



OUR COMMUNITY. PEOPLE. FUTURE.

Planning with vision and courage.
Serving with cooperation and commitment.

Annual Operating and Capital Budgets

October 1, 2020–September 30, 2021

Treated Water

Long-range Water Supply

Water Reclamation

Non-potable Water Reuse

Watershed Protection

Water Conservation

Household Hazardous

Waste Disposal



Upper Trinity Regional Water District | Lewisville, TX

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

OPERATING AND CAPITAL BUDGETS

FISCAL YEAR 2020 - 2021

OCTOBER 1, 2020 – SEPTEMBER 30, 2021

Record Vote for Operating Budget

**For: 18
Against: 0
Absent: 5**

Record Vote for Capital Budget

**For: 18
Against: 0
Absent: 5**

**Adopted by the Board of Directors
September 3, 2020**

**UPPER TRINITY REGIONAL WATER DISTRICT
BOARD OF DIRECTORS
Fiscal Year 2020 – 2021**

**Richard Lubke, President – Highland Village
Brian Roberson, Vice President – Aubrey
Bob Hart, Treasurer – Corinth
Clay Riggs, Secretary – Flower Mound**

**Troy Norton – Argyle
Del Knowler – Bartonville
James Burnham – Celina
Mark Pape – Copper Canyon
Frank Pugsley – Denton
Gary Calmes – Denton County At-Large
Johnny Harris – Denton County
Kristina Clark – DCFWSD #1A
Kevin Mercer – DCFWSD #7
Dick Cook– Double Oak
(Vacant) – Irving
Greg Scott – Justin
Devon Kennedy – Krum
Mike Fairfield – Lake Cities MUA
Eric Ferris – Lewisville
Chris Boyd – Mustang SUD
Lyle Drescher – Northlake
Allen McCracken – Pilot Point
Mike Anderson – Ponder
Frank Jaromin – Prosper
Tracy LaPiene – Sanger**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Upper Trinity Regional Water District
Texas**

For the Fiscal Year Beginning

October 1, 2019



Executive Director

The Governmental Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Upper Trinity Regional Water District** for its annual budget for the fiscal year beginning **October 1, 2019**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

TABLE OF CONTENTS

Introduction

Budget Transmittal Letter	9
Executive Summary	10
Organizational Chart	14
Summary of Authorized Positions	15
Organizational Profile	16

Budget Overview

Budget Overview	26
Budget Process	36
Budget and Rate Resolutions	39
Financial Policies	51

Strategic Plan

Mission/Vision/Goals Statements	62
Strategic Planning	64
Financial Forecast	83

Fund Summary

Budgeted Expenditures by Fund	87
Budgeted Expenditures by Category	88
Historical Budget vs. Actual	89
All Funds Listing by Category	90
UTRWD Fund Structure	92
Operating, Reserve, and Capital Combined Funds	93
Operating Funds Combined Summary	95

Debt Summary

Fund Descriptions	99
Regional Treated Water System Schedule of Requirements	100
Long-Term Debt Indebtedness to Maturity	101
Graph of Long-Term Debt Indebtedness to Maturity	102
Debt Service Reserve Fund	103
Series 2000-A Bonds Debt Service Reserve Fund	104
Interest and Sinking Fund	105
Lakeview Regional Water Reclamation System Schedule of Requirements	106
Long-Term Debt Indebtedness to Maturity	107
Graph of Long-Term Debt Indebtedness to Maturity	108
Debt Service Reserve Fund	109
Interest and Sinking Fund	110
NE Regional Water Reclamation System-Riverbend Schedule of Requirements	111
Riverbend Long-Term Debt Indebtedness to Maturity	112
NE Regional Water Reclamation System-Doe Branch Schedule of Requirements	113
Doe Branch Long-Term Debt Indebtedness to Maturity	114
Graph of NERWRS Combined Long-Term Debt Indebtedness to Maturity	115
Debt Service Reserve Fund	116

Interest and Sinking Fund	117
Peninsula Water Reclamation Plant Schedule of Requirements.....	118
Long-Term Debt Indebtedness to Maturity	119
Graph of Long-Term Debt Indebtedness to Maturity	120
Debt Service Reserve	121
Interest and Sinking Fund	122

Revenue Summary

Operating Fund Revenue Overview.....	123
Demand Revenues	124
Volume Revenues	125
Treatment and Transportation Revenues	128
Fixed O&M Costs for Joint Facilities Revenues	132
Capital Charges for Joint and Individual Facilities Revenues	134
Interfund Transfers.....	136
Other Revenues.....	137

Operating Fund Detail

Administration Fund	139
Information Technology Fund	151
Water Reclamation Systems	158
Lakeview Regional Water Reclamation System.....	160, 168
Northeast Regional Water Reclamation System – Riverbend & Doe Branch Plants.....	162, 172
Peninsula Water Reclamation Plant.....	164, 177
Non-Potable Water System.....	183
Maintenance	190
Regional Treated Water System	197
Household Hazardous Waste	213

Other Funds

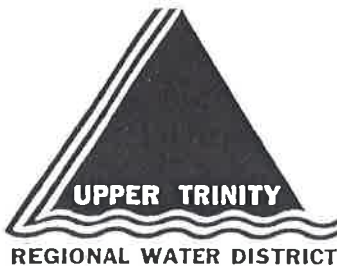
Fund Descriptions	219
Regional Treated Water System Operating and Maintenance Reserve Fund.....	221
Capital Replacement Reserve Fund	222
Watershed Protection Program Fund	223
Water Conservation Program Fund	224
Future Water Program Fund	225
Lake Ralph Hall Reserve Fund	226
Northeast Contribution Fund	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 Fees 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
Self-Insurance Fund	247
Upper Trinity Conservation Trust.....	248

Capital Improvement Funds

Introduction.....	249
Capital Expenditures by Funding Source	252
Fund Descriptions	253
Engineering Fund Detail	254
Regional Treated Water System Introduction.....	263
Construction Cash Fund.....	268
Five-Year Forecast.....	269
Detail Capital Budget.....	271
Estimated Annual Operating Expenses from Investments.....	297
Lakeview Regional Water Reclamation System Introduction.....	298
Construction Cash Fund.....	300
Five-Year Forecast.....	301
Detail Capital Budget.....	302
Estimated Annual Operating Expenses from Investments.....	307
Non-Potable Water System Introduction	308
Construction Cash Fund.....	309
Five-Year Forecast.....	310
Detail Capital Budget.....	311
NE Regional Water Reclamation System Fund – Riverbend Plant Introduction	312
Construction Cash Fund.....	314
Five-Year Forecast.....	315
Detail Capital Budget.....	316
Estimated Annual Operating Expenses from Investments.....	320
NE Regional Water Reclamation System Fund – Doe Branch Plant Introduction.....	321
Construction Cash Fund.....	323
Five-Year Forecast.....	324
Detail Capital Budget.....	325
Estimated Annual Operating Expenses from Investments.....	330
Peninsula Water Reclamation Plant Introduction	331
Construction Cash Fund.....	332
Five-Year Forecast.....	333
Detail Capital Budget.....	334
Estimated Annual Operating Expenses from Investments.....	336

Growth Program	337
Project Development Fund.....	341
Statistical Information	
Miscellaneous Statistics	345
Glossary	352



MEMORANDUM

TO: Board of Directors

FROM: Larry N. Patterson, Executive Director

DATE: September 3, 2020

SUBJECT: FY 2020 - 2021 PROPOSED BUDGETS

I respectfully submit the proposed annual Operating and Capital Budgets for the Fiscal Year beginning October 1, 2020 for your consideration. The proposed budgets will fund ongoing operations, keep our 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 2020 – 2021 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

FY 2020 - 2021 Adopted Budget

Staff is pleased to propose the FY 2020-2021 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 for the District's utility systems total \$66,753,975 for the fiscal year, an overall increase of 3.64% compared to last year's adopted budget. 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 for capital improvements is recommended to be \$175,836,435, a 45.53% increase from last year's budget. The Lake Ralph Hall project represents the majority of this increase with construction of the Leon Hurse Dam and surrounding roads and bridges expected to commence during FY 2021.

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.....	2.00%
Northeast Regional Water Reclamation System.....	0.00%
Lakeview Regional Water Reclamation System	0.00%
Peninsula Water Reclamation Plant.....	0.00%
Administration	0.00%
Non-Potable Water System.....	0.06%
Household Hazardous Waste	0.00%

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

- Six positions, to include one contract worker converted to part-time and five additional personnel, will be required to keep up with the increasing workload as the District continues to grow. The six (including one part-time) requested positions are:
 - One Operations Supervisor (Riverbend Plant) to provide operational supervisory support to the recently expanded Riverbend Plant, which has experienced tremendous growth in wastewater flows.
 - One Human Resources / Purchasing Technician to provide additional support, due to the ever-increasing regulatory, personnel, and purchasing needs for District operations.
 - One Maintenance Mechanic requested to provide needed support to the Maintenance Department's efforts to maintain District assets.

- One Electronic Technician requested to provide needed support to the Maintenance Department's efforts to support operations and maintain District assets.
- One Senior Maintenance Mechanic (CIP Funded) to assist with increasing demands in the Lake Ralph Hall area.
- One Lake Ralph Hall Project Management Specialist (CIP Funded – Converted from Contract Worker to Part-Time Employee) needed for increased land purchase activities and to assist current tenants still residing on District owned land surrounding Lake Ralph Hall.
- The adopted budget includes an allowance of 4.0% to cover promotions, merit increases and other increases in employee compensation.
- As agreed to by the Personnel Committee, an additional holiday for District employees has been designated as Good Friday.
- The adopted budget for the Regional Treated Water reflects a 2.39% 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:

Dallas Water Utilities	15.94 mgd
Denton	5.40 mgd
Chapman Lake	9.00 mgd
Reuse	3.33 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.
 - General planning for Future Water Resources at \$0.02/1,000 gallons, an increase of \$0.01 / 1,000 gallons from FY 2020.
 - Watershed Protection Program at \$0.02 / 1,000 gallons.
- Reserves are an important component of the District's core business:
 - Propose to increase the long-term reserve for future replacement of aging facilities (Capital Replacement Reserve) from \$0.10 / 1,000 gallons to \$0.11 / 1,000 gallons in the Regional Treated Water System and remaining at \$0.10 / 1,000 gallons in the Lakeview Regional Water Reclamation System.
 - Propose to contribute \$647K to Lake Ralph Hall Reserve from the Dallas Water Utilities settlement with Sabine River Authority.

- Propose to contribute to the Non-Bond Reserves in the amount of \$300K for the Lakeview Regional Water Reclamation System, \$14,580 for the Northeast Regional Water Reclamation System, and \$4,745 for the Peninsula Water Reclamation Plant.
- Within the Household Hazardous Waste Program, the District continues to provide an interim service until cities choose to host their own programs, generally through their solid waste providers.
- Certain elements of the budgets are provided by Interfund transfers:
 - O&M Reserves, except for the Regional Treated Water System (81% funded), for all operations are expected to be fully funded at FY 2021 year-end. The District projects to fund this shortage for the O&M Reserve in the Regional Treated Water System over the following three fiscal years, if not sooner.
 - Pro-rata contributions will be made from all funds to the Vehicle and Equipment Replacement Fund to assist in future replacement of vehicles and heavy equipment as necessary.
- Debt Service for FY 2021 includes:
 - The Regional Treated Water System has a Commercial Paper interest rate decrease from 2.00% to less than 1.00%. The third year of a deferred interest payment on the TWDB Board Participation Loan (2015 Issue) for Lake Ralph Hall, increases by \$62,570. Additionally, a P&I payment of \$865K will be due for the third issue of TWDB Subsidized Interest funding (\$15.8M) for the Parallel Pipeline Project, set for issue in FY 2021. There are no planned conversions of Commercial Paper to long-term debt for FY 2021. Also, a recently completed refunding of two previous bond issues (2010 and 2010-A), will yield an approximate net savings of \$202K for FY 2021.
 - The Northeast Regional Water Reclamation System has first full year interest payments for the Series 2019 Revenue and Refunding Bonds for the Doe Branch Plant Expansion.
 - The Peninsula Water Reclamation Plant will continue to utilize customer contributions for design and engineering activities for the Phase 3 expansion project.

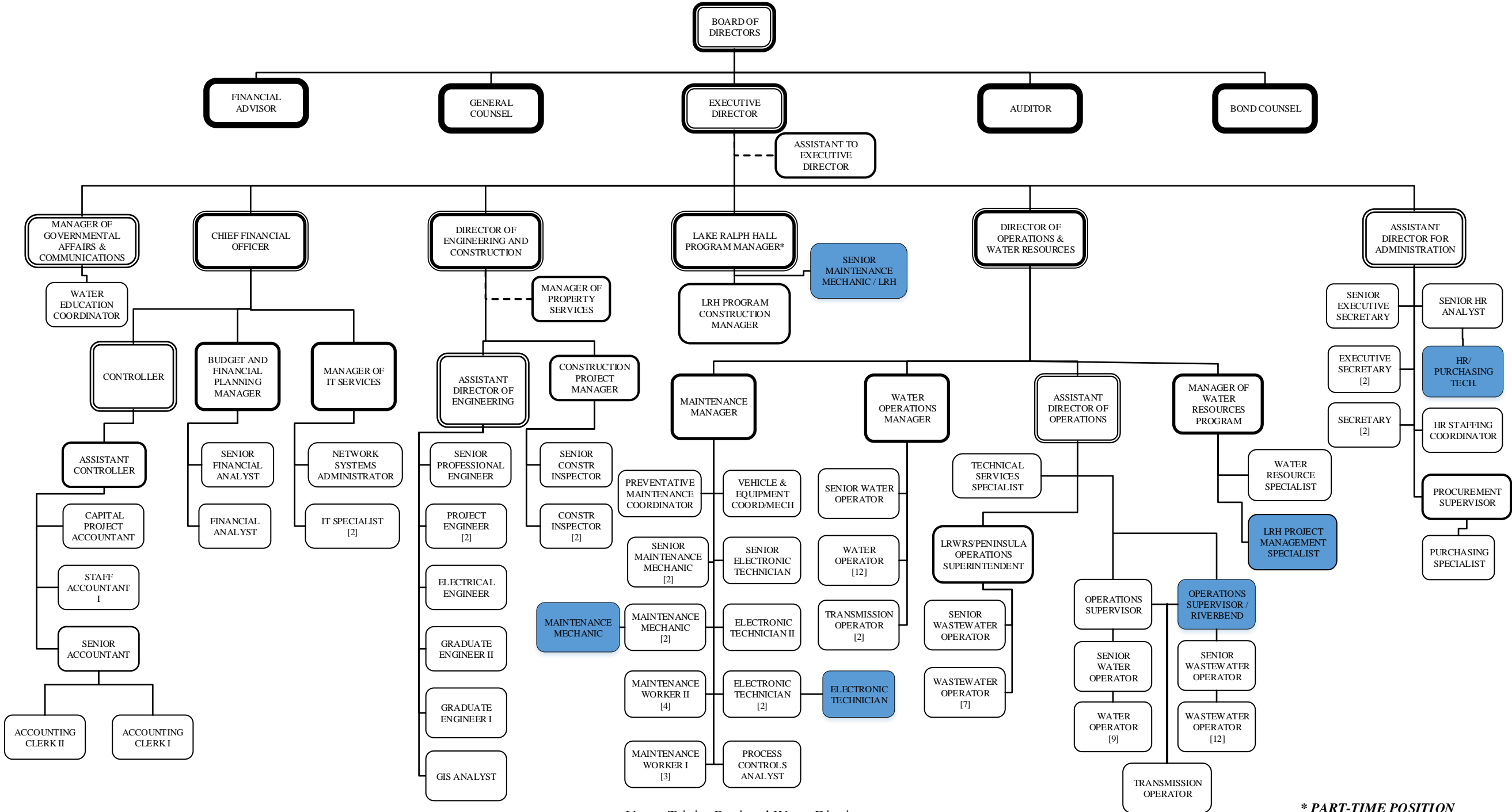
CAPITAL IMPROVEMENT PROGRAMS

Key capital projects include:

- Parallel Pipeline project consists of a 72" diameter pipeline parallel to the existing transmission main from the Taylor Regional Water Treatment Plant to the Stone Hill Pump Station for additional pipeline capacity needed to meet customer needs and is expected to be completed at the end of FY 2021.
- Harpool RWTP Phased Treatment Expansion, Phase I project includes expanded administration and maintenance facilities, increased raw water handling and membrane water treatment capability.

- Lake Ralph Hall project will continue land acquisitions, engineering and design studies, and initiate construction activities.
- Harpool RWTP Northeast Transmission Pipeline will begin design and engineering, along with easement acquisitions for a new treated water transmission line running northeast from the Harpool Plant to the City of Celina, the Artesia Community, and other Northeast Denton County customers.
- Harpool RWTP Phased Expansion Project will continue with construction of critical infrastructure improvements to provide for a phased-in treatment capacity expansion to 40.0 MGD between the 2025 to 2030 timeframe.
- Lakeview WRP will initiate engineering and design studies for the next expansion of its treatment capacity (from 5.5 to 7.5 MGD).
- Riverbend Plant Expansion, Phase 3 project will complete upgrades and improvements for the expansion of the Riverbend Regional Water Reclamation Plant from 2.0 to 4.0 MGD.
- Doe Branch Plant Expansion, Phase 2 project will complete construction to expand the treatment capacity from 2.0 to 4.0 MGD.
- Peninsula WRP Expansion project will complete design / engineering and begin construction to expand the treatment capacity from 0.94 to 2.0 MGD.

