u></u>	<u><u>\$ 573,893</u></u>

## GAS LEASE RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 537,382	\$ 656,872	\$ 656,783	\$ 660,053
<b>REVENUES</b>				
Interfund Transfer - NERWRS Operations	118,659	-	-	-
Interest Income	742	1,315	3,270	5,775
<b>TOTAL REVENUES</b>	<b>\$ 119,401</b>	<b>\$ 1,315</b>	<b>\$ 3,270</b>	<b>\$ 5,775</b>
<b>EXPENDITURES</b>	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 656,783</b>	<b>\$ 658,187</b>	<b>\$ 660,053</b>	<b>\$ 665,828</b>

## NON-BOND CAPITAL RESERVE FUND

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 5,957,693	\$ 7,738,668	\$ 11,327,000	\$ 10,181,950
Transfer to Operations		\$ (1,086,165)		
<b>BEGINNING CASH BALANCE Revised</b>		<b>\$ 6,652,503</b>		
<b>REVENUES</b>				
Deposit - TxDOT Reimbursement for Projects	3,198,844	4,551,000	1,053,310	6,121,055
Interfund Transfers				
Regional Treated Water System Operations				
Working Capital	3,797,085	-	3,000,000	-
Loan Repayments	119,663	23,730	23,730	23,730
Working Capital	-	1,086,165	-	-
Northeast Regional Water Reclamation System				
Operations (Loan Interest)	-	48,750	8,120	48,750
Doe Branch Construction Cash Fund (Loan Repayment)	-	3,000,000	-	3,000,000
Interest Income	3,894	7,290	60,685	176,460
<b>TOTAL REVENUES</b>	<b>\$ 7,119,486</b>	<b>\$ 8,716,935</b>	<b>\$ 4,145,845</b>	<b>\$ 9,369,995</b>
<b>EXPENDITURES</b>				
Interfund Transfers				
Regional Treated Water System Reserve Funds				
Operations	-	-	284,680	-
Construction Cash Fund	1,750,179	8,716,935	2,006,215 *	6,726,205
Inventory Reserve Fund	-	-	-	45,000
Northeast Regional Water Reclamation System Reserve Fund				
Doe Branch Construction Cash Fund (Loan)	-	-	3,000,000	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,750,179</b>	<b>\$ 8,716,935</b>	<b>\$ 5,290,895</b>	<b>\$ 6,771,205</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 11,327,000</b>	<b>\$ 6,652,503</b>	<b>\$ 10,181,950</b>	<b>\$ 12,780,740</b>

FY 2023 Ending Balance increase of \$6,128,237 is largely due to transferring \$3,000,000 from RTWS excess working capital from FY 2021 operations in FY 2022. Additionally, reimbursements totaling \$6,121,055 are projected to be received from the Texas Department of Transportation (TxDOT) in FY 2023 for a current pipeline relocation project (21-5TN). Transfer of \$3,000,000 from the NERWRS Doe Branch Construction Fund is a reimbursement for a prior year loan to fund the Relocation / TxDOT U.S. Hwy 380 Project (5B8). FY 2023 funding for RTWS capital projects are as follows: \$75,000 - SCADA System Improvements (Wonderware Platform Upgrade Project) (59Q), \$100,000 - Cathodic Protection System Assessment (53G), \$200,400 - Treated Water Optimization and Implementation Plan (56N), \$10,000 - Roadway Improvements Coordination Adjustments (53W), \$5,000 - Lewisville Lake / USACE Dam Coordination (5W3), \$125,000 - U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project (5T7), \$5,000 - Relocation / TxDOT US Hwy 380 Project (Collin County) (5T9), \$6,121,055 - TxDOT / IH-35 Project (5TN), and \$84,750 (of \$100,000 shown in CIP Budget) - Contingency Improvements (5WI). The total of these project expenditures is \$6,726,205.

\* Amount also contains expenditures: \$71,905 -RTWS General Treatment and Pumping Improvements (568), \$51,715 - Operational Data Management Project (54M), \$253,650 - Elevated Water Storage Tank Site Evaluation Study (54G), \$40,825 - Relocation / TxDOT US Hwy 380 Project (Denton County) (5T8). These projects are expected to be completed in FY 2022 and are not shown on the accompanying 5-Year list of capital improvements projects.

## OPERATING AND MAINTENANCE RESERVE FUND

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	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 817,972	\$ 861,692	\$ 861,630	\$ 865,605
<b>REVENUES</b>				
Interfund Transfer - Operations	42,500	-	-	28,500
Interest Income	1,158	1,325	3,975	12,515
<b>TOTAL REVENUES</b>	<b>\$ 43,658</b>	<b>\$ 1,325</b>	<b>\$ 3,975</b>	<b>\$ 41,015</b>
<b>EXPENDITURES</b>	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 861,630</b>	<b>\$ 863,017</b>	<b>\$ 865,605</b>	<b>\$ 906,620</b>

## CAPITAL REPLACEMENT RESERVE FUND

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 775,134	\$ 939,174	\$ 952,940	\$ 1,099,690
<b>REVENUES</b>				
Interfund Transfer - Operations	177,806	169,230	146,750	169,230
<b>TOTAL REVENUES</b>	<u>\$ 177,806</u>	<u>\$ 169,230</u>	<u>\$ 146,750</u>	<u>\$ 169,230</u>
<b>EXPENDITURES</b>	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ENDING CASH BALANCE 9/30</b>	<u><u>\$ 952,940</u></u>	<u><u>\$ 1,108,404</u></u>	<u><u>\$ 1,099,690</u></u>	<u><u>\$ 1,268,920</u></u>

FY 2023 Ending Balance increase of \$160,516 is due to the addition of contributions for FY 2023 at a rate of \$0.10 / 1,000 gallons.
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## Non-Bond Capital Reserve Fund

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 6,326,315	\$ 7,183,795	\$ 7,261,589	\$ 6,742,519
Transfer to Operations		\$ (6,703,530)	\$ (519,070)	\$ (4,518,605)
<b>BEGINNING CASH BALANCE Revised</b>		<b>\$ 480,265</b>	<b>\$ 6,742,519</b>	<b>\$ 2,223,914</b>
<b>REVENUES</b>				
Interfund Transfers				
Operations	1,155,475	200,000	1,149,345	200,000
Construction Cash Fund	-	172,340	68,390	305,000
Working Capital	-	6,703,530	519,070	4,518,605
Interest Income	3,196	3,245	31,655	94,395
<b>TOTAL REVENUES</b>	<b>\$ 1,158,671</b>	<b>\$ 7,079,115</b>	<b>\$ 1,768,460</b>	<b>\$ 5,118,000</b>
<b>EXPENDITURES</b>				
Interfund Transfers				
Construction Cash Fund	223,397	6,909,415	1,768,460 *	4,950,000
Inventory Reserve Fund	-	-	-	168,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 223,397</b>	<b>\$ 6,909,415</b>	<b>\$ 1,768,460</b>	<b>\$ 5,118,000</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 7,261,589</b>	<b>\$ 649,965</b>	<b>\$ 6,742,519</b>	<b>\$ 2,223,914</b>

FY 2023 Ending Balance increase of \$1,573,949 is due to a shift in the timeline for the Plant Expansion, Phase 3, offset by funding the following LRWRS capital projects: \$2,900,000 - Plant Expansion, Phase 3 (5L2), \$2,000,000 - System Interceptor and Odor Control Improvements (53B), and \$50,000 - Contingency Improvements (5LM).

\* Amount contains expenditures: \$305,000 - Hickory Creek Lift Station Rehab. This project is to be completed in FY 2022 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

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 44,000	\$ 56,000	\$ 56,000	\$ 59,000
Transfer to Operations				\$ (37,000)
<b>BEGINNING CASH BALANCE Revised</b>				<b>\$ 22,000</b>
<b>REVENUES</b>				
Interfund Transfers				
Operations	12,000	3,000	3,000	3,000
Working Capital	-	-	-	37,000
<b>TOTAL REVENUES</b>	<b>\$ 12,000</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 40,000</b>
<b>EXPENDITURES</b>				
Interfund Transfer - Construction Cash Fund	-	-	-	40,000
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,000</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 56,000</b>	<b>\$ 59,000</b>	<b>\$ 59,000</b>	<b>\$ 22,000</b>

FY 2023 Ending Balance decrease of \$37,000 is due to beginning the next renewal of the Texas Pollutant Discharge Elimination System permit in FY 2023.
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## OPERATING AND MAINTENANCE RESERVE FUND

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	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 28,806	\$ 28,846	\$ 28,846	\$ 29,026
<b>REVENUES</b>				
Interest Income	40	45	180	305
<b>TOTAL REVENUES</b>	<b>\$ 40</b>	<b>\$ 45</b>	<b>\$ 180</b>	<b>\$ 305</b>
<b>EXPENDITURES</b>	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 28,846</b>	<b>\$ 28,891</b>	<b>\$ 29,026</b>	<b>\$ 29,331</b>

## CAPITAL REPLACEMENT RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 292,635	\$ 322,110	\$ 322,110	\$ 351,585
<b>REVENUES</b>				
Interfund Transfer - Operations	29,475	29,475	29,475	29,475
<b>TOTAL REVENUES</b>	<b>\$ 29,475</b>	<b>\$ 29,475</b>	<b>\$ 29,475</b>	<b>\$ 29,475</b>
<b>EXPENDITURES</b>	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 322,110</b>	<b>\$ 351,585</b>	<b>\$ 351,585</b>	<b>\$ 381,060</b>

## Non-BOND CAPITAL RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 357,544	\$ 392,334	\$ 407,720	\$ 422,860
<b>REVENUES</b>				
Interfund Transfer - Operations	49,591	25,000	45,540	25,000
Interest Income	585	580	900	1,560
<b>TOTAL REVENUES</b>	<b>\$ 50,176</b>	<b>\$ 25,580</b>	<b>\$ 46,440</b>	<b>\$ 26,560</b>
<b>EXPENDITURES</b>				
Interfund Transfer - Operations	-	-	31,300	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,300</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 407,720</b>	<b>\$ 417,914</b>	<b>\$ 422,860</b>	<b>\$ 449,420</b>

## OPERATING AND MAINTENANCE RESERVE FUND

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 1,046,397	\$ 1,215,547	\$ 1,215,450	\$ 1,447,895
<b>REVENUES</b>				
Interfund Transfer - Operations	167,500	142,000	225,750	143,500
Interest Income	1,553	2,000	6,695	22,280
<b>TOTAL REVENUES</b>	<b>\$ 169,053</b>	<b>\$ 144,000</b>	<b>\$ 232,445</b>	<b>\$ 165,780</b>
<b>EXPENDITURES</b>	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 1,215,450</b>	<b>\$ 1,359,547</b>	<b>\$ 1,447,895</b>	<b>\$ 1,613,675</b>

FY 2023 Ending Cash increase of \$254,128 is due to including the required transfer of \$143,500 for FY 2023 to meet the required reserve balance equivalent to 25.0% of operating expenses plus a transfer of excess working capital of \$83,750 in FY 2022.
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## CAPITAL REPLACEMENT RESERVE FUND

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	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ -	\$ 87,970	\$ 90,600	\$ 182,865
<b>REVENUES</b>				
Interfund Transfer - Operations	90,600	83,950	92,265	87,235
<b>TOTAL REVENUES</b>	<u>\$ 90,600</u>	<u>\$ 83,950</u>	<u>\$ 92,265</u>	<u>\$ 87,235</u>
<b>EXPENDITURES</b>	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ENDING CASH BALANCE 9/30</b>	<u><u>\$ 90,600</u></u>	<u><u>\$ 171,920</u></u>	<u><u>\$ 182,865</u></u>	<u><u>\$ 270,100</u></u>

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

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 1,397,603	\$ 1,162,938	\$ 1,742,513	\$ 1,218,718
Transfer to Operations		\$ (412,735)	\$ (523,795)	\$ (61,590)
<b>BEGINNING CASH BALANCE Revised</b>		<b>\$ 750,203</b>	<b>\$ 1,218,718</b>	<b>\$ 1,157,128</b>
<b>REVENUES</b>				
Deposits				
TxDOT Reimbursement - US Hwy 380 Projects (5B8 and 5R8)	-	-	300,315	-
Interfund Transfers				
Operations	951,755	16,790	702,110	17,445
Working Capital	-	412,735	523,795	61,590
Riverbend Plant Construction Cash Fund	-	-	-	100,000
Doe Branch Plant Construction Cash Fund	-	-	-	350,000
Interest Income	745	525	8,065	17,655
<b>TOTAL REVENUES</b>	<b>\$ 952,500</b>	<b>\$ 430,050</b>	<b>\$ 1,534,285</b>	<b>\$ 546,690</b>
<b>EXPENDITURES</b>				
Interfund Transfers				
Operations	300,000	-	-	425,000
Inventory Reserve Fund	-	-	-	121,690
Riverbend Plant Construction Cash Fund	59,745	203,050	324,745 *	-
Doe Branch Plant Construction Cash Fund	247,845	227,000	1,209,540	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 607,590</b>	<b>\$ 430,050</b>	<b>\$ 1,534,285</b>	<b>\$ 546,690</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 1,742,513</b>	<b>\$ 750,203</b>	<b>\$ 1,218,718</b>	<b>\$ 1,157,128</b>

FY 2023 Ending Cash increase of \$406,925 is due to depositing excess working capital (from FY 2021 operations) of \$683,655, TxDOT reimbursements received in FY 2022, and project reimbursements projected to be received in FY 2023.
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\* Amount contains expenditures: \$36,695 - Relocation / TxDOT US Hwy 380 Project (5R8) and \$188,050 - Riverbend Plant Expansion, Phase 3 (5R3). These projects are to be completed by the end of FY 2022 and are not shown on the 5-Year list of capital improvement projects in the CIP Funds section of the budget document for the Northeast Regional Water Reclamation System.

## PLANT PERMITTING RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 14,202	\$ 18,202	\$ 38,202	\$ 47,622
<b>REVENUES</b>				
Interfund Transfer - Operations	24,000	19,000	19,000	19,000
<b>TOTAL REVENUES</b>	<b>\$ 24,000</b>	<b>\$ 19,000</b>	<b>\$ 19,000</b>	<b>\$ 19,000</b>
<b>EXPENDITURES</b>				
Interfund Transfer - Riverbend Plant Construction Cash Fund	-	9,580	9,580 *	5,000 *
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 9,580</b>	<b>\$ 9,580</b>	<b>\$ 5,000</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 38,202</b>	<b>\$ 27,622</b>	<b>\$ 47,622</b>	<b>\$ 61,622</b>

FY 2023 Ending Balance increase of \$34,000 is due to the annual deposit from operations shown for FY 2023, 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 2022 and 2023 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

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	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 309,355	\$ 312,755	\$ 316,305	\$ 324,405
<b>REVENUES</b>				
Deposit - Building Activity Fees	6,950	3,450	8,100	6,750
<b>TOTAL REVENUES</b>	<b>\$ 6,950</b>	<b>\$ 3,450</b>	<b>\$ 8,100</b>	<b>\$ 6,750</b>
<b>EXPENDITURES</b>				
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 316,305</b>	<b>\$ 316,205</b>	<b>\$ 324,405</b>	<b>\$ 331,155</b>

## OPERATING AND MAINTENANCE RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2022 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 215,479	\$ 231,799	\$ 231,787	\$ 263,947
<b>REVENUES</b>				
Interfund Transfer - Operations	16,000	31,000	31,000	32,000
Interest Income	308	400	1,160	4,145
<b>TOTAL REVENUES</b>	<b>\$ 16,308</b>	<b>\$ 31,400</b>	<b>\$ 32,160</b>	<b>\$ 36,145</b>
<b>EXPENDITURES</b>	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 231,787</b>	<b>\$ 263,199</b>	<b>\$ 263,947</b>	<b>\$ 300,092</b>

FY 2023 Ending Balance increase of \$36,893 is due to including the required contribution for FY 2023, so that the reserve balance is equivalent to 25% of the total operating expenses.
--

## CAPITAL REPLACEMENT RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 86,880	\$ 101,980	\$ 102,920	\$ 119,375
<b>REVENUES</b>				
Interfund Transfer - Operations	16,040	14,965	16,455	15,515
<b>TOTAL REVENUES</b>	<b>\$ 16,040</b>	<b>\$ 14,965</b>	<b>\$ 16,455</b>	<b>\$ 15,515</b>
<b>EXPENDITURES</b>	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 102,920</b>	<b>\$ 116,945</b>	<b>\$ 119,375</b>	<b>\$ 134,890</b>

FY 2023 Ending Balance increase of \$17,945 is largely due to the FY 2023 contribution amount of \$15,515 to the ending reserve balance. Higher FY 2022 treatment flows have also generated an additional contribution amount of \$1,490 for this reserve.
--

## NON-BOND CAPITAL RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 580,915	\$ 749,165	\$ 749,291	\$ 896,681
Transfer to Operations				
<b>BEGINNING CASH BALANCE Revised</b>				
<b>REVENUES</b>				
Interfund Transfers				
Operations	167,950	5,985	143,225	6,205
Construction Cash Fund	126	-	-	-
Interest Income	300	500	4,165	12,415
<b>TOTAL REVENUES</b>	<b>\$ 168,376</b>	<b>\$ 6,485</b>	<b>\$ 147,390</b>	<b>\$ 18,620</b>
<b>EXPENDITURES</b>				
Interfund Transfers				
Operations	-	42,000	-	-
Inventory Reserve Fund	-	-	-	16,200
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 42,000</b>	<b>\$ -</b>	<b>\$ 16,200</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 749,291</b>	<b>\$ 713,650</b>	<b>\$ 896,681</b>	<b>\$ 899,101</b>

FY 2023 Ending Balance increase of \$185,451 is primarily due to the deposit of excess working capital of \$136,645 (from FY 2021 operations) to this reserve fund in FY 2022.
--

## PLANT PERMITTING RESERVE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 52,000	\$ 17,000	\$ 17,000	\$ 2,000
Transfer to Operations	\$ (35,000)	\$ (15,000)	\$ (15,000)	
<b>BEGINNING CASH BALANCE Revised</b>	<b>\$ 17,000</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	
<b>REVENUES</b>				
Interfund Transfers				
Operations	5,000	5,000	5,000	12,000
Working Capital	35,000	15,000	15,000	-
<b>TOTAL REVENUES</b>	<b>\$ 40,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 12,000</b>
<b>EXPENDITURES</b>				
Interfund Transfer - Construction Cash Fund	40,000	20,000	20,000	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 40,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 17,000</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 14,000</b>

FY 2023 Ending Balance increase of \$12,000 is due to the annual deposit from operations shown for FY 2023, in order to accumulate funds for the next renewal of the Texas Pollutant Discharge Elimination System (TPDES).
--

## VEHICLE AND EQUIPMENT REPLACEMENT FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 2,343,409	\$ 2,787,820	\$ 2,794,559	\$ 3,199,529
<b>REVENUES</b>				
Interfund Transfers				
RTWS Operations	233,670	236,075	236,075	57,770
Lakeview Operations	112,035	98,735	98,735	65,900
NERWRS Operations	83,025	83,525	83,525	47,880
Peninsula Operations	22,420	17,030	17,030	14,040
	<b>\$ 451,150</b>	<b>\$ 435,365</b>	<b>\$ 435,365</b>	<b>\$ 185,590</b>
<b>EXPENDITURES</b>				
Ford F350 (Repl. for Vehicle #055)	-	30,395	30,395	-
Maintenance Crane Truck	-	-	-	220,000
UTV (Repl. for Vehicle #053)	-	-	-	17,640
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 30,395</b>	<b>\$ 30,395</b>	<b>\$ 237,640</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 2,794,559</b>	<b>\$ 3,192,790</b>	<b>\$ 3,199,529</b>	<b>\$ 3,147,479</b>

## INVENTORY RESERVE FUND

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ -	\$ -	\$ -	\$ -
<b>REVENUES</b>				
Interfund Transfers				
RTWS Non-Bond Capital Reserve	-	-	-	45,000
Lakeview Non-Bond Capital Reserve	-	-	-	168,500
NERWRS Non-Bond Capital Reserve	-	-	-	121,690
Peninsula Non-Bond Capital Reserve	-	-	-	16,200
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 351,390</b>
<b>EXPENDITURES</b>				
RTWS				
Nova Cells	-	-	-	45,000
Lakeview				
Blower	-	-	-	100,000
Scum Pit Pump	-	-	-	19,000
Basin Return Pump	-	-	-	9,000
Wash Water Pump Belt Press	-	-	-	5,500
Back Wash Pump	-	-	-	5,000
Sludge Pump	-	-	-	30,000
NERWRS				
Submersible Mixer	-	-	-	29,290
Aerator Mixer	-	-	-	15,000
Liquid Polymer Activation System	-	-	-	27,400
Spare Parts	-	-	-	50,000
Peninsula				
Back Wash Pump Filter	-	-	-	9,000
Wash Water Pump Filter	-	-	-	7,200
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 351,390</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The Inventory Fund will be established in FY 2023. This fund allows for the purchase of Inventory items to have on hand in the event of an equipment failure in order to maintain Operations with minimal disruption.

## SELF-INSURANCE FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 1,783,761	\$ 1,623,761	\$ 2,516,899	\$ 3,248,354
Transfer to Operations	\$ (154,545)	\$ (150,000)		
<b>BEGINNING CASH BALANCE Revised</b>	<b>\$ 1,629,216</b>	<b>\$ 1,473,761</b>		
<b>REVENUES</b>				
Interfund Transfers				
Administration Fund	622,679	546,745	624,230	703,770
NPWS Operations	5,221	3,125	5,170	4,495
RTWS Operations	1,448,795	1,040,860	1,426,540	1,235,175
Lakeview Operations	282,201	215,670	235,190	251,120
NERWRS Operations	461,093	449,355	486,655	581,025
Peninsula Operations	72,064	64,785	67,340	72,755
Working Capital	154,545	150,000	-	-
<b>TOTAL REVENUES</b>	<b>\$ 3,046,598</b>	<b>\$ 2,470,540</b>	<b>\$ 2,845,125</b>	<b>\$ 2,848,340</b>
<b>EXPENDITURES</b>				
Administration Fund	606,222	546,745	615,355	703,770
NPWS Operations	3,739	3,125	3,945	4,495
RTWS Operations	832,113	1,040,860	929,980	1,235,175
Lakeview Operations	205,923	215,670	164,656	251,120
NERWRS Operations	308,743	449,355	352,735	581,025
Peninsula Operations	47,630	64,785	46,999	72,755
Stop Loss "Carve-Out"	154,545	150,000	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,158,915</b>	<b>\$ 2,470,540</b>	<b>\$ 2,113,670</b>	<b>\$ 2,848,340</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 2,516,899</b>	<b>\$ 1,473,761</b>	<b>\$ 3,248,354</b>	<b>\$ 3,248,354</b>

The increase in FY 2023 budget amount is due to lower than anticipated claims payout in FY 2021 and FY 2022.



## UPPER TRINITY CONSERVATION TRUST

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 78,989	\$ 73,749	\$ 89,158	\$ 86,913
Transfer to Operations		\$ (10,000)	\$ (5,000)	\$ (10,000)
<b>BEGINNING CASH BALANCE Revised</b>		<b>\$ 63,749</b>	<b>\$ 84,158</b>	<b>\$ 76,913</b>
<b>REVENUES</b>				
Charitable Contributions	750	1,500	1,000	1,500
Watershed Partners Program	4,125	3,875	5,025	3,875
Interfund Transfers				
Working Capital	-	10,000	5,000	10,000
Watershed Protection Program	25,000	25,000	25,000	25,000
Interest Income	157	165	230	360
<b>TOTAL REVENUES</b>	<b>\$ 30,032</b>	<b>\$ 40,540</b>	<b>\$ 36,255</b>	<b>\$ 40,735</b>
<b>EXPENDITURES</b>				
Personnel Services	14,096	20,000	15,140	20,000
Administrative	3,510	5,000	3,470	5,000
Grant Program	-	10,000	5,000	10,000
Professional Services	2,257	5,000	9,890	5,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 19,863</b>	<b>\$ 40,000</b>	<b>\$ 33,500</b>	<b>\$ 40,000</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 89,158</b>	<b>\$ 64,289</b>	<b>\$ 86,913</b>	<b>\$ 77,648</b>

FY 2023 Ending Balance increase of \$13,359 is due to actual program expenditures for FY 2021 being less than originally estimated.

## CAPITAL IMPROVEMENT PROGRAM

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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.

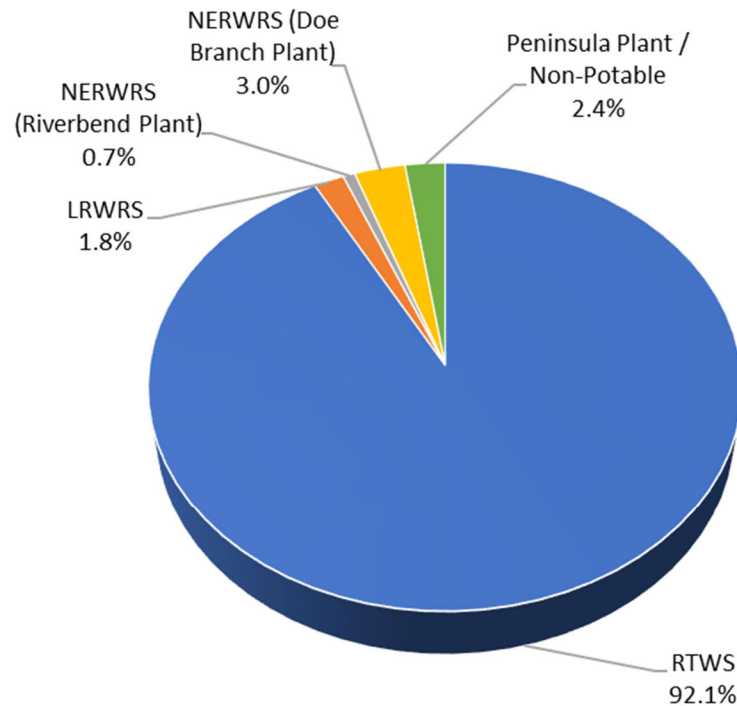
The FY 2023 CIP supports the following systems / plants:

- 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 2023 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 2023 is \$276,425,925. This budget amount is \$35,261,800 (14.6%) higher than the prior year capital budget of \$241,164,125, 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 2023 Budgeted Capital expenditures by system.



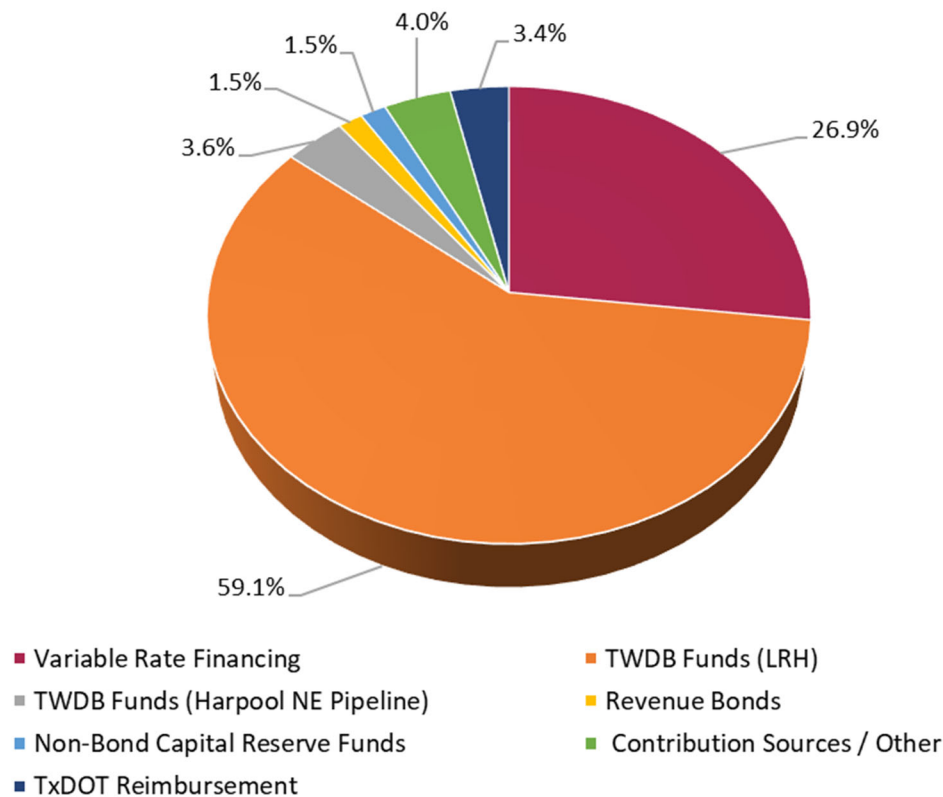
## FUNDING

Funding for capital projects falls primarily into four general categories:

- Revenue Bonds (considered Senior Lien Debt)
- Texas Water Development Board (TWDB) Funding consists of:
  - State Water Implementation Fund for Texas (SWIFT) Deferred Interest and Subsidized Interest Loans (considered Senior Lien Debt)
  - Board Participation / State Participation Funding (considered Junior Lien Debt),
- Variable Rate Financing which includes Commercial Paper and the Direct Purchase program (considered Junior Lien Debt), and
- Internally generated capital funds (Non-Bond Capital Reserve funds).

Other funding methods include use of rate revenues / cash from operations, as well as contributions from District participants and customers.

When the District's operating systems were initially established, participating entities agreed to contracts that would assure the District a stable and dependable source of revenue to cover each entity's proportionate share for the cost of administration and planning, along with the costs of operating, maintaining, and financing each project. In addition, the District has entered into contractual agreements with certain Fresh Water Supply Districts (FWSDs) and others, to provide initial funding of infrastructure costs for portions of the District's Northeast Regional Water Reclamation System and the Peninsula Plant. Under these agreements, the District will own and operate the regional system and may extend service to others. These funds are subject to reimbursement when local development provides a dependable revenue stream that is adequate to support debt service on the permanent financing.



### CONSTRUCTION CASH FUNDS

Construction Cash Funds are utilized to account for financial resources used for the acquisition and construction of major capital facilities and infrastructure. The primary source of funding for District Capital Improvement Programs 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 2023. 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 2023 and FY 2027 that will affect the District's operating budget, estimates are provided for their annual operating expenses.

For purposes of reflecting a construction project's share of a system's annual debt service, allocated annual debt service amounts are provided for projects funded by Variable Rate Financing, Revenue Bonds, Texas Water Development Board Funds and / or Water Infrastructure Funds. Debt service assigned to a project is its proportionate share of debt service expense based on its actual expenditures. For example, if revenue bonds were issued to fund one project, that project would be assigned 100% of the annual debt service. Additionally, if variable rate financing was used to fund 10 projects, each of those projects would be assigned a portion of the total annual expense related to the use of variable rate financing (i.e., interest, letter of credit costs, dealer fees, etc.), based on each projects' actual expenditures (current year plus prior years).

**A summary sheet reflecting estimated operating and debt expense estimates from capital projects, along with their effect on each system's operating budget, is also included.**

## ENGINEERING

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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 2021 Actuals	FY 2022 Estimates	FY 2023 Target
Projects In-Process completed within requested funding period	Percentage of projects that are substantially completed on schedule	58.3%	76.9%	> 65.0%
Projects completed within Construction and Engineering estimates	Percent variation to cost estimates	-3.0%	+/- 10.0%	+/- 10.0%
Change orders processed on completed construction projects	Percent variation on completed construction project amounts	11.0%	+/- 10.0%	+/- 7.0%
Construction contract awards approved by the Board	Number of contracts awarded	9	6	5
Construction contracts accepted by Board as complete	Number of contracts accepted	10	6	6
Right of way parcels acquired	Number of parcels acquired	LRH=46 Other=6	LRH=90 Other=5	LRH=80 Other=15
Right of way parcels acquired according to budget and construction timelines	Percent of properties acquired on time and within budget	90.0%	90.0%	> 90.0%

## PERSONNEL SUMMARY

### ENGINEERING POSITIONS

Positions	FY 2021 Actuals	FY 2022 Budget	FY 2022 Revised	FY 2023 Budget
Executive Director	.25	.25	.25	.25
Director of Engineering & Construction	.90	.90	.90	.90
Manager of Government Affairs / Communication	.15	.15	.15	.25
Assistant Director of Engineering & Construction	.90	.90	.90	.90
Senior Professional Engineer	.90	.90	.90	.90
Electrical Engineer	.40	.40	.40	.40
Project Engineer	1.80	.90	.90	.90
Professional Engineer	0	1.80	1.80	.90
Graduate Engineer	1.80	.90	.90	1.80
GIS Analyst	.45	.45	.45	.90
Manager of Property Services	.90	.90	.90	.90
Construction Project Manager	.90	.90	.90	.90
Senior Construction Inspector	1.80	.90	.90	.90
Construction Inspector	.90	1.80	1.80	2.70
<b>Total FTEs</b>	<b>12.05</b>	<b>12.05</b>	<b>12.05</b>	<b>13.50</b>

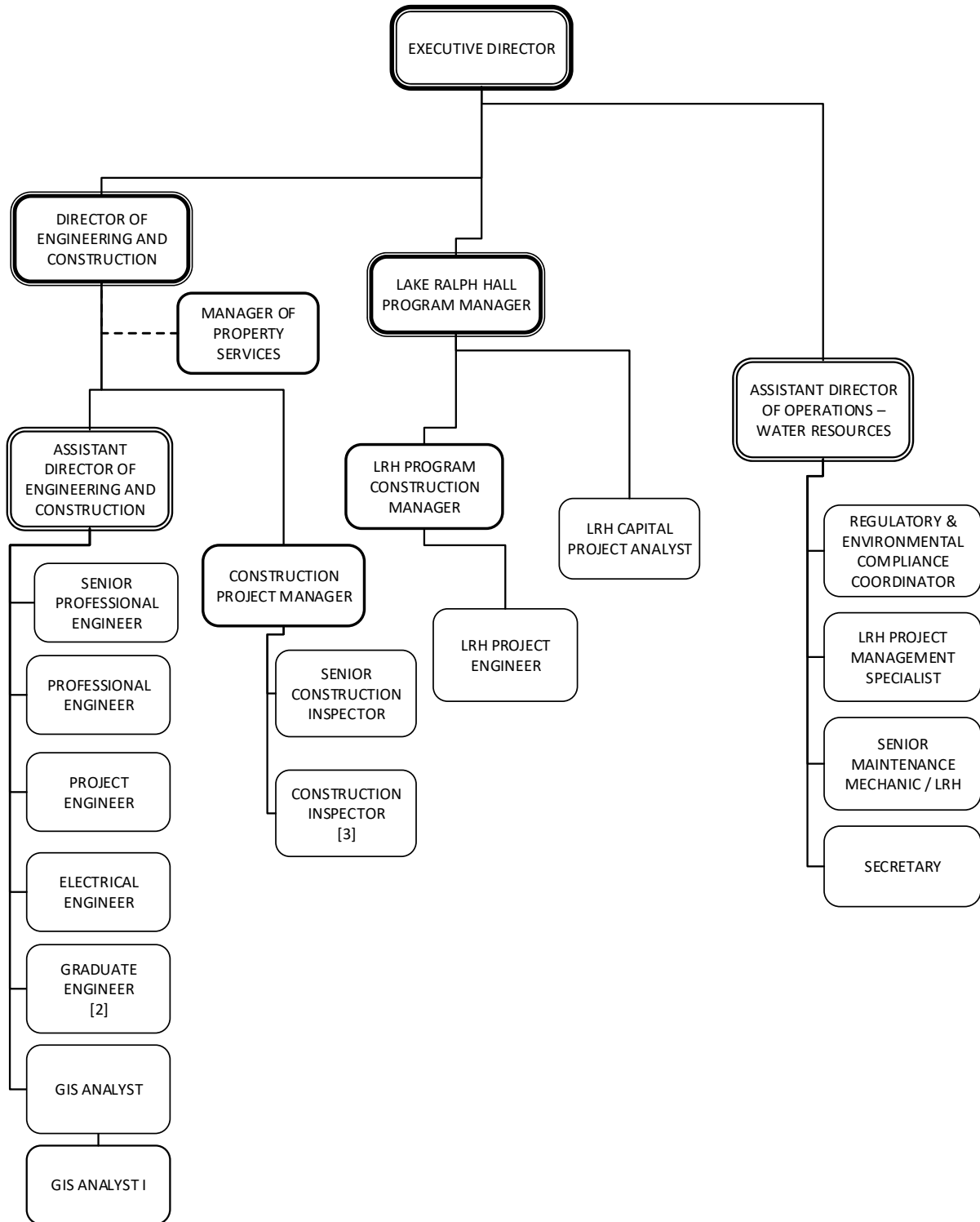
### LAKE RALPH HALL POSITIONS

Positions	FY 2021 Actuals	FY 2022 Budget	FY 2022 Revised	FY 2023 Budget
Assistant Director of Operations - Water Resources	0	0	0	.80
Manager of Water Resources	.75	.80	.80	0
LRH Program Manager	1	.80	.80	.80
LRH Program Construction Manager	1	1	1	1
LRH Project Engineer	0	0	0	1
Asst. LRH Program Construction Manager	0	1	1	0
Capital Project Accountant	1	0	0	0
Capital Project Analyst	0	1	1	1
Senior Maintenance Mechanic	1	1	1	1
LRH Project Management Specialist	.50	.50	.50	.50
Regulatory and Environmental Compliance Coordinator	0	0	0	.75
Water Resource Specialist	.60	.70	.70	0
LRH Secretary	0	1	1	1
<b>Total FTEs</b>	<b>5.85</b>	<b>7.80</b>	<b>7.80</b>	<b>7.85</b>

Additional Position (contract): Lake Ralph Hall Secretary



## ORGANIZATIONAL CHART



## BUDGET SUMMARY

	<b>FY 2021 Actuals</b>	<b>FY 2022 Adopted</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Adopted</b>
<b>Beginning Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Operating Expense</b>				
Personnel Services	\$ 2,498,244	\$ 2,985,845	\$ 2,980,750	\$ 3,651,705
<b>Total Operating Expense</b>	<b>\$ 2,498,244</b>	<b>\$ 2,985,845</b>	<b>\$ 2,980,750</b>	<b>\$ 3,651,705</b>
Transfer to Capital Projects	(1,065,184)	(1,727,360)	(1,307,170)	(1,874,640)
Transfer to Lake Ralph Hall Project	(1,433,060)	(1,258,485)	(1,673,580)	(1,777,065)
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### PERSONNEL SERVICES

90.0% of the Engineering Division's staff-time (Non-Lake Ralph Hall) is allocated to all capital projects, while 10.0% of their time, along with 100.0% of Administrative and O&M Expenses, is included in the Administration Fund budget. Subsequently, 95.0% of all Administration Fund expenses are then allocated to the Operating Funds (Systems) and individual capital projects. This was done so that a portion of the Engineering Division's expenses would become a revenue requirement and, thus, funded via Rates and Charges from Operating Systems.

The increase in Personnel Services is driven by growing staffing requirements as Capital Improvement Projects continue to expand. The FY 2023 Adopted Budget includes funding for new positions: A Construction Inspector and a GIS Analyst. LRH staff-time is fully assigned to this capital project and entered the Construction phase in FY 2022.

### TRANSFER TO CAPITAL PROJECTS

Throughout the year, these expenditures are directly expensed to capital projects, as well as operating systems based on actual activities. All remaining expenditures (indirect) are allocated to all capital projects having incurred expenses during the fiscal year.

### TRANSFER TO LAKE RALPH HALL PROJECT

As the Lake Ralph Hall project progressed, dedicated staff became necessary to meet the demands of the project. These associated costs represent the Transfer to Lake Ralph Hall.

## ACCOMPLISHMENTS FOR FY 2021-2022

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- ✓ 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*
    - *With just over a year of construction activity, significant work has been completed on various segments of the proposed Lake Ralph Hall. About 95% of the site has been cleared of brush and trees for the dam floor. The State Highway 34 North Sulphur River bridge that will span the new lake is also advancing. The columns and caps have all been placed, and the contractor has installed the last of the 343 large, 125-foot-long beams. Merrill Creek Bridge, a second bridge that will offer access over a finger of the lake, is also underway with columns being placed and beam installation continuing in the coming months.*
    - *Completed a site evaluation for the construction of a new elevated water storage tank for the Regional Treated Water System, northeast of Lewisville Lake.*
    - *Successfully upsized 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 in Denton, Texas.*
    - *Completed construction of a regional treated water transmission main to deliver water to Mustang Special Utility District's third point of delivery and other District customers north of Harpool Regional Water Treatment Plant.*
    - *A pipeline extension and meter vault were also constructed to serve this third point of delivery for treated water service to MSUD.*
    - *Completes initial design / engineering for the future construction of a strategic raw water pipeline from the raw water storage site at the future Silverado Development to the Harpool Regional Water Treatment Plant.*

- *Transitioned water system operational data from Excel spreadsheets to a Microsoft Structured Query Language (SQL) centralized database for improved reliability and accuracy of data, as well as improved operational efficiency.*
- *Completed the Parallel Pipeline from the Taylor plan to the Stone Hill pump station to provide additional capacity to meet customer needs.*
- *Coordinated with the Texas Department of Transportation's US Hwy 380 project for the relocation of water pipelines due to roadway improvements.*
- *Completed an engineering evaluation of hydraulic instrumentation and designed appropriate operational pumping improvements.*
- *Lakeview Regional Water Reclamation System*
  - *Completed the Hickory Creek Lift Station rehab, benefitting District member Lake Cities Municipal Utility Authority*
- *Northeast Regional Water Reclamation System - Riverbend Plant*
  - *Completed final improvements of the Riverbend Plant Expansion.*
  - *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.*
  - *Coordinated with the Texas Department of Transportation's US Hwy 380 project for the relocation of wastewater pipelines due to roadway improvements.*
- *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.*
  - *Substantially completed the Doe Branch Plant Expansion to provide increased capacity from 2.0 to 4.0 MGD.*
- *Peninsula Water Reclamation 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.*
  - *Construction continues for the expansion of the Peninsula Water Reclamation Plant (from 0.94 to 2.0 MGD) and is on pace for 2023 completion.*

## REGIONAL TREATED WATER SYSTEM

The Regional Treated Water System comprises the majority of the Capital Improvement Program's budgeted expenditures for FY 2023. As shown in the five-year capital improvement program, the FY 2023 adopted capital budget for the Regional Treated Water System is \$254,449,685; an increase of \$50,163,995 from the previous year adopted capital budget of \$204,285,690. This increase is primarily due to continuing construction on certain segments of the Lake Ralph Hall project.

FY 2023 funding consists of the following:

Funding Sources	FY 2023 Budget
Variable Rate Financing	\$74,413,001
TWDB Funds (Lake Ralph Hall)	\$163,271,009
TWDB Funds (Harpool Northeast Transmission Pipeline)	\$9,974,220
Non-Bond Capital Reserve Funds (net of TxDOT Reimbursements)	\$605,150
Customer Reimbursements	\$50,000
Growth Program	\$15,250
TxDOT Reimbursements	\$6,121,055

### 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 2023 Budget: \$17,716,125
- Funding Source: Variable Rate Financing

**Lake Ralph Hall** – The District is continuing with its strategic planning activities to ensure an adequate supply of water resources for the next 50 years. The District was previously awarded a water rights permit by the Texas Commission on Environmental Quality (TCEQ) to enable the District to construct a new water supply lake -- Lake Ralph Hall -- with a tentative completion date of FY 2030. The proposed lake, located in Fannin County in the Sulphur River Basin, will provide the District with approximately 35.0 mgd of raw water. In February 2020, the District received the coveted Section 404 Clean Water Act permit from the U.S. Corps of Engineers. This was the final permit needed to begin construction on the Lake. In FY 2021, construction began on segments of the proposed Lake Ralph Hall and associated transmission pipelines. These efforts will continue for FY 2023.

- FY 2023 Budget: \$168,297,880
- Funding Sources: Variable Rate Financing (\$5,026,871) and TWDB Funds (Present \$143,713,721, Anticipated \$19,557,288)

**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 2023 Budget: \$14,492,870
- Funding Source: Variable Rate Financing

**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 2023 Budget: \$3,250,000
- Funding Source: Variable Rate Financing

**Replacement / Upsizing of Section of Phase 1-A Treated Water Pipeline** – To provide redundancy and flexibility for the Regional Treated Water System’s pumping and distribution abilities in the Lantana area, District staff began design / engineering for the removal of a segment of the Phase 1A pipeline in FY 2020. For FY 2023, funding is provided to continue 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 2023 Budget: \$4,981,805
- Funding Source: Variable Rate Financing

**Northeast Ground Storage Tank and Interim Booster Pump Station** – Funding needed to purchase land and begin design / engineering for the construction of a ground water tank and pumping improvements in the northeast service area.

- FY 2023 Budget: \$750,000
- Funding Source: Variable Rate Financing

**Harpool RWTP Phased Treatment Expansion, Phase 1** – Due to projected population growth in the northeast service area, funding is provided to continue a phased expansion of the Harpool Regional Water Treatment Plant to include expanded administration, maintenance, and water treatment facilities, leading to an expanded plant capacity of 30.0 mgd by 2025.

- FY 2023 Budget: \$23,621,005
- Funding Source: Variable Rate Financing

**Lake Ralph Hall Terminal Storage** – In FY 2010, the District purchased approximately 60 acres of land in the Silverado Development area for the construction of raw water storage facilities that will serve the Harpool Regional Water Treatment Plant as a secondary raw water storage source.

- FY 2023 Budget: \$768,195
- Funding Source: Variable Rate Financing

**Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2** – Due to increasing population growth and treated water demand from the City of Celina, the Artesia Community, and other customers around this

area, funding is provided to continue with design / engineering activities 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 2023 Budget: \$13,610,350
- Funding Sources: Variable Rate Financing, TWDB Board Participation Funds

**Harpool RWTP Northeast Transmission Pipeline, Phase 3 & 4** – Funding provided to complete an alignment study and begin preliminary design for the next phases of treated water pipelines generally to connect Aubrey and other members and customers.

- FY 2023 Budget: \$170,000
- Funding Source: Variable Rate Financing

**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 2023 Budget: \$75,000
- 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 2023 Budget: \$100,000
- Funding Source: Non-Bond Capital Reserve Funds

**Treated Water Optimization and Implementation Plan** – Provides for Strategic planning for Regional Treated Water System capital improvement projects that includes hydraulic modeling assistance and customer and member coordination.

- FY 2023 Budget: \$200,400
- 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 2023 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 2023 Budget: \$5,000
- Funding Source: Non-Bond Capital Reserve Funds

**U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project** – To complete appurtenances adjustments for the Southwest Pipeline as a result of TxDOT’s widening project along U.S. Hwy 377 from FM 1171 to Country Club Road in Flower Mound, Texas.

- FY 2023 Budget: \$125,000
- 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 2023 Budget: \$5,000
- Funding Source: Non-Bond Capital Reserve Funds

**TxDOT / IH-35 Project** – Funding provided for easement acquisition, engineering services, and construction for TxDOT’s IH-35 widening project from Milam Road in Denton, TX north to Cowling Road in Sanger, Texas. The project costs are reimbursable by TxDOT.

- FY 2023 Budget: \$6,121,055
- 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 2023 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 2027 to continue these activities.

- FY 2023 Budget: \$50,000
- Funding Source: Customer Reimbursement

**Contingency Improvements** – Finally, the FY 2023 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 2027 to continue these activities.

- FY 2023 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 2027 and entails the eventual construction of a pipeline to deliver treated water to the City of Pilot Point, Texas.

**RTWS Water Storage Tank Construction Project** – Funding needed beginning in FY 2025 for the construction of a new 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.

**Harpool RWTP Expansion, Phase 2 (from 30.0 to 40.0 MGD)** – As service area population continues to increase, Phase 2 of the Harpool plant expansion is anticipated to begin in FY 2024.

**Pipeline from Lake Ralph Hall Terminal Storage to the Harpool RWTP** – This pipeline will connect the future raw water storage facilities in the Silverado Development area to the Harpool Regional Water Treatment Plant and is anticipated to begin in FY 2026.

**RTWS Southwest Transmission Pipelines, Phase 5** – The Southwest Transmission Pipelines will move onto the next phase of future pipeline from the Southwest Pump Station to FM 407 beginning in FY 2027.

## CONSTRUCTION CASH FUND

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 8,017,630	\$ 13,373,127	\$ 50,271,725	\$ 73,184,775
Transfer to Operations		\$ (386,835)		
<b>BEGINNING CASH BALANCE Revised</b>		<b>\$ 12,986,292</b>		
<b>REVENUES</b>				
Variable Rate Financing	6,500,000	45,916,874	45,000,000	74,500,000
Texas Water Development Board				
SWIFT Funds				
Deferred Interest Loan	6,360,686	3,834,425	9,463,140	10,268,040
Subsidized Interest Loan	15,024,800	699,400	698,000	-
Board Participation Funds	100,108,938	144,051,545	96,791,640	162,002,970
Interfund Transfers				
CIP Projects Funding - Operations	62,201	-	-	-
Non-Bond Capital Reserve Fund	1,750,179	8,716,935	2,006,215	6,726,205
Growth Program	17,715	18,140	14,715	15,250
Working Capital	-	386,835	-	-
Contribution Sources	296,563	583,126	-	286,565
TxDOT Reimbursements	3,198,844	-	1,149,110	6,121,055
Customer Reimbursements	-	50,000	1,000	50,000
Interest Revenue	15,290	28,410	193,160	678,995
<b>TOTAL REVENUES</b>	<b>\$ 133,335,216</b>	<b>\$ 204,285,690</b>	<b>\$ 155,316,980</b>	<b>\$ 260,649,080</b>
<b>EXPENDITURES</b>				
Construction Improvement Projects	87,882,277	204,285,690	131,350,620 *	254,449,685
Interfund Transfer - Non-Bond				
Capital Reserve Fund	3,198,844	-	1,053,310	6,121,055
<b>TOTAL EXPENDITURES</b>	<b>\$ 91,081,121</b>	<b>\$ 204,285,690</b>	<b>\$ 132,403,930</b>	<b>\$ 260,570,740</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 50,271,725</b>	<b>\$ 12,986,292</b>	<b>\$ 73,184,775</b>	<b>\$ 73,263,115</b>

FY 2023 Ending Balance increase of \$60,276,823 is largely due to a reduction in estimated FY 2022 expenditures.

\* Amount also contains expenditures: \$71,905 -RTWS General Treatment and Pumping Improvements (568), \$51,715 - Operational Data Management Project (54M), \$253,650 - Elevated Water Storage Tank Site Evaluation Study (54G), \$40,825 - Relocation / TxDOT US Hwy 380 Project (Denton County) (5T8), \$8,375,385 - Harpool RTWP North Transmission Main, Ph 1 (5H1), \$583,995 Mustang 3rd Point of Delivery (5M3), \$3,616,535 Parallel Pipeline from Taylor RTWP to Stone Hill Pump Station (5PS) These projects are expected to be completed in FY 2022 and are not shown on the accompanying 5-Year list of capital improvements projects.