FY 2021 ADOPTED ORGANIZATIONAL CHART



* PART-TIME POSITION

Upper Trinity Regional Water District Total Adopted Positions

	2019 Adopted Budget	2020 Adopted Budget	2021 Adopted Budget		2019 Adopted Budget	2020 Adopted Budget	2021 Adopted Budget
Administration				Engineering/Construction			
Executive Director	1	1	1	Director of Engineering and Construction	1	1	1
Assistant to Executive Director	1	1	1	Assistant Director of Engineering and Construction	1	1	1
Manager of Governmental Affairs and Communications	0	1	1	Senior Professional Engineer	0	1	1
Manager of Customer Contracts/Support Services	1	0	0	Project Engineer	3	3	2
Water Education Coordinator	1	1	1	Electrical Engineer	0	0	1
Senior Executive Secretary	1	1	1	Professional Engineer	1	0	0
Executive Secretary	3	2	2	Graduate Engineer I / Graduate Engineer II	1	2	2
Assistant Director for Administration	0	1	1	GIS Analyst	1	1	1
Manager of HR and Purchasing	1	0	0	Manager of Property Services	1	1	1
Senior HR Analyst	1	1	1	LRH Project Management Specialist (CIP) ***	0	0	1
HR Staffing / Coordinator	0	0	1	Construction Project Manager	1	1	1
HR Generalist	1	1	0	Lake Ralph Hall (LRH) Program Manager	0	1	1
HR / Purchasing Technician **	0	0	1	LRH Program Construction Manager (CIP) *	0	0	1
Procurement Supervisor	1	1	1	Senior Construction Inspector	1	1	1
Purchasing Specialist	1	1	1	Construction Inspector	2	2	2
Secretary	1	2	2	Manager of Water Resources Program	1	1	1
Total	14	14	15	Water Resource Specialist	1	1	1
				Total	15	17	19
Business/Finance				Northeast Water/Wastewater Reclamation System			
Chief Financial Officer	0	1	1	Northeast Operations Manager	1	0	0
Director of Business Services	1	0	0	Operations Supervisor	1	1	1
Controller	0	1	1	Senior Water Operator	1	1	1
Accounting Manager	1	0	0	Water Operator III	4	4	4
Assistant Controller	0	1	1	Water Operator II	1	4	3
Senior Accountant	1	1	1	Water Operator I	1	1	2
Capital Project Accountant - LRH (CIP) *	0	0	1	Water Operator I / Clerk	1	0	0
Staff Accountant II	1	0	0	Operations Supervisor **	0	0	1
Staff Accountant I	1	1	1	Senior Wastewater Operator	1	1	1
Cash Coordinator	1	0	0	Wastewater Operator III	7	6	6
Accounting Clerk II	1	1	1	Wastewater Operator II	0	2	4
Accounting Clerk I	0	1	1	Wastewater Operator I	3	4	2
Budget and Financial Planning Manager	1	1	1	Transmission Operator	1	1	1
Senior Financial Analyst	1	1	1	Total	22	25	26
Financial Analyst	1	1	1				
Manager of IT Services	1	1	1	Lakeview Regional Water Reclamation System			
Network Systems Administrator	1	1	1	LRWS / Peninsula Operations Superintendent	0	1	1
IT Specialist	2	2	2	Wastewater Operations Superintendent	1	0	0
Total	14	14	15	Senior Wastewater Operator	1	1	1
				Wastewater Operator III	5	5	4
Operations/Maintenance				Wastewater Operator II	0	1	2
Deputy Executive Director	1	0	0	Wastewater Operator I	1	1	1
Director of Operations and Water Resources	0	1	1	Total	8	9	9
Director of Operations	1	0	0				
Assistant Director of Operations	0	1	1	Regional Treated Water System			
Technical Services Specialist	1	1	1	Water Operations Manager	0	1	1
Process Controls Analyst	1	1	1	Water Operations Superintendent	1	0	0
Maintenance Manager	0	1	1	Senior Water Operator	1	1	1
Maintenance Superintendent	1	0	0	Water Operator III	6	6	8
Preventative Maintenance Coordinator	1	1	1	Water Operator II	1	1	3
Vehicle & Equipment Coordinator / Mechanic	1	1	1	Water Operator I	5	5	1
Senior Electronic Technician	1	1	1	Transmission Operator	2	2	2
Electronic Technician II	1	1	1	Total	16	16	16
Electronic Technician I	2	2	2				
Electronic Technician I **	0	0	1	Total Authorized Positions	110	117	125
Senior Maintenance Mechanic	2	2	2				
Senior Maintenance Mechanic (LRH) **	0	0	1				
Maintenance Mechanic	4	4	2				
Maintenance Worker II	3	1	4				
Maintenance Worker I	1	4	3				
Maintenance Mechanic **	0	0	1				
Total	21	22	25				

* New Positions funded at Mid-Year 2020 (2)

** Requested Positions (5)

*** Contract Position Converted to Part-Time

UPPER TRINITY REGIONAL WATER DISTRICT ORGANIZATIONAL PROFILE

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

The District provides service directly and indirectly to 34 entities (23 cities and towns, 1 utility authority, 3 special districts, 5 water supply districts, 1 utility district, and the County). The District is governed by a Board of Directors appointed by member entities and is considered by many to be a model regional agency. Each member appoints a director to the governing body and Denton County appoints two directors, one of which serves at-large. Currently, the Board is composed of 25 directors. Non-public utilities have contracts under which they are represented on the governing body by the at-large director. The Board of Directors set the policies of the District and establishes regional programs as needed by members and customers. Current services include treated (drinking) water, non-potable water, water reclamation (wastewater treatment), collection of household hazardous wastes, and other water conservation and watershed protection activities.

History

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

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

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

Treated Water Supply and Facilities

A priority mission of the District is to ensure an adequate water supply for members and customers throughout its service area. The District provides treated (drinking) water services on a wholesale

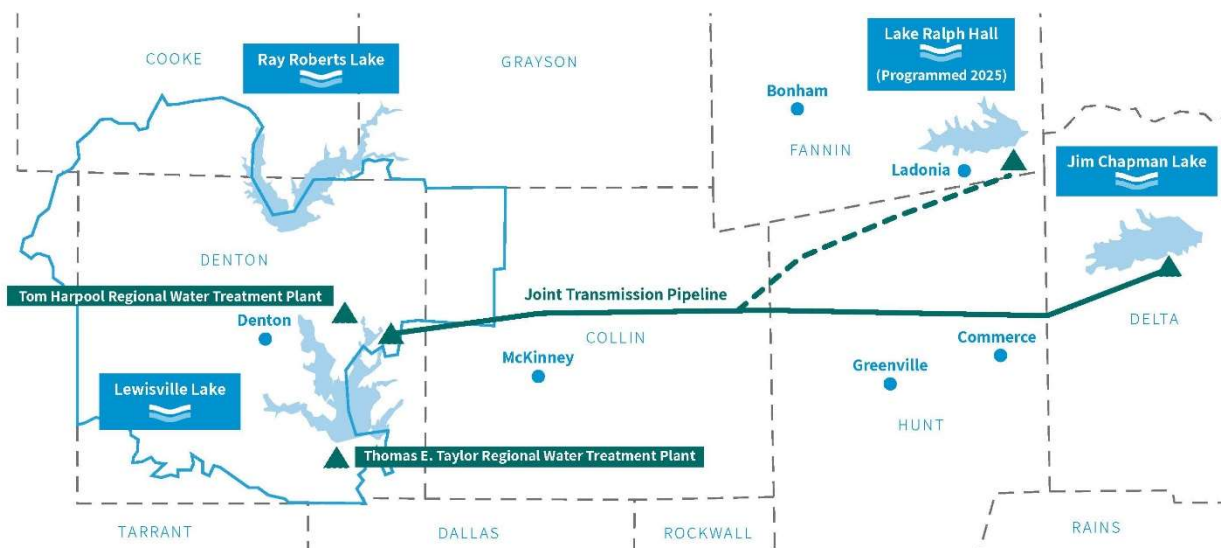
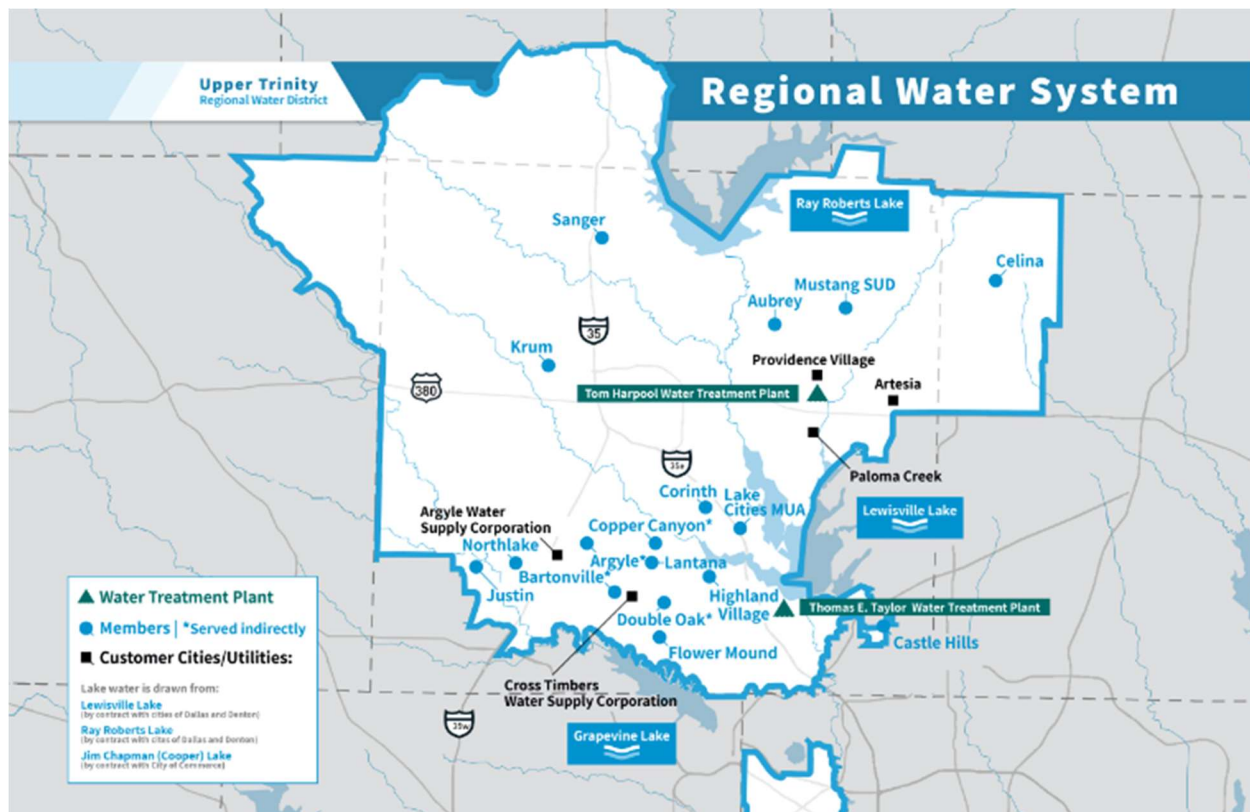
basis to 19 retail utilities which include 29 communities. These retail utilities (including municipalities and water districts) deliver drinking water to retail customers for residential, commercial, industrial and municipal uses.

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

Long Term Water Supply Sources. Because ground water (water from wells) is so limited in this region, the most reliable source of water today, and for the future, is surface water (water from lakes). Therefore, to provide a reliable, secure and adequate water supply for this region, the District has developed a comprehensive and diversified portfolio of water supply sources. Present supplies are adequate for about 9 years and additional water is needed to comply with the 50 year state water planning criteria.

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

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



These water supply sources will be adequate for about 9 years, after which time additional water supplies will be needed. More water conservation and more reuse of existing supplies are part of the answer. However, additional water sources are absolutely critical. The District is working to develop a new source of water in Fannin County - - Lake Ralph Hall.

Lake Ralph Hall, a proposed new water supply lake along the North Sulphur River in Fannin County will provide a safe, reliable water source for the entities that depend on the District. It is the most feasible and lowest cost source of new water available to the District and will be built in time to avoid a water shortfall.

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

Thomas E. Taylor Regional Water Treatment Plant. 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.

- 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 20 MGD. 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 103.5 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. To provide drinking water to its customers in the northern portion of the service area, the District partnered with Mustang Special Utility District to construct a joint pump station and a one million-gallon storage facility.

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. Design and engineering to expand the treatment capacity of the Lakeview Plant from 5.5 mgd to 7.5 mgd is projected to begin in FY 2021.

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

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

area, the treatment capacity of the Riverbend Plant was expanded from 2.0 to 4.0 mgd and became operational in April 2019. Additional improvements are being made to the Plant (and surrounding property) that are projected to be completed by the end of FY 2021.

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 2.0 mgd water reclamation plant became operational in November 2016 and serves the cities of Celina and Prosper, as well as a portion of Denton County Fresh Water Supply District #10 (Artesia community) and Mustang Special Utility District. Similar to the Riverbend Plant service area, the Doe Branch Plant service area has experienced tremendous population growth. Therefore, construction to expand this Plant's treatment capacity from 2.0 to 4.0 mgd began in FY 2020 and is projected to be substantially complete and on-line in October 2021 (FY 2022).

Peninsula Water Reclamation Plant. Originally constructed and placed in service in 2003. The plant was 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 effluent is 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 is slated to begin in FY 2021, with additional treatment capacity to be available in FY 2023.

Non-Potable (Reclaimed Water)

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



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

Watershed Protection Program

Protecting Our Water Supply Right Where We Live!

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



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

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

Rich Lubke Organic Community Vegetable Garden

The District expanded the concept of the Nancy Tam Water-Wise Demonstration Garden to include an organic community vegetable garden. The garden provides healthy vegetables and fruits for local food banks and promotes organic gardening practices that protect water quality- no harmful pesticides, fertilizers, or herbicides are required. Working with the Salvation Army, Wal-Mart, Knight-Light Charities, Inc., Christian Community Action, etc., the vegetable garden provides educational opportunities that promote the District's Watershed Protection Program. The garden currently has a total of 66 plots, growing healthy fruits and vegetables.



Water Conservation Program



To assure adequate water supplies for the future, conservation of existing resources must become a way of life - - for everyone. The District offers public outreach, programs and tours to educate about earth-friendly landscape techniques, irrigation practices and more efficient personal and business water usage. Additionally, as a demonstration for customer entities, the District

developed and maintains the Nancy Tam Water-Wise Demonstration Garden to showcase the beauty and practicality of water-conserving landscape. This garden includes more than 100 varieties of plants that are either native to Texas or are well adapted to the area.



Upper Trinity Conservation Trust (The Trust)

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

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

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).

1. **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.
2. **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.
3. **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*				
Cross Timbers WSC				
Blackrock WSC				
Celina				
Copper Canyon*				
Corinth				
Cross Roads*				
Denton	***			
Denton County				
Denton County FWSD #1A				
Denton County FWSD #7				
Denton County FWSD #8A				
Denton County FWSD #10				
Denton County FWSD #11A				
Double Oak*				
Flower Mound				
Hickory Creek*				
Highland Village				
Irving	***			
Justin				
Krugerville*				
Krum				
Lake Cities MUA				
Lake Dallas*				
Lewisville	***			
Mustang SUD				
Northlake				
Oak Point*				
Pilot Point				
Ponder				
Prosper				
Providence Village				
Sanger				
Shady Shores*				

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

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

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

UPPER TRINITY REGIONAL WATER DISTRICT

BUDGET OVERVIEW

The adopted Operating and Capital Budgets for FY 2020-2021 represent a collective effort between the Board and Staff to deliver quality services and maintain appropriate reserves. The District continues to see strong demand for water and especially water reclamation services in our area. Two of the District's water reclamation plants are currently being expanded to accommodate such impressive growth, while another water reclamation plant will be under design for another expansion beginning in FY 2021. The District also continues to be committed to good fiscal stewardship, while protecting the environment and providing the highest level of performance for on-going District programs. Additionally, the District strategically prioritizes capital improvement projects, making use of advantageous funding resources for their completion, while also maintaining its reserve funds at levels to offset unexpected expenses and / or rate increases.

With the District's systems experiencing continued growth and keeping in mind how the economy has been affected by the Covid-19 pandemic, District staff has proposed an operating budget that reflects an overall increase of approximately 3.64% over last year's adopted budget. While the operating budget represents necessary increases in expenditures to continue required operations, District staff has kept minimal increases to rates in mind. Operational budget requests from the various departments were prioritized, reviewed and vetted to ensure the necessity of proposed expenditures, while retaining the same high quality of service. Below is a list of budgetary decisions that have influenced operating budgets throughout the District.

- The adopted budget reflects 125 authorized positions. Six new positions are requested in this year's budget: an Operations Supervisor (Riverbend Plant), a Human Resources / Purchasing Technician, a Maintenance Mechanic, an Electronic Technician, a Senior Maintenance Mechanic (CIP Funded), and a Lake Ralph Hall Project Management Specialist (CIP Funded – Converted from Contract Worker to a Part-Time Employee).
- The adopted budget includes a 4% allowance to cover promotions, merit increases, and other increases in employee compensation.
- The District has financially prepared for a 10% increase in healthcare insurance rates.
- The adopted budget reflects an increase of approximately 2.39% in the cost of raw water from Dallas Water Utilities and the City of Denton. The District will continue to utilize Chapman Lake water as a major source. The budget reflects the projected use of water from the various sources as follows for the fiscal year:

<u>Source</u>	<u>Average Usage</u>
Dallas Water Utilities	15.94 mgd
Denton	5.40 mgd
Chapman Lake	9.00 mgd
Reuse	3.33 mgd

- The Board of Directors continues to be diligent in funding the various Internal Reserve Funds. The District's commitment for the Operations and Maintenance (O&M) Reserves is to fund 25% of the annual operating expenditures of a system, excluding debt service. These funds can be utilized to stabilize rates and charges, assist with one-time purchases, and / or fund unpredictable expenditures. O&M Reserves for all operations, except for the Regional Treated Water System (RTWS), are expected to be fully funded (at the 100% level) by the end of FY 2021. The funding level for the RTWS' O&M Reserve is projected to be 81% at the end of FY 2021 due to funding a raw water pond dredging project, as well as several pipeline leak repairs. District management will assess whether to fully fund this reserve over the next three fiscal years (FY 2021 through FY 2023), or to utilize excess working capital identified at the completion of FY 2020.
- The allowance from rates to the long-term reserve for future replacement of aging facilities (Capital Replacement Reserve) is proposed to increase from \$0.10 / 1,000 gallons to \$0.11 / 1,000 gallons for the Regional Treated Water System. These contributions for the Lakeview Regional Water Reclamation System remain at \$0.10 / 1,000 gallons and at \$0.05 / 1,000 gallons for the Peninsula Water Reclamation Plant for FY 2021. Additionally, this reserve contribution has been established for the first time in the Northeast Regional Water Reclamation System at \$0.05 / 1,000 gallons for FY 2021.
- Contributions to the Vehicle and Equipment Replacement Fund are based on the established replacement schedule.
- Contributions to Non-Bond Capital Reserves continues to allow for cash funding, as authorized by the Board of Directors, for certain projects in the Capital Improvement Program. New contributions for the year are estimated at:
 - \$300,000 for the Lakeview Regional Water Reclamation System
 - \$14,580 for the Northeast Regional Water Reclamation System (First year)
 - \$4,745 for the Peninsula Water Reclamation Plant
- Overhead and administration costs are allocated on a pro-rata basis across all systems and capital projects of the District.

The Capital Improvements Program includes projects necessary to address long-term infrastructure needs for a growing regional presence. The FY 2021 capital improvement budget reflects an 45.53% increase over the previous fiscal year and contains the highest priority projects, which can be found in the CIP Funds section of this budget document. This large increase over the previous fiscal year is due to beginning construction on various segments of the Lake Ralph Hall project (dam, roadways, bridges), in addition to starting work on the recently added Harpool Regional Water Treatment Plant Northeast Transmission Pipeline. The District also hopes to complete the Parallel Pipeline project by the end of FY 2021.

The District continues to be diligent in the planning and development of water and water reclamation systems. The Regional Treated Water System provides for a long-term treated water source for 29 entities. In the Regional Water Reclamation Systems, 18 entities are currently being

served; and, to meet the ever-growing needs for water reclamation within the region, there are expansion projects currently underway for three of the District's water reclamation plants.