## FY 2023 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2027

Project Acct	Project	Prior Expenditures	Estimated FY 2022	Adopted FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
5WP	Southwest Pump Station, Phase 1 *	\$ 567,755	\$ 2,500,000	\$ 17,716,125	\$ 14,716,120	\$ 4,000,000	\$ -	\$ -	\$ 39,500,000
5RH	Lake Ralph Hall Project *	147,810,282	98,119,210	168,297,880	153,615,835	113,678,200	6,375,000	-	687,896,407
5M1	Aubrey Point of Delivery #1	655	-	-	-	-	100,000	300,000	400,655
566	Pilot Point Pipeline *	4,929	-	-	-	-	-	125,000	129,929
59Y	RTWS General Treatment and Pumping Improvements	6,155,775	10,000,000	14,492,870	6,000,000	8,000,000	6,500,000	10,000,000	61,148,645
5TP	Lake Lewisville Raw Water Pump Station Improvements	-	250,000	3,250,000	2,000,000	-	-	-	5,500,000
5GT	RTWS Water Storage Tank Construction Project	-	-	-	-	300,000	2,400,000	3,000,000	5,700,000
57F	Replacement / Upsizing of Section of Phase 1-A Treated Water Pipeline	462,632	2,225,565	4,981,805	2,000,000	-	-	-	9,670,002
5HB	Northeast Ground Storage Tank and Interim Booster Pump Station	-	-	750,000	1,500,000	-	-	-	2,250,000
5HO	Harpool RWTP Phased Treatment Expansion, Phase 1 (from 20.0 to 30.0 MGD)	11,390,954	1,500,000	23,621,005	10,000,000	15,000,000	-	-	61,511,959
52H	Harpool RWTP Expansion, Phase 2 (from 30.0 to 40.0 MGD)	-	-	-	3,000,000	5,000,000	15,000,000	20,000,000	43,000,000
5HR	Lake Ralph Hall Terminal Storage	660,804	25,000	768,195	-	-	-	-	1,453,999
5HP	Pipeline from Lake Ralph Hall Terminal Storage to the Harpool RWTP	1,528,496	47,715	-	-	-	1,600,000	6,470,790	9,647,001
54N	Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2 *	209,650	2,000,000	13,610,350	12,000,000	8,500,000	2,500,000	-	38,820,000
55N	Harpool RWTP Northeast Transmission Pipeline, Phase 3 & 4 *	-	100,000	170,000	880,000	1,030,000	23,500,000	10,000,000	35,680,000
TBD	RTWS Southwest Transmission Pipelines, Phase 5	-	-	-	-	-	-	50,000	50,000
59Q	SCADA System Improvements (Wonderware Platform Upgrade Project)	1,849,970	675,030	75,000	-	-	-	-	2,600,000
53G	Cathodic Protection System Assessment	137,909	162,090	100,000	-	-	-	-	399,999
56N	Treated Water Optimization and Implementation Plan	-	94,000	200,400	100,000	-	-	-	394,400
53W	Roadway Improvements Coordination Adjustments *	84,866	5,000	10,000	10,000	10,000	10,000	10,000	139,866
5W3	Lewisville Lake / USACE Dam Coordination	5,177	1,000	5,000	5,000	5,000	5,000	5,000	31,177
5T7	U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project	49,596	100,000	125,000	-	-	-	-	274,596
5T9	Relocation / TxDOT U.S. Hwy 380 Project (COLLIN COUNTY)	120	1,000	5,000	5,000	-	-	-	11,120


## FY 2023 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2027

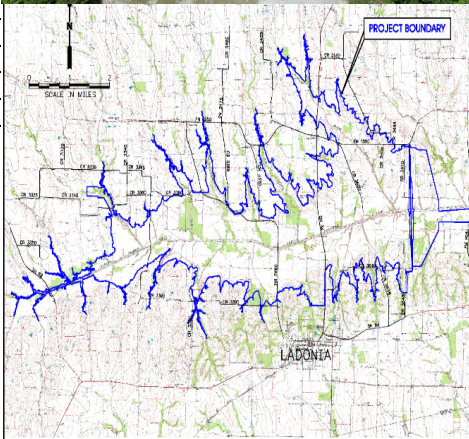
Project Acct	Project	Prior Expenditures	Estimated FY 2022	Adopted FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
5TN	TxDOT / IH-35 Project *	199,443	550,000	6,121,055	3,350,500	-	-	-	10,220,998
538	Customer Pipeline Extensions	-	1,000	50,000	50,000	50,000	50,000	50,000	251,000
5WI	Contingency Improvements *	-	-	100,000	100,000	100,000	100,000	100,000	500,000
	<b>Total</b>	<b>\$ 171,119,013</b>	<b>\$ 118,356,610</b>	<b>\$ 254,449,685</b>	<b>\$ 209,332,455</b>	<b>\$ 155,673,200</b>	<b>\$ 58,140,000</b>	<b>\$ 50,110,790</b>	<b>\$ 1,017,181,753</b>
<b>Funding Sources:</b>									
	Variable Rate Financing	\$ 45,712,435	\$ 25,983,089	\$ 74,413,001	\$ 49,086,120	\$ 52,258,823	\$ 37,850,000	\$ 42,445,790	\$ 327,749,258
	Revenue Bonds	24,185	-	-	-	-	-	-	24,185
	Texas Water Development Board Funds								
	Lake Ralph Hall (Present)	122,981,881	89,284,401	143,713,721	-	-	-	-	355,980,003
	Lake Ralph Hall (Anticipated)	-	-	19,557,288	145,965,835	97,476,877	-	-	263,000,000
	Harpool RWTP Northeast Transmission Pipeline (54N) (55N)	-	1,500,000	9,974,220	10,660,000	5,772,500	20,125,000	7,500,000	55,531,720
	Non-Bond Capital Reserve Funds	2,323,211	1,588,120	6,726,205	3,555,250	99,750	99,750	99,750	14,492,036
	Non-Bond Capital Reserve Reimbursement	-	(550,000)	(6,121,055)	(2,527,845)	-	-	-	(9,198,900)
	Customer Reimbursement	-	1,000	50,000	50,000	50,000	50,000	50,000	251,000
	Donated Assets	11,230	-	-	-	-	-	-	11,230
	Operating Funds	66,071	-	-	-	-	-	-	66,071
	Growth Program	-	-	15,250	15,250	15,250	15,250	15,250	76,250
	TxDOT Reimbursement	-	550,000	6,121,055	2,527,845	-	-	-	9,198,900
	<b>Total</b>	<b>\$ 171,119,013</b>	<b>\$ 118,356,610</b>	<b>\$ 254,449,685</b>	<b>\$ 209,332,455</b>	<b>\$ 155,673,200</b>	<b>\$ 58,140,000</b>	<b>\$ 50,110,790</b>	<b>\$ 1,017,181,753</b>

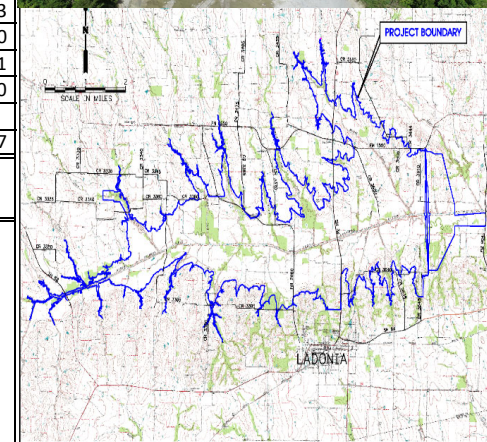
\* - Multiple Funding Sources

Project Title								Department				
Southwest Pump Station, Phase 1								SWP				
<b>Description</b> Funding provides for continued design / engineering and construction of a ground storage tank and pump station, including a screening wall and fencing.				<b>Operating Budget Impact</b>								
					2023	2024	2025	2026	2027			
				Personnel Services	\$ -	\$ -	\$ -	\$ 8,580	\$ 13,890			
				Admin. / Office Expenses	-	-	-	-	-			
				Professional Services	-	-	-	-	-			
				Operating and Maintenance	-	-	-	65,800	86,750			
				Debt Service	595,686	1,090,555	1,761,300	2,379,962	2,702,200			
				Furniture and Equipment	-	-	-	-	-			
				Maintenance / OH Allocation	-	-	-	8,926	12,077			
				Total	\$ 595,686	\$ 1,090,555	\$ 1,761,300	\$ 2,463,268	\$ 2,814,917			
<b>Project Costs</b>	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total				
			2023	2024	2025	2026	2027 to Completion					
	Design/Engineering	\$ 191,726	\$ 1,061,790	\$ 1,450,000	\$ 750,000	\$ 100,000	\$ -		\$ -	\$ 3,553,516		
	Land/Right of Way	279,395	450,000	-	-	-	-		-	729,395		
	Construction	-	720,455	14,370,000	12,350,000	3,470,000	-		-	30,910,455		
	Admin/Inspection	96,634	267,755	1,896,125	1,616,120	430,000	-		-	4,306,634		
	Legal											
	Furniture/Equipment											
Total Costs	\$ 567,755	\$ 2,500,000	\$ 17,716,125	\$ 14,716,120	\$ 4,000,000	\$ -	\$ -	\$ 39,500,000				
<b>Source of Funds</b>	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total				
			2023	2024	2025	2026	2027 to Completion					
	Variable Rate Financing	\$ 548,499	\$ 2,500,000	\$ 17,716,125	\$ 14,716,120	\$ 4,000,000	\$ -		\$ -	\$ 39,480,744		
	Revenue Bonds	19,256	-	-	-	-	-		-	19,256		
	Non-Bond Capital Rsrv Funds											
	TWDB Funds											
	Contribution Sources											
	Total Sources	\$ 567,755	\$ 2,500,000	\$ 17,716,125	\$ 14,716,120	\$ 4,000,000	\$ -		\$ -	\$ 39,500,000		
<b>Project Schedule</b>	Project Start Date		Project Completion Date		<b>Site Information</b>							
Design/Engineering	Mar-13		2025		Town of Northlake and Argyle Water Supply Corporation (Denton County, Texas)							
Land/Right of Way	Apr-13		2022									
Construction	Sep-22		2025									
Admin/Inspection			2025									
Legal												
Furniture/Equipment												
Total Project			2025									





Project Title								Department		
Lake Ralph Hall Project								5RH		
<b>Description</b> 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. Project information and updates can be found at lakeralphhall.com.					<b>Operating Budget Impact</b>					
						2023	2024	2025	2026	2027
					Personnel Services	\$ -	\$ -	\$ -	\$ 240,000	\$ 490,000
					Admin. / Office Expenses	-	-	-	5,000	12,000
					Professional Services	-	-	-	55,000	120,000
					Operating and Maintenance	-	-	-	935,695	1,944,590
					Debt Service	3,244,802	6,383,788	8,561,072	10,155,890	12,721,082
					Furniture and Equipment	-	-	-	-	-
					Maintenance / OH Allocation	-	-	-	148,283	307,991
Total					\$ 3,244,802	\$ 6,383,788	\$ 8,561,072	\$ 11,539,868	\$ 15,595,663	
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total		
			2023	2024	2025	2026	2027 to Completion			
Total Costs	\$ 147,810,282	\$ 98,119,210	\$ 168,297,880	\$ 153,615,835	\$ 113,678,200	\$ 6,375,000	\$ 2,770,000	\$ 690,666,407		
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total		
			2023	2024	2025	2026	2027 to Completion			
Variable Rate Financing	\$ 24,754,970	\$ 8,834,809	\$ 5,026,871	\$ 7,650,000	\$ 16,201,323	\$ 6,375,000	\$ 2,770,000	\$ 71,612,973		
TWDB Funds - Present	122,981,881	89,284,401	143,713,721	-	-	-	-	355,980,003		
TWDB Funds - Anticipated	-	-	19,557,288	145,965,835	97,476,877	-	-	263,000,000		
Operating Funds	62,201	-	-	-	-	-	-	62,201		
Donated Assets	11,230	-	-	-	-	-	-	11,230		
Total Sources	\$ 147,810,282	\$ 98,119,210	\$ 168,297,880	\$ 153,615,835	\$ 113,678,200	\$ 6,375,000	\$ 2,770,000	\$ 690,666,407		
Project Schedule	Project		Project		Site Information					
	Start Date		Completion Date							
Design/Engineering	Jul-03		2025		Ladonia, TX					
Land/Right of Way	Dec-08		2022							
Construction	Jul-20		2030							
Admin/Inspection	May-03		2030							
Legal	May-12		Jun-17							
Furniture/Equipment										
Total Project			2030							


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Project Title								Department	
RTWS General Treatment and Pumping Improvements								59Y	
<b>Description</b> 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.				<b>Operating Budget Impact</b>					
					2023	2024	2025	2026	2027
				Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
				Admin. / Office Expenses	-	-	-	-	-
				Professional Services	-	-	-	-	-
				Operating and Maintenance	-	-	-	-	-
				Debt Service	1,104,458	1,510,000	2,352,035	2,987,155	3,636,705
				Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	-	-				
				Total	\$ 1,104,458	\$ 1,510,000	\$ 2,352,035	\$ 2,987,155	\$ 3,636,705
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total	
			2023	2024	2025	2026	2027 to Completion		
Design/Engineering	\$ 641,244	\$ 525,000	\$ 200,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 1,566,244	
Land/Right of Way									
Construction	5,175,139	8,400,000	12,700,000	5,300,000	7,050,000	5,750,000	8,870,000	53,245,139	
Admin/Inspection	339,392	1,075,000	1,592,870	650,000	900,000	700,000	1,080,000	6,337,262	
Legal									
Furniture/Equipment									
Total Costs	\$ 6,155,775	\$ 10,000,000	\$ 14,492,870	\$ 6,000,000	\$ 8,000,000	\$ 6,500,000	\$ 10,000,000	\$ 61,148,645	
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total	
			2023	2024	2025	2026	2027 to Completion		
Variable Rate Financing	\$ 6,155,775	\$ 10,000,000	\$ 14,492,870	\$ 6,000,000	\$ 8,000,000	\$ 6,500,000	\$ 10,000,000	\$ 61,148,645	
Revenue Bonds									
Non-Bond Capital Rsrv Funds									
TWDB Funds									
Contribution Sources									
Total Sources	\$ 6,155,775	\$ 10,000,000	\$ 14,492,870	\$ 6,000,000	\$ 8,000,000	\$ 6,500,000	\$ 10,000,000	\$ 61,148,645	
Project Schedule	Project Start Date		Project Completion Date		Site Information				
Design/Engineering	Sep-20		2027		Various areas in the District's Regional Treated Water System				
Land/Right of Way									
Construction	Dec-20		2027						
Admin/Inspection	Sep-20		2027						
Legal									
Furniture/Equipment									
Total Project			2027						



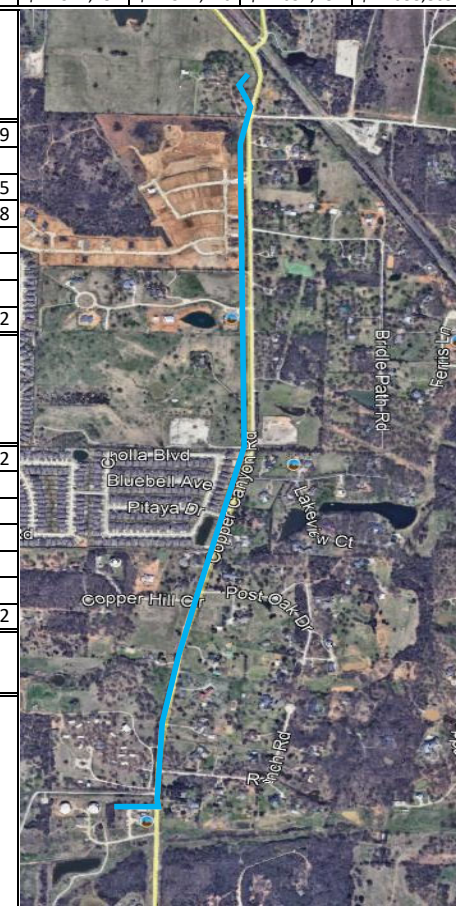


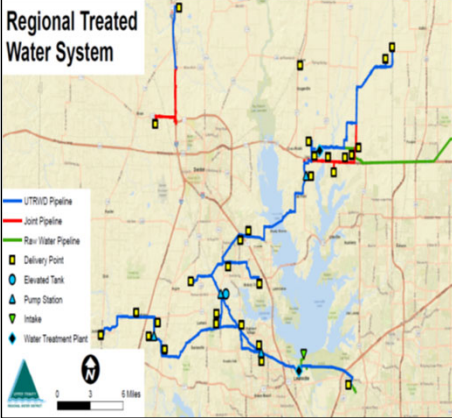
Project Title							Department			
Lake Lewisville Raw Water Pump Station Improvements							STP			
<b>Description</b> Continue design / engineering and begin construction of a multi-year project that upgrades / updates electrical, pumping, and other critical components of the Lake Lewisville raw water intake pump station.					<b>Operating Budget Impact</b>					
						2023	2024	2025	2026	2027
					Personnel Services	\$ -	\$ -	\$ -	\$ (2,800)	\$ (2,940)
					Admin. / Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	-	(5,500)	(5,720)
					Debt Service	96,250	162,475	253,050	351,100	385,000
					Furniture and Equipment	-	-	-	-	-
					Maintenance / OH Allocation	-	-	-	(996)	(1,039)
Total					\$ 96,250	\$ 162,475	\$ 253,050	\$ 341,804	\$ 375,301	
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total		
			2023	2024	2025	2026	2027 to Completion			
Design/Engineering	\$ -	\$ 224,000	\$ 221,000	\$ -	\$ -	\$ -	\$ -	\$ 445,000		
Land/Right of Way										
Construction	-	-	2,680,000	1,780,000	-	-	-	4,460,000		
Admin/Inspection	-	26,000	349,000	220,000	-	-	-	595,000		
Legal										
Furniture/Equipment										
Total Costs	\$ -	\$ 250,000	\$ 3,250,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 5,500,000		
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total		
			2023	2024	2025	2026	2027 to Completion			
Variable Rate Financing	\$ -	\$ 250,000	\$ 3,250,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 5,500,000		
Revenue Bonds										
Non-Bond Capital Rsrv Funds										
TWDB Funds										
Contribution Sources										
Total Sources	\$ -	\$ 250,000	\$ 3,250,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 5,500,000		
Project Schedule	Project Start Date		Project Completion Date		Site Information					
	May-22		2023							
Design/Engineering					1500 N. Mill St Lewisville, TX 75057					
Land/Right of Way										
Construction	2023		2024							
Admin/Inspection	Jan-22		2024							
Legal										
Furniture/Equipment										
Total Project			2024							

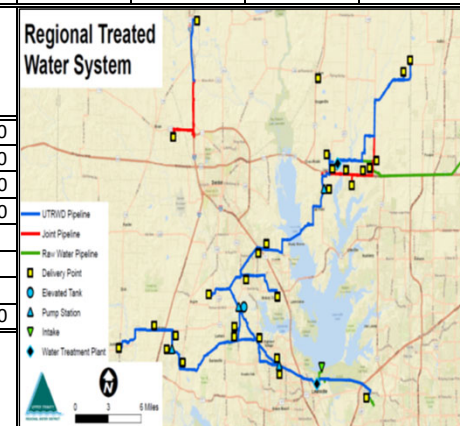






Project Title								Department				
Replacement / Upsizing of Section of Phase 1A Treated Water Pipeline								57F				
<b>Description</b> Funding provides for the removal of a segment of Phase 1A, which includes 18-inch and 16-inch treated water pipeline and replace with larger diameter (36-inch) water pipeline, to provide redundancy and flexibility for the Regional Treated Water System.						<b>Operating Budget Impact</b>						
							2023	2024	2025	2026	2027	
						Personnel Services	\$ -	\$ -	\$ 2,385	\$ 2,504	\$ 2,629	
						Admin. / Office Expenses	-	-	-	-	-	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	-	7,450	7,748	8,058	
						Debt Service	230,587	341,784	513,431	643,000	676,900	
						Furniture and Equipment	-	-	-	-	-	
						Maintenance / OH Allocation	-	-	1,180	1,230	1,282	
Total						\$ 230,587	\$ 341,784	\$ 524,446	\$ 654,482	\$ 688,869		
<b>Project Costs</b>	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total				
			2023	2024	2025	2026	2027 to Completion					
	Design/Engineering	\$ 417,909	\$ 480,000	\$ 200,000	-	\$ -	\$ -		\$ -	\$ 1,097,909		
	Land/Right of Way											
	Construction	-	1,485,565	4,250,000	1,780,000	-	-		-	7,515,565		
	Admin/Inspection	44,723	260,000	531,805	220,000	-	-		-	1,056,528		
	Legal											
	Furniture/Equipment											
Total Costs	\$ 462,632	\$ 2,225,565	\$ 4,981,805	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 9,670,002				
<b>Source of Funds</b>	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total				
			2023	2024	2025	2026	2027 to Completion					
	Variable Rate Financing	\$ 462,632	\$ 2,225,565	\$ 4,981,805	\$ 2,000,000	\$ -	\$ -		\$ -	\$ 9,670,002		
	Revenue Bonds											
	Non-Bond Capital Rsrv Funds											
	TWDB Funds											
	Contribution Sources											
	Total Sources	\$ 462,632	\$ 2,225,565	\$ 4,981,805	\$ 2,000,000	\$ -	\$ -		\$ -	\$ 9,670,002		
<b>Project Schedule</b>	Project Start Date		Project Completion Date		<b>Site Information</b>							
Design/Engineering	Jun-20		2023		Phase 1A pipeline from intersection of Copper Canyon Rd. and Hickory Hill Rd., south to Lantana's meter vault.							
Land/Right of Way												
Construction	Feb-22		2024									
Admin/Inspection	Jun-20		2024									
Legal												
Furniture/Equipment												
Total Project			2024									

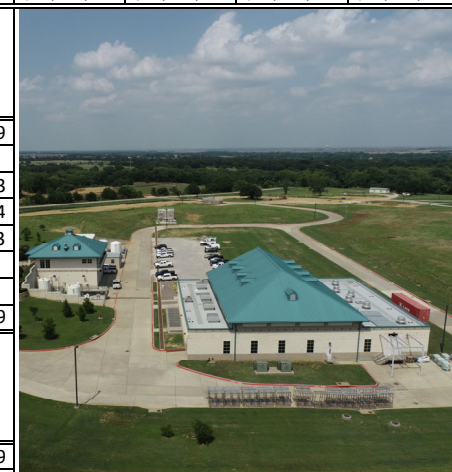



Project Title								Department				
Northeast Ground Storage Tank and Interim Booster Pump Station								5HB				
Description Funding provides for design / engineering and purchase of land for the construction of a ground water tank and pumping improvements in the northeast portion of the RTWS.						Operating Budget Impact						
						Personnel Services	2023	2024	2025	2026	2027	
						Admin. / Office Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	-	-	-	-	
						Debt Service	20,625	64,350	89,250	132,075	157,500	
						Furniture and Equipment	-	-	-	-	-	
						Maintenance / OH Allocation	-	-	-	-	-	
Total						\$ 20,625	\$ 64,350	\$ 89,250	\$ 132,075	\$ 157,500		
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total				
			2023	2024	2025	2026	2027 to Completion					
	Design/Engineering	\$ -	\$ -	\$ 268,500	\$ 250,000	\$ -	\$ -			\$ -	\$ 518,500	
	Land/Right of Way	-	-	397,050	-	-	-			-	397,050	
	Construction	-	-	-	1,085,000	-	-			-	1,085,000	
	Admin/Inspection	-	-	84,450	165,000	-	-			-	249,450	
	Legal											
	Furniture/Equipment											
Total Costs	\$ -	\$ -	\$ 750,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 2,250,000				
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total				
			2023	2024	2025	2026	2027 to Completion					
	Variable Rate Financing	\$ -	\$ -	\$ 750,000	\$ 1,500,000	\$ -	\$ -		\$ -	\$ 2,250,000		
	Revenue Bonds											
	Non-Bond Capital Rsrv Funds											
	TWDB Funds											
	Contribution Sources											
Total Sources	\$ -	\$ -	\$ 750,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 2,250,000				
Project Schedule	Project Start Date		Project Completion Date		Site Information  Generally north of Fishtrap Road and east of Navo Road Aubrey, TX							
Design/Engineering	2023		2024									
Land/Right of Way	2023		2023									
Construction	2024		2024									
Admin/Inspection	2023		2024									
Legal												
Furniture/Equipment												
Total Project			2024									