Highlights of the Capital Program are:

- Completion of the Parallel Pipeline project that will provide a 72" diameter pipeline, parallel to the existing transmission main, from the Taylor Regional Water Treatment Plant to the Stone Hill Pump Station for additional pipeline capacity and redundancy.
- Continuation of the Harpool RWTP Phased Treatment Expansion, Phase I project that includes critical infrastructure component improvements, expanded administration and maintenance facilities, increased raw water handling and membrane water treatment capability to provide for a phased-in treatment capacity expansion to 40.0 mgd between FY 2025 to FY 2030, depending on demand.
- After the recent issuance of a Clean Water Act, Section 404 construction permit from the U.S. Army Corps of Engineers, the District plans to complete land acquisitions, finalize engineering studies and design activities, and initiate construction of certain segments of the Lake Ralph Hall project.
- Design and engineering, along with easement acquisitions, are set to begin for a new treated water transmission pipeline running northeast from the Harpool Regional Treated Water Plant to serve the City of Celina, the Artesia community, and other northeast Denton County customers.
- The District plans to initiate engineering studies and design activities for additional treatment capacity (from 5.5 to 7.5 mgd) at the Lakeview Regional Water Reclamation Plant.
- The Riverbend Regional Water Reclamation Plant Expansion, Phase 3 includes additional upgrades and improvements to expand its sludge processing capabilities and should be completed by the end of FY 2021. The actual expansion portion of the project was completed in FY 2019, allowing the Plant to increase its treatment capacity from 2.0 to 4.0 mgd.
- Completion of the 2.0 mgd expansion of the Doe Branch Regional Water Reclamation Plant will increase its treatment capacity to 4.0 mgd.
- Engineering studies and design activities should conclude, while construction activities begin, to expand the treatment capacity of the Peninsula Water Reclamation Plant's from 0.94 to 2.0 mgd.

Financing for capital projects will employ funds from the most favorable sources including Commercial Paper, Texas Water Development Board Funds (TWDB), Revenue Bonds, Non-Bond Capital Reserve Funds, and participant contributions. Specific sources being budgeted for funding of the District projects include:

- Regional Treated Water System – Commercial Paper, Non-Bond Capital Reserve, Contribution Sources, SWIFT Deferred Interest and Board Participation Funds (Lake Ralph Hall), SWIFT Subsidized Interest Funds (Parallel Pipeline – Taylor RWTP to the Stone Hill Pump Station), and TWDB State Participation Funds (Harpool RWTP Northeast Transmission Pipeline).
- Lakeview Regional Water Reclamation System – Plant Permitting Reserve Funds, Non-Bond Capital Reserve, and existing Construction Funds.
- Non-Potable Water System – existing Construction Funds.
- Northeast Regional Water Reclamation System (Riverbend) – TWDB “D” Funds, Non-Bond Capital Reserve, and Contribution Sources.
- Northeast Regional Water Reclamation System (Doe Branch) – Revenue Bond Proceeds, Non-Bond Capital Reserve, Intra-Fund Loan from the Regional Treated Water Systems’ Non-Bond Capital Reserve, and Contribution Sources.
- Peninsula Water Reclamation Plant – Contribution Sources, Non-Bond Capital Reserve, and Plant Permitting Reserve Funds.

The Regional Treated Water System’s adopted operating budget reflects a less than 1% increase over the FY 2020 budget. This slight increase is attributed to an increase in Raw Water costs.

There is a \$647,085 contribution budgeted for Lake Ralph Hall Reserve in FY 2021 represented as a credit due to the settlement between City of Dallas and the Sabine River Authority. There are no contributions budgeted for the Non-Bond Capital Reserve.

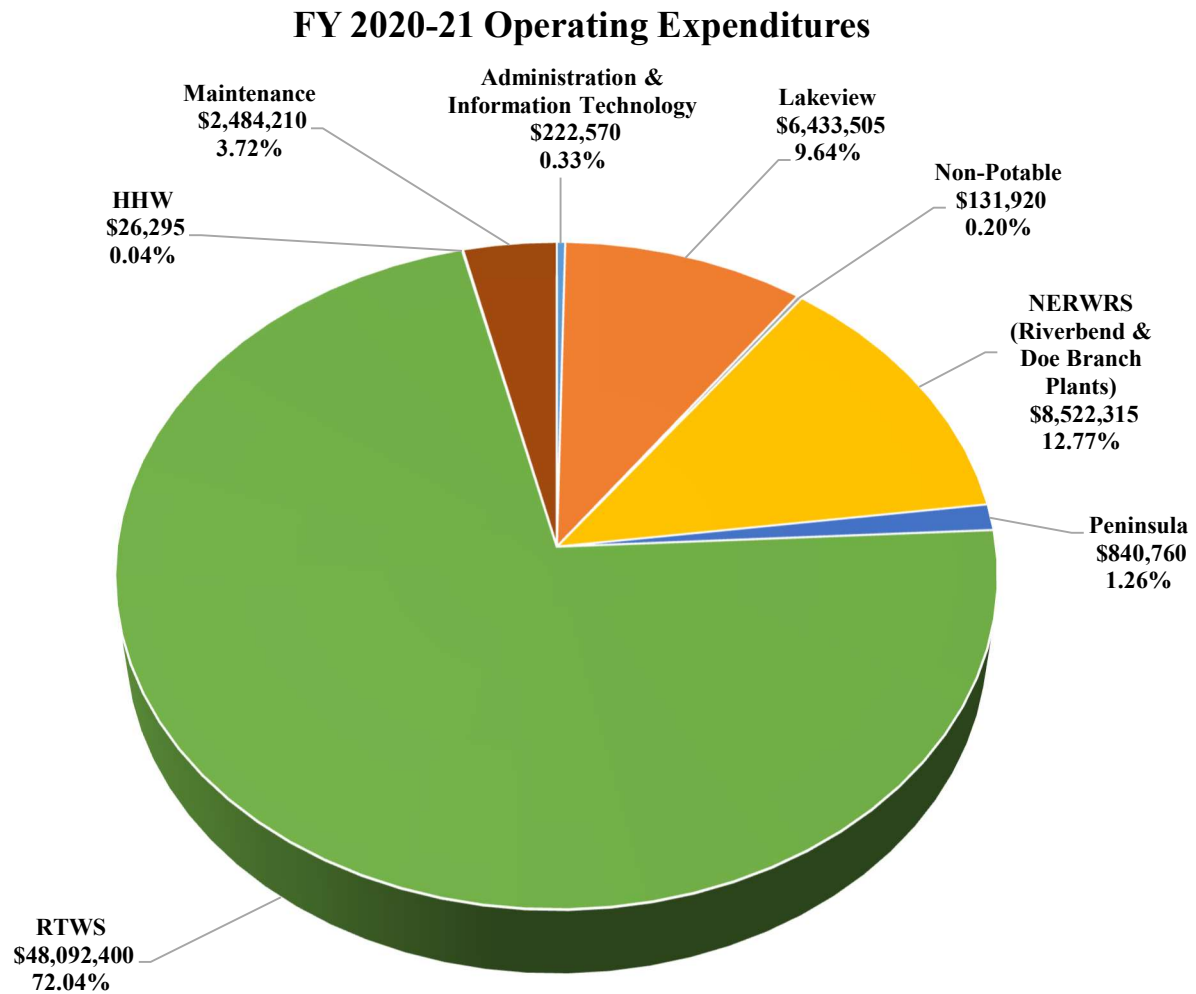
The Lakeview Regional Water Reclamation System’s adopted budget reflects a 2.79% increase over FY 2020 due to an increase to Biosolids Disposal expense. With the anticipated closure of the City of Lewisville Landfill, the District will be required to ship these materials to a more remote location.

In the Northeast Regional Water Reclamation System Fund – the System shows a 22.28% increase in expenditures from the FY 2020 adopted budget as a result of an increase in Personnel (includes an additional Operations Supervisor position for the Riverbend Plant), Biosolids Disposal (local landfill closure requiring shipment to a more remote location), and Debt Service (capitalized interest no longer utilized).

The Peninsula Water Reclamation Plant’s adopted budget reflects a 6.58% increase in expenditures from the FY 2020 adopted budget as a result of an increase in Personnel costs, along with Biosolids Disposal expenses, due to the closure of the local landfill requiring shipment of these materials to a more distant location.

The Household Hazardous Waste Program budget for FY 2021 decreased by less than 0.50% from the previous fiscal year due to a lower allocated amount for General Liability / Property Insurance.

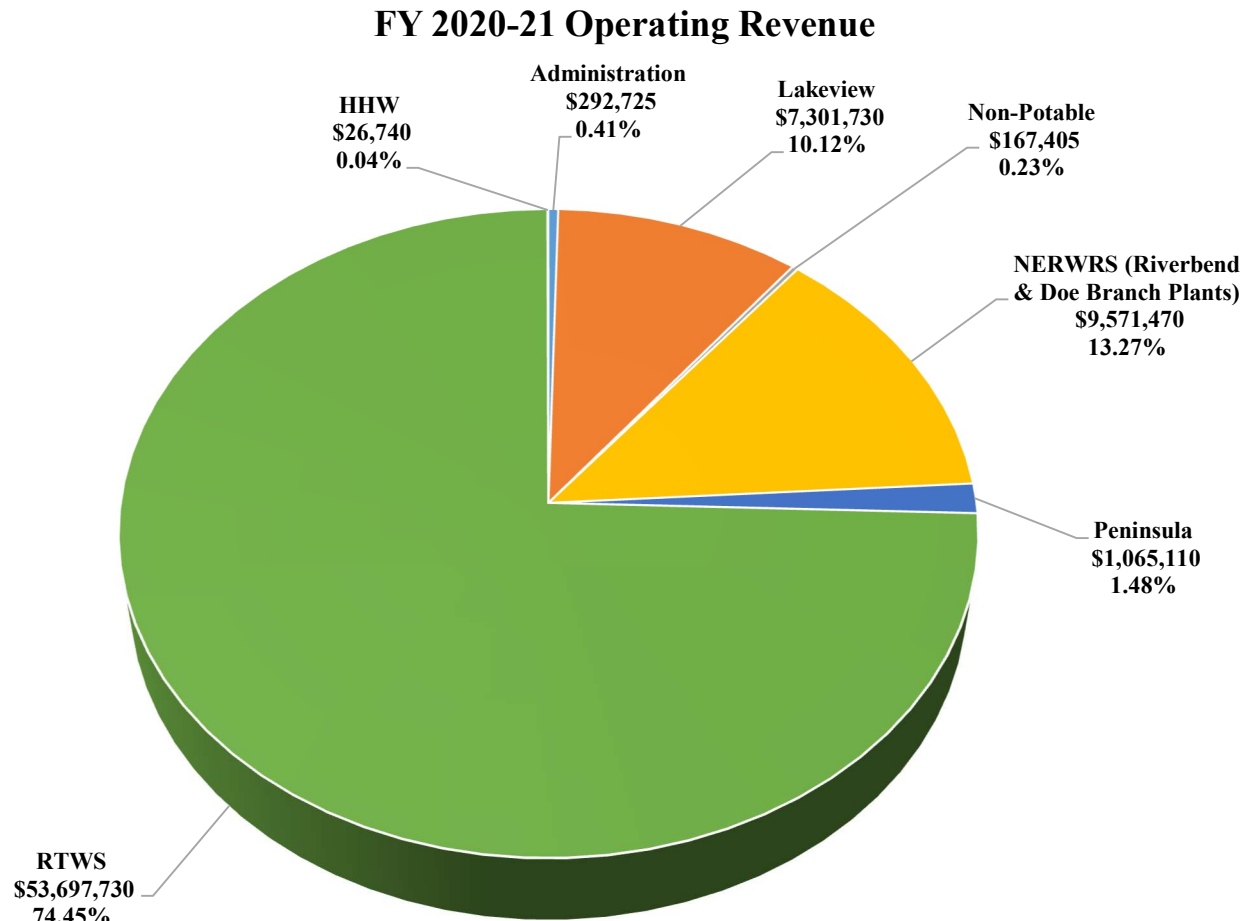
The following graph reflects each fund's impact related to the total operating budget:



Interest income is one of the most volatile sources of revenue in the budget. The FY 2021 amount is projected to be much lower than the FY 2020 amount due to current market conditions, which so far has yielded approximately half of what was originally projected for FY 2020. However, District staff strives to maximize investment returns on available funds, within the District's established Investment Policy.

Continuing to provide quality service requires necessary rate and fee increases. Staff works diligently to manage and control costs, while being good fiscal stewards of the funds available. Staff recommended a 2.00% blended increase in rates for the Regional Treated Water System. Additionally, the District's water reclamation systems reflected a 0.00% rate increase for FY 2021.

However, in lieu of a rate increase for the Northeast Regional Water Reclamation System, Non-Bond Capital Reserve funds of \$600,000 were utilized for rate stabilization. The Administration Fund, which includes the Information Technology Fund, reflects a 0.00% increase for FY 2021, while the Non-Potable Water System reflects a 0.06% increase. Household Hazardous Waste did not see a fee increase for FY 2021.



Regional Treated Water System

An overall 2.00% blended rate impact to the various rates and charges within this Fund are identified below.

- The Volume Rate adopted for members is \$1.16 / 1,000 gallons, representing 3.57% increase from the FY 2020 rate.
- The Demand Charge increased to \$455,150 per million gallons/day (mgd), a 1.43% increase over the FY 2020 rate.

- Temporary Service rate adopted by the Board shows a 2.16% increase (\$4.74 / 1,000 gallons) from the prior year.

The operating budget reflects an overall increase of 0.91% from FY 2020. The most significant increases to the budget are highlighted below:

- Professional Services Expense reflects a 127% increase from FY 2020 for the completion of the Taylor Plant raw water holding pond dredging project. However, this project is fully funded via O&M Reserve funds and therefore, does not represent a revenue requirement for FY 2021.
- Raw Water Expense reflects an overall 9.20% increase due to a 2.39% increase from Dallas Water Utilities and the City of Denton, as well as the projected mix of the District's raw water sources.
- Capital purchases include funding for the following:

Taylor Plant:

- Upgrade chemical room Mobile Control Center uninterruptible power supply
- Raw water pump #3 variable frequency drive
- Filter gallery air compressor
- Replacement of one chemical feed pump

Harpool Plant:

- Replacement sight glasses and level probes for exterior bulk chemical storage tanks

- Reserve Contributions:
 - No funding was established for the O&M Reserve Fund contribution for FY 2021 and will reflect a funding level of 81%. This is due to funding several maintenance projects around the District. However, District staff plans to fully fund this reserve over the next three fiscal years or with excess working capital identified at the end of FY 2020.
 - With the water rate strategy adopted by the Board, equity cash funding is generated for projects within the Capital Improvement Program. Funds have been internally loaned to other systems and when being paid back, these loan payments from other systems are included in the overall transfer to the reserve.
- Funding for specific, on-going programs for the Water System are included in the adopted budget at the following levels:
 - Water Conservation Program at \$0.02 / 1,000 gallons.
 - Future Water Program at \$0.02 / 1,000 gallons.
 - Capital Replacement Reserve at \$0.11 / 1,000 gallons.
 - Watershed Protection Program at \$0.02 / 1,000 gallons.

Lakeview Regional Water Reclamation System

The Lakeview System rates were set to keep the overall average rate impact at 0.00%.

- The Treatment Rate adopted is \$1.25 / 1,000 gallons; no change from the FY 2020 rate.
- The adopted Fixed O&M Charge is \$403,500 per million gallons per day (mgd); no change from the FY 2020 charge.
- Capital Charges for Joint / Individual Facilities are assessed to recover debt service costs associated with capital facilities for each individual system participant. The FY 2021 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.

The expenditures for Lakeview Plant operations reflect an overall increase of 2.79%. This is largely due to the projected increase for Biosolids Disposal Expense, related to the anticipated closure of the City of Lewisville Landfill, requiring transport of these materials to a more remote landfill.

Northeast Regional Water Reclamation System – Riverbend and Doe Branch Plants

The Northeast Regional Water Reclamation System has a 0.00% rate impact for FY 2021. Rather than proposing a rate increase, Non-Bond Capital Reserve funds were used for rate stabilization. The various rates and charges within this Fund are identified below.

- The Treatment Rate adopted for members remains at \$1.25 / 1,000 gallons and for customers \$1.34 / 1,000 gallons; no change from the FY 2020 rate.
- The adopted Fixed O&M charge is \$563,500 per million gallons per day (mgd) and remains unchanged from FY 2020.
- Capital Charges for Joint / Individual facilities are assessed to recover debt service costs associated with capital facilities for each customer. The FY 2021 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.

The expenditures for the Northeast Regional Water Reclamation System operations reflect an overall increase of 22.28%. The most significance increases in the Northeast budget are highlighted below:

- Personnel reflects a 18% increase for an additional Operations Supervisor (Riverbend Plant) and an anticipated increase in healthcare.
- Administrative reflects a 17% increase primarily from the expense of insuring the expanded portion of the Riverbend Regional Water Reclamation Plant.
- An increase in O&M Expenses of 11% due to an anticipated increase for Biosolids Disposal, as well as an increase in Electricity for increased wastewater flows treated at the Doe Branch and Riverbend Water Reclamation Plants.

- Debt Service reflects a 39% increase due to capitalized interest no longer being utilized to offset debt service payments from the Series 2019 Revenue and Refunding bonds.
- Capital purchases include funding for the following:

Riverbend Plant:

- Replacement of Siemens centrifuge polymer system
- Decanter for rehabbed sludge holding tank
- Spare magnetite recovery shear mill

Doe Branch Plant:

- New Gator utility vehicle

Peninsula Water Reclamation Plant

For the Peninsula Water Reclamation Plant, a 0.00% rate impact was recommended. The various rates and charges within this Fund are identified below.

- The Treatment Rate adopted for members of \$1.58 / 1,000 gallons remains unchanged from the FY 2020 rate.
- The adopted Fixed O&M charge of \$655,100 per million gallons per day (mgd) also remains unchanged for FY 2021.

The expenditures for the Peninsula Plant operations reflect an overall 6.58% increase, with the Biosolids Disposal Expense making up most of this increase.

Administration Fund

By Contract, each Member and Contract Utility pays for administration and planning costs of the District, generally according to population. The FY 2021 adopted per capita rate for populations up to 5,000 remained at \$0.435 per capita. For populations with 5,001 to 25,000, the rate remained at \$0.244 per capita. The final population category for over 25,000 remained at a rate of \$0.096 per capita.

95% of the actual costs from the Administration Fund is allocated, on a pro-rata basis, to each District system (operating and capital) to cover administration, management and planning activities. The FY 2021 budget includes a transfer from the Regional Treated Water System (\$75,000) and the Riverbend Plant of the Northeast Water Reclamation System (\$50,000) from the customer surcharge, to assist in funding administration services for non-members (customers). 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.

The expenditures for the FY 2021 Administration budget reflect an overall 5.38% increase due to removing Information Technology expenses from all District system budgets, isolating them into a separate fund, then allocating 100% of those expenses to the Administration Fund. Therefore, 5% of the District's Information Technology expenses of \$56,430 are shown for FY 2021 versus

\$11,705 in FY 2020; a 482% increase. The remaining 95% of these expenses are then allocated to all operating and capital budgets.

Non-Potable Water System

There is no change to the Treated Effluent rate from FY 2020. However, the Raw Water rate was increased by \$0.03 / 1,000 gallons, due to the 2.39% raw water increase from Dallas Water Utilities for FY 2021. The Treated Effluent rate is \$0.45 / 1,000 gallons, while the Raw Water rate is \$0.98 / 1,000 gallons, with the demand charge remaining at \$125,000 for FY 2021.

Household Hazardous Waste Fund

The collection and disposal rate of \$91 per household and the individual voucher rate of \$61 per household, remains unchanged for FY 2021. The projected level of participation in the Household Hazardous Waste Program is also unchanged for FY 2021. 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 – 53.00%, Lakeview Water Reclamation System – 16.00%, Northeast Water Reclamation System – Riverbend and Doe Branch Plants – 21.00%, Peninsula Water Reclamation Plant – 7.00%, Non-Potable Water System – 1.00%, and Administration – 2.00%.