Project Title								Department		
Harpool RWTP Phased Treatment Expansion, Phase 1								SHO		
<b>Description</b> 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.				<b>Operating Budget Impact</b>						
					2023	2024	2025	2026	2027	
				Personnel Services	\$ 100,000	\$ 100,000	\$ 105,000	\$ 110,250	\$ 115,763	
				Admin. / Office Expenses	-	-	-	10,000	10,500	
				Professional Services	-	-	-	10,000	10,500	
				Operating and Maintenance	-	-	64,000	200,000	210,000	
				Debt Service	1,488,194	1,832,878	2,965,935	3,627,837	4,070,337	
				Furniture and Equipment	-	-	-	-	50,000	
				Maintenance / OH Allocation	12,000	12,000	20,280	39,630	47,612	
Total				\$ 1,600,194	\$ 1,944,878	\$ 3,155,215	\$ 3,997,717	\$ 4,514,712		
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total		
			2023	2024	2025	2026	2027 to Completion			
	Design/Engineering	\$ 978,209	\$ 700,000	\$ 1,800,000	\$ 500,000	\$ 500,000	\$ -		\$ -	\$ 4,478,209
	Land/Right of Way									
	Construction	9,609,053	635,000	19,250,000	8,400,000	12,900,000	-		-	50,794,053
	Admin/Inspection	801,679	165,000	2,571,005	1,100,000	1,600,000	-		-	6,237,684
	Legal	2,013	-	-	-	-	-		-	2,013
	Furniture/Equipment									
Total Costs	\$ 11,390,954	\$ 1,500,000	\$ 23,621,005	\$ 10,000,000	\$ 15,000,000	\$ -	\$ -	\$ 61,511,959		
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total		
			2023	2024	2025	2026	2027 to Completion			
	Variable Rate Financing	\$ 11,390,954	\$ 1,500,000	\$ 23,621,005	\$ 10,000,000	\$ 15,000,000	\$ -		\$ -	\$ 61,511,959
	Revenue Bonds									
	Non-Bond Capital Rsrv Funds									
	TWDB Funds									
	Contribution Sources									
Total Sources	\$ 11,390,954	\$ 1,500,000	\$ 23,621,005	\$ 10,000,000	\$ 15,000,000	\$ -	\$ -	\$ 61,511,959		
Project Schedule	Project Start Date		Project Completion Date		Site Information					
Design/Engineering	Aug-18		2025		11500 Fishtrap Road Aubrey, TX					
Land/Right of Way										
Construction	Sep-19		2025							
Admin/Inspection	Sep-17		2025							
Legal	Jun-19		Sep-20							
Furniture/Equipment										
Total Project			2025							

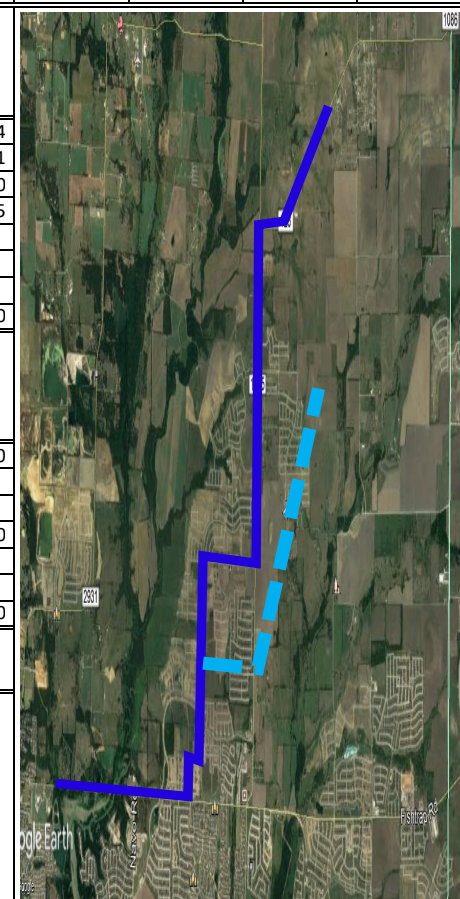


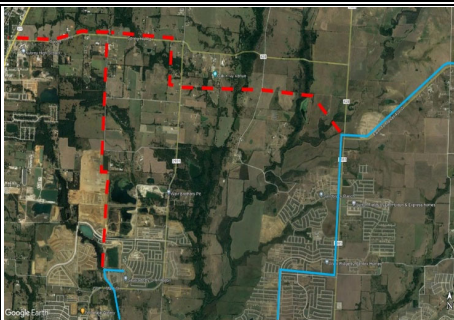


Project Title								Department				
Lake Ralph Hall Terminal Storage								5HR				
<b>Description</b> Funding provides for the District's participation in the construction of the Lake Ralph Hall Terminal Storage Pond.						<b>Operating Budget Impact</b>						
							2023	2024	2025	2026	2027	
						Personnel 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	68,069	69,459	87,799	101,780	101,780	
						Furniture and Equipment	-	-	-	-	-	
						Maintenance / OH Allocation	-	1,266	1,324	1,386	1,450	
Total						\$ 68,069	\$ 81,275	\$ 100,160	\$ 114,713	\$ 115,311		
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total				
			2023	2024	2025	2026	2027 to Completion					
Design/Engineering	\$ 23,811	\$ 20,000	\$ 32,500	\$ -	\$ -	\$ -	\$ -	\$ 76,311				
Land/Right of Way	485,312	-	-	-	-	-	-	485,312				
Construction	-	-	647,500	-	-	-	-	647,500				
Admin/Inspection	145,816	5,000	88,195	-	-	-	-	239,011				
Legal	5,865	-	-	-	-	-	-	5,865				
Furniture/Equipment												
Total Costs	\$ 660,804	\$ 25,000	\$ 768,195	\$ -	\$ -	\$ -	\$ -	\$ 1,453,999				
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total				
			2023	2024	2025	2026	2027 to Completion					
Variable Rate Financing	\$ 660,804	\$ 25,000	\$ 768,195	\$ -	\$ -	\$ -	\$ -	\$ 1,453,999				
Revenue Bonds												
Non-Bond Capital Rsrv Funds												
TWDB Funds												
Contribution Sources												
Total Sources	\$ 660,804	\$ 25,000	\$ 768,195	\$ -	\$ -	\$ -	\$ -	\$ 1,453,999				
Project Schedule	Project		Project		Site Information							
	Start Date		Completion Date									
Design/Engineering	Sep-20		2023									
Land/Right of Way	Dec-09		Dec-09									
Construction	2023		2023									
Admin/Inspection	Dec-09		2023									
Legal	May-10		Jul-21									
Furniture/Equipment												
Total Project			2023									

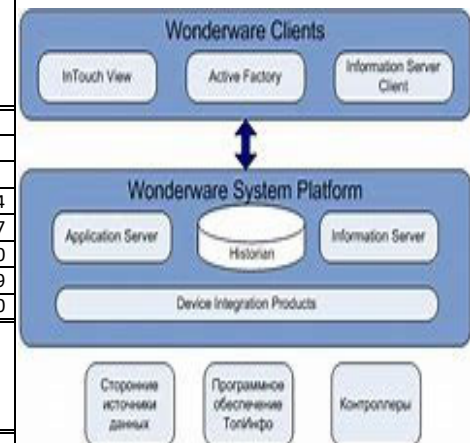


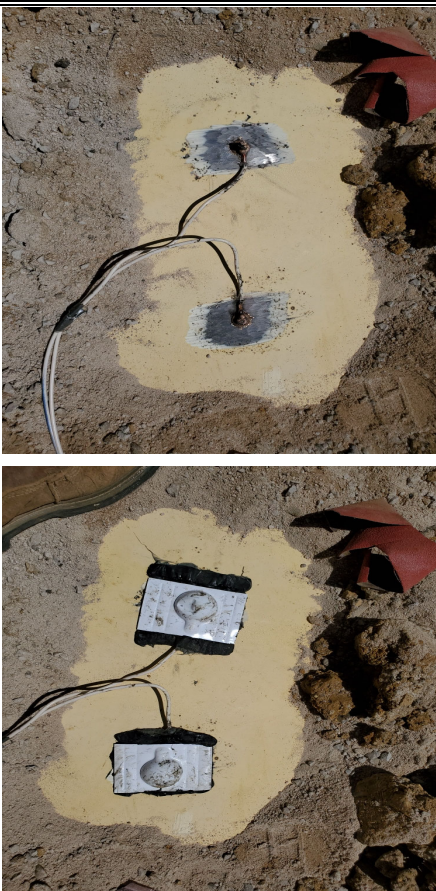

Project Title								Department				
Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2								54N				
<b>Description</b> Funding provided to continue with design / engineering and purchasing rights-of-way / easements and to begin construction for the future 36-inch diameter treated water transmission pipeline extending northeast from the Harpool Water Treatment Plant to serve the Town of Celina, Artesia community, and other customers.						<b>Operating Budget Impact</b>						
							2023	2024	2025	2026	2027	
						Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	
						Admin. / Office Expenses	-	-	-	-	-	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	-	-	-	-	
						Debt Service	128,419	200,519	487,568	674,196	841,006	
						Furniture and Equipment	-	-	-	-	-	
Maintenance / OH Allocation	-	-	-	-	-							
Total						\$ 128,419	\$ 200,519	\$ 487,568	\$ 674,196	\$ 841,006		
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total				
			2023	2024	2025	2026	2027 to Completion					
Design/Engineering	\$ 174,934	\$ 462,710	\$ 2,270,000	\$ 125,000	\$ 100,000	\$ -	\$ -	\$ 3,132,644				
Land/Right of Way	111	1,327,000	4,200,000	-	-	-	-	5,527,111				
Construction	-	-	5,578,000	10,595,000	7,452,000	2,232,000	-	25,857,000				
Admin/Inspection	34,605	210,290	1,562,350	1,280,000	948,000	268,000	-	4,303,245				
Legal												
Furniture/Equipment												
Total Costs	\$ 209,650	\$ 2,000,000	\$ 13,610,350	\$ 12,000,000	\$ 8,500,000	\$ 2,500,000	\$ -	\$ 38,820,000				
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total				
			2023	2024	2025	2026	2027 to Completion					
Variable Rate Financing	\$ 209,650	\$ 500,000	\$ 3,636,130	\$ 2,000,000	\$ 3,500,000	\$ -	\$ -	\$ 9,845,780				
Revenue Bonds												
Non-Bond Capital Rsrv Funds												
TWDB Board Part. Funds	-	1,500,000	9,974,220	10,000,000	5,000,000	2,500,000	-	28,974,220				
Contribution Sources												
Total Sources	\$ 209,650	\$ 2,000,000	\$ 13,610,350	\$ 12,000,000	\$ 8,500,000	\$ 2,500,000	\$ -	\$ 38,820,000				
Project Schedule	Project Start Date		Project Completion Date		Site Information							
Design/Engineering	Sep-20		2025		Northeast from Aubrey, TX (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				
Harpool RWTP Northeast Transmission Pipeline, Phase 3 & 4							55N				
<b>Description</b> Funding provided to complete an alignment study and begin preliminary design for the future construction of the next phases of treated water pipelines generally to connect Aubrey and other members and customers.				<b>Operating Budget Impact</b>							
					2023	2024	2025	2026	2027		
				Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -		
				Admin. / Office Expenses	-	-	-	-	-		
				Professional Services	-	-	-	-	-		
				Operating and Maintenance	-	-	-	-	-		
				Debt Service	7,425	16,084	31,850	251,954	384,757		
				Furniture and Equipment	-	-	-	-	-		
Maintenance / OH Allocation	-	-	-	-	-						
				Total	\$ 7,425	\$ 16,084	\$ 31,850	\$ 251,954	\$ 384,757		
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total			
			2023	2024	2025	2026	2027 to Completion				
Design/Engineering	\$ -	\$ 85,000	\$ 150,000	\$ 300,000	\$ 425,000	\$ 1,490,000	\$ 75,000	\$ 2,525,000			
Land/Right of Way	-	-	-	485,000	490,000	500,000	-	1,475,000			
Construction	-	-	-	-	-	19,000,000	8,850,000	27,850,000			
Admin/Inspection	-	15,000	20,000	95,000	115,000	2,510,000	1,075,000	3,830,000			
Legal											
Furniture/Equipment											
Total Costs	\$ -	\$ 100,000	\$ 170,000	\$ 880,000	\$ 1,030,000	\$ 23,500,000	\$ 10,000,000	\$ 35,680,000			
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total			
			2023	2024	2025	2026	2027 to Completion				
Variable Rate Financing	\$ -	\$ 100,000	\$ 170,000	\$ 220,000	\$ 257,500	\$ 5,875,000	\$ 2,500,000	\$ 9,122,500			
Revenue Bonds											
Non-Bond Capital Rsrv Funds											
TWDB Board Part. Funds	-	-	-	660,000	772,500	17,625,000	7,500,000	26,557,500			
Contribution Sources											
Total Sources	\$ -	\$ 100,000	\$ 170,000	\$ 880,000	\$ 1,030,000	\$ 23,500,000	\$ 10,000,000	\$ 35,680,000			
Project Schedule	Project Start Date		Project Completion Date		Site Information				Generally northwest from Fishtrap Rd to the Town of Aubrey, TX		
Design/Engineering	Sep-22		2027								
Land/Right of Way	2024		2026								
Construction	2026		2027								
Admin/Inspection	Sep-22		2027								
Legal											
Furniture/Equipment											
Total Project			2027								

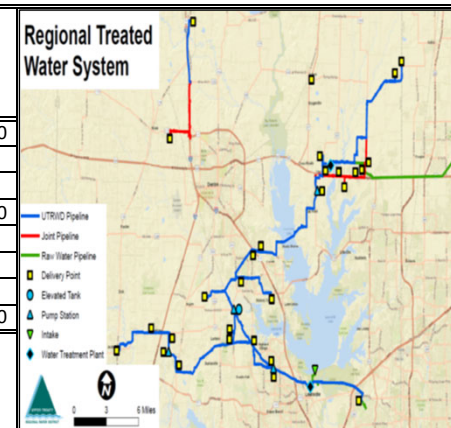
Project Title								Department
SCADA System Improvements (Wonderware Platform Upgrade Project)								59Q
Description				Operating Budget Impact				
Complete upgrade of the District's current version of Wonderware software due to obsolescence and decreased efficiency.					2023	2024	2025	2026
				Personnel Services	\$ -	\$ (1,295)	\$ (1,360)	\$ (1,428)
				Admin. / Office Expenses	-	-	-	-
				Professional Services	-	99,500	99,500	102,485
				Operating and Maintenance	-	(1,600)	(1,664)	(1,731)
				Debt Service	-	-	-	-
				Furniture and Equipment	-	-	-	-
				Maintenance / OH Allocation	-	11,593	11,577	11,919
				Total	\$ -	\$ 108,198	\$ 108,053	\$ 111,245
								\$ (1,499)
								-
								105,560
								(1,800)
								-
								-
								12,271
								\$ 114,532
Project Costs		Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures				Project Total
				2023	2024	2025	2026	2027 to Completion
Design/Engineering								
Land/Right of Way								
Construction								
Admin/Inspection		\$ 91,914	\$ 71,640	\$ 8,000	\$ -	\$ -	\$ -	\$ -
Professional Services		1,303,617	203,390	67,000	-	-	-	-
Furniture/Equipment		191,790	-	-	-	-	-	-
Other - Software		262,649	400,000	-	-	-	-	-
Total Costs		\$ 1,849,970	\$ 675,030	\$ 75,000	\$ -	\$ -	\$ -	\$ -
								\$ 171,554
								1,574,007
								191,790
								662,649
								2,600,000
Source of Funds		Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations				Project Total
				2023	2024	2025	2026	2027 to Completion
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds		\$ 1,849,970	\$ 675,030	\$ 75,000	\$ -	\$ -	\$ -	\$ -
TWDB Funds								
Contribution Sources								
Total Sources		\$ 1,849,970	\$ 675,030	\$ 75,000	\$ -	\$ -	\$ -	\$ -
								\$ 2,600,000
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering				Various areas in the District's service area				
Construction								
Admin/Inspection		Nov-19	2023					
Professional Services		Nov-19	2023					
Furniture/Equipment		Jun-20	Sep-20					
Other - Software		Nov-19	Sep-22					
Total Project			2023					



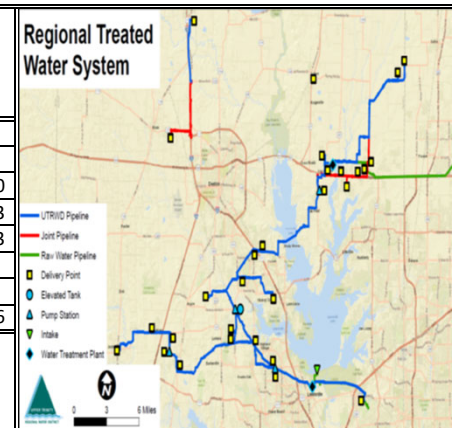
Project Title								Department				
Cathodic Protection System Assessment								53G				
<b>Description</b> Provides for investigation of soil and water conditions at locations identified as corrosive during the resistivity testing to determine if any additional protection means are required or if repairs to the cathodic protection monitoring system or pipelines are necessary. This project also includes a Cathodic Protection Maintenance Plan for all System pipelines.						<b>Operating Budget Impact</b>						
						2023	2024	2025	2026	2027		
						Personnel Services						
						Admin. / Office Expenses						
						Professional Services						
						Operating and Maintenance						
						Debt Service						
						Furniture and Equipment						
						Maintenance / OH Allocation						
						Total						
<b>Project Costs</b>	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total				
			2023	2024	2025	2026	2027 to Completion					
Design/Engineering	\$ 122,296	\$ 140,000	\$ 88,000	\$ -	\$ -	\$ -	\$ -	\$ 350,296				
Land/Right of Way												
Construction												
Admin/Inspection	15,613	22,090	12,000	-	-	-	-	49,703				
Legal												
Furniture/Equipment												
Total Costs	\$ 137,909	\$ 162,090	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 399,999				
<b>Source of Funds</b>	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total				
			2023	2024	2025	2026	2027 to Completion					
Variable Rate Financing												
Revenue Bonds												
Non-Bond Capital Rsrv Funds	\$ 137,909	\$ 162,090	\$ 100,000	\$ -	\$ -	\$ -	\$ -	399,999				
TWDB Funds												
Contribution Sources												
Total Sources	\$ 137,909	\$ 162,090	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 399,999				
<b>Project Schedule</b>	Project Start Date		Project Completion Date		<b>Site Information</b>							
Design/Engineering	May-21		2023		Various locations in the District's service area							
Land/Right of Way												
Construction												
Admin/Inspection	May-21		2023									
Legal												
Furniture/Equipment												
Total Project			2023									



Project Title								Department
Treated Water Optimization and Implementation Plan								56N
Description				Operating Budget Impact				
Strategic planning for Regional Treated Water System capital improvement projects (CIP) that includes hydraulic modeling assistance and customer and member coordination.				2023	2024	2025	2026	2027
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total
			2023	2024	2025	2026	2027 to Completion	
Design/Engineering	\$ -	\$ 84,000	\$ 179,400	\$ 88,000	\$ -	\$ -	\$ -	\$ 351,400
Land/Right of Way								
Construction								
Admin/Inspection	-	10,000	21,000	12,000	-	-	-	43,000
Legal								
Furniture/Equipment								
Total Costs	\$ -	\$ 94,000	\$ 200,400	\$ 100,000	\$ -	\$ -	\$ -	\$ 394,400
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total
			2023	2024	2025	2026	2027 to Completion	
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	\$ -	\$ 94,000	\$ 200,400	\$ 100,000	\$ -	\$ -	\$ -	\$ 394,400
TWDB Funds								
Contribution Sources								
Total Sources	\$ -	\$ 94,000	\$ 200,400	\$ 100,000	\$ -	\$ -	\$ -	\$ 394,400
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering		May-22	2024	Various locations in the District's service area				
Land/Right of Way								
Construction								
Admin/Inspection		May-22	2024					
Legal								
Furniture/Equipment								
Total Project			2024					



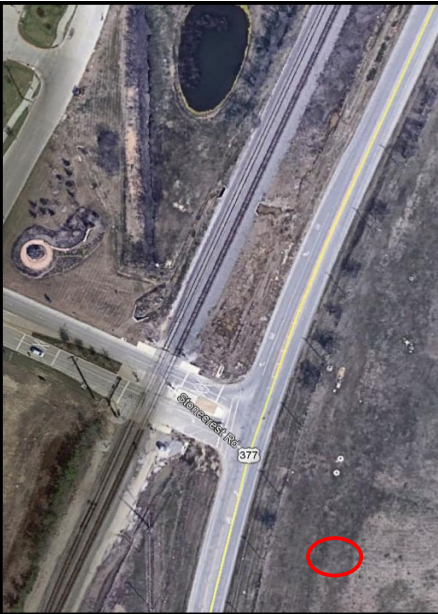
Project Title								Department
Roadway Improvements Coordination Adjustments								53W
Description				Operating Budget Impact				
Continue to coordinate with other public entities to identify potential conflicts between proposed roadway improvements and the District's facilities. (Does not include funding for modifications to District facilities.)				2023	2024	2025	2026	2027
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total
			2023	2024	2025	2026	2027 to Completion	
Design/Engineering								
Land/Right of Way								
Construction	\$ 1,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,860
Admin/Inspection	79,903	4,500	9,000	9,000	9,000	9,000	9,000	129,403
Legal	3,103	500	1,000	1,000	1,000	1,000	1,000	8,603
Furniture/Equipment								
Total Costs	\$ 84,866	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 139,866
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total
			2023	2024	2025	2026	2027 to Completion	
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	\$ 80,996	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 135,996
Operating Funds	3,870	-	-	-	-	-	-	3,870
Contribution Sources								
Total Sources	\$ 84,866	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 139,866
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						

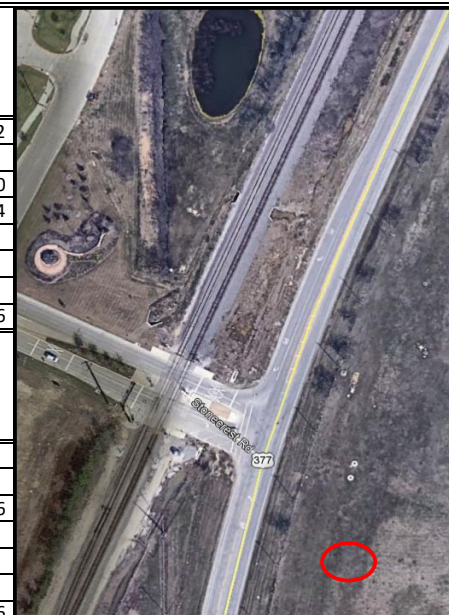


Project Title								Department
Lewisville Lake / USACE Dam Coordination								5W3
Description				Operating Budget Impact				
Continue coordination with the U.S. Army Corps of Engineers (USACE) on utility relocations, including engineering / design and construction activities for the District's water pipelines in the vicinity of the Lewisville Lake Dam.				2023	2024	2025	2026	2027
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total
			2023	2024	2025	2026	2027 to Completion	
Design/Engineering								
Land/Right of Way								
Construction								
Admin/Inspection	\$ 5,177	\$ 1,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 31,177
Legal								
Furniture/Equipment								
Total Costs	\$ 5,177	\$ 1,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 31,177
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total
			2023	2024	2025	2026	2027 to Completion	
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	\$ 5,177	\$ 1,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 31,177
TWDB Funds								
Contribution Sources								
Total Sources	\$ 5,177	\$ 1,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 31,177
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						
Legal								
Furniture/Equipment								
Total Project		Ongoing						

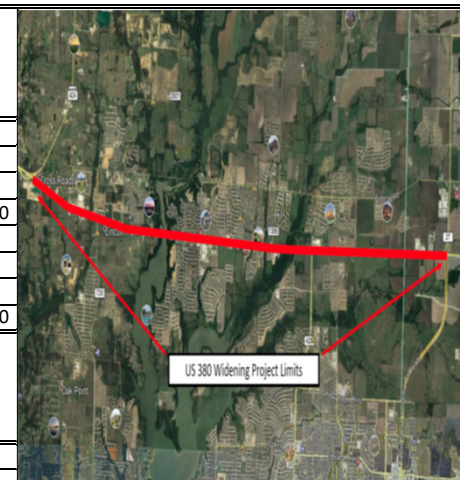


Project Title							Department						
U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project							5T7						
<b>Description</b> Funding provides for appurtenance adjustments for the Southwest Pipeline as a result of the Texas Department of Transportation's widening project along U.S. Hwy 377 from FM 1171 to Country Club Road.				<b>Operating Budget Impact</b>									
				2023		2024		2025		2026		2027	
				Personnel Services									
				Admin. / Office Expenses									
				Professional Services									
				Operating and Maintenance									
				Debt Service									
Furniture and Equipment													
Maintenance / OH Allocation													
Total													
<b>Project Costs</b>	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total					
	2023	2024	2025	2026	2027 to Completion								
	Design/Engineering	\$ 36,752	\$ 35,000	\$ 25,000	\$ -	\$ -	\$ -		\$ -	\$ 96,752			
	Land/Right of Way												
	Construction	-	53,000	85,000	-	-	-		-	138,000			
	Admin/Inspection	12,844	12,000	15,000	-	-	-		-	39,844			
	Legal												
	Furniture/Equipment												
	Total Costs	\$ 49,596	\$ 100,000	\$ 125,000	\$ -	\$ -	\$ -		\$ -	\$ 274,596			
<b>Source of Funds</b>	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total					
	2023	2024	2025	2026	2027 to Completion								
	Variable Rate Financing												
	Revenue Bonds												
	Non-Bond Capital Rsrv Funds	\$ 49,596	\$ 100,000	\$ 125,000	\$ -	\$ -	\$ -		\$ -	274,596			
	TWDB Funds												
	Contribution Sources												
	Total Sources	\$ 49,596	\$ 100,000	\$ 125,000	\$ -	\$ -	\$ -		\$ -	\$ 274,596			
	<b>Project Schedule</b>	Project Start Date	Project Completion Date	<b>Site Information</b>									
Design/Engineering		Aug-20	2023										
Land/Right of Way			East Side of US 377, near intersection of Stonecest and US 377 Flower Mound, Tx										
Construction	Sep-21	2023											
Admin/Inspection	Aug-20	2023											
Legal													
Furniture/Equipment													
Total Project		2023											