Total expenditures increased by 6.00% over the prior year's adopted budget. Two new positions – a Maintenance Mechanic and an Electronic Technician – are funded to assist with increasing growth within the District. While there is also a new Senior Maintenance Mechanic position being added for FY 2021, this position is designated for the Lake Ralph Hall project and will be funded via capital funds. Within the adopted budget, the furniture and equipment over \$5,000 includes one heavy duty 4x4 truck, a high-top van, and a tilt-bed tandem axle trailer.

UPPER TRINITY REGIONAL WATER DISTRICT BUDGET PROCESS

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

Development

A Budget kick-off meeting is held in February to start the development process. Then, a Budget Preparation Manual containing instructions from the Budget office is provided to Superintendents, Managers and Directors. This manual includes guidelines detailing the budget request process. Budget requests are submitted in two forms – basic and supplemental. The basic request is for funding to maintain the current level of operations, while the supplemental request is for new personnel, services, or items that will expand or improve operations. Concurrent tasks are cost of services studies that will assist in establishing rates, fees and charges, as well as a review of Capital Improvement Projects (CIP) with the Engineering and Executive Staff.

Preliminary Rates, Fees and Charges

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

Preliminary Operating and Capital Budgets

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

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

Proposed Budget

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

Mid-Year Budget Amendment

Modifications to the operating and capital improvement budgets are made primarily during the mid-year budget process. This process begins with meetings of the Operations and Engineering Departments to assess any changes that should 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 2020 mid-year budget and FY 2021 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 2020 mid-year budget requests due to Business Services FY 2021 new personnel requests due to Human Resources FY 2021 capital purchase requests due to Purchasing to assist in developing cost estimates FY 2021 Information Technology requests due
Mid-March	FY 2020 mid-year CIP meeting with Engineering Department FY 2020 mid-year budget salary and benefits forecast
Late March	Review proposed FY 2020 mid-year budget requests with Executive Director Complete FY 2020 mid-year budget amendments and resolution Receive flow data surveys
Early April	Adopt FY 2020 mid-year budget amendments and discuss FY 2021 budget priorities
Mid-April	FY 2021 budget request forms due to Directors Begin FY 2021 CIP review with Engineering Department FY 2021 budget request forms due to Business Services FY 2021 budget salary and benefit forecast

Mid-May	Review FY 2021 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 2021 preliminary operating budget Second review of FY 2021 preliminary operating budget with Executive Director
Early July	FY 2021 preliminary operating budget presented to Board of Directors
Mid-July	Finalize FY 2021 – 2025 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 2021 preliminary operating and capital budgets to members/customers Final review of FY 2021 proposed operating and capital budgets and rate, fees and charges with Executive Director
September	Present FY 2021 proposed operating and capital budgets and rate resolutions to Board of Directors for adoption



RESOLUTION

RESOLUTION # 2020 - 47

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

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

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

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

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

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

WHEREAS, as used in this resolution, the term "Water Year" refers to the annual period from June 1 to May 30 of each year; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2020-21 to determine current estimates of costs for FY 2020-21; 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: \$1.16 per 1,000 gallons of water delivered and metered.
Customer Volume Charge: \$1.25 per 1,000 gallons of water delivered and metered.

Upper Trinity Regional Water District
Resolution 2020 - 47
Page 2

Demand Charge: \$455,150 per year, per million gallons per day (mgd) of contracted Demand, pro-rated on a monthly basis (based on actual experienced or needed Demand or subscribed capacity, whichever is greater).

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

Volume Charge: \$4.74 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, 2020, and shall remain in effect through September 30, 2021, 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 3RD DAY OF SEPTEMBER 2020.

Recommended:



Larry N. Patterson, Executive Director

Executed:



Richard Lubke, President

Attest:



Clay Riggs, Secretary



REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2020 - 48

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 2020-21 to determine current estimates of costs for FY 2020-21; and,

WHEREAS, the Executive Director recommends adoption of rates for wholesale wastewater treatment services of the System.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for wholesale wastewater treatment service provided to participants in the Lakeview Regional Water Reclamation System:

Treatment / Transportation Rate:	\$ 1.25 per 1,000 gallons
Fixed O&M Charge:	\$403,500 per million gallons per day (mgd).
Facilities Capital Charge:	Joint and Individual Capital Charges are combined and identified below by individual entity.

Capital Charges for Joint / Individual Facilities:

Bartonville	\$ 21,705
Corinth	\$ 751,675
Denton County FWSD #7	\$ 802,795
Double Oak	\$ 14,255
Highland Village	\$ 917,505
Lake Cities MUA	\$ 535,205

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:

Upper Trinity Regional Water District
Resolution #2020 - 48
Page 2

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, 2020, and shall remain in effect until September 30, 2021, 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 5. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 3RD DAY OF SEPTEMBER 2020.

Recommended:


Larry N. Patterson, Executive Director

Executed:


Richard Lubke, President

Attest:


Clay Riggs, Secretary



REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2020 - 49

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 2020-21 to determine current estimates of costs for FY 2020-21; and,

WHEREAS, the Executive Director recommends the adoption of rates for wholesale wastewater treatment services of the System.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for wholesale wastewater treatment services provided to Members and Customers in the Northeast Regional Water Reclamation System.

Treatment Rate (Member):	\$1.25 per 1,000 gallons
Treatment Rate (Customer):	\$1.34 per 1,000 gallons
Fixed O&M Costs:	\$563,500 per year per million gallons per day (mgd).

Capital Charges for Joint / Interim / Individual Facilities

Riverbend:

Denton County FWSD #8A	\$283,855
Providence Village:	\$478,100
Denton County FWSD #10	\$ 37,485
Denton County FWSD #11A	\$426,420
Mustang SUD	\$730,045

Doe Branch:

Celina	\$1,919,360
Prosper	\$ 77,365

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

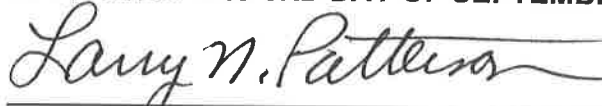
SECTION 3. That the rates and charges set forth in Sections 1 and 2 shall become effective October 1, 2020, and shall remain in effect until September 30, 2021, or until revised by the Board of Directors.

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 3RD DAY OF SEPTEMBER 2020.


Recommended:


Larry N. Patterson, Executive Director

Executed:


Richard Lubke, President

Attest:


Clay Riggs, Secretary



REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2020 - 50

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR WHOLESALE WASTEWATER TREATMENT SERVICES PROVIDED BY THE DISTRICT FOR PARTICIPATING MEMBERS OF THE PENINSULA WATER RECLAMATION PLANT.

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

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

WHEREAS, the District's staff has evaluated the budgets for FY 2020-21 to determine current estimates of costs for FY 2020-21; and,

WHEREAS, the Executive Director recommends the adoption of rates for wholesale wastewater treatment services of the Plant.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for wholesale wastewater treatment services provided to participants in the Peninsula Water Reclamation Plant:

Treatment Rate (Member):	\$1.58 per 1,000 gallons
Fixed O&M Costs:	\$655,100 per year per million gallons per day (mgd) of contracted capacity in the Plant, billed on a monthly basis.
Capital Charge for Facilities	\$68,935

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

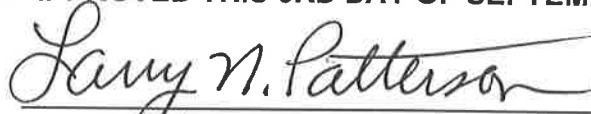
SECTION 3. That the rates and charges set forth in Sections 1 and 2 shall become effective October 1, 2020, and shall remain in effect until September 30, 2021, or until revised by the Board of Directors.

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 3RD DAY OF SEPTEMBER 2020.

Recommended:



Larry N. Patterson, Executive Director

Executed:



Richard Lubke, President

Attest:



Clay Riggs, Secretary



RESOLUTION

47

REGIONAL WATER DISTRICT

RESOLUTION # 2020 - 51

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR NON-POTABLE WATER SERVICE.

WHEREAS, the District, pursuant to participation contracts, provides non-potable water service to Denton County Fresh Water Supply District No. 1A (FWSD No. 1A); and,

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

WHEREAS, the District's staff has evaluated the budgets for FY 2020-21 to determine current estimates of costs for FY 2020-21; and,

WHEREAS, the Executive Director recommends the adoption of revised rates for non-potable water service.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following non-potable water rates for service provided to FWSD No. 1A:

Treated Effluent Volume Charge:	\$ 0.45 per 1,000 gallons of water delivered and metered
Raw Water Volume Charge:	\$ 0.98 per 1,000 gallons of water delivered and metered
Demand Charge	\$ 125,000 per year, billed on a monthly basis

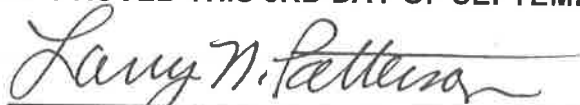
SECTION 2. That the rates set forth in Section 1 shall become effective October 1, 2020, and shall remain in effect through September 30, 2021, or until revised by the Board of Directors.

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.

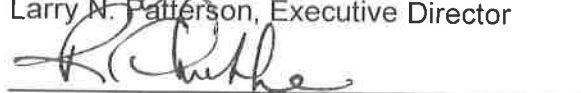
SECTION 4. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 3RD DAY OF SEPTEMBER 2020.

Recommended:


Larry N. Patterson, Executive Director

Executed:


Richard Lubke, President

Attest:


Clay Riggs, Secretary



REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2020 - 52

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 2020-21 to determine current estimates of costs for FY 2020-21; and,

WHEREAS, the Executive Director recommends the adoption of rates for the Household Hazardous Waste Program.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for collection and disposal of household hazardous wastes pursuant to contracts with Participating Entities. Individual vouchers may be purchased from the District or from the Participating Entity pursuant to rules established by District.

Event Collection and Disposal:	\$ 91.00 per household – Participating Entities
Event Voucher:	\$ 91.00 per household – Citizen delivers to a scheduled Event
Fort Worth Voucher:	\$ 61.00 per household – Citizen delivers to the Fort Worth Environmental Site

SECTION 2. That the rates and charges set forth in Section 1 shall become effective October 1, 2020, and shall remain in effect until September 30, 2021, 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 3RD DAY OF SEPTEMBER 2020.

Recommended:


Larry N. Patterson, Executive Director

Executed:


Richard Lubke, President

Attest:


Clay Riggs, Secretary



REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2020 - 53

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, 2020 AND ENDING SEPTEMBER 30, 2021.

WHEREAS, for FY 2020 – 2021, Staff has proposed an Operating Budget totaling \$66,753,975 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 \$175,836,435 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 \$17,715; 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 2020-21 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, 2020 for the Fiscal Year ending September 30, 2021.

SECTION 4. That any remaining balance at the end of FY 2019-20 in appropriations for capital projects are hereby re-appropriated for continued use for those same respective projects in FY 2020-21.

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

DULY PASSED AND APPROVED THIS 3RD DAY OF SEPTEMBER 2020.


Recommended:


Larry N. Patterson, Executive Director

Executed:


Richard Lubke, President

Attest:


Clay Riggs, Secretary

UPPER TRINITY REGIONAL WATER DISTRICT

FINANCIAL POLICIES AND STRATEGIES

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

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

Revenue Policies

1. 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.
 - For FY 2019, only the Administration Fund, Lakeview Regional Water Reclamation System, Non-Potable Water System, Northeast Regional Water Reclamation System, and the Regional Treated Water System, reflect an increase in working capital, while all other systems experienced a decrease in working capital. Working capital for the Peninsula Water Reclamation Plant decreased by \$2,560 due to transferring excess working capital of \$199,215 (identified at the end of Fiscal Year 2018) to its Non-Bond Capital Reserve fund, as well as transferring net working capital of \$25,102 (\$40,102 "Transfer to the Regional Treated Water System" less "Other Revenue" of \$15,000 received from the sale of an asset) to satisfy a note payable to the Regional Treated Water System for the original purchase of the sold asset. Working capital for the Household Hazard Waste fund decreased by \$4,666 due to utilizing working capital of \$9,000 from operations, rather than raising rates to program participants.
 - For FY 2020 estimated results, only the Administration Fund reflects an increase in working capital, while all other systems experienced a decrease in working capital. Working capital for the Lakeview Regional Water Reclamation System decreased by \$726,770 due to transferring excess working capital of \$1,126,815 (identified at the end of Fiscal Year 2019) to its Non-Bond Capital Reserve fund. In addition, net working capital of \$297,890 was transferred to the Non-Bond Capital Reserve fund in the Regional Treated

Water System to reimburse that System for financing the Lakeview System's share of capital improvement projects utilized by all District Systems. Working capital for the Non-Potable Water System decreased by \$20,865 due to transferring excess working capital of \$15,210 (identified at the end of Fiscal Year 2019) to its Non-Bond Capital Reserve fund. In addition, net working capital of \$18,620 was transferred to the Non-Bond Capital Reserve fund in the Regional Treated Water System to reimburse that System for financing the Non-Potable Water System's share of capital improvement projects utilized by all District Systems. Working capital for the Northeast Regional Water Reclamation System decreased by \$43,985 due to transferring excess working capital of \$570,225 (identified at the end of Fiscal Year 2019) to its Non-Bond Capital Reserve fund. In addition, net working capital of \$316,510 was transferred to the Non-Bond Capital Reserve fund in the Regional Treated Water System to reimburse that System for financing the Northeast Regional Water Reclamation System's share of capital improvement projects utilized by all District Systems. Working capital for the Peninsula Water Reclamation Plant decreased by \$56,460 due to transferring excess working capital of \$64,740 (identified at the end of Fiscal Year 2019) to its Non-Bond Capital Reserve fund. In addition, net working capital of \$130,330 was transferred to the Non-Bond Capital Reserve fund in the Regional Treated Water System to reimburse that System for financing the Peninsula Plant's share of capital improvement projects utilized by all District Systems. Working capital for the Regional Treated Water System decreased by \$203,340 due to transferring excess working capital of \$2,212,000 (identified at the end of Fiscal Year 2019) to its Lake Ralph Hall Reserve fund and \$2,427,330 to its Non-Bond Capital Reserve fund. In addition, reimbursements totaling \$781,870 (from other District Systems as reimbursement for prior capital improvement project financing) was also transferred to the Regional Treated Water System's Non-Bond Capital Reserve fund. Working capital for the Household Hazard Waste fund decreased by \$8,090, due to utilizing working capital of \$8,500 from operations, rather than raising rates to program participants.

- All adopted FY 2021 budgets are projected to yield an increase in ending cash.
2. 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.
 3. 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% collection rate with an average aging period for accounts receivable of approximately 30 days.

Investment Policies

1. The investment of District funds emphasizes the importance of capital preservation in its overall portfolio.
2. 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, 2020, the weighted average yield to maturity for the District's investments was 0.15% with an investment mix of Money Market Accounts, Local Government Investment Pools, Commercial Paper, and Bank Deposits. This return was about 63 basis points below the average of all actively traded Treasury securities having the same time remaining to maturity for one (1) year Constant Maturity Securities. In addition, 4% of the District's investments are collateralized and 96% are AAA.
3. 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.
4. The District will be in conformance with Federal, State and other legal requirements.

Operating Budget Policies

1. The District prepares a legally adopted budget each fiscal year for all Operating Funds on a **Cash** basis, whereby revenues (cash inflows) are budgeted as payments are received and expenditures (cash outflows) are budgeted as payments are made. **This basis (Cash) is NOT the same as the Accrual basis used by the Accounting Division, which recognizes revenues only when the services have been provided by the District (earned) and expenses only when services have been provided to the District (incurred).** Additionally, the District does not budget for depreciation on plant, property and equipment, as these are non-cash related expenses.
2. 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).
3. The District annually reviews all approved positions in order to determine adequate staffing levels in each department with current positions.

Expense Policy

1. 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

1. 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% contingency for variable conditions.
2. Upon receipt of year-end results, operating surplus funds in excess of established Working Capital Requirements can be used for the following purposes in priority order subject to Board approval:
 - Replenish Debt Service Reserve funds if necessary.
 - Replenish any other related fund or reserve to meet target levels or goal.
 - Subject to Board approval, any remaining surplus may be used for direct capital investment via transfer to the Non-Bond Capital Reserve for funding capital improvement projects, for urgent repairs, or for necessary heavy maintenance items.

Interfund Loan Policies

1. 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.

2. 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

1. 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% of annual operating and maintenance expenditures (not including debt service).
 - Adopted FY 2021 budgets for the District's major systems having an O&M Reserve fund are projected to have the following funding levels at the end of the fiscal year – Regional Treated Water System (RTWS) 81%, Lakeview Regional Water Reclamation System 100%, Northeast Regional Water Reclamation System 100%, and Peninsula Water Reclamation Plant 100%. District management plans to fully fund the O&M Reserve Fund of the RTWS either at mid-year FY 2021 (from excess working capital from FY 2020 activity) or over the next three fiscal years from internally generated working capital.
2. 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.

3. A Capital Replacement Reserve fund has been established in the Regional Treated Water System to accumulate resources for FY 2021 at \$0.11 / 1,000 gallons of flows for future replacement of capital assets. Additionally, this reserve fund has been established in the Lakeview Regional Water Reclamation System (funded at \$0.10 / 1,000 gallons of flows), the Northeast Regional Water Reclamation System (funded at \$0.05 / 1,000 gallons of flows), the Peninsula Water Reclamation Plant (funded at \$0.05 / 1,000 gallons of flows) and the Non-Potable Water System (funded at \$29,475) to accumulate resources based on amounts authorized by the District's Board of Directors.
4. 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.
5. 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.
6. 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.

Debt Policies

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

2. The District finances capital improvements over a period not greater than the useful life of the improvement.
3. 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 below for the District's system's with outstanding debt:
 - Actual results for FY 2019 yielded the following Coverage Ratios – Regional Treated Water System of 1.28 (CDCR) and 3.53 (ABTCR), Lakeview Regional Water Reclamation System of 1.43 (CDCR) and 2.85 (ABTCR), Northeast Regional Water Reclamation System of 1.88 (CDCR) and 1.23 (ABTCR - portions of debt service were financed with Capitalized Interest), and the Peninsula Water Reclamation Plant of 4.35 (CDCR) and 5.13 (ABTCR).
 - Estimated results for FY 2020 are projected to yield the following Coverage Ratios – Regional Treated Water System of 1.21 (CDCR) and 2.97 (ABTCR), Lakeview Regional Water Reclamation System of 1.13 (CDCR) and 2.86 (ABTCR), Northeast Regional Water Reclamation System of 1.37 (CDCR) and 1.12 (ABTCR - portions of debt service are financed with Capitalized Interest), and the Peninsula Water Reclamation Plant of 3.00 (CDCR) and 4.20 (ABTCR).
 - Adopted FY 2021 budgets are projected to yield Coverage Ratios – Regional Treated Water System of 1.20 (CDCR) and 2.36 (ABTCR), Lakeview Regional Water Reclamation System of 1.15 (CDCR) and 2.39 (ABTCR), Northeast Regional Water Reclamation System of 1.27 (CDCR) and 1.18 (ABTCR), and the Peninsula Water Reclamation Plant of 1.72 (CDCR) and 2.84 (ABTCR).
4. All outstanding revenue bonds will be secured by a pledge of the net revenues of the System benefiting from the borrowed capital.
5. The District utilizes a minimum present value parameter of 3% to 3.5% present value savings regarding the decision to refund any outstanding debt. The most recent bond refunding is as follows:
 - In August 2020, the Regional Treated Water System issued \$12.19 million (par value) of Refunding Bonds to refinance its Series 2010 Revenue and Refunding Bonds (outstanding principal of \$2.34 million) and Series 2010A Revenue Bonds (outstanding principal of \$11.08 million) that yielded a net present value savings of 8.64%.