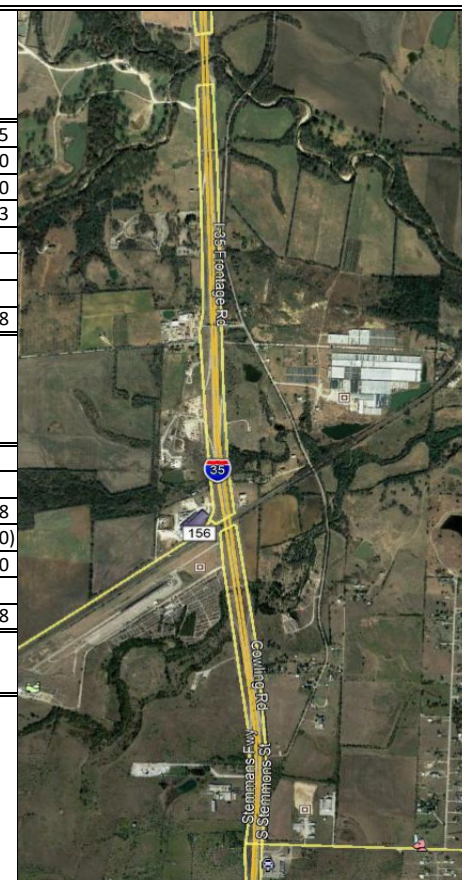


Project Title								Department
Relocation / TxDOT U.S. Hwy 380 Project (Collin County)								5T9
<b>Description</b>				<b>Operating Budget Impact</b>				
Funding provides for continued coordination with the Texas Department of Transportation's (TxDOT) U.S. Hwy 380 project (Collin County portion) and the City of Irving, Texas.				2023	2024	2025	2026	2027
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total
			2023	2024	2025	2026	2027 to Completion	
Design/Engineering								
Land/Right of Way								
Construction								
Admin/Inspection	\$ 120	\$ 1,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	11,120
Legal								
Furniture/Equipment								
Total Costs	\$ 120	\$ 1,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ 11,120
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total
			2023	2024	2025	2026	2027 to Completion	
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	\$ 120	\$ 1,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	11,120
TWDB Funds								
Contribution Sources								
Total Sources	\$ 120	\$ 1,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ 11,120
Project Schedule		Project		Site Information				
		Start Date	Completion Date					
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					

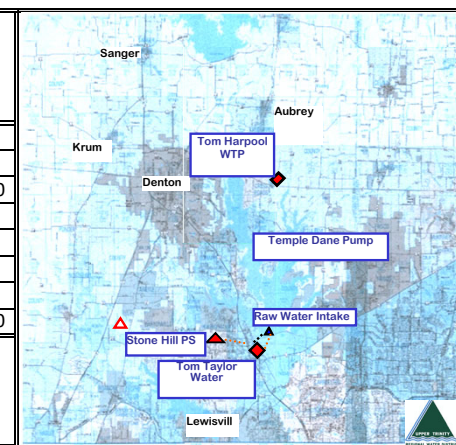




Project Title								Department
TxDOT / IH-35 Project								5TN
<b>Description</b>				<b>Operating Budget Impact</b>				
Funding provided for easement acquisition, engineering services and construction for the Texas Department of Transportation's IH-35 widening project from Milam Road in Denton, TX north to Cowling Road in Sanger, TX. 90% of project costs are reimbursable by the Texas Department of Transportation.				2023	2024	2025	2026	2027
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total
			2023	2024	2025	2026	2027 to Completion	
Design/Engineering	\$ 178,220	\$ 240,955	\$ 160,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 589,175
Land/Right of Way	-	250,000	1,745,000	-	-	-	-	1,995,000
Construction	-	-	3,560,000	2,980,000	-	-	-	6,540,000
Admin/Inspection	21,223	59,045	656,055	360,500	-	-	-	1,096,823
Legal								
Furniture/Equipment								
Total Costs	\$ 199,443	\$ 550,000	\$ 6,121,055	\$ 3,350,500	\$ -	\$ -	\$ -	\$ 10,220,998
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total
			2023	2024	2025	2026	2027 to Completion	
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	\$ 199,443	\$ 550,000	\$ 6,121,055	\$ 3,350,500	\$ -	\$ -	\$ -	\$ 10,220,998
Non-Bond Capital Rsrv Funds (Inflow)	-	(550,000)	(6,121,055)	(2,527,845)	-	-	-	(9,198,900)
TxDOT Reimbursement	-	550,000	6,121,055	2,527,845	-	-	-	9,198,900
Total Sources	\$ 199,443	\$ 550,000	\$ 6,121,055	\$ 3,350,500	\$ -	\$ -	\$ -	\$ 10,220,998
Project Schedule	Project Start Date	Project Completion Date	Site Information					
Design/Engineering	Nov-20	2024	IH-35 (Milam Road in Denton to Cowling Road in Sanger) Denton County, TX					
Land/Right of Way	Aug-21	2023						
Construction	Sep-22	2024						
Admin/Inspection	Nov-20	2024						
Legal								
Furniture/Equipment								
Total Project		2024						





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.				2023	2024	2025	2026	2027
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total
			2023	2024	2025	2026	2027 to Completion	
Design/Engineering								
Land/Right of Way								
Construction/Other	\$ -	\$ 1,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 251,000
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Costs	\$ -	\$ 1,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 251,000
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total
			2023	2024	2025	2026	2027 to Completion	
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Funds								
Customer Reimbursements	\$ -	\$ 1,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 251,000
Total Sources	\$ -	\$ 1,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 251,000
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-22	Ongoing						
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Project		Ongoing						



**Legend**  
 Existing WTP  
 Existing Pump Station  
 Future Pump Station

Project Title								Department	
Contingency Improvements								SWI	
Description To allow for various projects that may be identified throughout the year.					Operating Budget Impact				
					2023	2024	2025	2026	2027
					Personnel Services				
					Admin. / Office Expenses				
					Professional Services				
					Operating and Maintenance				
					Debt Service				
					Furniture and Equipment				
					Maintenance / OH Allocation				
					Total				
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total	
			2023	2024	2025	2026	2027 to Completion		
Design/Engineering									
Land/Right of Way									
Construction/Other	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000	
Admin/Inspection									
Legal									
Furniture/Equipment									
Total Costs	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000	
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total	
			2023	2024	2025	2026	2027 to Completion		
Variable Rate Financing									
Revenue Bonds									
Non-Bond Capital Rsrv Funds	\$ -	\$ -	\$ 84,750	\$ 84,750	\$ 84,750	\$ 84,750	\$ 84,750	\$ 423,750	
Growth Program Funds	-	-	15,250	15,250	15,250	15,250	15,250	76,250	
Contribution Sources									
Total Sources	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000	
Project Schedule	Project Start Date		Project Completion Date		Site Information				
Design/Engineering					Various areas in the District's service area.				
Land/Right of Way									
Construction	2023		Ongoing						
Admin/Inspection									
Legal									
Furniture/Equipment									
Total Project			Ongoing						





## ESTIMATED ANNUAL OPERATING EXPENSE FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Year Total
5WP	Southwest Pump Station, Phase 1	\$ 595,686	\$ 1,090,555	\$ 1,761,300	\$ 2,463,268	\$ 2,814,917	\$ 8,725,726
5RH	Lake Ralph Hall Project	3,244,802	6,383,788	8,561,072	11,539,868	15,595,663	45,325,193
59Y	RTWS General Treatment and Pumping Improvements	1,104,458	1,510,000	2,352,035	2,987,155	3,636,705	11,590,353
5TP	Lake Lewisville Raw Water Pump Station Improvements	96,250	162,475	253,050	341,804	375,301	1,228,880
57F	Replacement / Upsizing of Section of Phase 1-A Treated Water Pipeline	230,587	341,784	524,446	654,482	688,869	2,440,168
5HB	Northeast Ground Storage Tank and Interim Booster Pump Station	20,625	64,350	89,250	132,075	157,500	463,800
5HO	Harpool RWTP Phased Treatment Expansion, Phase 1 (from 20.0 to 30.0 MGD)	1,600,194	1,944,878	3,155,215	3,997,717	4,514,712	15,212,716
5HR	Harpool RWTP Raw Water North Storage	68,069	81,275	100,160	114,713	115,311	479,528
54N	Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2	128,419	200,519	487,568	674,196	841,006	2,331,708
55N	Harpool RWTP Northeast Transmission Pipeline, Phase 3 & 4	7,425	16,084	31,850	251,954	384,757	692,070
59Q	SCADA System Improvements (Wonderware Platform Upgrade Project)	-	108,198	108,053	111,245	114,532	442,028
<b>Total</b>		<b>\$ 7,096,515</b>	<b>\$ 11,903,906</b>	<b>\$ 17,423,999</b>	<b>\$ 23,268,477</b>	<b>\$ 29,239,273</b>	<b>\$ 88,932,170</b>

\* - Negative amounts reflect projected overall savings to Operations for the completion of a project.

**Methodology:**

Operating expense estimates based on comparable (if any) operating assets in operation with regard to flow capability, inspection requirements, size, electricity and chemical use / requirements, etc.

Debt Service amounts are based on projected interest rates for Variable Rate Financing, Revenue Bonds, timing of Variable Rate Financing converted into long-term debt, estimated debt service amounts prepared by the District's financial advisors, and actual debt service amounts for bonds / debt already issued.

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

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

## LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

The FY 2023 adopted capital budget for the Lakeview Regional Water Reclamation System is \$4,990,000; a decrease of \$1,919,415 from the previous year adopted capital budget of \$6,909,415. This decrease is primarily due to postponing major work towards the expansion of the Lakeview Regional Water Reclamation Plant until FY 2024.

FY 2023 funding consists of the following:

Funding Source	FY 2023 Budget
Non-Bond Capital Reserve Funds	\$4,950,000
Plant Permitting Reserve Funds	\$40,000

### CURRENT PROJECTS

**Permit Renewal** – Every 5 years, the District is required to renew the Texas Pollutant Discharge Elimination System Permit as required by the Texas Commission on Environmental Quality for the Lakeview Regional Water Reclamation Plant. Funding is provided to begin the renewal process.

- FY 2023 Budget: \$40,000
- Funding Source: Plant Permitting Reserve Funds

**Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD)** – Growth in the Lakeview Regional Water Reclamation Systems' service area has steadily increased over the past 3-5 years. As wastewater flows increase to a level equal to 90% of the plant's treatment capacity of 5.5 mgd, the District is required by the Texas Pollutant Discharge Elimination Permit to begin planning for the next expansion of the plant. Funding is provided to continue design / engineering and begin construction for the expansion of the Lakeview Regional Water Reclamation Plant treatment capacity from 5.5 to 7.5 mgd.

- FY 2023 Budget: \$2,900,000
- 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 2023 Budget: \$2,000,000
- Funding Source: Non-Bond Capital Reserve Funds

**Contingency Improvements** – Finally, the FY 2023 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 2027 to continue these activities.

- FY 2023 Budget: \$50,000
- Funding Source: Non-Bond Capital Reserve Funds

## **FUTURE PROJECTS**

No other future capital projects are currently planned for the Lakeview Regional Water Reclamation System for FY 2024 through FY 2027.

## CONSTRUCTION CASH FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 1,931,426	\$ 929,206	\$ 1,209,629	\$ 43,989
Transfer to Operations	\$ (721,797)		\$ (1,165,640)	
<b>BEGINNING CASH BALANCE Revised</b>	<b>\$ 1,209,629</b>		<b>\$ 43,989</b>	
<b>REVENUES</b>				
Deposit				
Texas Department of Transportation - Reimbursements for 11-57W and 11-51H Projects	-	172,340	68,390	-
Interfund Transfers				
Non-Bond Capital Reserve Fund	223,397	6,909,415	1,768,460	4,950,000
Plant Permitting Reserve Fund	-	-	-	40,000
Working Capital	721,797	-	1,165,640	-
Member / Customer Reimbursements	-	-	-	305,000
Interest Income	2,497	2,790	900	770
<b>TOTAL REVENUES</b>	<b>\$ 947,691</b>	<b>\$ 7,084,545</b>	<b>\$ 3,003,390</b>	<b>\$ 5,295,770</b>
<b>EXPENDITURES</b>				
Construction Improvement Projects	947,691	6,909,415	2,935,000 *	4,990,000
Interfund Transfer - Non-Bond Capital Reserve Fund (Transfer of TxDOT and Member Reimbursement)	-	172,340	68,390	305,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 947,691</b>	<b>\$ 7,081,755</b>	<b>\$ 3,003,390</b>	<b>\$ 5,295,000</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 1,209,629</b>	<b>\$ 931,996</b>	<b>\$ 43,989</b>	<b>\$ 44,759</b>

FY 2023 Ending Balance decrease of \$887,237 is largely due to utilizing prior Construction Cash funds for the Lakeview Plant Expansion, Phase 2 in FY 2022.


\* Amount also contains expenditures: \$305,000 - Hickory Creek Lift Station Rehab (53J), which is to be completed in FY 2022 and is not shown on the accompanying 5-Year list of capital improvement projects.

## FY 2023 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2027

Acct	Project	Prior Expenditures	Estimated FY 2022	Adopted FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	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 *	731,634	2,600,000	2,900,000	17,330,705	10,950,000	3,295,000	-	37,807,339
53B	System Interceptor and Odor Control Improvements	88,228	20,000	2,000,000	391,185	-	-	-	2,499,413
5LM	Contingency Improvements	-	10,000	50,000	50,000	50,000	50,000	50,000	260,000
	<b>Total</b>	<b>\$ 819,862</b>	<b>\$ 2,630,000</b>	<b>\$ 4,990,000</b>	<b>\$ 17,791,890</b>	<b>\$ 11,000,000</b>	<b>\$ 3,345,000</b>	<b>\$ 50,000</b>	<b>\$ 40,626,752</b>
<b>Funding Sources:</b>									
	Revenue Bonds (Plant Expansion, Phase 3)	\$ -	\$ -	\$ -	\$ 16,330,705	\$ 10,950,000	\$ 3,295,000	\$ -	\$ 30,575,705
	Construction Cash Funds	731,634	1,166,450	-	-	-	-	-	1,898,084
	Non-Bond Capital Reserve Funds	88,228	1,463,550	4,950,000	1,441,185	50,000	50,000	50,000	8,092,963
	Plant Permitting Reserve Funds	-	-	40,000	20,000	-	-	-	60,000
	<b>Total</b>	<b>\$ 819,862</b>	<b>\$ 2,630,000</b>	<b>\$ 4,990,000</b>	<b>\$ 17,791,890</b>	<b>\$ 11,000,000</b>	<b>\$ 3,345,000</b>	<b>\$ 50,000</b>	<b>\$ 40,626,752</b>

\* - Multiple Funding Sources

Project Title								Department	
Permit Renewal								5LL	
<b>Description</b> Begin 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.				<b>Operating Budget Impact</b>					
				2023		2024	2025	2026	2027
				Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
				Admin. / Office Expenses	-	-	-	-	-
				Professional Services	-	-	-	-	-
				Operating and Maintenance	-	-	-	-	-
				Debt Service	-	-	-	-	-
				Trsfr to Plant Permitting Rsrv	3,000	3,000	12,000	12,000	12,000
Maintenance / OH Allocation	360	360	1,440	1,440	1,440				
Total		\$ 3,360	\$ 3,360	\$ 13,440	\$ 13,440	\$ 13,440			
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total	
			2023	2024	2025	2026	2027 to Completion		
Design/Engineering	\$ -	\$ -	\$ 30,000	\$ 15,000	\$ -	\$ -	\$ -	\$ 45,000	
Land/Right of Way									
Construction									
Admin/Inspection	-	-	10,000	5,000	-	-	-	15,000	
Legal									
Furniture/Equipment									
Total Costs	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 60,000	
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total	
			2023	2024	2025	2026	2027 to Completion		
Revenue Bonds									
Non-Bond Capital Rsrv Fund									
Plant Permitting Reserve Fund	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 60,000	
Contribution Sources									
O&M Reserve Funds									
Total Sources	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 60,000	
Project Schedule	Project Start Date		Project Completion Date		Site Information				
Design/Engineering	2023		2024		689 North Lakeview Drive Lake Dallas, TX				
Land/Right of Way									
Construction									
Admin/Inspection	2023		2024						
Legal									
Furniture/Equipment									
Total Project			2024						



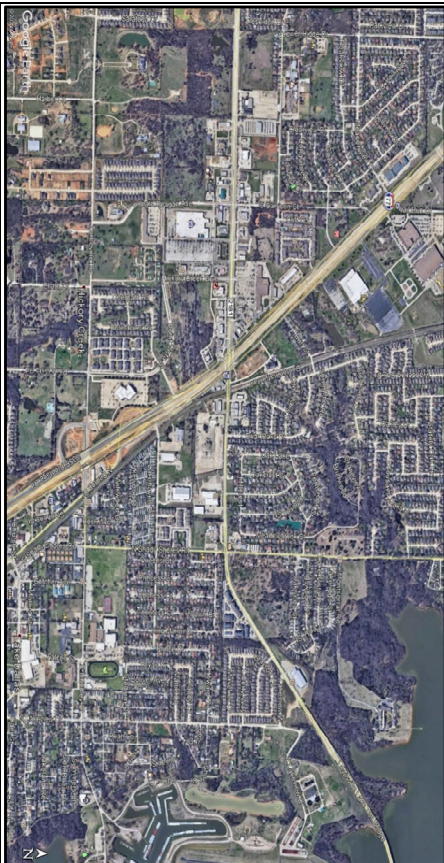


Project Title								Department
Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements								5L2
Description				Operating Budget Impact				
Continue with design / engineering and begin construction for the next expansion of the Lakeview Regional Water Reclamation Plant treatment capacity from 5.5 to 7.5 MGD.					2023	2024	2025	2026
				Personnel Services	\$ -	\$ -	\$ -	\$ 104,186
				Admin. / Office Expenses	-	-	-	7,500
				Professional Services	-	-	-	3,850
				Operating and Maintenance	-	-	-	78,980
				Debt Service	-	-	638,275	1,429,375
				Furniture and Equipment	-	-	-	12,000
				Maintenance / OH Allocation	-	-	-	24,782
				Total	\$ -	\$ -	\$ 638,275	\$ 1,660,673
								\$ 1,692,575
Project Costs		Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures				Project Total
				2023	2024	2025	2026	2027 to Completion
Design/Engineering		\$ 666,686	\$ 2,326,360	\$ 360,000	\$ 50,000	\$ -	\$ -	\$ -
Land/Right of Way								
Construction		-	-	2,270,000	15,300,000	9,775,000	2,940,000	-
Admin/Inspection		64,948	273,640	270,000	1,980,705	1,175,000	355,000	-
Legal								
Furniture/Equipment								
Total Costs		\$ 731,634	\$ 2,600,000	\$ 2,900,000	\$ 17,330,705	\$ 10,950,000	\$ 3,295,000	\$ -
Total Costs		\$ 731,634	\$ 2,600,000	\$ 2,900,000	\$ 17,330,705	\$ 10,950,000	\$ 3,295,000	\$ -
Total Costs		\$ 731,634	\$ 2,600,000	\$ 2,900,000	\$ 17,330,705	\$ 10,950,000	\$ 3,295,000	\$ -
Source of Funds		Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations				Project Total
				2023	2024	2025	2026	2027 to Completion
Revenue Bonds		\$ -	\$ -	\$ -	\$ 16,330,705	\$ 10,950,000	\$ 3,295,000	\$ -
Non-Bond Capital Rsrv Fund		-	1,433,460	2,900,000	1,000,000	-	-	-
Const. Cash Funds (Prior Bond Proceeds)		731,634	1,166,540	-	-	-	-	-
Contribution Sources								
O&M Reserve Funds								
Total Sources		\$ 731,634	\$ 2,600,000	\$ 2,900,000	\$ 17,330,705	\$ 10,950,000	\$ 3,295,000	\$ -
Total Sources		\$ 731,634	\$ 2,600,000	\$ 2,900,000	\$ 17,330,705	\$ 10,950,000	\$ 3,295,000	\$ -
Total Sources		\$ 731,634	\$ 2,600,000	\$ 2,900,000	\$ 17,330,705	\$ 10,950,000	\$ 3,295,000	\$ -
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		2023	2026					
Admin/Inspection		Mar-05	2026					
Legal								
Furniture/Equipment								
Total Project			2026					






Project Title								Department	
System Interceptor and Odor Control Improvements								53B	
<b>Description</b> 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.				<b>Operating Budget Impact</b>					
					2023	2024	2025	2026	2027
				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 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total	
			2023	2024	2025	2026	2027 to Completion		
Design/Engineering	\$ 65,312	\$ 18,000	\$ 392,000	\$ 5,000	\$ -	\$ -	\$ -	\$ 480,312	
Land/Right of Way									
Construction	-	-	1,388,000	340,800	-	-	-	1,728,800	
Admin/Inspection	22,916	2,000	220,000	45,385	-	-	-	290,301	
Legal									
Furniture/Equipment									
Total Costs	\$ 88,228	\$ 20,000	\$ 2,000,000	\$ 391,185	\$ -	\$ -	\$ -	\$ 2,499,413	
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total	
			2023	2024	2025	2026	2027 to Completion		
Revenue Bonds									
Non-Bond Capital Rsrv Fund	\$ 88,228	\$ 20,000	\$ 2,000,000	\$ 391,185	\$ -	\$ -	\$ -	\$ 2,499,413	
Plant Permitting Reserve Fund									
Contribution Sources									
O&M Reserve Funds									
Total Sources	\$ 88,228	\$ 20,000	\$ 2,000,000	\$ 391,185	\$ -	\$ -	\$ -	\$ 2,499,413	
Project Schedule	Project Start Date	Project Completion Date	Site Information						
Design/Engineering	Sep-21	2024	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, TX						
Land/Right of Way									
Construction	2023	2024							
Admin/Inspection	Nov-20	2024							
Legal									
Furniture/Equipment									
Total Project		2024							







Project Title								Department	
Contingency Improvements								SLM	
Description To allow for various projects that may be identified throughout the year.					Operating Budget Impact				
					2023	2024	2025	2026	2027
					Personnel Services				
					Admin. / Office Expenses				
					Professional Services				
					Operating and Maintenance				
					Debt Service				
					Furniture and Equipment				
					Maintenance / OH Allocation				
					Total				
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total	
			2023	2024	2025	2026	2027 to Completion		
Design/Engineering									
Land/Right of Way									
Construction/Other	\$ -	\$ 10,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 260,000	
Admin/Inspection									
Legal									
Furniture/Equipment									
Total Costs	\$ -	\$ 10,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 260,000	
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total	
			2023	2024	2025	2026	2027 to Completion		
Revenue Bonds									
Non-Bond Capital Rsrv Fund	\$ -	\$ 10,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 260,000	
Plant Permitting Reserve Fund									
Contribution Sources									
O&M Reserve Funds									
Total Sources	\$ -	\$ 10,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 260,000	
Project Schedule	Project Start Date		Project Completion Date		Site Information				
Design/Engineering					Various areas within the District's service area				
Land/Right of Way									
Construction/Other	Sep-22		Ongoing						
Admin/Inspection									
Legal									
Furniture/Equipment									
Total Project			Ongoing						





ESTIMATED ANNUAL OPERATING EXPENSE FROM INVESTMENTS IN CAPITAL PROJECTS

Project		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Year Total
Acct	Project						
5LL	Permit Renewal	\$ 3,360	\$ 3,360	\$ 13,440	\$ 13,440	\$ 13,440	\$ 47,040
5L2	Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements	-	-	638,275	1,660,673	1,692,575	3,991,523
53B	System Interceptor and Odor Control Improvements	-	(7,280)	(7,515)	(7,585)	(7,657)	(30,037)
Total		\$ 3,360	\$ (3,920)	\$ 644,200	\$ 1,666,528	\$ 1,698,358	\$ 4,008,526

\* - 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

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The FY 2023 adopted capital budget for the Non-Potable Water System is \$3,000, no change from the previous budget.

FY 2023 funding consists of the following:

Funding Source	FY 2023 Budget
Construction Funds	\$3,000

### CURRENT PROJECTS

**Lake Lewisville / USACE Dam Coordination** – The FY 2023 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 2027.

- FY 2023 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 2024 through FY 2027.