- In August 2020, the Lakeview Regional Water Reclamation System issued \$3.92 million (par value) of Refunding Bonds to refinance its Series 2006 Revenue and Refunding Bonds (outstanding principal of \$1.19 million) and Series 2011 Revenue Bonds (outstanding principal of \$2.99 million) that yielded a net present value savings of 16.01%.
6. The District utilizes its Commercial Paper program in the Regional Treated Water System to more accurately match cash flow needs for capital improvement projects and to lower the District's cost of debt service in early years. The District's maximum authorized level for this program is \$75.0 million.
 7. The District maintains good communication with bond rating agencies about its financial condition. As of September 2020, the District's Systems have the following bond ratings: Regional Treated Water System A+ (Standard & Poor's) and A2 (Moody's), Lakeview Regional Treated Water System A+ (Standard & Poor's) and A2 (Moody's), Northeast Regional Water Reclamation System A+ (Standard & Poor's), and the Peninsula Water Reclamation Plant AA- (Standard & Poor's).
 8. The District publishes and distributes an official statement for each bond issuance, except for those occasions when bonds are sold by the Texas Water Development Board for proceeds loaned to the District.

Commercial Paper Replacement Policies

1. The District uses Commercial Paper as a strategy for interim financing of projects within the Regional Treated Water System. Furthermore, it is the District's policy that Commercial Paper used to finance a given project be converted to Revenue Bond financing prior to completion of the project, or as soon thereafter as deemed prudent by the Board, considering the District's financial condition, market conditions, and potential rate impact.
2. Within the guidelines of the rate strategy adopted by the Board of Directors, short-term Commercial Paper should be converted to Revenue Bonds on an orderly basis.
3. Generally, the amount of Commercial Paper that is proposed to be converted to Revenue Bonds in any given year should be limited to the amount that would allow the rate strategy established in April 2008 to be maintained; that is, not to exceed a 5% increase in rates in any given year. The most recent conversion of outstanding Commercial Paper was as follows:
 - The Adopted FY 2021 Budget does not reflect any conversions of outstanding Commercial Paper to Revenue Bonds. Additionally, the FY 2021 blended rate increase for the Regional Treated Water System is 2.00% from FY 2020.

Fixed Asset Policies

1. 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 (2) 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 (1), but less than two (2) years will be depreciated over one (1) full year and a partial subsequent year.)

Long-Range Planning Policies

1. 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 2025. The models also 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 (depending on over and under usage of equipment) 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.

Accounting, Auditing, and Financial Reporting Policies

1. An independent audit of the District's financial statements is performed annually.
2. 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.
3. 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 in a manner similar to 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 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.**
4. 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

1. 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.
2. The cost of field engineering, construction, inspection and project management shall be charged to the applicable project or system, according to actual time incurred.
3. Administration (overhead) expenditures include management and support staff salary and benefits, office expenses, general operating expenses (e.g. utilities / landscaping/etc.) and professional services. FY 2021, the District has 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% of Information Technology Fund expenses are then allocated to the Administration Fund. 5% of all Administration Fund expenses are kept within the Administration Fund with the remaining 95% 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% total of administrative expenses held in the fund.
4. For projects funded and owned by others, for which the District provides only coordination and inspection services, no administrative overhead will be allocated.
5. Direct labor and administrative overhead allocation may be addressed in special provisions of a project participant's contract.

Capital Budget Policies

1. The District adopts a one-year budget and presents and maintains a multi-year plan for capital improvements; making changes to it annually.
2. The District maintains its physical assets at a level adequate to protect the District's capital investment and minimize future maintenance and replacement costs.

Our Mission

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

Our Vision

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

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

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

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

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

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

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

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

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

Goals

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

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

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

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

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

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

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

Approved by the Board of Directors November 6, 1997

STRATEGIC PLANNING

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

The following Work Program Guidelines were proposed by District staff and adopted by the District’s Board of Directors on February 6, 2020 for the 2020 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 2020 - - with your help.

GENERAL WORK PLAN GUIDELINES FOR 2020

- 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 2020

Leadership

Initiative	Goals
Continue mandated long-range water supply planning efforts	<ul style="list-style-type: none"> 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>Results / Reference(s): https://utrwd.com/what-we-do/water/water-sources</p>
	<ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> ◇ Continue coordination with TCEQ regarding the application to extend the start date for construction on Lake Ralph Hall. ◇ Finalize negotiations with the U.S. Army Corps of Engineers and secure the Section 404 Construction Permit. ◇ With funds provided by TWDB financial assistance, continue the District's enhanced efforts to purchase property needed for the Project. <p>Results / Reference(s): https://lakeralphhallinfo.com/index.html https://lakeralphhallinfo.com/Media_Coverage.html https://lakeralphhallinfo.com/Lake_Facts.html https://lakeralphhallinfo.com/Contracting_Opportunities.html https://www.facebook.com/Lake-Ralph-Hall-105813714344068/</p>
	<ul style="list-style-type: none"> Maintain a progressive public stance regarding District activities concerning LRH and in relationships with Fannin County, City of Ladonia and the general public. <ul style="list-style-type: none"> ◇ Continue discussions with Fannin County and the City of Ladonia regarding zoning around LRH. <p>Results / Reference(s): https://lakeralphhallinfo.com/index.html https://www.facebook.com/Lake-Ralph-Hall-105813714344068/</p> <ul style="list-style-type: none"> ◇ Continue the preliminary planning/visioning for the area around Lake Ralph Hall. Initiate the development of a Conceptual plan for the overall lake site, including public access, water resource features and public amenities. <p>Results / Reference(s): https://lakeralphhallinfo.com/index.html</p>

	<p>◇ Continue to install watershed markers in appropriate locations along public roads on District property throughout the project site.</p> <p>Results / Reference(s): <i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2019 – 2020, (Watershed Protection Program), Page #150.</i></p> <p>◇ As part of the District’s watershed protection program, be open to opportunities for acquisition (from interested property owners -- in fee or by easement) of property that is upstream of LRH along riparian zones of tributaries to the Lake.</p> <p>Results / Reference(s): https://utrwd.com/protecting-water/conservation-easements</p> <p>• Continue to work with City of Irving to finalize plans and an agreement for transportation of water from LRH through Irving’s existing pipeline from Chapman Lake.</p> <p>Results / Reference(s): <i>Negotiations are ongoing with the City of Irving.</i></p> <p>• Continue discussions with Dallas and Denton to amend the existing Lewisville Lake Pass-Through Agreement to include flows from LRH.</p> <p>Results / Reference(s): <i>This activity is ongoing.</i></p> <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 to advance the District’s pending applications to Oklahoma Water Resources Board for water rights in two river basins (the Kiamichi River and Boggy Creek basins), and for water from Lake Texoma.</p> <p>Results / Reference(s): <i>See Operating Funds Detail section of this budget document – Regional Treated Water System, Accomplishments for FY 2019 – 2020, (Continued long-range planning for water supply), Page #211.</i></p> <p>• Regarding Chapman Lake Reuse, continue to respond to information requests from TCEQ and secure an amendment to the Chapman Lake Reuse Permit to include effluent from Mustang SUD’s Sandbrock WWTP.</p> <p>Results / Reference(s): <i>Negotiations are ongoing with Mustang Special Utility District.</i></p>
Continue involvement with Texas Water Supply Partners	<p>• Monitor federal/state water supply issues.</p> <p>• Support the Partners efforts to advance and influence state policy related to the development of water supplies throughout the state, including implementation of the Texas State Water Plan.</p> <p>Results / Reference(s): <i>This is ongoing and is funded through the Future Water Program. See Other Funds section of this budget document – Future Water Program, Page #219 (Description) and Page #225 (Budget).</i></p>

Monitor Legislation	<ul style="list-style-type: none"> During the Legislative session, take steps as appropriate in the District's interest. Results / Reference(s): <i>The Texas State Legislature begins its next term in January 2021 and District staff will continue to monitor all pending water and wastewater legislation.</i>
Water Conservation / Drought Contingencies	<ul style="list-style-type: none"> 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. Results / Reference(s): https://utrwd.com/saving-water/help-us-consume <i>Click on the "Water Conservation Plan" and "Drought Contingency" links for more information.</i>
	<ul style="list-style-type: none"> In coordination with Customer entities, continue working to assure a higher profile for the District's conservation program, including implementation of strategies adopted as part of the District's Water Conservation Plan. For reporting purposes, document the conservation efforts, activities and expenditures. Results / Reference(s): <i>See Other Funds section of this budget document – Water Conservation Program, Page #219 (Description) and Page #224 (Budget).</i>
	<ul style="list-style-type: none"> 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. Results / Reference(s): https://utrwd.com/saving-water/help-us-consume <i>Click on the "Water Conservation Plan" and "Drought Contingency" links for more information.</i>

Organizational Items

Initiative	Goals
Administrative Directives	<ul style="list-style-type: none"> Review Administrative Directives and bring up to date with key policies and practices as appropriate. Results / Reference(s): <i>The Human Resources Department constantly reviews the District's Administrative Directives and are updated as needed.</i>
Maintain a robust preventive maintenance program	<ul style="list-style-type: none"> Review necessary staff levels to fully support the operational and maintenance needs of the growing facilities of the District. Results / Reference(s): <i>Operations and Maintenance superintendents communicate their staffing needs to the Director of Operations (subsequently to the Executive Director) when developing the preliminary budget (May through August) for the subsequent fiscal year. These requests are communicated to the District's Human Resource Department so that any requested positions are researched for salary classification / work duties / etc. Additional personnel requests can also be made at the mid-year point of the fiscal year.</i> <i>See Operating Funds Detail section of this budget document – Administration Fund,</i>

	<p><i>Performance Measures Section (Employment Rate), Page #146.</i></p> <p><i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2019 – FY 2020, (Recruit capable candidates for vacant positions), Page #149.</i></p>
	<ul style="list-style-type: none"> • Complete the ongoing assessment of maintenance efforts for corrosion protection of District facilities (underground, underwater) and take necessary steps to address deficiencies and staff training. <p>Results / Reference(s): <i>This is ongoing. After the completion of the District’s Conditions Assessment Study in FY 2018, District management developed and District-wide maintenance plan to address various District infrastructure leaks and corrosion issues.</i></p> <p>https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes <i>Refer to minutes (through above link) from May 2020 Board Meeting Item #14A for award of a task order for engineering services to develop a pipeline cathodic protection analysis, as well as construction standards details for future design and construction of District facilities. These services were included in the Mid-Year 2020 budgets for the Regional Treated Water System and the Lakeview Regional Water Reclamation System.</i></p> <p><i>The Adopted FY 2020 for the Regional Treated Water System included funding to start “Smartball” testing consisting of a free-flowing tool for the assessment of pressurized water and wastewater pipelines 8 inches and larger. This ball contains camera equipment to provide evidence of weaknesses and / or leaks in pipelines. Additionally, funding was included to make repairs to water pipelines having leaks. These activities are also included in the Adopted FY 2021 to complete these repairs.</i></p>
	<ul style="list-style-type: none"> • Fully implement the District’s upgraded software for Computerized Maintenance Management System (CMMS) and integrate with GIS. <p>Results / Reference(s): <i>The District’s Computerized Maintenance Management System (CMMS) was put into service in FY 2020 and has been undergoing continuous integration with the District’s recently installed Geographical Information System (GIS) and has a dedicated staff member in charge of this mission.</i></p>
	<ul style="list-style-type: none"> • Continue to utilize condition assessment techniques, robotic inspection and other appropriate advanced technologies on District pipelines and facilities. Develop results for use in prioritizing capital improvement projects, operational improvements and proactive maintenance activities. <p>Results / Reference(s): <i>The Adopted FY 2020 for the Regional Treated Water System included funding to start “Smartball” testing consisting of a free-flowing tool for the assessment of pressurized water and wastewater pipelines 8 inches and larger. This ball contains camera equipment to provide evidence of weaknesses and / or leaks in pipelines. Additionally, funding was included to make repairs to water pipelines having leaks. These activities are also included in the Adopted FY 2021 to complete these repairs.</i></p> <p><i>See Operating Funds Detail section of this budget document – Regional Treated Water System Fund (Pipeline Maintenance Expense Comment), Page #206.</i></p> <p><i>See CIP Funds section of this budget document – Engineering Fund, Accomplishments for FY 2019 – 2020, (Lakeview Regional Treated Water System), Page #261.</i></p>

Updated Emergency Operations Plan from the District's Risk and Resilience Assessment	<ul style="list-style-type: none"> • 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>Results / Reference(s): <i>The District's Emergency Management Committee, using the results from the Risk and Resiliency Assessment, was able to update the Emergency Operating Plan. This Plan was certified with the U.S. Environmental Protection Agency, as required under the America's Water Infrastructure Act. Currently, the Committee is preparing a presentation for senior staff members, and after which, it will be presented to the District's Board of Directors.</i></p>
Training Program for Employees	<ul style="list-style-type: none"> • Review prior year's employee training program and modify the program for 2020 according to future needs and goals including training related to financial and cyber fraud. <p>Results / Reference(s): <i>See Operating Funds Detail section of this budget document – Information Technology Fund, Accomplishments for FY 2019 – 2020 (Continue to promote awareness and knowledge of cybersecurity issues), Page #156.</i></p>
District Personnel Policies	<ul style="list-style-type: none"> • Continue review of District Personnel Policies and make needed revisions. <p>Results / Reference(s): <i>The Human Resources Department constantly reviews the District's Personnel Policies and updates are made as needed. All updates are first reviewed with the District's Personnel Committee, before being presented to the Board of Directors for approval.</i></p>
Electronic Filing System	<ul style="list-style-type: none"> • Continue implementation of the electronic filing systems and Laserfiche software to manage the ever-growing volume of paper files. • Develop a trained staff capable of maintaining the system to insure full conversion of records to the electronic format. <p>Results / Reference(s): <i>The District's Laserfiche System has been established. Currently, District staff are assigned to review all District physical files and to scan these into the Laserfiche system.</i></p>
District Website	<ul style="list-style-type: none"> • Continue updating the District's websites, making modifications to enhance information about the District's services and programs while being alert to potential exposure to cyber-crime. <p>Results / Reference(s): https://utrwd.com</p>
Data Retention	<ul style="list-style-type: none"> • Develop a data retention policy for district records, emails and other data. <p>Results / Reference(s): <i>The District relies on the State of Texas' retention policy for all data and documents.</i> https://www.tsl.texas.gov/slr/rrs</p>
Additional Office Space	<ul style="list-style-type: none"> • Plan and coordinate completion of additional office space for the District at the 802 Annex. <p>Results / Reference(s): <i>The Human Resources Department has established work areas (six cubicles) with all required computer and telephone connections at the 802 North Kealy Street annex building.</i></p>

Strategic Planning Process	<ul style="list-style-type: none"> During the budget cycle, implement a strategic planning process to review operating budgetary needs over the next 5 years. Results / Reference(s): <i>See Strategic Planning section of this budget document, Page #83 – 86.</i>
----------------------------	--

Functional Items

Initiative	Goals
Lake Ralph Hall	<ul style="list-style-type: none"> Initiate planning, design and/or construction contracts for the following: <ul style="list-style-type: none"> ◇ Mitigation Full-Service Provider Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes Refer to minutes (through above link) from March 2020 Board Meeting Item #10B for approval to advertise for bids and qualifications for the Mitigation Full-Service Provider Contract. ◇ Dam Construction Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes Refer to minutes (through above link) from March 2020 Board Meeting Item #17 for approval to proceed with prequalification of construction contractors for the Leon Hurse Dam for the Lake Ralph Hall project. ◇ Roadway Relocation Design-builder Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes Refer to minutes (through above link) from February 2020 Board Meeting Item #14 for award of a progressive design-build contract for roadway relocations associated with Lake Ralph Hall. ◇ Conveyance System Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes Refer to minutes (through above link) from February 2020 Board Meeting Item #14 for award of a professional services contract for the Lake Ralph Hall conveyance system. https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes Refer to minutes (through above link) from September 2020 Board Meeting Item #10A for authorization to advertise a Request for Qualifications for professional services to design the Lake Ralph Hall Raw Water Pump Station. ◇ Start process for acquisition of pipeline ROW Results / Reference(s): The pipeline route and balancing reservoir has been identified. Survey Right-of-Way Entry letters have been sent to all 124 property owners along the route. ◇ Reservoir area demolition and clearing Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes Refer to minutes (through above link) from September 2020 Board Meeting Item #10B for authorization to advertise for Lake Ralph Hall Reservoir area demolition and clearing services.