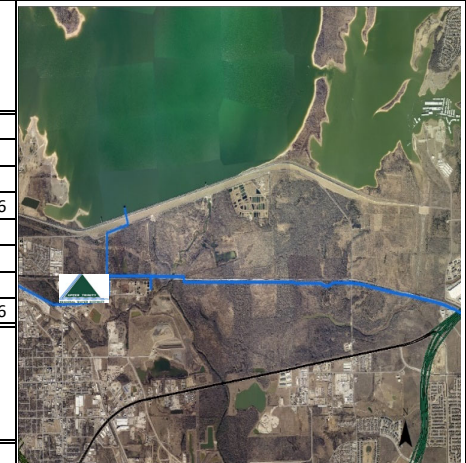
## CONSTRUCTION CASH FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 404,901	\$ 404,161	\$ 404,566	\$ 406,726
Transfer to Operations	\$ (335)	\$ (2,730)		
<b>BEGINNING CASH BALANCE Revised</b>	<b>\$ 404,566</b>	<b>\$ 401,431</b>		
<b>REVENUES</b>				
Interfund Transfer - Working Capital	335	2,730	-	-
Interest Income	259	270	2,160	5,500
<b>TOTAL REVENUES</b>	<b>\$ 594</b>	<b>\$ 3,000</b>	<b>\$ 2,160</b>	<b>\$ 5,500</b>
<b>EXPENDITURES</b>				
Construction Improvement Project	594	3,000	-	3,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 594</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ 3,000</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 404,566</b>	<b>\$ 401,431</b>	<b>\$ 406,726</b>	<b>\$ 409,226</b>

## FY 2023 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2027

Acct	Project	Prior Expenditures	Estimated FY 2022	Adopted FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
53N	Lake Lewisville / USACE Dam Coordination	\$ 1,946	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 16,946
	<b>Total</b>	<b>\$ 1,946</b>	<b>\$ -</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 16,946</b>
<b>Funding Source:</b>									
	Construction Funds	\$ 1,946	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 16,946
	<b>Total</b>	<b>\$ 1,946</b>	<b>\$ -</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 16,946</b>

Project Title								Department
Lewisville Lake / USACE Dam Coordination								53N
<b>Description</b>				<b>Operating Budget Impact</b>				
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.				2023	2024	2025	2026	2027
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total
			2023	2024	2025	2026	2027 to Completion	
Design/Engineering								
Land/Right of Way								
Construction								
Admin/Inspection	\$ 1,946	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 16,946
Legal								
Furniture/Equipment								
Total Costs	\$ 1,946	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 16,946
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total
			2023	2024	2025	2026	2027 to Completion	
Revenue Bonds								
Non-Bond Capital Rsrv Fund								
Construction Funds	\$ 1,946	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 16,946
Contribution Sources								
O&M Reserve Funds								
Total Sources	\$ 1,946	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 16,946
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering				FM 544 near Windhaven Parkway Lewisville, TX				
Land/Right of Way								
Construction								
Admin/Inspection		Sep-19	Ongoing					
Legal								
Furniture/Equipment								
Total Project			Ongoing					



## NORTHEAST REGIONAL WATER RECLAMATION SYSTEM- RIVERBEND PLANT

The FY 2023 adopted capital budget for the Northeast Regional Water Reclamation System – Riverbend Plant is \$1,963,670; an increase of \$105,835 from the previous year adopted capital budget of \$1,857,835. This increase is primarily due to construction beginning on the West Influent Pump Station Improvements.

FY 2023 funding consists of the following:

Funding Sources	FY 2023 Budget
Revenue Bonds	\$2,000,000
Non-Bond Capital Reserve Funds	(\$100,000)*
Plant Permitting Reserve Funds	\$5,000
Contribution Sources	\$58,670

\*Non-Bond Capital Reserve Funds utilized for prior year expenses related to the West Influent Pump Station and Dewatering Improvements will be reimbursed by Revenue Bonds in FY 2023.

### 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 2023 Budget: \$5,000
- Funding Source: Plant Permitting Reserve Funds

**West Influent Pump Station and Dewatering Improvements** – Funding to design and construct a West Influent Lift Station to replace the existing lift station at the Riverbend Regional Water Reclamation Plant. Lift Station improvements will provide system reliability for the transfer of increased wastewater flows from the Northeast Water Reclamation System service area.

- FY 2023 Budget: \$1,900,000
- Funding Source: Revenue Bonds

**Landscaping & Fencing** – Completion of improvements to landscaping and fencing at the Riverbend Regional Water Reclamation Plant.

- FY 2023 Budget: \$48,670
- Funding Source: Contribution Sources

**Customer Pipeline Extensions** – Contingent funding is shown for FY 2023 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 2027 to continue these activities.

- FY 2023 Budget: \$10,000
- Funding Source: Contribution Sources

## **FUTURE PROJECTS**

**Permit Renewal** – Every 5 years, the District is required to renew the Texas Pollutant Discharge Elimination System permit as required by the Texas Commission on Environmental Quality for the Northeast Regional Water Reclamation System – Riverbend Plant. The next renewal period is anticipated to begin in FY 2026.

**Riverbend Plant Expansion, Phase 4 project (from 4.0 to 8.0 mgd)** – With continued population growth, it is necessary to begin design / engineering on the next phase of the Riverbend Plant expansion in FY 2027.



## CONSTRUCTION CASH FUND

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 2,587,514	\$ 1,699,044	\$ 2,149,079	\$ 2,190,359
Transfer to Operations	\$ (438,435)			\$ (2,045,710)
<b>BEGINNING CASH BALANCE Revised</b>	<b>\$ 2,149,079</b>			<b>\$ 144,649</b>
<b>REVENUES</b>				
Revenue Bonds	-	2,000,000	2,000,000	-
Interfund Transfers				
Non-Bond Capital Reserve Fund	59,745	203,050	324,745	-
Plant Permitting Reserve Fund	-	9,580	9,580	5,000
Working Capital	438,435	-	-	2,045,710
Contribution Sources	-	10,000	1,000	10,000
Interest Income	3,597	4,125	4,370	2,960
<b>TOTAL REVENUES</b>	<b>\$ 501,777</b>	<b>\$ 2,226,755</b>	<b>\$ 2,339,695</b>	<b>\$ 2,063,670</b>
<b>EXPENDITURES</b>				
Construction Improvement Projects	501,777	1,857,835	2,298,415 *	1,963,670
Interfund Transfer - Non-Bond Capital Reserve Fund	-	-	-	100,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 501,777</b>	<b>\$ 1,857,835</b>	<b>\$ 2,298,415</b>	<b>\$ 2,063,670</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 2,149,079</b>	<b>\$ 2,067,964</b>	<b>\$ 2,190,359</b>	<b>\$ 144,649</b>

FY 2023 Ending Balance decrease of \$1,923,315 is primarily due to the continued funding of the West Influent Pump Station and Dewatering Improvements project (SIP).

\* - Amount also contains expenditures: \$36,695 - Relocation / TxDOT US Hwy 380 Project (5R8), \$2,151,140 - Riverbend Plant Expansion, Phase 2 (5R3). These projects are to be completed in FY 2022 and is not shown on the accompanying 5-Year list of capital improvement projects.


## FY 2023 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2027

Acct	Project	Prior Expenditures	Estimated FY 2022	Adopted FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
5RL	Permit Re-Rating / Renewal	\$ 65,345	\$ 9,580	\$ 5,000	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ 139,925
5R4	Plant Expansion, Phase 4 (from 4.0 to 8.0 MGD)	-	-	-	-	-	-	750,000	750,000
5IP	West Influent Pump Station and Dewatering Improvements *	-	100,000	1,900,000	7,500,000	3,000,000	-	-	12,500,000
5RG	Landscaping & Fencing	36,258	-	48,670	-	-	-	-	84,928
5RX	Customer Pipeline Extensions	-	1,000	10,000	10,000	10,000	10,000	10,000	51,000
<b>Total</b>		<b>\$ 101,603</b>	<b>\$ 110,580</b>	<b>\$ 1,963,670</b>	<b>\$ 7,510,000</b>	<b>\$ 3,010,000</b>	<b>\$ 50,000</b>	<b>\$ 780,000</b>	<b>\$ 13,525,853</b>


### Funding Sources:




Revenue Bonds									
West Influent Pump Station (5IP)	\$ -	\$ -	\$ 2,000,000	\$ 7,500,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 12,500,000
Plant Expansion, Phase 4 (5R4)	-	-	-	-	-	-	-	750,000	750,000
Non-Bond Capital Reserve Funds (Out)	-	100,000	-	-	-	-	-	-	100,000
Non-Bond Capital Reserve Funds (In)	-	-	(100,000)	-	-	-	-	-	(100,000)
Plant Permitting Reserve Funds	65,345	9,580	5,000	-	-	-	40,000	20,000	139,925
Contribution Sources									
Landscaping and Fencing Improvements (5RG)	36,258	-	48,670	-	-	-	-	-	84,928
Customer Pipeline Extensions (5RX)	-	1,000	10,000	10,000	10,000	10,000	10,000	10,000	51,000
<b>Total</b>	<b>\$ 101,603</b>	<b>\$ 110,580</b>	<b>\$ 1,963,670</b>	<b>\$ 7,510,000</b>	<b>\$ 3,010,000</b>	<b>\$ 50,000</b>	<b>\$ 780,000</b>	<b>\$ 13,525,853</b>	

\* Multiple Funding Sources

Project Title							Department								
Permit Re-Rating / Renewal							SRL								
<b>Description</b> 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 within the next 5 years.				<b>Operating Budget Impact</b>											
				2023		2024		2025		2026		2027			
				\$ -		\$ -		\$ -		\$ -		\$ -			
				-		-		-		-		-			
				-		-		-		-		-			
				-		-		-		-		-			
				9,500		9,500		9,500		10,000		10,000			
				1,140		1,140		1,140		1,200		1,200			
Total				\$ 10,640		\$ 10,640		\$ 10,640		\$ 11,200		\$ 11,200			
<b>Project Costs</b>		Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total						
				2023	2024	2025	2026	2027 to Completion							
Design/Engineering		\$ 49,068	\$ 5,300	\$ 4,200	-	-	-	46,000	104,568						
Land/Right of Way															
Construction															
Admin/Inspection		15,883	1,880	800	-	-	-	6,000	24,563						
Legal		394	2,400	-	-	-	-	8,000	10,794						
Furniture/Equipment															
Total Costs		\$ 65,345	\$ 9,580	\$ 5,000	-	-	-	60,000	\$ 139,925						
<b>Source of Funds</b>		Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total						
				2023	2024	2025	2026	2027 to Completion							
Revenue Bonds															
Non-Bond Capital Rsrv (Outflow)															
Non-Bond Capital Rsrv (Inflow)															
Contribution Sources															
Plant Permitting Rsrv Funds		\$ 65,345	\$ 9,580	\$ 5,000	-	-	-	60,000	\$ 139,925						
Total Sources		\$ 65,345	\$ 9,580	\$ 5,000	-	-	-	60,000	\$ 139,925						
<b>Project Schedule</b>		Project Start Date		Project Completion Date		<b>Site Information</b>									
		Sep-18		2023											
Design/Engineering						1780 Navo Road Aubrey, TX									
Land/Right of Way															
Construction															
Admin/Inspection		Oct-18		2023											
Legal		May-19		2022											
Furniture/Equipment															
Total Project				2023											



Project Title							Department								
West Influent Pump Station Improvements							5IP								
<b>Description</b> Design and construct a West Influent Lift Station to replace the existing lift station at the Riverbend Regional Water Reclamation Plant. Lift Station improvements will provide system reliability for the transfer of increased wastewater flows from the Northeast Water Reclamation System service area.				<b>Operating Budget Impact</b>											
				2023		2024		2025		2026		2027			
				Personnel Services		\$	-	\$	-	\$	-	\$	-	\$	-
				Admin. / Office Expenses		-	-	-	-	-	-	-	-	-	
				Professional Services		-	-	-	-	-	-	-	-		
				Operating and Maintenance		-	-	-	-	-	-	-	-		
				Debt Service		-	-	157,000	884,470	881,720					
				Furniture and Equipment		-	-	-	-	-	-	-	-		
Maintenance / OH Allocation		-	-	-	-	-	-	-	-						
Total		\$	-	\$	-	\$	157,000	\$	884,470	\$	881,720				
<b>Project Costs</b>	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total							
			2023	2024	2025	2026	2027 to Completion								
Design/Engineering	\$ -	\$ 89,000	\$ 35,000	\$ 825,000	\$ 330,000	\$ -	\$ -	\$ 1,279,000							
Land/Right of Way															
Construction	-	-	1,660,000	5,845,000	2,330,000	-	-	9,835,000							
Admin/Inspection	-	11,000	205,000	830,000	340,000	-	-	1,386,000							
Legal															
Furniture/Equipment															
Total Costs	\$ -	\$ 100,000	\$ 1,900,000	\$ 7,500,000	\$ 3,000,000	\$ -	\$ -	\$ 12,500,000							
<b>Source of Funds</b>	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total							
			2023	2024	2025	2026	2027 to Completion								
Revenue Bonds	\$ -	\$ -	\$ 2,000,000	\$ 7,500,000	\$ 3,000,000	\$ -	\$ -	\$ 12,500,000							
Non-Bond Capital Rsrv (Outflow)	-	100,000	-	-	-	-	-	100,000							
Non-Bond Capital Rsrv (Inflow)	-	-	(100,000)	-	-	-	-	(100,000)							
Contribution Sources															
O&M Reserve Funds															
Total Sources	\$ -	\$ 100,000	\$ 1,900,000	\$ 7,500,000	\$ 3,000,000	\$ -	\$ -	\$ 12,500,000							
<b>Project Schedule</b>	Project Start Date		Project Completion Date		<b>Site Information</b>										
	Sep-22		2025												
Design/Engineering					1780 Navo Road Aubrey, TX										
Land/Right of Way															
Construction	2023		2025												
Admin/Inspection	Nov-21		2025												
Legal															
Furniture/Equipment															
Total Project			2025												



Project Title								Department				
Landscaping and Fencing Improvements								5RG				
<b>Description</b> Completion of improvements to landscaping and fencing at the Riverbend Regional Water Reclamation Plant.						<b>Operating Budget Impact</b>						
						2023	2024	2025	2026	2027		
						Personnel Services						
						Admin. / Office Expenses						
						Professional Services						
						Operating and Maintenance						
						Debt Service						
						Furniture and Equipment						
						Maintenance / OH Allocation						
						Total						
<b>Project Costs</b>	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total				
			2023	2024	2025	2026	2027 to Completion					
			Design/Engineering									
			Land/Right of Way									
			Construction/Landscaping	\$ 34,366	\$ -	\$ 43,500	\$ -			\$ -	\$ -	\$ 77,866
			Admin/Inspection	1,892	-	5,170	-			-	-	7,062
			Legal									
Furniture/Equipment												
Total Costs	\$ 36,258	\$ -	\$ 48,670	\$ -	\$ -	\$ -	\$ -	\$ 84,928				
<b>Source of Funds</b>	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total				
			2023	2024	2025	2026	2027 to Completion					
			Revenue Bonds									
			Non-Bond Capital Rsrv (Outflow)									
			Non-Bond Capital Rsrv (Inflow)									
			Contribution Sources	\$ 36,258	\$ -	\$ 48,670	\$ -		\$ -		\$ -	\$ 84,928
			O&M Reserve Funds									
Total Sources	\$ 36,258	\$ -	\$ 48,670	\$ -	\$ -	\$ -	\$ -	\$ 84,928				
<b>Project Schedule</b>	Project Start Date		Project Completion Date		<b>Site Information</b>							
	Design/Engineering											
	Land/Right of Way											
	Construction/Landscaping		2023									
	Admin/Inspection		2023									
	Legal											
Furniture/Equipment												
Total Project			2023									



Project Title								Department	
Customer Pipeline Extensions								5RX	
<b>Description</b> Coordinate and plan for future wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System (Riverbend Plant).					<b>Operating Budget Impact</b>  20232024202520262027  Personnel Services Admin. / Office Expenses Professional Services Operating and Maintenance Debt Service Furniture and Equipment Maintenance / OH Allocation Total				
<b>Project Costs</b>	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total	
			2023	2024	2025	2026	2027 to Completion		
	Design/Engineering								
	Land/Right of Way								
	Construction/Other	\$ -	\$ 1,000	\$ 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	
<b>Source of Funds</b>	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total	
			2023	2024	2025	2026	2027 to Completion		
	Revenue Bonds								
	Non-Bond Capital Rsrv (Outflow)								
	Non-Bond Capital Rsrv (Inflow)								
	Contribution Sources	\$ -	\$ 1,000	\$ 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
<b>Project Schedule</b>		Project Start Date	Project Completion Date	<b>Site Information</b>  Various locations in the Northeast Regional Water Reclamation System (Riverbend Plant) service area.					
Design/Engineering									
Land/Right of Way									
Construction/Other		Sep-22Ongoing							
Admin/Inspection									
Legal									
Furniture/Equipment									
Total Project		Ongoing							



## ESTIMATED ANNUAL OPERATING EXPENSE FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Year Total
5RL	Permit Re-Rating / Renewal	\$ 10,640	\$ 10,640	\$ 10,640	\$ 11,200	\$ 11,200	\$ 54,320
5IP	West Influent Pump Station and Dewatering Improvements	-	-	157,000	884,470	881,720	1,923,190
<b>Total</b>		<b>\$ 10,640</b>	<b>\$ 10,640</b>	<b>\$ 167,640</b>	<b>\$ 895,670</b>	<b>\$ 892,920</b>	<b>\$ 1,977,510</b>

**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 2023 adopted capital budget for the Northeast Regional Water Reclamation System – Doe Branch Plant is \$8,415,875; a decrease of \$4,601,380 from the previous year adopted capital budget of \$13,017,255. This decrease is primarily due to the Plant Expansion, Phase 2 completion in FY 2023.

FY 2023 funding consists of the following:

Funding Sources	FY 2023 Budget
Revenue Bonds	\$2,046,799
Non-Bond Capital Reserve Funds	(\$463,137)*
Loan from RTWS Non-Bond Capital Reserve Funds (net)	(\$757,958)**
TxDOT Reimbursements	\$3,413,833
Contribution Sources	\$4,176,338

\*Non-Bond Capital Reserve Funds utilized to begin certain projects will be reimbursed by Revenue Bonds and Contribution Sources in FY 2023.

\*\*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 2023 Budget: \$100,000
- 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 2023 Budget: \$1,900,000
- 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 2023 Budget: \$3,750,000
- Funding Source: Contribution Sources

**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 2023 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 2023 Budget: \$2,655,875
- Funding Sources: RTWS Non-Bond Capital Reserve Interfund Loan, TxDOT Reimbursements

**Customer Pipeline Extensions** – In addition, funding is included for possible new wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System. Annual funding of \$10,000 is provided through FY 2027 to continue these activities.

- FY 2023 Budget: \$10,000
- Funding Source: Contribution Sources

## **FUTURE PROJECTS**

**Permit Renewal** - Every 5 years, the District is required to renew the Texas Pollutant Discharge Elimination System permit as required by the Texas Commission on Environmental Quality for the Doe Branch Regional Water Reclamation Plant. The next renewal period is anticipated to begin in FY 2026.

**Phase 2, Parallel Interceptor** – Following the first phase of the parallel interceptor project, the second phase provides for an interceptor that extends from Fish Trap Rd north to the junction structure near Parvin and Good Hope Rd in Little Elm, Tx.

## CONSTRUCTION CASH FUND

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Estimates	FY 2023 Budget
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 19,811,865	\$ 10,389,670	\$ 10,041,380	\$ 18,247,785
Transfer to Operations	\$ (9,770,485)			
<b>BEGINNING CASH BALANCE Revised</b>	<b>\$ 10,041,380</b>			
<b>REVENUES</b>				
Deposit - TxDOT Reimbursement				
Relocation / TxDOT U.S. Hwy 380 Project	-	3,000,000	-	3,000,000
Revenue Bonds				
Phase 1, Parallel Interceptor	-	5,000,000	-	-
Plant Expansion, Phase 3	-	10,000,000	8,000,000	32,000,000
Contribution Sources				
Phase 1, Parallel Interceptor	-	-	-	9,386,865
Customer Pipeline Extensions	-	10,000	1,000	10,000
Interfund Transfers				
Non-Bond Capital Reserve Fund	247,845	227,000	1,209,540	-
Regional Treated Water System				
Non-Bond Capital Reserve Fund				
Loan for the Relocation / TxDOT U.S.				
Hwy 380 Project (14-5B8)	-	-	3,000,000	-
Working Capital	9,770,485	-	-	-
Interest Income	21,299	19,220	64,365	356,150
<b>TOTAL REVENUES</b>	<b>\$ 10,039,629</b>	<b>\$ 18,256,220</b>	<b>\$ 12,274,905</b>	<b>\$ 44,753,015</b>
<b>EXPENDITURES</b>				
Construction Improvement Projects	9,768,029	13,017,255	4,068,500	8,415,875
Refund to Town of Prosper (from Contributions)	271,600	-	-	-
Interfund Transfers				
Northeast Regional Water Reclamation System				
Non-Bond Capital Reserve Fund	-	-	-	350,000
Regional Treated Water System				
Non-Bond Capital Reserve Fund				
Loan Repayment (U.S. Hwy 380 Project)	-	3,000,000	-	3,000,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 10,039,629</b>	<b>\$ 16,017,255</b>	<b>\$ 4,068,500</b>	<b>\$ 11,765,875</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 10,041,380</b>	<b>\$ 12,628,635</b>	<b>\$ 18,247,785</b>	<b>\$ 51,234,925</b>

FY 2023 Ending Balance increase of \$38,606,290 is largely due anticipated bond proceeds for the Doe Branch Plant Expansion, Phase 3 and Participant contributions for the Phase 1, Parallel Interceptor in FY 2023.

## FY 2023 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2027

Acct	Project	Prior Expenditures	Estimated FY 2022	Adopted FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
5BL	Permit Re-Rating / Renewal *	\$ 79,460	\$ 17,500	\$ -	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ 156,960
58T	Plant Expansion, Phase 2 (from 2.0 to 4.0 MGD) *	20,597,930	2,100,000	100,000	-	-	-	-	22,797,930
58U	Plant Expansion, Phase 3 (from 4.0 to 8.0 MGD) *	-	100,000	1,900,000	12,000,000	26,000,000	-	-	40,000,000
51A	Phase 1, Parallel Interceptor *	13,137	350,000	3,750,000	9,386,865	-	-	-	13,500,002
52A	Phase 2, Parallel Interceptor	-	-	-	-	750,000	3,850,000	2,237,935	6,837,935
5B8	Relocation / TxDOT US Hwy 380 Project *	434,124	1,500,000	2,655,875	-	-	-	-	4,589,999
58X	Customer Pipeline Extensions	-	1,000	10,000	10,000	10,000	10,000	10,000	51,000
	<b>Total</b>	<b>\$ 21,124,651</b>	<b>\$ 4,068,500</b>	<b>\$ 8,415,875</b>	<b>\$ 21,396,865</b>	<b>\$ 26,760,000</b>	<b>\$ 3,900,000</b>	<b>\$ 2,267,935</b>	<b>\$ 87,933,826</b>

### Funding Sources:

#### Revenue Bonds



Plant Expansion, Phase 2 (58T)	\$ 9,639,637	\$ 982,780	\$ 46,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,669,216
Plant Expansion, Phase 3 (58U)	-	-	2,000,000	12,000,000	26,000,000	-	-	-	40,000,000
Phase 2, Parallel Interceptor (52A)	-	-	-	-	750,000	3,850,000	2,237,935	-	6,837,935
Non-Bond Capital Reserve Funds	526,721	1,209,542	-	-	-	-	-	-	1,736,263
Non-Bond Capital Reserve Reimbursement	-	(258,166)	(463,137)	-	-	-	-	-	(721,303)
Plant Permitting Reserve Funds	-	-	-	-	-	40,000	20,000	-	60,000
RTWS NBCR Loan (Out)	-	757,958	2,655,875	-	-	-	-	-	3,413,833
RTWS NBCR Loan (In)	-	-	(3,413,833)	-	-	-	-	-	(3,413,833)
TXDOT Reimbursement	-	258,166	3,413,833	-	-	-	-	-	3,671,999

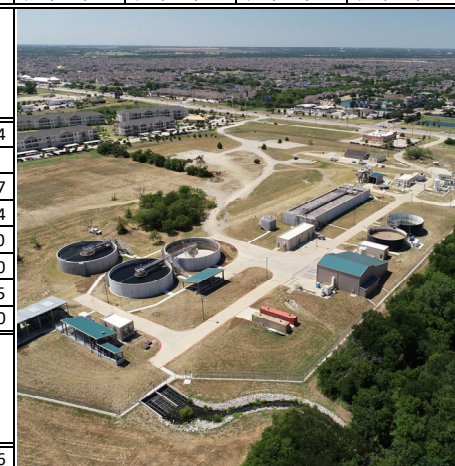
#### Contribution Sources

Contribution Sources:									
Plant Expansion, Phase 2 (58T)	10,958,293	1,117,220	53,201	-	-	-	-	-	12,128,714
Phase 1, Parallel Interceptor (51A)	-	-	4,113,137	9,386,865	-	-	-	-	13,500,002
Customer Pipeline Extensions (58X)	-	1,000	10,000	10,000	10,000	10,000	10,000	10,000	51,000
<b>Total</b>	<b>\$ 21,124,651</b>	<b>\$ 4,068,500</b>	<b>\$ 8,415,875</b>	<b>\$ 21,396,865</b>	<b>\$ 26,760,000</b>	<b>\$ 3,900,000</b>	<b>\$ 2,267,935</b>	<b>\$</b>	<b>87,933,826</b>


\* Multiple Funding Sources

Project Title							Department		
Plant Expansion, Phase 2 (2.0 to 4.0 MGD)							58T		
<b>Description</b> Complete construction for the expansion of the Doe Branch Regional Water Reclamation Plant from 2.0 to 4.0 MGD.				<b>Operating Budget Impact</b>					
					2023	2024	2025	2026	2027
				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	1,764,825	1,756,325	1,761,575	1,764,825	1,761,575
				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	\$ 2,041,689	\$ 2,045,603	\$ 2,063,849	\$ 2,081,548	\$ 2,093,531
<b>Project Costs</b>		Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures				Project Total	
				2023	2024	2025	2026		2027 to Completion
Design/Engineering		\$ 2,489,554	\$ 40,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 2,539,554
Land/Right of Way									
Construction		16,611,817	1,820,000	75,000	-	-	-	-	18,506,817
Admin/Inspection		1,456,994	231,000	15,000	-	-	-	-	1,702,994
Legal		690	-	-	-	-	-	-	690
Furniture/Equipment		28,050	9,000	-	-	-	-	-	37,050
Other - Advertising		10,825	-	-	-	-	-	-	10,825
Total Costs		\$ 20,597,930	\$ 2,100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 22,797,930
<b>Source of Funds</b>		Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations				Project Total	
				2023	2024	2025	2026		2027 to Completion
Revenue Bonds		\$ 9,639,637	\$ 982,780	\$ 46,799	\$ -	\$ -	\$ -	\$ -	\$ 10,669,216
Non-Bond Capital Rsrv (Outflow)									
Non-Bond Capital Rsrv (Inflow)									
Contribution Sources		10,958,293	1,117,220	53,201	-	-	-	-	12,128,714
O&M Reserve Funds									
Total Sources		\$ 20,597,930	\$ 2,100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 22,797,930
<b>Project Schedule</b>		Project Start Date	Project Completion Date	<b>Site Information</b>  27080 U.S. Highway 380 Little Elm, TX					
Design/Engineering		Jan-18	2023						
Land/Right of Way									
Construction		Feb-20	2023						
Admin/Inspection		Jan-18	2023						
Legal		May-19	May-19						
Furniture/Equipment		Nov-19	Nov-21						
Other - Advertising		May-19	Jul-19						
Total Project			2023						