	<p>◇ Reservoir support facilities and amenities</p> <p>Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes Refer to minutes (through above link) from July 2020 Board Meeting Item #9 for Authorization to advertise Request for Qualifications to develop the Lake Support Facility Plan for the Lake Ralph Hall project.</p> <ul style="list-style-type: none"> • Monitor and expedite, where possible, the U.S. Forest Service Federal Land Exchange Feasibility Analysis process. <p>Results / Reference(s): <i>The District has been in continuous communication with the U.S. Forest Service (USFS) during the exchange process. The USFS identified several additional private tracts that they would prefer that the District seek to include in the exchange. The District has been negotiating with the private landowners and a draft "Agreement to Initiate" has been prepared pending the outcome of these last negotiations.</i></p> <ul style="list-style-type: none"> • Develop a communications plan for the LRH project and step up efforts to provide key informational highlights about the project status to the various stakeholders. <p>Results / Reference(s): <i>A communications plan has been developed for the Lake Ralph Hall project that includes feedback from various stakeholder groups. District staff has begun implementing the plan by developing key messages, fact sheets, and updates to the Lake Ralph Hall website. In addition, social media channels have been established for the project.</i></p> <p>https://www.facebook.com/Lake-Ralph-Hall-105813714344068/</p> <ul style="list-style-type: none"> • Work with Texas Parks & Wildlife Fisheries Division to begin process for fish stocking of Lake Ralph Hall. <p>Results / Reference(s): <i>District staff has met with the Texas Parks and Wildlife (TP&W) Fisheries Division onsite to evaluate potential brood ponds that will be inundated by the project. Additionally, we are reviewing the lake footprint with the TP&W to determine if there are any necessary actions to improve the fish habitat.</i></p> <ul style="list-style-type: none"> • Finalize identification of staffing requirements (contractors / employees) needed during the various phases of the LRH project. <p>Results / Reference(s): <i>Issued a task order to Jacobs Engineering (Board approved August 6, 2020) to provide technical support to administer the Design Phase of the Roadway Relocation Progressive Design-Build contract.</i></p> <p><i>Received a proposal from Freese & Nichols to provide Construction Management of the Leon Hurse Dam.</i></p> <p><i>Issued a Request for Qualifications for a Quality Control Manager and Assurance Team to support District staff in managing the construction of Lake Ralph Hall.</i></p> <p><i>The Human Resources Department continues to work with the Lake Ralph Hall Project Manager to ensure staffing requirements are met when necessary.</i></p> <ul style="list-style-type: none"> • Submit "Abridged" and "Final" Applications to the Texas Water Development Board to obtain SWIFT funding for the Project, including a multi-year commitment. <p>Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes</p>
--	---

	<p><i>Refer to minutes (through above link) from May 2020 Board Meeting Item #12 for permission to file application for a multi-year commitment from the Texas Water Development Board (SWIFT) funding for Lake Ralph Hall.</i></p> <ul style="list-style-type: none"> • Develop and implement a program delivery plan for LRH that outlines a required staff augmentation, infrastructure, and logistical needs for the efficient delivery of the LRH Program. <p>Results / Reference(s): <i>Developed an organization chart and a responsibility matrix outlining staffing requirements (contractors / employees) needed for construction of the Lake Ralph Hall project.</i></p> <ul style="list-style-type: none"> • Develop an operations plan for LRH that outlines staffing, infrastructure, and logistical needs for the efficient operation of the LRH Project. <p>Results / Reference(s): <i>Coordinated with District Operations Division to identify staffing and equipment required for operations of Lake Ralph Hall.</i></p> <ul style="list-style-type: none"> • Continue coordination and initiate agreements for relocation of roadways and utilities impacted by LRH. <p>Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes <i>Refer to minutes (through above link) from October 2020 Board Meeting Item #14 for authorization the District's Executive Director to negotiate with TxDOT for an advanced funding agreement for the relocation of State-owned roadways for the Lake Ralph Hall project. This has since been successfully negotiated between the District and TxDOT.</i></p> <p><i>Coordinated with Fannin County regarding relocation and closures of county roads for Lake Ralph Hall.</i></p> <p><i>Negotiated with AT&T for the relocation of fiber optic cables for Lake Ralph Hall.</i></p> <p><i>Negotiated with Oncor for the relocation of power lines surrounding the proposed Lake Ralph Hall.</i></p> <p><i>Negotiated with Fannin County Electrical Cooperative for the relocation of power lines surrounding the proposed Lake Ralph Hall.</i></p> <p><i>Negotiated with Dial Water Supply Corporation for the relocation of water lines surrounding the proposed Lake Ralph Hall.</i></p> <p><i>Negotiated with McCraw Chapel Water Supply Corporation for the relocation of water lines surrounding the proposed Lake Ralph Hall.</i></p> <ul style="list-style-type: none"> • Complete Phase 1 Cultural Resource Studies and obtain clearance for construction at the Dam, Reservoir, and Mitigation sites. <p>Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes <i>Refer to minutes (through above link) from June 2020 Board Meeting Item #14A for approval of a task order for cultural resource surveys for the Lake Ralph Hall project.</i></p> <p>https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes <i>Refer to minutes (through above link) from July 2020 Board Meeting Item #14B for approval of a task order for additional work required for cultural resource surveys and mitigation services to satisfy requirements of the Lake Ralph Hall Section 404 permit.</i></p>
--	---

Security Matters	<ul style="list-style-type: none"> • Continue on-going security needs assessment of all District facilities and property. Results / Reference(s): <i>This is a continuous, ongoing activity.</i> • Continue review of District progress and strategies for security to improve or supplement on-going security efforts, including both physical and cyber security. Results / Reference(s): <i>Cameras and secure access infrastructure to existing facilities have been updated and added as new facilities have come on-line. The microwave communication backbone was updated with additional and more reliable antennas and state-of-the-art communication hardware. In 2020, District is undergoing updates to its SCADA system to enhance security and more reliable access. Staff has undergone significant training on cyber security, including random testing for phishing emails.</i> <i>See Operating Funds Detail section of this budget document – Information Technology Fund, Accomplishments for FY 2019 – 2020, (Continue to promote awareness and knowledge of potential cybersecurity issues), Page #156.</i> • Complete conversion to a new Wonderware SCADA “platform” to allow offsite access with reduced exposure to cyber problems. Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes <i>Refer to minutes (through above link) from September 2020 Board Meeting Item #18 to enter into a purchasing agreement to complete this project.</i> <i>See Operating Funds Detail section of this budget document – Information Technology Fund, Accomplishments for FY 2019 – 2020, (Purchased hardware and software in preparation for upgrade to Wonderware System Platform), Page #156.</i> • Improve District network availability employing the use of a mature industry-standard virtual platform. Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes <i>Refer to minutes (through above link) from May 2020 Board Meeting Item #15B to enter into a purchasing agreement for a new server to accomplish this task.</i> <i>See Operating Funds Detail section of this budget document – Information Technology Fund, Accomplishments for FY 2019 – 2020, (Transformed District data center through server virtualization), Page #156.</i> • Upgrade the District’s current on-premise mail server to a hosted Exchange Software to enhance network service and security. Results / Reference(s): <i>See Operating Funds Detail section of this budget document – Information Technology Fund, Accomplishments for FY 2019 – 2020, (Moved on-premises Exchange Server to Exchange Hosted), Page #157.</i>
Northeast Regional Water Reclamation System	<ul style="list-style-type: none"> • Continue construction to expand the Doe Branch Plant to 4.0 MGD. Results / Reference(s): <i>See CIP Funds section of this budget document, Page #325.</i> • Continue the design and installation of planned landscaping along north and west boundaries of the Doe Branch Plant, and the south boundary of the Riverbend Plant site.

	<p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #317.</i></p>
Regional Treated Water System	<ul style="list-style-type: none"> • Address the need to control Zebra Mussels in local lakes. <ul style="list-style-type: none"> ◊ Continue to monitor measures for control / mitigation at the Lewisville Lake Intake Structure. ◊ Continue to monitor Chapman Lake for Zebra Mussels, and in the event Zebra Mussels are found, be prepared to proceed with design and construction of a control/mitigation system for the Harpool Plant and associated raw water pipeline. <p>Results / Reference(s): https://utrwd.com/protecting-water/zebra-mussels</p> <ul style="list-style-type: none"> • Continue to support the Texas Parks and Wildlife Department’s Zebra Mussel Public Awareness Program. <p>Results / Reference(s): <i>See Other Funds section of this budget document - Watershed Protection Program, Page #219 (Description) and Page #223 (Budget).</i></p> <p>https://utrwd.com/protecting-water/zebra-mussels</p> <ul style="list-style-type: none"> • In conjunction with the current developer and the Lakes of Aubrey Fresh Water Supply District, proceed with construction of a second (“north storage”) raw water storage site near the Harpool Plant. <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #280.</i></p> <ul style="list-style-type: none"> • Continue coordination with TxDOT and other public entities regarding TxDOT’s proposed paving and drainage improvements that may affect existing District ROW and facilities along FM 407, IH35E, FM 2931, FM 1385, US 377, and HWY 380. Be ready to make adjustment to District facilities as required by such proposed public improvements. <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #290, #292, #293, #294, #319, and #328.</i></p> <ul style="list-style-type: none"> • Continue construction of the Parallel Pipeline from the Taylor RTWP to the Stone Hill Pump Station. <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #278.</i></p> <ul style="list-style-type: none"> • Complete construction of meter replacement and system improvements to the Regional Treated Water System. <p>Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes <i>Refer to minutes (through above link) from May 2020 Board Meeting Item #14B requesting acceptance of the services provided by contractor for the completion of this project.</i></p> <ul style="list-style-type: none"> • Continue construction of ozone system rehabilitation at the Taylor WTP. Finalize specifications, secure contractor and begin dredging of sludge storage pond. <p>Results / Reference(s):</p>

	<p><i>The Ozone System Rehabilitation at the Taylor RWTP project was to be completed by September 2020, and therefore, is not shown in the Adopted FY 2021 CIP budget.</i></p> <p>https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes <i>Refer to Agenda (through above link) for October 2020 Board Meeting Item #8 requesting authorization to advertise for bids for the Taylor RTWP Dredging Project.</i></p> <ul style="list-style-type: none"> • Finalize design and begin construction of treated water transmission pipeline upsize and relocation along FM 2181 (Swisher) between Lighthouse Drive and Hickory Creek Road in Denton. <p>Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes <i>Refer to minutes (through above link) from February 2020 Board Meeting Item #12 for award of construction contract for this capital project.</i></p> <ul style="list-style-type: none"> • Continue construction of additional membranes, CIP tank, chemical tank replacement and operational improvements for increased capacity at the Harpool WTP. <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #279.</i></p> <ul style="list-style-type: none"> • Evaluate time frame to initiate design of next phase of Harpool WTP expansion to include diurnal pond, pond inflow structure and administration building. <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #279.</i></p> <p>https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes <i>Refer to agenda (through above link) from October 2020 Board Meeting Item #13A for approval of an engineering contract for the Harpool WTP expansion and related work on the diurnal pond and other related improvements.</i></p> <ul style="list-style-type: none"> • Based on results of recently completed hydraulic modeling, initiate assessment of Regional Treated Water System high service pumping capacity and identify any necessary pump additions and upgrades to existing facilities needed to meet system water service demands. <p>Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes <i>Refer to minutes (through above link) from June 2020 Board Meeting Item #14B.</i></p>
District Offices	<ul style="list-style-type: none"> • Complete the rehabilitation and upgrade evaluation of the District offices at 900 N. Kealy Street and secure a contractor to perform the work. <p>Results / Reference(s): <i>New flooring was installed throughout the majority of 900 N. Kealy Street Administration Building in September and October 2020 with additional improvements being planned.</i></p>
Lakeview Regional Water Reclamation System and Peninsula Water Reclamation Plant	<ul style="list-style-type: none"> • Continue high priority focus on the preventive maintenance program for District lift stations and metering stations. <p>Results / Reference(s): <i>This is an activity that has been ongoing for several years. The District has added three transmission operators, whose tasks include visiting the remote facilities regularly and actively exercising and inspecting them for preventive maintenance needs.</i></p>

	<ul style="list-style-type: none"> Following completion of analysis of Force Mains and system hydraulics, develop appropriate strategies and proceed with design and construction of required improvements to the Lakeview Pipeline System. <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #304.</i></p> <ul style="list-style-type: none"> In coordination with Lakeview customers, review current and future wastewater needs to determine when the next expansion of the Lakeview Plant will be needed and take initial steps to prepare. <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #303.</i></p> <ul style="list-style-type: none"> With regards to the Peninsula Water Reclamation: In collaboration with Mustang SUD, complete design and begin construction to expand the Plant from 0.94 to 2.0 MGD. <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #335.</i></p>
Priority of Capital Improvement Program Projects	<ul style="list-style-type: none"> 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>Results / Reference(s): <i>This is ongoing. 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>
Lake Chapman	<ul style="list-style-type: none"> 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>Results / Reference(s): <i>District Management activity communicates this information on an ongoing basis.</i></p>
Extension of water service to Members/Customers	<ul style="list-style-type: none"> In conjunction with development activity in the area near the City of Aubrey, north of the Harpool Plant, coordinate with Mustang SUD, Aubrey, and developers concerning planned extension of water services. <ul style="list-style-type: none"> Complete design and initiate construction of a water pipeline and new Point of Delivery for Mustang SUD, north of FM 2931. Continue to coordinate with developers for future ROWs though the areas of development, to enable efficient future pipeline extensions northward. <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #282.</i></p> <ul style="list-style-type: none"> Provide prompt response to any Customer requests for increase in water demand or volume. <p>Results / Reference(s): <i>These activities are ongoing via communications with District customers, as well as analysis of customer water and / or wastewater flow data whereby District staff will reach out to the customer to discuss the required increase to their contracted demand or volume is necessary. Anytime a customer requests a change in their water demand or volume, a contract amendment is required to reflect these changes. All contract amendments are handled by the Manager of Governmental Affairs and Communications.</i></p>

Harpool Emergency Water Supply Lake	<ul style="list-style-type: none"> 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>Results / Reference(s): <i>Negotiations with the Town of Providence are currently ongoing.</i></p>
District Rights-Of-Way	<ul style="list-style-type: none"> Continue field surveys and actions to keep pipeline markers current and adequate for changing conditions along District rights-of-way <p>Results / Reference(s): <i>These are ongoing and are regularly completed by the District's Transmission Operators as part of their normal maintenance activities.</i></p>
Riverbend and Doe Branch Site Discharge Permits	<ul style="list-style-type: none"> Continue to work with TCEQ to support submitted applications for discharge permits for the Riverbend and Doe Branch sites to adjust permits to recognize ultimate flows. <p>Results / Reference(s): <i>These permit applications have been completed and are awaiting response and issuance from the TCEQ.</i></p>
Zoning of District administration facilities	<ul style="list-style-type: none"> 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. <p>Results / Reference(s): <i>This is currently under review by District staff.</i></p>
Protect District Pipelines	<ul style="list-style-type: none"> Continue to coordinate with USACE to protect District pipelines during the Lewisville Lake Dam Safety Rehabilitation Project. <p>Results / Reference(s): <i>See CIP Funds section of this budget document, Page #289 and #311.</i></p>

Financial Items

Initiative	Goals
Rate Impact Strategies	<ul style="list-style-type: none"> Continue implementation of strategies to minimize the impact of the Lake Ralph Hall Project on future rates for the Regional Treated Water System by utilizing funding from the Texas Water Development Board to the maximum extent possible. <p>Results / Reference(s): https://utrwd.com/news/twdb-approves-usd413-000-000-for-lake-ralph-hall https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes <i>Refer to minutes (through above link) for September 2020 Board Meeting Item #15 regarding financing of Lake Ralph Hall from the Texas Water Development Board (TWDB) via SWIFT Funding of Board Participation and Deferred Interest funding programs.</i></p>
Monitor Financial Markets	<ul style="list-style-type: none"> Continue to monitor financial markets, implementing measures as needed to best protect and improve the District's long-term financial condition.

	<p>Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes Refer to minutes (through above link) from July 2020 Board Meeting Items #12 and #13 for the issuance of Series 2020 Refunding Bonds for the Lakeview Regional Water Reclamation and Regional Treated Water Systems yielding decreased debt service Amounts due to advantageous conditions in the financial markets regarding interest Rates. These are two examples of District staff continuously monitoring financial conditions to best protect and improve UTRWD's financial condition.</p> <p>https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes Refer to minutes (through the above link) from June 2020 Board Meeting Item #8 regarding the quarterly investment report reflecting the performance of invested District capital.</p>
Management Report	<ul style="list-style-type: none"> Update Management Reports to provide additional information related to Business activities and Operations/Engineering divisions. <p>Results / Reference(s): District management is currently reviewing 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.</p>
Financial Software	<ul style="list-style-type: none"> Begin implementation planning for upgrading the District's financial system to Incode's new web-based system to include formulating budget requests for FY 2020. <p>Results / Reference(s): See Operating Funds Detail section of this budget document – Information Technology Fund, Accomplishments for FY 2019 – FY 2020, (Planned upgrade to Incode 10), Page #157.</p>
External Audit	<ul style="list-style-type: none"> Initiate Request for Proposal process for external audit services beginning with the FY 2020 audit. <p>Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes Refer to minutes (through above link) for September 2020 Board Meeting Item #17 regarding selection of an external auditor for the FY 2020 audit.</p>
Peninsula Plant Expansion Financing	<ul style="list-style-type: none"> Coordinate with Mustang SUD to ensure adequate funding for the Peninsula Reclamation Plant expansion. <p>Results / Reference(s): See CIP Funds section of this budget document, Page #335.</p>
Financing of TxDOT Projects	<ul style="list-style-type: none"> Evaluate new financing alternative for TxDOT projects that provide minimal rate impact to respective customers of the water and wastewater systems. <p>Results / Reference(s): See CIP Funds section of this budget document, Page #290, #292, #293, #294, #319, and #328. These projects are funded from each systems' Non-Bond Capital Reserve or via a loan from another system's Non-Bond Capital Reserve.</p>
Loss Prevention Practices	<ul style="list-style-type: none"> Continue to research and implement best practices for prevention of possible losses to the District. <p>Results / Reference(s): This is currently being researched.</p> <p>See Operating Funds Detail section of this budget document – Information Technology</p>

	<i>Fund, Accomplishments for FY 2019 – 2020, (Continue to promote awareness and knowledge of potential cybersecurity issues), Page #156.</i>
--	--

Partnership Items

Initiative	Goals
Member and Customer Entities	<ul style="list-style-type: none"> • Continue to develop and improve working relationships with Member/Customer entities for mutual benefit. <ul style="list-style-type: none"> ◊ Promote better coordination, increased information sharing, and develop relationships between employees with related duties. ◊ Arrange and host joint training opportunities when mutually beneficial. <p>Results / Reference(s): <i>This is ongoing through periodic meetings of the Customer Advisory Committee (CAC).</i></p>
City of Denton	<ul style="list-style-type: none"> • Continue coordination with the City of Denton regarding the renewal of existing agreements. <ul style="list-style-type: none"> ◊ For temporary raw water purchases out of Lewisville and Ray Roberts Lakes. ◊ For treated water services and potential interconnections for emergency operation. <p>Results / Reference(s): <i>Staff has met with City of Denton staff and a draft renewal permit for raw water purchases has been presented and the renewals for treated water service are nearing completion for submittal to Denton.</i></p>
Long Range Water Supply in the Sulphur River Basin	<ul style="list-style-type: none"> • Continue partnership with other regional water providers and the Sulphur River Basin Authority (SRBA). <p>Results / Reference(s): <i>This is ongoing and is funded through the Future Water Program. See Other Funds section of this budget document – Future Water Program, Page #219 (Description) and Page #225 (Budget).</i></p>
Identify Excessive Inflow and Infiltration	<ul style="list-style-type: none"> • Continue ongoing efforts with District Members and Customers to identify sources of excessive infiltration and inflow and encourage appropriate corrective action. <p>Results / Reference(s): <i>Staff actively communicates with customers following rain events and work with their staff, as necessary, to assist in locating and addressing infiltration and inflow issues.</i></p>
Emergency Operations	<ul style="list-style-type: none"> • Stand ready to assist Members and Customers during emergency operational situations. <p>Results / Reference(s): https://utrwd.com/about-us/board-of-directors/board-meetings-and-minutes <i>Refer to minutes (through above link) for August 2020 Board Meeting Item #12 for the emergency pipeline repair for the City of Corinth, a Member participant of the Regional Treated Water System, for one example.</i></p>

Environmental Items

Initiative	Goals
Upper Trinity Conservation Trust Staff Support	<ul style="list-style-type: none"> • 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>Results / Reference(s): <i>See Other Funds section of this budget document – Upper Trinity Conservation Trust Page #220 (Description) and Page #248 (Budget).</i></p> <p>https://www.utct.org/index.html</p>
Expand Partners Program	<ul style="list-style-type: none"> • In coordination with the Upper Trinity Conservation Trust, implement and 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>Results / Reference(s): https://www.utct.org/partnership_program.html</p> <p>https://www.utct.org/pdfFiles/Partner's%20Brochure%202019%20updates.pdf</p>
Watershed Protection Program	<ul style="list-style-type: none"> • Continue to communicate the District’s Watershed Protection Program to cities and utilities throughout the Lewisville Lake Watershed. <p>Results / Reference(s): https://utrwd.com/protecting-water/watershed-protection-program</p> <p><i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2019 – 2020, (Watershed Protection Program), Page #150.</i></p>
USACE Conservation Trust	<ul style="list-style-type: none"> • Seek opportunities to participate in the U.S. Army Corps of Engineers conservation trust management programs established to meet wetland mitigation requirements. <p>Results / Reference(s): <i>This is a continued, long-term goal of the District and is ongoing.</i></p>
Preservation of Watershed and Greenbelts	<ul style="list-style-type: none"> • Develop brochure jointly with Denton County, about best management practices, and about policies and strategies for protecting the watershed with a focus on watershed protection and greenbelts along creeks. <p>Results / Reference(s): <i>Due to the Covid-19 pandemic, work towards the completion of this jointly developed brochure has been delayed.</i></p>
Denton County Greenbelt Plan	<ul style="list-style-type: none"> • Continue to coordinate with cities, utilities, and developers to promote adoption of the Plan within the respective jurisdictions. <p>Results / Reference(s): https://www.utct.org/Agendas%20and%20Minutes/minutes/UTCT-Minutes_February%2013,%202020.pdf <i>See Items #7 and #8 regarding the Denton County Greenbelt Plan and the Trust’s efforts to promote it with area cities.</i></p> <p><i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2019 – 2020, (Watershed Protection Program), Page #150.</i></p>

	<ul style="list-style-type: none"> Assist with the implementation and activities of the newly established Coordinating Committee to help champion the Denton County Greenbelt Plan. Results / Reference(s): https://www.utct.org/greenbelt_plan.html
	<ul style="list-style-type: none"> Work jointly with Denton County to encourage best management practices and strategies for protecting watersheds. Results / Reference(s): https://utrwd.com/protecting-water/watershed-protection-program

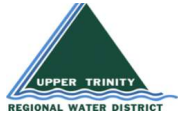
Educational Items

Initiative	Goals
Nancy Tam Water-Wise Demonstration Garden and Rich Lubke Community Garden	<ul style="list-style-type: none"> 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. Results / Reference(s): https://utrwd.com/saving-water/save-outdoors/our-conservation-garden
Water Conservation Goals	<ul style="list-style-type: none"> To achieve on-going water conservation goals, take steps to increase visibility, understanding and implementation of the District's overall water conservation program. Results / Reference(s): https://utrwd.com/saving-water/save-outdoors
Promotion of District's Water Conservation and Watershed Protection Programs	<ul style="list-style-type: none"> Work with local schools, teachers and others to promote the District's water conservation and watershed programs (including EnviroScape). Results / Reference(s): https://utrwd.com/resources/teacher-resources
Water / Wastewater Operations Internships	<ul style="list-style-type: none"> Continue to partner with local community colleges to provide internships for students enrolled in water/wastewater certification programs. Results / Reference(s): <i>See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2019 – 2020, (Wastewater Internship Program), Page #149.</i>
Engineering / Business Division Internships	<ul style="list-style-type: none"> Continue college internship program to support the Engineering and Business Divisions. Results / Reference(s): <i>The Human Resources Department has established an Intern protocol that must be completed (along with specific criteria the candidate must meet) by District staff.</i>

UPPER TRINITY REGIONAL WATER DISTRICT**FIVE-YEAR FINANCIAL FORECAST
FY 2021 ADOPTED BUDGET**

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 2021 – 2025:

- 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



UPPER TRINITY REGIONAL WATER DISTRICT
Regional Treated Water System
Five-Year Pro-Forma Forecast
September 3, 2020

	Adopted				
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Estimated Blended Rate Impact	2.00%	3.25% - 3.75%	3.25% - 3.75%	3.25% - 3.75%	4.50% - 5.00%
Demand Revenues	\$ 36,225,395	\$ 39,106,130	\$ 42,588,855	\$ 46,066,710	\$ 49,075,150
Volume Revenues	13,919,205	14,909,535	16,409,475	17,252,395	17,888,380
Contract Payments, Loan Repayments, Interest & Other Revenues	1,962,130	438,920	504,069	609,573	689,567
Operating Revenue Subtotal	\$ 52,106,730	\$ 54,454,585	\$ 59,502,399	\$ 63,928,678	\$ 67,653,097
Interfund Transfers (from Operations)	1,591,000	215,000	215,000	215,000	214,845
Operating Revenues	\$ 53,697,730	\$ 54,669,585	\$ 59,717,399	\$ 64,143,678	\$ 67,867,942
Operating Expenses	\$ 26,848,205	\$ 28,164,015	\$ 29,157,520	\$ 30,487,680	\$ 32,217,605
Debt Service	21,794,256	21,218,701	23,491,082	27,383,458	30,481,873
Total Expenses	\$ 48,642,460	\$ 49,382,716	\$ 52,648,602	\$ 57,871,138	\$ 62,699,479
Net Revenues from Operations before Transfers to Reserves	\$ 5,055,269	\$ 5,286,868	\$ 7,068,798	\$ 6,272,541	\$ 5,168,463
Total Transfers to Reserves from Net Revenues	766,750	2,438,730	3,438,730	2,523,730	23,730
Net Revenues	\$ 4,288,519	\$ 2,848,138	\$ 3,630,068	\$ 3,748,811	\$ 5,144,733
Bond Coverage Ratio (Cash Basis) (1.15 Minimum per District Policy)	1.20	1.26	1.27	1.21	1.16
Estimated Subscriptions (MGD)	80.09	83.76	88.21	91.79	91.99
Estimated Flows (MGD)	32.34	33.26	34.24	35.16	36.04
CIP Expenditures	\$ 142,311,770	\$ 174,046,250	\$ 155,996,305	\$ 108,746,715	\$ 31,012,875



UPPER TRINITY REGIONAL WATER DISTRICT
Regional Treated Water System
Five-Year Pro-Forma Forecast
September 3, 2020

Assumptions for the 5-Year Planning Period:

• **Raw Water Source Rates & Quantities**

Dallas Raw Water - 3% Annual Rate Increase FY 2022 through FY 2025
 FY 2022 - 17.33 MGD; FY 2023 - 18.33 MGD; FY 2024 - 18.33 MGD; FY 2025 - 18.70 MGD
 Denton Raw Water - 3% Annual Rate Increase FY 2022 through FY 2025
 FY 2022 - 4.00 MGD; FY 2023 - 4.00 MGD; FY 2024 - 3.50 MGD; FY 2025 - 3.00 MGD
 Chapman Raw Water - 3% Annual Rate Increase for Transportation, including \$100K / Year for True-Ups
 FY 2022 - 9.50 MGD; FY 2023 - 9.50 MGD; FY 2024 - 10.50 MGD; FY 2025 - 11.25 MGD

• **Denton Treated Water Rates**

3% Annual Rate Increase (Krum and Sanger)

• **Electricity Rates**

Taylor RTWP - 4.87% per KWH Rate Decrease in May 2020 through April 2023; 3.5% per KWH Rate Decrease in May 2023, remaining thought FY 2025
 Harpool RTWP - 2% per KWH Rate Annual Increase for FY 2022 through FY 2025

• **Chemicals**

4% Annual Increase

• **Personnel**

5% Annual Increase
 FY 2023 includes \$100K for new Transmission Operator @ Taylor Plant
 FY 2024 includes \$100K for additional Operator @ Harpool Plant
 New capital equipment funding of \$150K (FY 2022 & FY 2024) and \$300K (FY 2023 & FY 2025) included. New vehicles for new RTWS positions are in those amounts.
 Capital funding provides additional Lake Ralph Hall personnel.

• **Plant Equipment, Maintenance, and Materials**

4% Annual Increase
 FY 2025 includes \$250K for Lake Ralph Hall operating expenses

• **Debt Service**

Conversion of Commercial Paper to Long-Term Debt
 \$25M in FY 2022; \$30M in FY 2023; and \$25M in FY 2025
 Series 2022 Revenue Bonds of \$13.08M to partially fund 50% of the Harpool RWTP Northeast Transmission Pipeline
 No Debt Service for FY 2022; Cap-I used for FY 2023 and FY 2024 Interest-Only Payments; \$523K Annual Interest-Only Payments for FY 2024 - FY 2025
 Series 2024 Revenue Bonds of \$8.57M to partially fund 50% of the Harpool RWTP Northeast Transmission Pipeline
 No Debt Service for FY 2024; Cap-I used for FY 2025 Interest-Only Payment
 Series 2021 State Participation Bonds of \$18.77M to fund 50% of the Harpool RWTP Northeast Transmission Pipeline
 No Debt Service FY 2022 through FY 2023; then, Deferred Interest Payback @ 20% (FY'24 & FY'25)
 Annual Board Participation Debt Service for the Lake Ralph Hall Project (Per Master Agreement)
 2016 Issue-Payback increases annually to 40% (FY'22) 55% (FY'23), 70% (FY'24), and 85% (FY'25)
 2020 Issue-No Debt Service through FY 2022; then @ 20% (FY'23 & FY'24) and 30% (FY'25)
 Deferred Interest Funding (2016 Issue) Debt Service for the Lake Ralph Hall Project Begins in FY 2024 (\$1.6M - \$2.0M per year over 22 years)

• **Chapman Lake - Contract with Irving**

Annual payment of \$225K (beginning in FY 2022) to City of Irving for pipeline utilization changes
 Upper Trinity Regional Water District
 FY 2020 - 2021 Adopted Budget



UPPER TRINITY REGIONAL WATER DISTRICT
Regional Treated Water System
Five-Year Pro-Forma Forecast
September 3, 2020

- **Maintenance Fund Allocation**

4% Annual Increase - Also includes funding for additional Maintenance Staff in FY 2022 through FY 2025

- **Administration and Information Technology Fund Allocation**

4% Annual Increase for FY 2022 through FY 2023 and a 5% annual Increase for FY 2024 through FY 2025

- **Reserve / Program Contributions**

Watershed Protection Program - \$0.02 per 1,000 gallons FY 2022 through FY 2024, then \$0.04 per 1,000 gallons for FY 2025

Water Conservation Program - \$0.02 per 1,000 gallons for FY 2022 through FY 2024, then \$0.04 per 1,000 gallons for FY 2025

Future Water Program - \$0.02 per 1,000 gallons for FY 2022 through FY 2025

Capital Replacement Reserve - \$0.12 for FY 2022; \$0.13 for FY 2023 and \$0.14 for FY 2024 and FY 2025

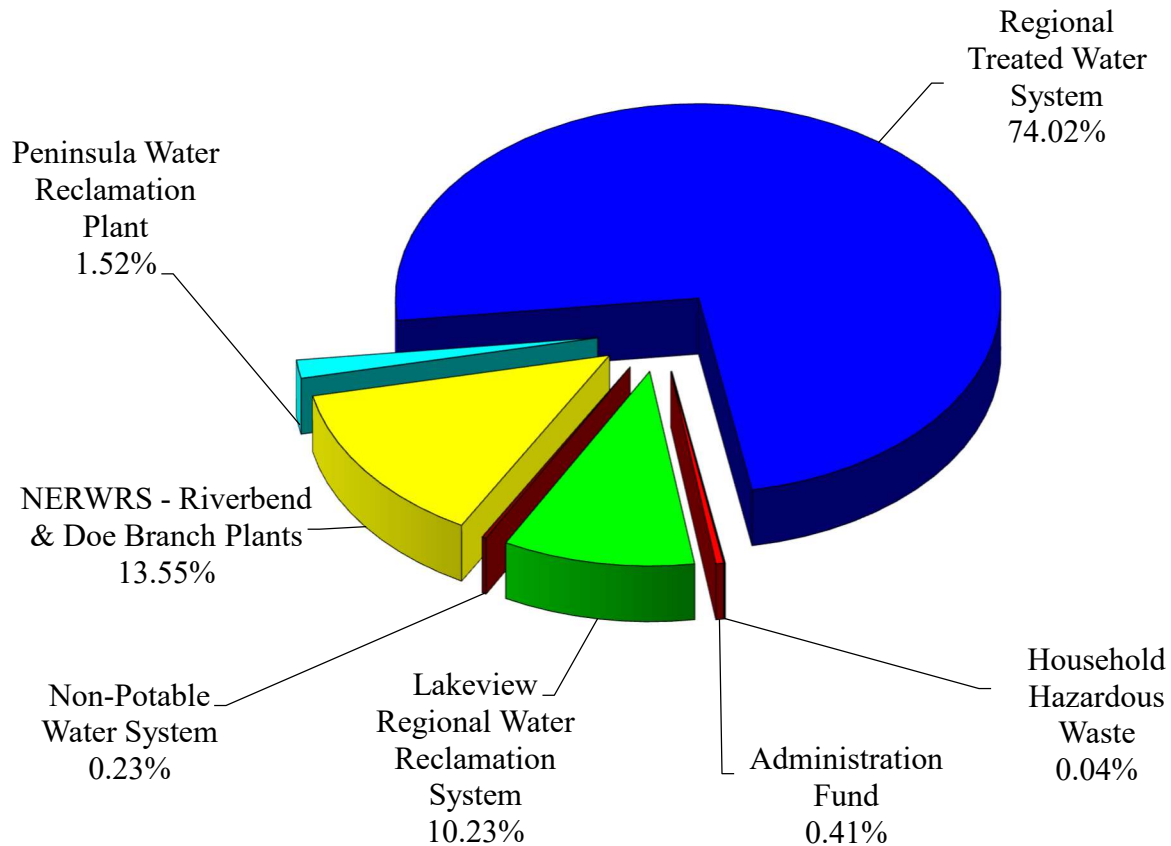
Lake Ralph Hall Reserve - Deposits made from working capital to offset future debt service

Non-Bond Capital Reserve - Deposits made from working capital to fund future CIP projects.

Budgeted Expenditures by Fund FY 2020 – 2021

All funds listed are enterprise funds, except for the General Fund.

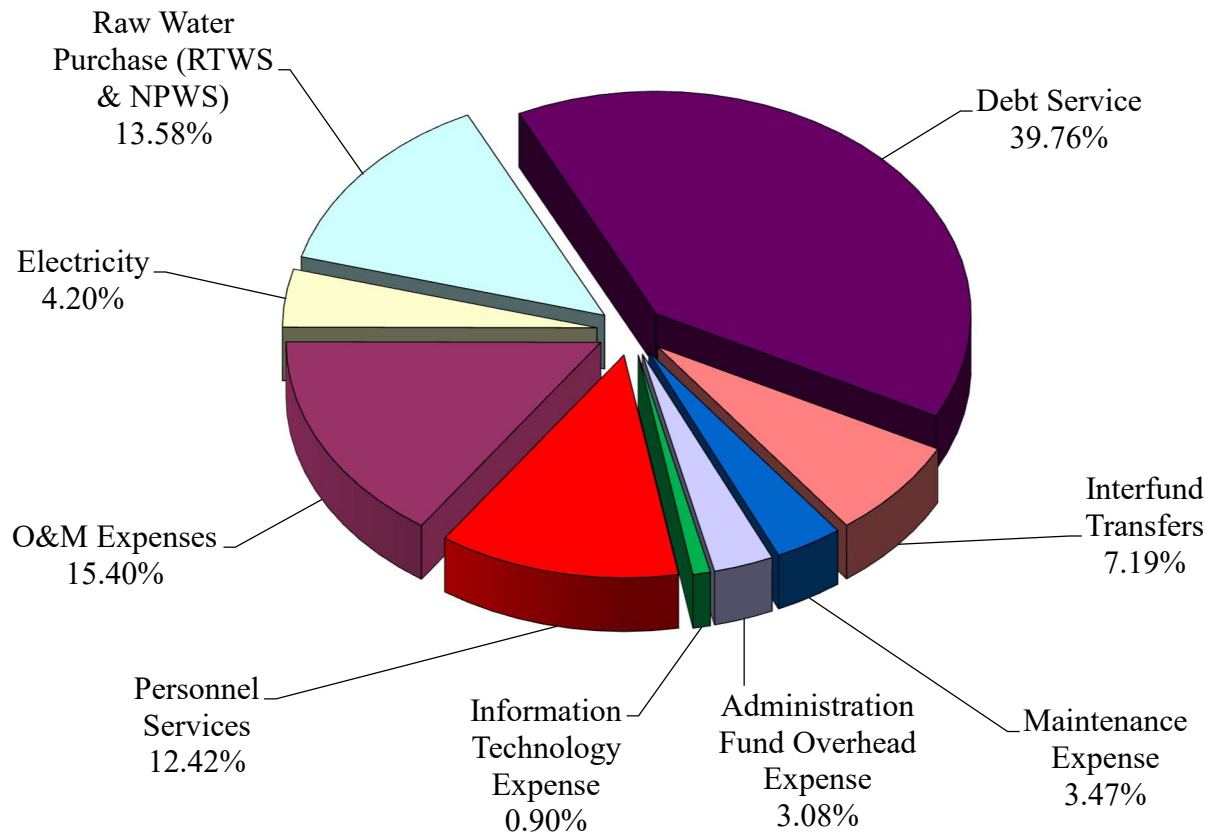
Fund	Budget
Administration Fund	\$ 272,255
Lakeview Regional Water Reclamation System	6,830,980
Non-Potable Water System	156,760
Northeast Regional Water Reclamation System	9,044,000
Peninsula Water Reclamation Plant	1,014,655
Regional Treated Water System	49,409,030
Household Hazardous Waste	26,295
TOTAL EXPENDITURES	<u>\$ 66,753,975</u>



Budgeted Expenditures by Category – All Funds FY 2020 – 2021

Category	Budget
Personnel Services	\$ 8,877,470
O&M Expenses	11,009,580
Electricity	3,003,150
Raw Water Purchase (RTWS & NPWS)	9,707,540
Debt Service	28,421,305
Interfund Transfers	5,142,360
Maintenance Expense	2,484,210
Administration Fund Overhead Expense	2,199,175
Information Technology Expense	643,280
Gross Expenditures before Allocations	\$ 71,488,070
Allocated to CIP Projects	(4,734,095)
TOTAL OPERATING EXPENDITURES	\$ 66,753,975

(Percentages shown below are based on Gross Expenditures.)