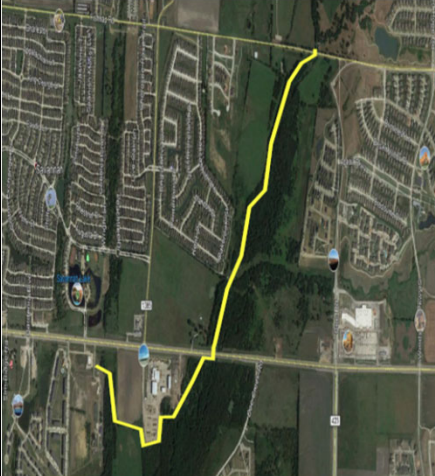




Project Title							Department			
Plant Expansion, Phase 3 (from 4.0 to 8.0 MGD)							58U			
<b>Description</b> Continue design / engineering and begin construction to expand the treatment capacity of the Doe Branch Regional Water Reclamation Plant from 4.0 to 8.0 MGD.				<b>Operating Budget Impact</b>						
					2023	2024	2025	2026	2027	
				Personnel Services	\$ -	\$ -	\$ -	\$ 250,000	\$ 262,500	
				Admin. / Office Expenses	-	-	-	2,000	2,100	
				Professional Services	-	-	-	1,050	1,103	
				Operating and Maintenance	-	-	-	50,000	52,500	
				Debt Service	-	-	632,500	3,159,700	3,162,700	
				Furniture and Equipment	-	-	-	2,500	2,500	
				Maintenance / OH Allocation	-	-	-	36,666	38,484	
				Total	\$ -	\$ -	\$ 632,500	\$ 3,501,916	\$ 3,521,887	
<b>Project Costs</b>	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total		
			2023	2024	2025	2026	2027 to Completion			
	Design/Engineering	\$ -	\$ 89,000	\$ 1,456,000	\$ 2,080,000	\$ 100,000	\$ -		\$ -	\$ 3,725,000
	Land/Right of Way									
	Construction	-	-	235,000	8,625,000	23,080,000	-		-	31,940,000
	Admin/Inspection	-	11,000	209,000	1,295,000	2,820,000	-		-	4,335,000
	Legal									
	Furniture/Equipment									
Total Costs	\$ -	\$ 100,000	\$ 1,900,000	\$ 12,000,000	\$ 26,000,000	\$ -	\$ -	\$ 40,000,000		
<b>Source of Funds</b>	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total		
			2023	2024	2025	2026	2027 to Completion			
	Revenue Bonds	\$ -	\$ -	\$ 2,000,000	\$ 12,000,000	\$ 26,000,000	\$ -		\$ -	\$ 40,000,000
	Non-Bond Capital Rsrv (Outflow)	-	100,000	-	-	-	-		-	100,000
	Non-Bond Capital Rsrv (Inflow)	-	-	(100,000)	-	-	-		-	(100,000)
	Contribution Sources									
	O&M Reserve Funds									
Total Sources	\$ -	\$ 100,000	\$ 1,900,000	\$ 12,000,000	\$ 26,000,000	\$ -	\$ -	\$ 40,000,000		
<b>Project Schedule</b>	Project Start Date	Project Completion Date	<b>Site Information</b>							
Design/Engineering	Sep-22	2025	27080 U.S. Highway 380 Little Elm, TX							
Land/Right of Way										
Construction	2023	2025								
Admin/Inspection	Sep-22	2025								
Legal										
Furniture/Equipment										
Total Project		2025								





Project Title								Department									
Phase 1, Parallel Interceptor								51A									
<b>Description</b> 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 Doe Branch Plant.						<b>Operating Budget Impact</b>											
						2023		2024		2025		2026		2027			
						Personnel Services		\$	-	\$	-	\$	25,000	\$	26,250	\$	27,563
						Admin. / Office Expenses		-	-	-	-	-	-	-	-	-	
						Professional Services		-	-	-	-	-	-	-	-	-	
						Operating and Maintenance		-	-	68,950	71,708	74,576	-	-	-	-	
						Debt Service		-	-	-	-	-	-	-	-	-	
						Furniture and Equipment		-	-	-	-	2,500	-	-	-	-	
						Maintenance / OH Allocation		-	-	11,274	11,755	12,557	-	-	-	-	
Total		\$	-	\$	-	\$	105,224	\$	109,713	\$	117,196						
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total									
			2023	2024	2025	2026	2027 to Completion										
Design/Engineering	\$ 7,827	\$ 295,000	\$ 875,865	\$ 100,000	\$ -	\$ -	\$ -	\$ 1,278,692									
Land/Right of Way	-	-	565,000	-	-	-	-	565,000									
Construction	-	-	1,900,000	8,271,000	-	-	-	10,171,000									
Admin/Inspection	5,310	55,000	409,135	1,015,865	-	-	-	1,485,310									
Legal																	
Furniture/Equipment																	
Total Costs	\$ 13,137	\$ 350,000	\$ 3,750,000	\$ 9,386,865	\$ -	\$ -	\$ -	\$ 13,500,002									
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total									
			2023	2024	2025	2026	2027 to Completion										
Revenue Bonds																	
Non-Bond Capital Rsrv (Outflow)	\$ 13,137	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 363,137									
Non-Bond Capital Rsrv (Inflow)	-	-	(363,137)	-	-	-	-	(363,137)									
Contribution Sources	-	-	4,113,137	9,386,865	-	-	-	13,500,002									
O&M Reserve Funds																	
Total Sources	\$ 13,137	\$ 350,000	\$ 3,750,000	\$ 9,386,865	\$ -	\$ -	\$ -	\$ 13,500,002									
Project Schedule	Project Start Date	Project Completion Date	Site Information														
Design/Engineering	Aug-21	2024	Sewer Interceptor from Fishtrap south to the Doe Branch Regional Water Reclamation Plant 27080 U.S. Highway 380 Little Elm, TX														
Land/Right of Way	2023	2023															
Construction	2023	2024															
Admin/Inspection	Jul-21	2024															
Legal																	
Furniture/Equipment																	
Total Project		2024															

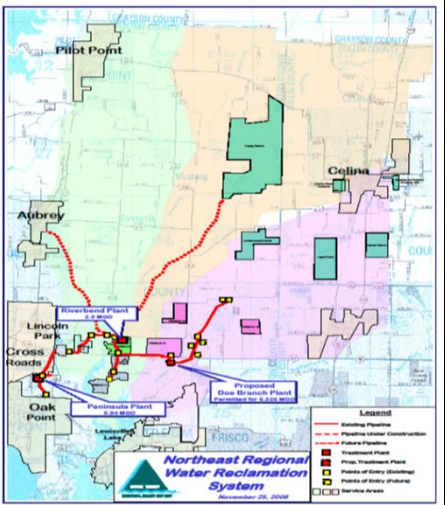




Project Title								Department
Relocation / TxDOT US Hwy 380 Project								5B8
<b>Description</b>				<b>Operating Budget Impact</b>				
Complete coordination with the Texas Department of Transportation's U.S. Hwy 380 project for the relocation of the Doe Branch Regional Water Reclamation Plant's wastewater pipelines and related facilities, due to roadway improvements. Upon project completion, the District will be reimbursed by the Texas Department of Transportation for approximately 82% of project costs.				2023	2024	2025	2026	2027
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total
			2023	2024	2025	2026	2027 to Completion	
Design/Engineering	\$ 301,916	\$ 610,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 961,916
Land/Right of Way	-	508,780	-	-	-	-	-	508,780
Construction	50,769	200,000	2,350,000	-	-	-	-	2,600,769
Admin/Inspection	67,605	171,220	255,875	-	-	-	-	494,700
Legal	13,834	10,000	-	-	-	-	-	23,834
Furniture/Equipment								
Total Costs	\$ 434,124	\$ 1,500,000	\$ 2,655,875	\$ -	\$ -	\$ -	\$ -	\$ 4,589,999
Source of Funds	Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total
			2023	2024	2025	2026	2027 to Completion	
Revenue Bonds								
RTWS NBCR Loan (Outflow)	\$ -	\$ 757,958	\$ 2,655,875	\$ -	\$ -	\$ -	\$ -	\$ 3,413,833
RTWS NBCR Loan (Inflow)	-	-	(3,413,833)	-	-	-	-	(3,413,833)
Non-Bond Capital Rsrv (Outflow)	434,124	742,042	-	-	-	-	-	1,176,166
Non-Bond Capital Rsrv (Inflow)		(258,166)	-	-	-	-	-	(258,166)
TxDOT Reimbursement	-	258,166	3,413,833	-	-	-	-	3,671,999
Total Sources	\$ 434,124	\$ 1,500,000	\$ 2,655,875	\$ -	\$ -	\$ -	\$ -	\$ 4,589,999
Project Schedule		Project Start Date	Project Completion Date	Site Information				
Design/Engineering		June-19	2023	Project limits are from approximately Loop 288 to the Tollway (Denton County, TX)				
Land/Right of Way		Apr-22	Sep-22					
Construction		May-21	2023					
Admin/Inspection		Jun-19	2023					
Legal		Jun-19	May-22					
Furniture/Equipment								
Total Project			2023					



Project Title								Department
Customer Pipeline Extensions								58X
Description				Operating Budget Impact				
Coordinate and plan for future wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System (Doe Branch Plant).				2023	2024	2025	2026	2027
				Personnel Services				
				Admin. / Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Debt Service				
				Furniture and Equipment				
				Maintenance / OH Allocation				
				Total				
Project Costs	Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total
			2023	2024	2025	2026	2027 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 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total
			2023	2024	2025	2026	2027 to Completion	
Revenue Bonds								
Non-Bond Capital Rsrv (Outflow)								
Non-Bond Capital Rsrv (Inflow)								
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 (Doe Branch Plant) service area.					
Land/Right of Way								
Construction/Other	Sep-22	Ongoing						
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Project		Ongoing						





## ESTIMATED ANNUAL OPERATING EXPENSE FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Year Total
58T	Plant Expansion, Phase 2 (from 2.0 to 4.0 MGD)	\$ 2,041,689	\$ 2,045,603	\$ 2,063,849	\$ 2,081,548	\$ 2,093,531	\$ 10,326,220
58U	Plant Expansion, Phase 3 (from 4.0 to 8.0 MGD)	-	-	632,500	3,501,916	3,521,887	7,656,303
51A	Phase 1, Parallel Interceptor	-	-	105,224	109,713	117,196	332,133
<b>Total</b>		<b>\$ 2,041,689</b>	<b>\$ 2,045,603</b>	<b>\$ 2,801,573</b>	<b>\$ 5,693,177</b>	<b>\$ 5,732,614</b>	<b>\$ 18,314,656</b>

**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

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The FY 2023 adopted capital budget for the Peninsula Water Reclamation Plant is \$6,603,695; a decrease of \$8,487,235 from the previous year adopted capital budget of \$15,090,930. This decrease is primarily due to the planned completion of the Plant Expansion, Phase 3 in FY 2023.

FY 2023 funding consists of the following:

Funding Sources	FY 2023 Budget
Contribution Sources	\$6,603,695

### CURRENT PROJECTS

**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 construction to expand the treatment capacity of the Peninsula Plant from 0.94 to 2.0 mgd.

- FY 2023 Budget: \$6,603,695
- 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

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>BEGINNING CASH BALANCE 10/01</b>	\$ 508,963	\$ 18,137,558	\$ 19,723,224	\$ 6,708,179
Transfer to Operations		\$ (15,064,795)	\$ (13,015,045)	\$ (6,594,555)
<b>BEGINNING CASH BALANCE Revised</b>		<b>\$ 3,072,763</b>	<b>\$ 6,708,179</b>	<b>\$ 113,624</b>
<b>REVENUES</b>				
Contribution Sources				
Plant Expansion, Phase 3	21,092,391	-	-	-
Interfund Transfers				
Plant Permitting Reserve Fund	40,000	20,000	20,000	-
Working Capital	-	15,064,795	13,015,045	6,594,555
Interest Income	12,714	6,135	55,885	9,140
<b>TOTAL REVENUES</b>	<b>\$ 21,145,105</b>	<b>\$ 15,090,930</b>	<b>\$ 13,090,930</b>	<b>\$ 6,603,695</b>
<b>EXPENDITURES</b>				
Construction Improvement Projects	1,930,844	15,090,930	13,090,930	6,603,695
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,930,844</b>	<b>\$ 15,090,930</b>	<b>\$ 13,090,930</b>	<b>\$ 6,603,695</b>
<b>ENDING CASH BALANCE 9/30</b>	<b>\$ 19,723,224</b>	<b>\$ 3,072,763</b>	<b>\$ 6,708,179</b>	<b>\$ 113,624</b>

FY 2023 Ending Balance decrease of \$2,959,139 is due to continued funding (from Contribution Sources) for the Peninsula Plant Expansion, Phase 3 project through FY 2023.

## FY 2023 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2027



Acct	Project	Prior Year Expenditures	Estimated FY 2022	Adopted FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
5PL	Permit Renewal	\$ 34,667	\$ 20,000	\$ -	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ 114,667
5N3	Plant Expansion, Phase 3 (from 0.94 to 2.0 MGD) *	2,760,263	13,070,930	6,603,695	-	-	-	-	22,434,888
TBD	Plant Expansion, Phase 4 (from 2.0 to 4.0 MGD)	-	-	-	-	-	400,000	12,500,000	12,900,000
	<b>Total</b>	<b>\$ 2,794,930</b>	<b>\$ 13,090,930</b>	<b>\$ 6,603,695</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 440,000</b>	<b>\$ 12,520,000</b>	<b>\$ 35,449,555</b>

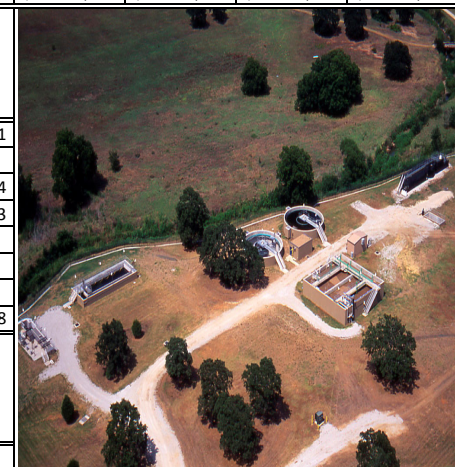
### Funding Sources:

Construction Cash Funds (Series 2016 Bonds)	\$ 146,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,000
Non-Bond Capital Reserve Funds	50,000	-	-	-	-	-	-	-	50,000
Plant Permitting Reserve Funds	34,667	20,000	-	-	-	-	40,000	20,000	114,667
Contribution Sources	1,417,764	13,070,930	6,603,695	-	-	-	400,000	12,500,000	33,992,389
Contribution Sources (Building Activity Fees)	1,146,499	-	-	-	-	-	-	-	1,146,499
	<b>\$ 2,794,930</b>	<b>\$ 13,090,930</b>	<b>\$ 6,603,695</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 440,000</b>	<b>\$ 12,520,000</b>	<b>\$ 35,449,555</b>

\* Multiple Funding Sources

Project Title								Department					
Plant Expansion, Phase 3 (from 0.94 to 2.0 MGD)								5N3					
<b>Description</b> Complete design / engineering and construction to expand the treatment capacity of the Peninsula Water Reclamation Plant from 0.94 to 2.0 MGD.						<b>Operating Budget Impact</b>							
							2023	2024	2025	2026	2027		
						Personnel Services	\$ 40,000	\$ 115,750	\$ 121,538	\$ 127,614	\$ 133,995		
						Admin. / Office Expenses	1,850	1,924	2,001	2,081	2,164		
						Professional Services	1,200	1,254	1,304	1,304	1,356		
						Operating and Maintenance	73,000	142,500	148,200	154,128	160,293		
						Debt Service	-	-	-	-	-		
						Furniture and Equipment	-	50,000	-	-	-		
						Maintenance / OH Allocation	13,926	37,371	32,765	34,215	35,737		
						Total	\$ 129,976	\$ 348,799	\$ 305,808	\$ 319,342	\$ 333,545		
<b>Project Costs</b>		Expenditures through FY 2021	Estimated Expenditures FY 2022	Future Planned Expenditures					Project Total				
				2023	2024	2025	2026	2027 to Completion					
				Design/Engineering	\$ 1,378,676	\$ 300,000	\$ 42,675	\$ -		\$ -	\$ -	\$ -	\$ 1,721,351
				Land/Right of Way									
				Construction	1,158,444	11,909,800	6,052,030	-		-	-	-	19,120,274
				Admin/Inspection	223,143	861,130	508,990	-		-	-	-	1,593,263
				Legal									
				Furniture/Equipment									
Total Costs		\$ 2,760,263	\$ 13,070,930	\$ 6,603,695	\$ -	\$ -	\$ -	\$ -	\$ 22,434,888				
<b>Source of Funds</b>		Appropriations through FY 2021	Estimated Appropriations FY 2022	Future Planned Appropriations					Project Total				
				2023	2024	2025	2026	2027 to Completion					
				Revenue Bonds									
				Non-Bond Capital Rsrv Fund	\$ 50,000	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ 50,000
				Construction Cash (Series 2016 Bonds)	146,000	-	-	-		-	-	-	146,000
				Contribution Sources	1,417,764	13,070,930	6,603,695	-		-	-	-	21,092,389
				Contribution Sources (Bldg Activity Fees)	1,146,499	-	-	-		-	-	-	1,146,499
Total Sources		\$ 2,760,263	\$ 13,070,930	\$ 6,603,695	\$ -	\$ -	\$ -	\$ -	\$ 22,434,888				
<b>Project Schedule</b>		Project Start Date		Project Completion Date		<b>Site Information</b>  1130 Naylor Road Oak Point, TX (FM 720 and Hwy 380)							
Design/Engineering		Sep-19		2023									
Land/Right of Way													
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 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Year Total
5N3	Plant Expansion, Phase 3 (from 0.94 to 2.0 MGD)	\$ 129,976	\$ 348,799	\$ 305,808	\$ 319,342	\$ 333,545	\$ 1,437,470
	<b>Total</b>	<b>\$ 129,976</b>	<b>\$ 348,799</b>	<b>\$ 305,808</b>	<b>\$ 319,342</b>	<b>\$ 333,545</b>	<b>\$ 1,437,470</b>

**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

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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 2023 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.

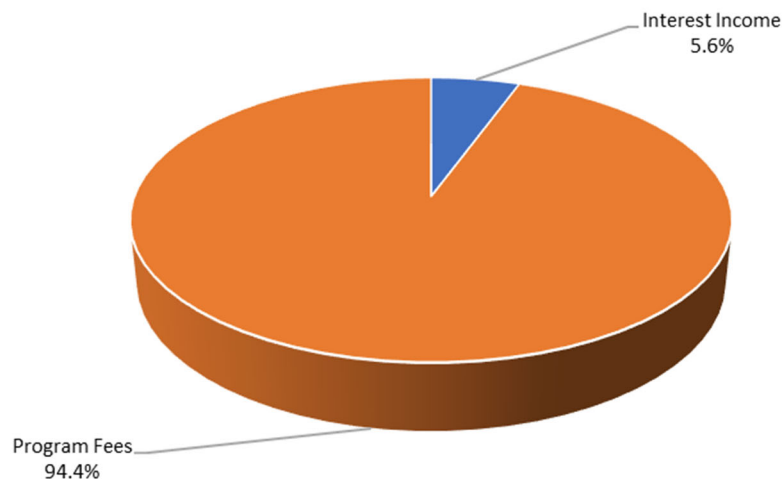
### GOALS AND OBJECTIVE

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

## BUDGET SUMMARY

		<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>Beginning Cash Balance (10/01)</b>		\$ 57,970	\$ 58,080	\$ 58,071	\$ 58,481
<b>Capital Revenue</b>					
Program Fees	<b>2023 Est. Pop.</b>				
Argyle	4,780	\$ 3,448	\$ 3,545	\$ 3,545	\$ 3,825
Black Rock WSC	-	3,105	3,425	-	-
Copper Canyon	1,780	1,160	1,170	1,170	1,425
Pilot Point	4,830	5,000	5,000	5,000	5,000
Ponder	2,450	5,000	5,000	5,000	5,000
<b>Total Program Fees</b>	<b>13,840</b>	<b>\$ 17,713</b>	<b>\$ 18,140</b>	<b>\$ 14,715</b>	<b>\$ 15,250</b>
Interest Revenue		\$ 103	\$ 125	\$ 410	\$ 900
<b>Total Capital Revenue</b>		<b>\$ 17,816</b>	<b>\$ 18,265</b>	<b>\$ 15,125</b>	<b>\$ 16,150</b>
<b>Capital Expense</b>					
Interfund Transfer:					
RTWS - Construction Cash		\$ 17,715	\$ 18,140	\$ 14,715	\$ 15,250
<b>Total Capital Expense</b>		<b>\$ 17,715</b>	<b>\$ 18,140</b>	<b>\$ 14,715</b>	<b>\$ 15,250</b>
<b>Ending Balance</b>		<b>\$ 58,071</b>	<b>\$ 58,205</b>	<b>\$ 58,481</b>	<b>\$ 59,381</b>

### 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. Black Rock WSC is not expected to remain a participant in the Growth Fund for FY 2023.
- 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.

<b>Project/ Description</b>	<b>Year End FY 2022</b>	<b>FY 2023 Expenses</b>	<b>FY 2023 Reimbursements</b>	<b>Projected Year End FY 2023</b>
Regional Treated Water System – CIP Projects	\$14,715	\$15,250	\$(0.00)	\$29,965

## PROJECT DEVELOPMENT FUND

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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.

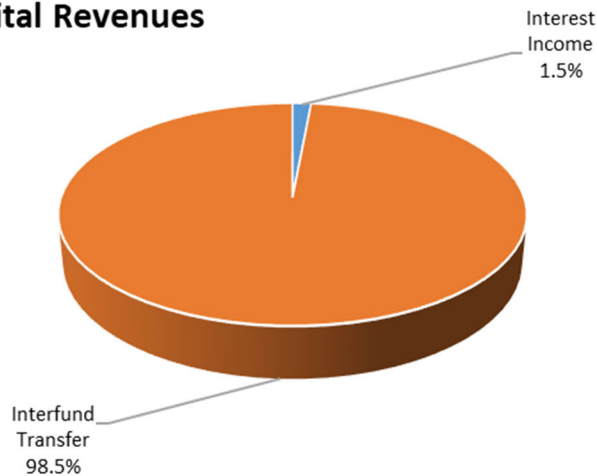
### GOALS AND OBJECTIVE

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

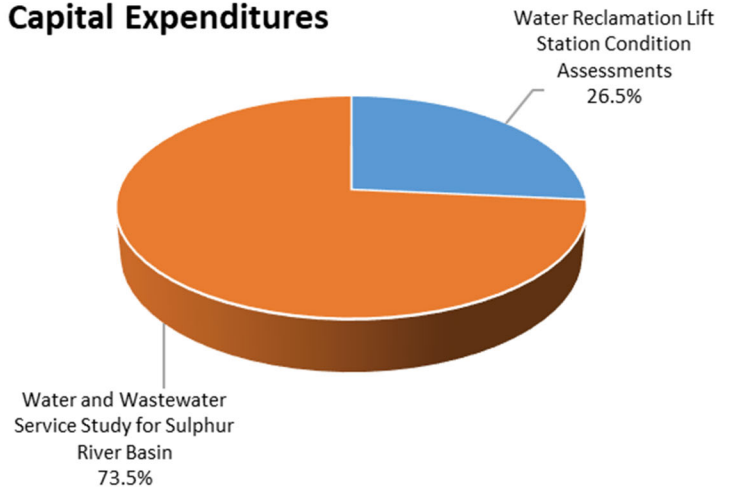
## BUDGET SUMMARY

	<b>FY 2021 Actuals</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Estimates</b>	<b>FY 2023 Budget</b>
<b>Beginning Cash Balance (10/01)</b>	<b>\$ 595,351</b>	<b>\$ 633,786</b>	<b>\$ 633,702</b>	<b>\$ 436,617</b>
Transfer to Operations		\$ (288,980)	\$ (197,085)	\$ (334,950)
<b>Beginning Balance Revised</b>		<b>\$ 344,806</b>	<b>\$ 436,617</b>	<b>\$ 101,667</b>
<b>Capital Revenue</b>				
Interfund Transfers				
NERWRS CIP Study				
Riverbend and Doe Branch Water Rec. Plants	\$ 30,025	\$ -	\$ -	\$ -
Peninsula Water Reclamation Plant	7,509	-	-	-
Working Capital	-	288,980	197,085	334,950
<b>Total Interfund Transfers</b>	<b>\$ 37,534</b>	<b>\$ 288,980</b>	<b>\$ 197,085</b>	<b>\$ 334,950</b>
Interest Revenue	\$ 817	\$ 1,020	\$ 2,915	\$ 5,050
<b>Total Capital Revenue</b>	<b>\$ 38,351</b>	<b>\$ 290,000</b>	<b>\$ 200,000</b>	<b>\$ 340,000</b>
<b>Capital Expense</b>				
Water Reclamation Lift Station Condition Assessments	\$ -	\$ 290,000	\$ 200,000	\$ 90,000
Water and Wastewater Service Study for Sulphur River Basin	-	-	-	250,000
<b>Total Capital Expense</b>	<b>\$ -</b>	<b>\$ 290,000</b>	<b>\$ 200,000</b>	<b>\$ 340,000</b>
<b>Ending Balance</b>	<b>\$ 633,702</b>	<b>\$ 344,806</b>	<b>\$ 436,617</b>	<b>\$ 101,667</b>

### Capital Revenues



### Capital Expenditures



## SUMMARY OF MAJOR CHANGES

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- Interest Income is representative of current market conditions.
- Completion of the Water Reclamation Lift Station Condition Assessment to evaluate the condition of District lift stations and to prioritize necessary repairs and upgrades.
- Funding provided to complete a Water and Wastewater Service study for the Sulphur River Basin to evaluate future water and wastewater service in Fannin County.

## MEMBER / CUSTOMER POPULATIONS

	2017	2018	2019	2020	2021	2022
Argyle WSC	6,968	7,113	7,695	8,130	8,430	10,239
Argyle	3,920	4,040	4,170	4,310	4,430	4,780
Aubrey	3,110	3,200	4,530	5,380	6,210	7,580
Bartonville	1,670	1,680	1,710	1,740	1,750	1,770
Blackrock WSC**	1,310	1,350	1,350	1,350	1,490	-
Celina	10,310	14,364	18,860	20,397	26,409	31,598
Copper Canyon	1,390	1,430	1,430	1,450	1,460	1,780
Corinth	20,800	21,030	21,260	22,160	22,655	24,199
Cross Timbers WSC	7,255	7,266	7,456	7,614	7,756	8,060
Denton	128,160	130,990	134,460	138,250	141,000	146,750
Denton County*	52,164	53,751	50,441	46,248	38,045	39,803
DCFWSD #1A	12,106	12,977	13,042	14,720	15,606	-
DCFWSD #7	11,324	12,000	12,000	12,000	12,300	13,191
DCFWSD #8A	5,264	5,794	6,219	6,197	5,865	3,050
Providence Village (DCFWSD#9)	6,310	6,550	6,630	6,700	6,910	8,260
DCFWSD #10	11,783	3,729	4,290	5,282	5,064	5,348
DCFWSD #11A	7,831	8,739	9,272	9,660	9,492	10,509
Double Oak	2,970	2,960	2,970	2,990	2,990	3,080
Flower Mound	71,850	73,130	76,030	78,080	79,390	80,268
Highland Village	17,000	17,000	17,000	17,000	16,500	17,679
Irving	234,710	237,490	240,420	242,410	245,410	261,350
Justin	4,320	4,455	4,455	5,292	6,271	7,952
Krum	5,760	5,760	5,760	5,760	5,943	6,764
Lake Cities MUA	15,500	15,426	15,512	15,767	16,582	16,994
Lewisville	103,640	104,780	105,640	107,120	109,270	132,620
Mustang SUD	21,846	32,441	38,075	44,718	56,088	65,987
Northlake	-	4,500	4,500	8,898	15,336	16,830
Oak Point	3,210	3,440	3,680	3,930	4,110	5,000
Pilot Point	4,130	4,120	4,260	4,300	4,500	4,830
Ponder	1,780	2,330	2,390	2,400	2,400	2,450
Prosper	20,160	22,650	25,630	28,380	31,090	35,410
Sanger	8,000	7,991	8,800	9,080	9,640	10,463
<b>TOTAL</b>	<b>806,551</b>	<b>834,475</b>	<b>859,937</b>	<b>887,713</b>	<b>920,392</b>	<b>984,594</b>

\*Includes only unincorporated areas within the County

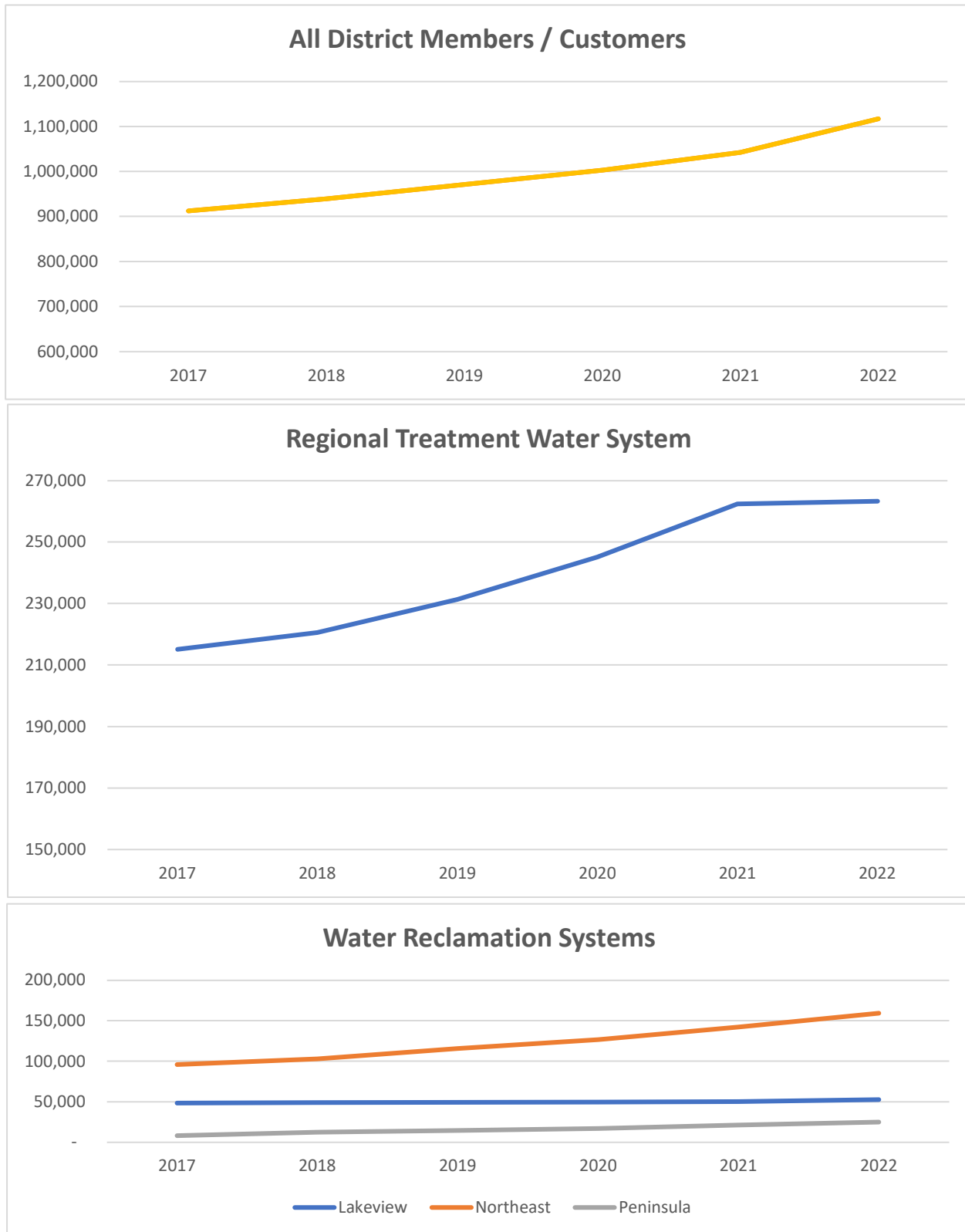
\*\*Blackrock WSC has decided to terminate their contract with the Upper Trinity Regional Water District

Sources:

North Central Texas Council of Governments (NCTCOG)

UTRWD Annual Survey

## POPULATION GROWTH



## OPERATING INDICATORS BY SYSTEM

<b>SYSTEM</b>	<b>Fiscal Year</b>					
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Regional Treated Water System						
Wholesale Customers Contracted (See Note)	19	19	19	19	19	19
Total Towns, Cities and Others Served (See Note)	29	29	29	29	29	29
Total Customer Delivery Points	31	27	27	27	27	27
Total Yearly Billed Flows (millions of gallons)	9,960	11,241	10,419	12,042	12,391	15,399
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)	1,434	1,440	1,748	1,705	1,645	1,458
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	10	10	10	10
Customer Points of Entry	15	15	15	15	15	15
Total Yearly Billed Flows (millions of gallons)	899	1,123	1,484	1,757	1,812	1,948
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)	140	178	230	271	321	342

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	2.26	-	-	-	-	-	-	-	-
City of Aubrey	0.10	0.11	-	-	-	-	-	-	-	-
Cross Timbers Water Supply Corp.	2.50	2.82	-	-	-	-	-	-	-	-
Town of Bartonville	-	-	0.0378	0.71	-	-	-	-	-	-
City of Celina	7.20	8.12	-	-	1.38500	19.49	-	-	-	-
City of Corinth	7.50	8.46	1.6080	30.18	-	-	-	-	-	-
City of Denton	-	- (1)	-	-	-	-	-	-	-	-
Denton County Fresh Water Supply Dist. #1A	-	-	-	-	-	-	-	-	All	100.00
Denton County Fresh Water Supply Dist. #7	4.00	4.51	0.8440	15.84	-	-	-	-	-	-
Denton County Fresh Water Supply Dist. #8A	1.87	2.11	-	-	0.45375	6.38	-	-	-	-
Denton County Fresh Water Supply Dist. #10	-	-	-	-	-	-	-	-	-	-
Denton County Fresh Water Supply Dist. #11A	3.30	3.72	-	-	0.71575	10.07	-	-	-	-
Elm Ridge (Formerly DCFWSD #10)	1.02	1.15	-	-	0.38600	5.43	-	-	-	-
Town of Double Oak	-	-	0.0080	0.15	-	-	-	-	-	-
Town of Flower Mound	30.00	33.84	-	-	-	-	-	-	-	-
City of Highland Village	3.00	3.38	1.6500	30.96	-	-	-	-	-	-
City of Justin	1.45	1.64	-	-	-	-	-	-	-	-
City of Krum	0.40	0.45	-	-	-	-	-	-	-	-
Lake Cities Municipal Utility Authority	3.80	4.29	1.1810	22.16	-	-	-	-	-	-
Lewisville (Acquired DCFWSD #1A)	4.00	4.51	-	-	-	-	-	-	-	-
Mustang Special Utility District	7.80	8.80	-	-	2.61650	36.82	1.205	100.00	-	-
Town of Northlake	5.80	6.54	-	-	-	-	-	-	-	-
Town of Providence Village	2.40	2.71	-	-	0.55000	7.74	-	-	-	-
Town of Prosper	-	-	-	-	1.00000	14.07	-	-	-	-
City of Sanger	0.50	0.56	-	-	-	-	-	-	-	-
<b>Total Subscriptions</b>	<b>88.64</b>	<b>100.00</b>	<b>5.3288</b>	<b>100.00</b>	<b>7.10700</b>	<b>100.00</b>	<b>1.205</b>	<b>100.00</b>	<b>All</b>	<b>100.00</b>

(1) Service is provided via emergency interconnect according to need - no specific capacity

Source: UTRWD Business Department



## CAPITAL ASSET (IN SERVICE) STATISTICS BY SYSTEM

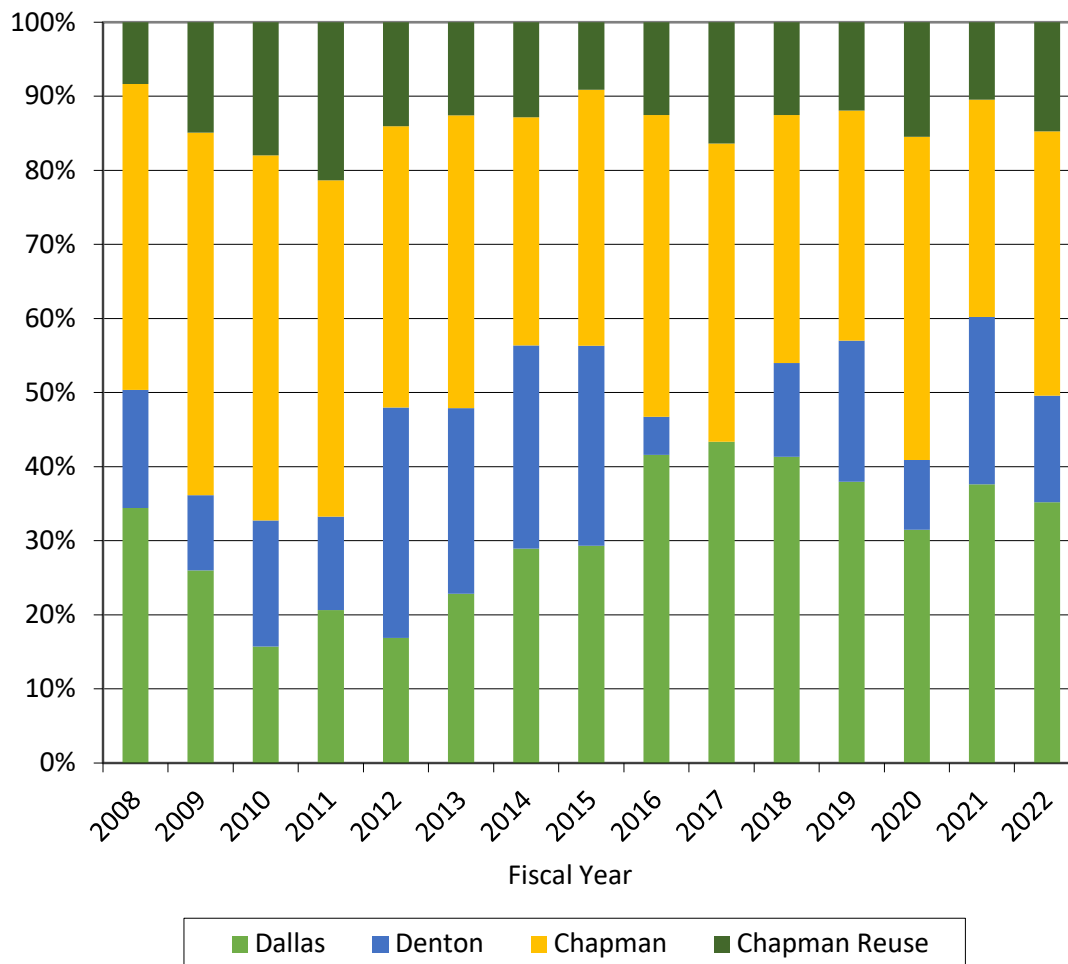
SYSTEM	Fiscal Year					
	2017	2018	2019	2020	2021	2022
<u>Regional Treated Water System</u>						
<u>Taylor Regional Treated Water Plant</u>						
Raw Water Intake Capacity	200 mgd	200 mgd	200 mgd	200 mgd	200 mgd	200 mgd
Water Treatment Plant Capacity	70 mgd	70 mgd	70 mgd	70 mgd	70 mgd	70 mgd
Treated Water Pumping Capacity (est.)	130 mgd	130 mgd	130 mgd	130 mgd	130 mgd	130 mgd
Transmission Pipelines (miles):						
12" to 20"	45.93	37.10	37.07	37.07	36.81	36.81
24" to 36"	43.34	43.34	43.77	43.77	45.18	47.55
42" to 72"	22.74	22.74	22.65	22.65	24.94	29.94
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	24.5 mgd	25 mgd	25 mgd
Treated Water Pumping Capacity (est.)	16 mgd	16 mgd	16 mgd	28 mgd	28 mgd	28 mgd
<u>Lakeview Regional Water Reclamation System</u>						
Water Reclamation Plant Capacity	5.5 mgd	5.5 mgd	5.5 mgd	5.5 mgd	5.5 mgd	5.5 mgd
Interceptor Pipeline (miles):						
8" to 10"	1.25	1.25	1.25	1.25	1.25	1.25
12" to 14"	1.10	1.10	1.10	1.10	1.10	1.10
18" to 20"	7.60	7.60	7.60	7.60	7.60	7.60
24" to 27"	4.76	4.76	4.76	4.76	4.76	4.76
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	4.0 mgd	4.0 mgd	4.0 mgd	4.0 mgd
Doe Branch Water Reclamation Plant Capacity	2.0 mgd	2.0 mgd	2.0 mgd	2.0 mgd	2.0 mgd	4.0 mgd
Interceptor Pipeline (miles):						
8" to 21"	6.09	6.09	6.54	6.54	6.54	6.54
24" to 36"	6.06	6.06	6.54	6.54	6.54	6.65
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	0.16	0.16	0.16	0.16

Note: mgd is million gallons per day

Source: UTRWD Engineering Department

## RAW WATER PURCHASES

Year	Dallas	Denton	Lake Chapman	Lake Chapman Reuse
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
2022	6,965,373	3,545,480	4,043,360	1,618,252



## AWARDS AND HONORS

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### BUSINESS

Government Finance Officers Association (GFOA)

Certificate of Achievement for Excellence in Financial Reporting, 2000 – 2021

Distinguished Budget Presentation Award, 2010 – 2022

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, 1999-2021 (Platinum 23 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, 2008-2021 (Platinum 14 years)

NACWA Environmental Achievement Award, 2020

### NORTHEAST REGIONAL WATER RECLAMATION SYSTEM – DOE BRANCH PLANT

NACWA Gold Peak Performance Award, 2016-2021 (Platinum 6 years)

### PENINSULA WATER RECLAMATION PLANT

Water Environment Association of Texas (WEAT)

Municipal Wastewater Treatment Plant of the Year – Category 1 (<1 MGD), 2010

NACWA Platinum Peak Performance Award, 2003-2021 (Platinum 18 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 # 2022 – 35

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING WHOLESALE WATER RATES FOR PARTICIPATING MEMBERS AND CUSTOMERS OF THE REGIONAL TREATED WATER SYSTEM.**

**WHEREAS**, the District, pursuant to participation contracts, provides wholesale treated water service for Members and Customers participating in the Regional Treated Water System; and,

**WHEREAS**, the District may enter into contracts for wholesale service with other Members and Customers in the future; and,

**WHEREAS**, the District desires that Participating Members and Customers maintain usage that will protect the Regional Treated Water System and generate an efficient load factor year around; and

**WHEREAS**, under guidelines promoted by State regulatory agencies, the District and its wholesale customers are expected to have rate structures that encourage conservation of water; and,

**WHEREAS**, each participant in the Regional Treated Water System is responsible for their pro-rata share of costs; and,

**WHEREAS**, as used in this resolution, the term "Water Year" refers to the annual period from June 1 to May 31 of each year; and,

**WHEREAS**, the District's staff has evaluated the budgets for FY 2022 – 2023 to determine current estimates of costs for FY 2022 – 2023; 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: \$1.40 per 1,000 gallons of water delivered and metered.  
Customer Volume Charge: \$1.50 per 1,000 gallons of water delivered and metered.

**Demand Charge:** \$472,195 per year, per million gallons per day (mgd) of contracted Demand, pro-rated on a monthly basis (based on actual experienced or needed Demand or subscribed capacity, whichever is greater).

**SECTION 2.** That, except as otherwise provided, the Board of Directors does hereby adopt the following optional wholesale water rate (flat rate) for Member entities contracted for 0.50 mgd or less of capacity, or for others requiring temporary water for construction or other purposes.

**Volume Charge:** \$5.15 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, 2022, and shall remain in effect through September 30, 2023, 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 1ST DAY OF SEPTEMBER 2022.**

Recommended:

  
Larry N. Patterson, Executive Director

Executed:

  
Brian Roberson, President

Attest:

  
Greg Scott, Secretary



# RESOLUTION

## RESOLUTION # 2022 - 36

### 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 2022 – 2023 to determine current estimates of costs for FY 2022 – 2023; 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:	\$ 1.30 per 1,000 gallons
Fixed O&M Charge:	\$444,275 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	\$ 20,995
Corinth	\$ 723,680
Denton County FWSD #7	\$ 793,745
Double Oak	\$ 14,035
Highland Village	\$ 886,735
Lake Cities MUA	\$ 514,120

**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, 2022, and shall remain in effect until September 30, 2023, 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 1ST DAY OF SEPTEMBER 2022.**

Recommended:



Larry N. Patterson, Executive Director

Executed:



Brian Roberson, President

Attest:



Greg Scott, Secretary





# RESOLUTION

## RESOLUTION # 2022 - 37

### 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 2022 – 2023 to determine current estimates of costs for FY 2022 – 2023; 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):	\$1.39 per 1,000 gallons
Treatment Rate (Customer):	\$1.49 per 1,000 gallons
Fixed O&M Costs:	\$600,000 per year per million gallons per day (mgd).

#### Capital Charges for Joint / Interim / Individual Facilities

##### Riverbend:

Denton County FWSD #8A	\$315,595
Denton County FWSD #11A	\$510,600
Elm Ridge WCID	\$ 10,750
Mustang SUD	\$747,800
Providence Village	\$540,065

##### Doe Branch:

Celina	\$1,597,505
Elm Ridge WCID	\$ 33,365
Mustang SUD	\$ 90,580
Prosper	\$ 92,130



**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, 2022, and shall remain in effect until September 30, 2023, 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 1ST DAY OF SEPTEMBER 2022.**

Recommended:

  
Larry N. Patterson, Executive Director

Executed:

  
Brian Roberson, President

Attest:

  
Greg Scott, Secretary



# RESOLUTION

## RESOLUTION # 2022 - 38

**A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR WHOLESALE WASTEWATER TREATMENT SERVICES PROVIDED BY THE DISTRICT FOR PARTICIPATING MEMBER(S) OF THE PENINSULA WATER RECLAMATION PLANT.**

**WHEREAS**, the District, pursuant to participation contracts, provides wholesale wastewater treatment service to Member(s) participating in the Peninsula Water Reclamation Plant; and,

**WHEREAS**, the Mustang Special Utility District is the sole participant in the Plant and is responsible for the costs; and,

**WHEREAS**, the District's staff has evaluated the budgets for FY 2022 – 2023 to determine current estimates of costs for FY 2022 – 2023; and,

**WHEREAS**, the Executive Director recommends the adoption of rates for wholesale wastewater treatment services of the Plant.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:**

**SECTION 1.** That the Board of Directors does hereby adopt the following rates for wholesale wastewater treatment services provided to Mustang Special Utility District in the Peninsula Water Reclamation Plant:

Treatment Rate (Member):	\$1.75 per 1,000 gallons
Fixed O&M Costs:	\$680,300 per year per million gallons per day (mgd) of contracted capacity in the Plant, billed on a monthly basis.
Capital Charge for Facilities	\$71,935

**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, 2022, and shall remain in effect until September 30, 2023, 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 1ST DAY OF SEPTEMBER 2022.**

Recommended:

  
Larry N. Patterson, Executive Director

Executed:

  
Brian Roberson, President

Attest:

  
Greg Scott, Secretary



## RESOLUTION

### RESOLUTION # 2022 - 39

#### A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR NON-POTABLE WATER SERVICE.

**WHEREAS**, the District, pursuant to participation contracts, provides non-potable water service to the City of Lewisville; and,

**WHEREAS**, until other customers are added, the City of Lewisville is responsible for all costs of the facilities devoted to non-potable water service for the City of Lewisville; and,

**WHEREAS**, the District's staff has evaluated the budgets for FY 2022 – 2023 to determine current estimates of costs for FY 2022 – 2023; and,

**WHEREAS**, the Executive Director recommends the adoption of revised rates for non-potable water service.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:**

**SECTION 1.** That the Board of Directors does hereby adopt the following non-potable water rates for service provided to the City of Lewisville:

Treated Effluent Volume Charge:	\$ 0.51 per 1,000 gallons of water delivered and metered
Raw Water Volume Charge:	\$ 1.12 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, 2022, and shall remain in effect through September 30, 2023, 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 1ST DAY OF SEPTEMBER 2022.**


Recommended:

  
Larry N. Patterson, Executive Director

Executed:

  
Brian Roberson, President

Attest:

  
Greg Scott, Secretary



# RESOLUTION

## RESOLUTION # 2022 - 40

### 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 2022 – 2023 to determine current estimates of costs for FY 2022 – 2023; 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:	\$112.00 per household – Participating Entities
Event Voucher:	\$112.00 per household – Citizen delivers to a scheduled Event
Fort Worth Voucher:	\$ 86.00 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, 2022, and shall remain in effect until September 30, 2023, 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 1ST DAY OF SEPTEMBER 2022.**

Recommended:

  
Larry N. Patterson, Executive Director

Executed:

  
Brian Roberson, President

Attest:

  
Greg Scott, Secretary



# RESOLUTION

## RESOLUTION # 2022 - 41

**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, 2022 AND ENDING SEPTEMBER 30, 2023.**

**WHEREAS**, for FY 2022 – 2023, Staff has proposed an Operating Budget totaling \$78,718,385 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 \$276,425,925 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 \$355,250; 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 2022 – 2023 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, 2022 for the Fiscal Year ending September 30, 2023.



**SECTION 4.** That any remaining balance at the end of FY 2021 – 2022 in appropriations for capital projects are hereby re-appropriated for continued use for those same respective projects in FY 2022 – 2023.

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

**DULY PASSED AND APPROVED THIS 1ST DAY OF SEPTEMBER 2022.**

Recommended:

  
Larry N. Patterson, Executive Director

Executed:

  
Brian Roberson, President

Attest:

  
Greg Scott, Secretary

## GLOSSARY OF TERMS

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### 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