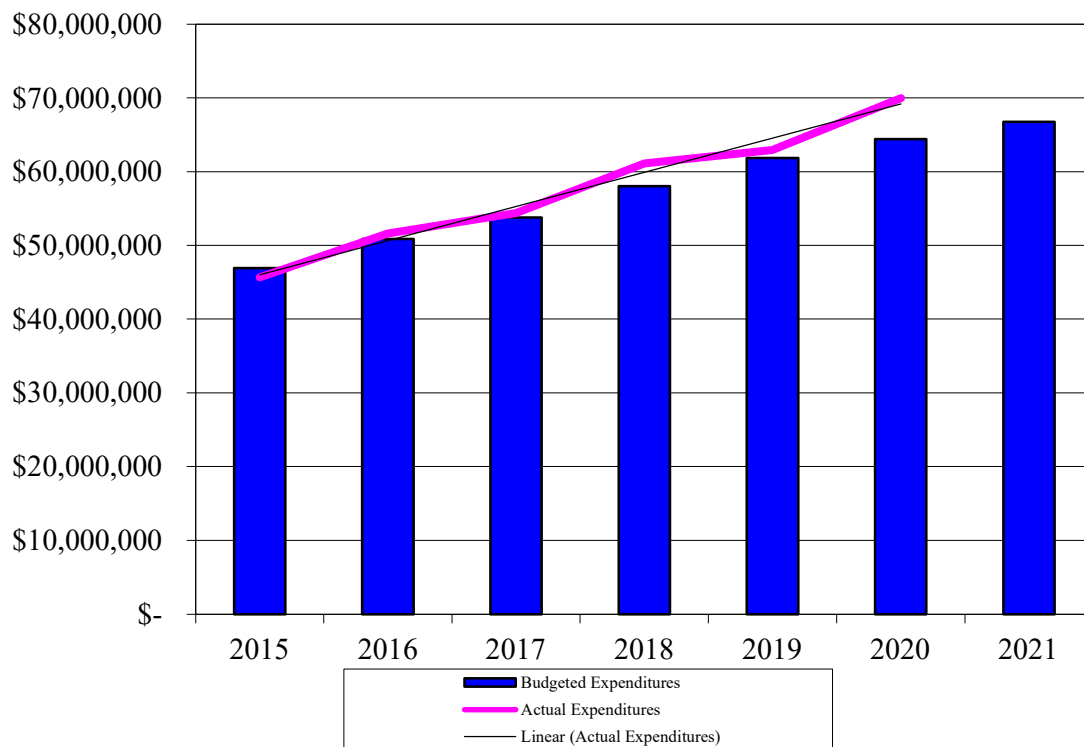


Historical Budget vs. Actual Expenditures FY 2015 – 2021

Fiscal Year	Budgeted Expenditures	Actual Expenditures *
2015	\$ 46,918,135	\$ 45,660,222
2016	\$ 50,884,690	\$ 51,617,927
2017	\$ 53,795,440**	\$ 54,403,501**
2018	\$ 58,025,700	\$ 61,096,892
2019	\$ 61,839,645	\$ 62,916,357
2020	\$ 64,406,455	\$ 69,970,325
2021	\$ 66,753,975	N/A

* - FYs 2015, 2016, 2017, 2018, 2019 and 2020 (Estimate) expenditure amounts include transfers of excess working capital of \$2.5M, \$4.6M, \$6.0M, \$5.7M, \$5.7M, and \$7.2M respectively, to various funds such as the O&M, Non-Bond Capital, Capital Replacement, and Lake Ralph Hall reserve funds, to be drawn upon in lieu of future debt issues and / or offsets to rate requirements.

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



All Funds Listing by Category

The Upper Trinity Regional Water District provides treated and non-potable water, water reclamation, and household hazardous waste disposal services. These services are accounted for in separate Enterprise Funds and receive support services from Internal Service Funds such as the Administration, Information Technology (IT), and Maintenance Funds, and are all considered Operating Funds.

The Capital Improvement Program consists of the construction cash reserve accounts of each system fund. For example, the Regional Treated Water System, Non-Potable Water System, Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants), and the Peninsula Water Reclamation Plant, each have their own construction cash reserve account. The Growth and Project Development Funds (Enterprise – System funds) only have their own operating cash accounts.

100% of Maintenance expenditures are allocated on a monthly basis 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 funds, based on a percentage of work orders completed by the Maintenance Department, from the prior fiscal year, for each System/Fund. Engineering expenditures are first directly expensed to various capital projects, with the remaining (indirect) expenses allocated to active construction projects in each fund's Capital Improvement Program, based on proportional basis of total expenses for each project. 100% of monthly Information Technology Fund expenses are allocated to the Administration Fund, then 95% of all Administration expenses are allocated to operating funds and active construction projects monthly. Additionally, each fund contains its own reserve accounts, in which transfers in and out are completed. See next page for the District's various Operating funds and their associated reserve funds.

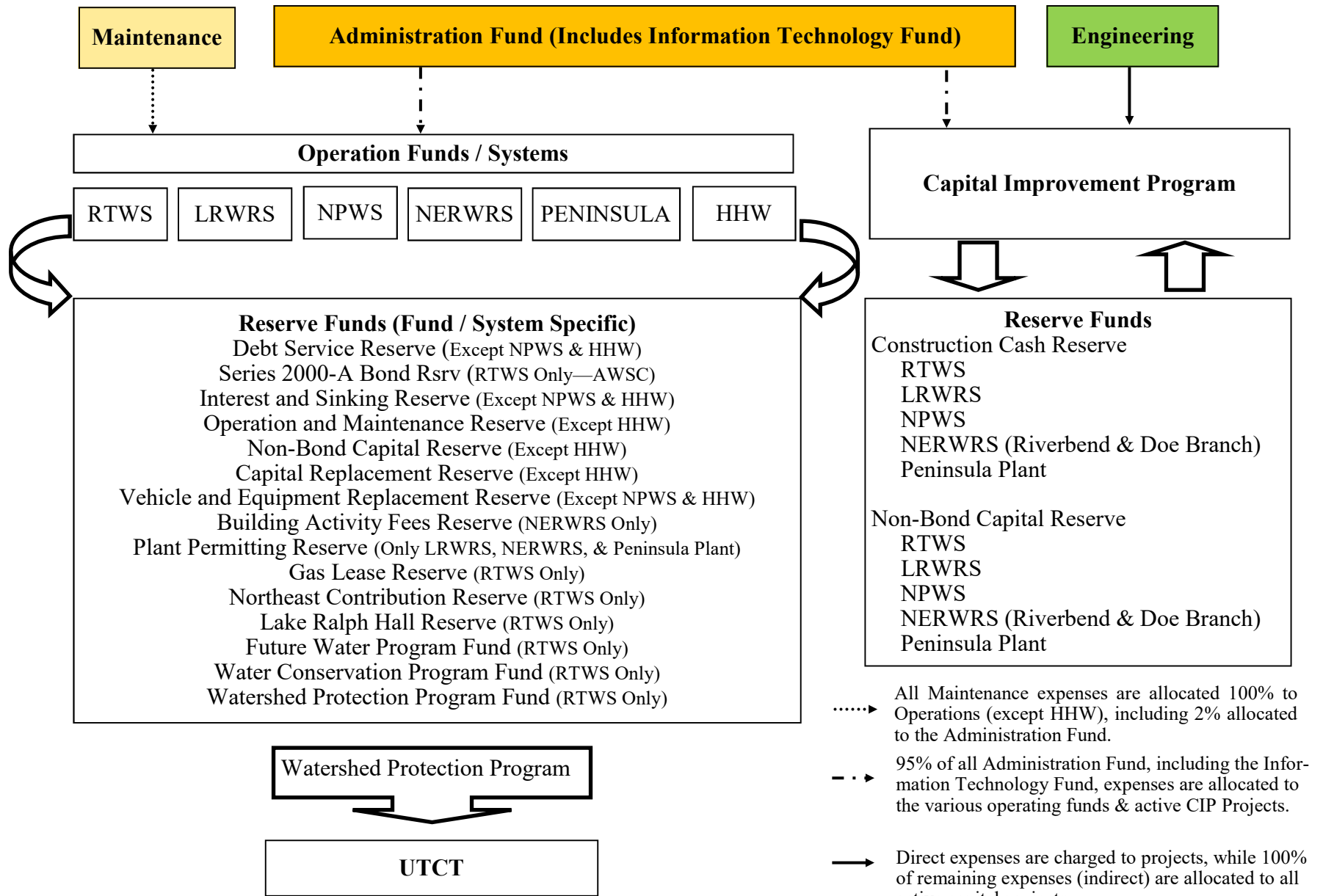
A flowchart that demonstrates the fund structure of the District is also included in this section.

District Funds / Systems and Related Reserve Funds

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

Operating Funds / Systems						
Reserve Funds	Administration / Information Technology Fund	Lakeview Regional Water Reclamation System	Non-Potable Water System	Northeast Regional Water Reclamation System (RB & DB Plants)	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
Watershed Protection Program						X
Water Conservation Program						X
Future Water Program						X
Lake Ralph Hall Reserve						X
Northeast Contribution Reserve						X
Gas Lease Reserve						X
Non-Bond Capital Reserve		X	X	X	X	X
Plant Permitting Reserve		X		X	X	
Building Activity Fees Reserve				X		
Vehicle and Equipment Replacement Reserve		X		X	X	X
Construction Cash Fund		X	X	X	X	X

UTRWD Fund Structure



UPPER TRINITY REGIONAL WATER DISTRICT

93

FY 2020 - 2021 Adopted Budget All Operating, Reserve, and Capital Funds - Combined

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
Beginning Balance	\$ 91,894,245	\$ 114,388,600	\$ 128,892,408	\$ 121,721,598
Less: Transfers from Working Capital / Carryforwards **	\$ (7,193,856)	\$ (4,276,330)	\$ (18,508,538)	\$ (29,127,650)
BEGINNING BALANCE Revised	\$ 84,700,389	\$ 110,112,270	\$ 110,383,870	\$ 92,593,948
Revenues				
Demand Charges	\$ 33,979,517	\$ 35,046,345	\$ 35,091,220	\$ 36,350,395
Capital Charges for Joint / Individual Facilities with Interim Finance Charges	5,505,177	5,968,255	5,968,260	7,064,705
Fixed O&M Costs for Joint Facilities	5,283,718	5,837,615	5,837,615	5,837,615
Charges for Services (HHW)	16,044	15,320	7,645	15,320
Fees for Administration and Planning	164,755	169,005	169,005	173,690
Contract Payments	811,787	657,965	653,220	411,845
Volume Revenues	11,531,071	12,789,435	13,322,185	13,919,205
Volume - Treated Effluent	18,051	36,000	28,720	36,000
Volume - Raw Water	-	3,325	3,325	3,430
Treatment and Transportation	4,424,419	3,744,650	4,598,135	4,291,835
Commercial Paper Proceeds	17,650,000	24,127,720	23,200,000	29,023,150
Bond Proceeds (Participant Contributions for Plant Expansions)	16,617,905	550,640	-	-
Texas Water Development Board				
SWIFT Deferred Interest Funds	8,561,310	13,589,870	5,801,165	15,120,775
SWIFT Board Participation Funds	6,104,652	23,363,090	22,286,495	77,672,240
SWIFT Subsidized Interest Funds	4,416,387	21,721,060	21,721,060	15,982,975
State Participation Funds	-	-	-	18,235,735
Reimbursements (Includes CIP Projects)	251,615	216,145	4,448,640	182,340
Contribution Sources	15,304,950	6,570,125	1,100	18,042,855
Watershed Partners Programs	3,875	3,875	3,775	3,875
Charitable Contributions	-	1,500	1,200	1,500
Building Activity Fees	379,350	59,625	22,435	23,070
Rental Revenues	173,998	218,855	195,460	172,905
Other Revenues (Includes Land & Easement Proceeds)	682,003	544,925	632,675	674,485
Interest Income	3,225,655	1,975,635	1,398,525	652,865
GASB 31 Adjustments to Investments (Non-Cash)	12,291	-	-	-
Total Revenues	\$ 135,119,190	\$ 157,210,980	\$ 145,391,860	\$ 243,892,810
Interfund Transfers *	\$ 55,153,675	\$ 45,293,440	\$ 65,930,793	\$ 73,184,600
Total Revenues and Interfund Transfers	\$ 190,272,865	\$ 202,504,420	\$ 211,322,653	\$ 317,077,410
Expenditures				
Administration Fund	\$ 196,822	\$ 237,995	\$ 227,490	\$ 251,895
Lakeview Regional Water Reclamation System	5,643,868	6,038,140	6,047,130	6,158,780
Non-Potable Water System	58,697	110,455	91,045	100,190
Northeast Regional Water Reclamation System	5,068,701	6,642,885	6,624,925	8,146,460
Peninsula Water Reclamation Plant	767,557	882,995	879,075	942,235
Regional Treated Water System	39,273,337	44,722,795	42,328,330	45,985,760
Household Hazardous Waste Program	24,182	26,450	17,050	26,295
Interest and Sinking Reserve Fund	26,544,451	28,157,730	27,271,340	27,571,930
Capital Improvement Program	44,609,492	120,824,030	76,382,805	175,836,435
Vehicle and Equipment Replacement Fund	46,675	-	49,525	-
Self-Insurance Fund	1,370,395	- *	1,494,160	1,611,290
Watershed Protection Program Fund	137,425	190,520	151,745	211,105
Water Conservation Program Fund	271,552	265,395	256,590	236,105
Future Water Program Fund	90,742	168,495	173,500	196,500
Upper Trinity Conservation Trust	17,467	30,000	16,575	40,000
Refund to Denton Fresh Water Supply District #7 (Lantana)	149,489	-	-	-
Total Expenditures	\$ 124,270,852	\$ 208,297,885	\$ 162,011,285	\$ 267,314,980
Interfund Transfers **	\$ 21,809,994	\$ 13,836,665	\$ 37,973,640	\$ 15,014,305
Total Expenditures and Interfund Transfers	\$ 146,080,846	\$ 222,134,550	\$ 199,984,925	\$ 282,329,285
Net Revenues / (Expenses)	\$ 44,192,019	\$ (19,630,130)	\$ 11,337,728	\$ 34,748,125
Ending Balance	\$ 128,892,408	\$ 90,482,140	\$ 121,721,598	\$ 127,342,073

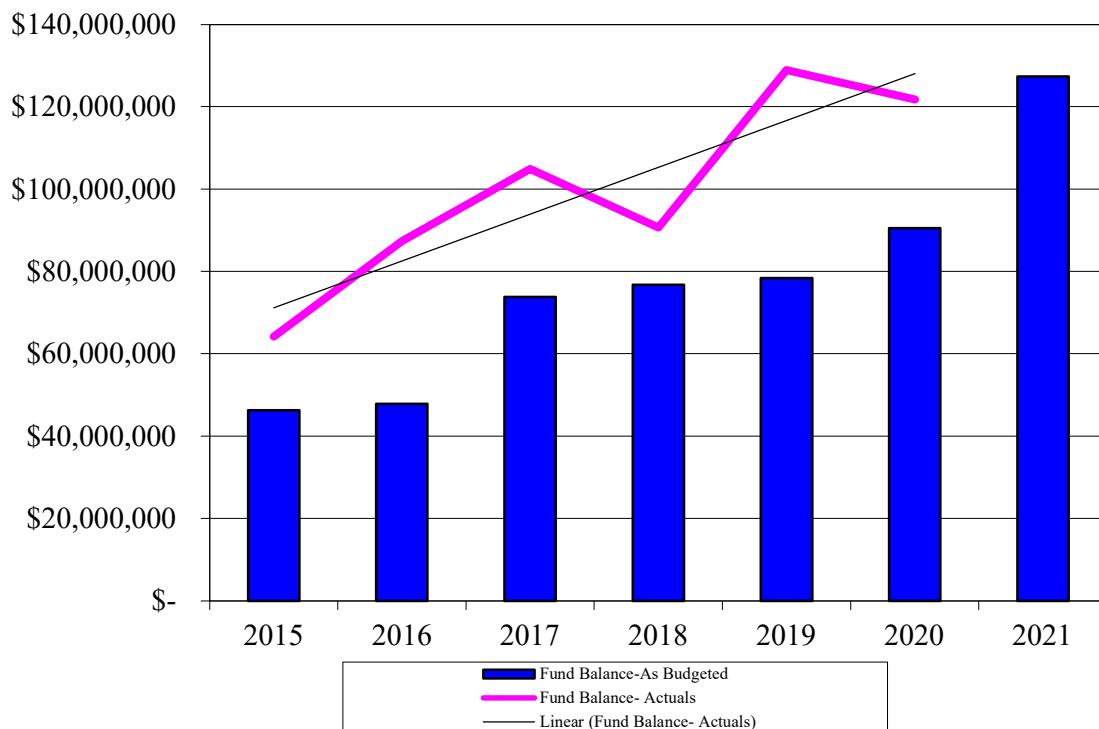
* The Self-Insurance Fund was excluded from the Adopted FY 2020 GFOA Budget.

** 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 Fund Balances
All Operating, Reserve, and Capital Combined Funds
FY 2015 – 2021

Fiscal Year	Budgeted Total Fund Balance	Actual Total Fund Balance
2015	\$ 46,305,088	\$ 64,215,284
2016	\$ 47,819,427	\$ 87,300,817
2017	\$ 73,786,961	\$ 104,874,695
2018	\$ 76,778,306	\$ 90,663,171
2019	\$ 78,348,390	\$ 128,892,408
2020	\$ 90,482,140	\$ 121,721,598 *
2021	\$ 127,342,073	N/A

* - Estimate



The above annual ending fund balances are the result of transactions between all District operations, capital improvement programs, and internal reserve funds. The differences between budgeted and actual fund balances are caused primarily from the District's capital improvement program activities. For example, the Adopted FY 2019 Budget did not reflect receiving 100% of funding for the Doe Branch Plant Expansion, Phase 3 project. This difference alone increased the estimated FY 2019 overall fund balance of approximately \$24.0 million. 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.

UPPER TRINITY REGIONAL WATER DISTRICT

FY 2020 - 2021 Adopted Budget

Operating Funds Combined Summary

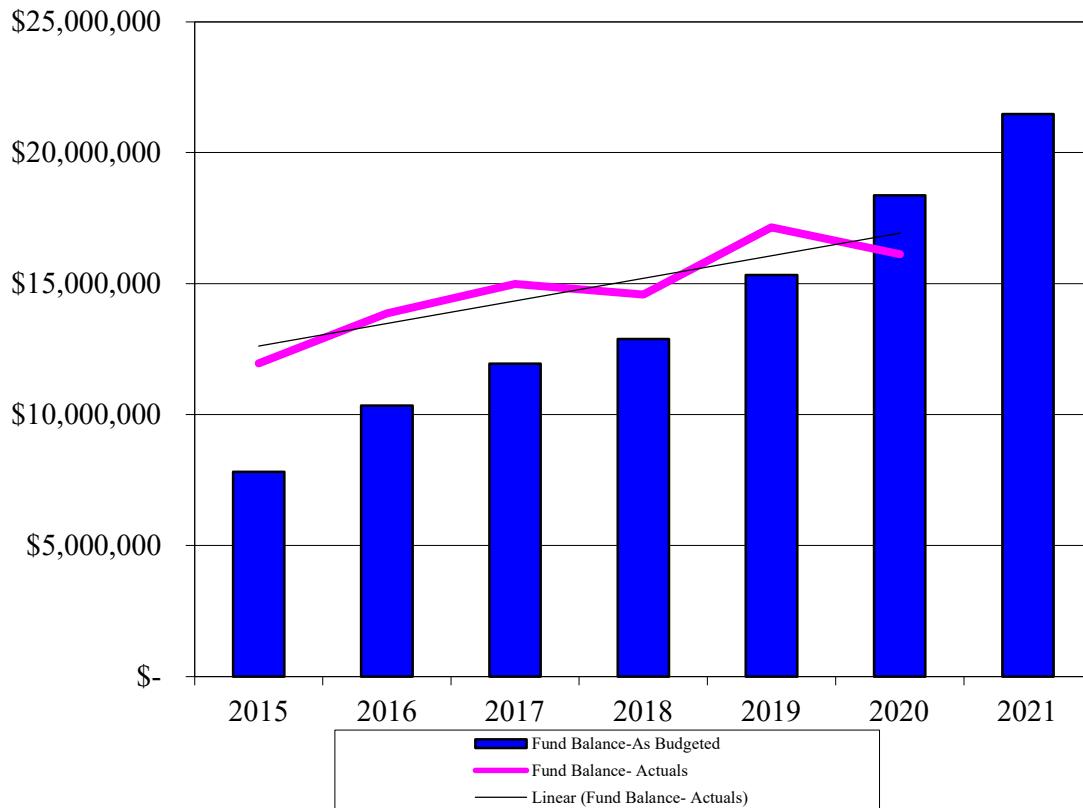
	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
Beginning Balance	\$ 14,576,244	\$ 15,053,854	\$ 17,153,457	\$ 16,115,197
Less: Transfers from Working Capital *	\$ (9,000)	\$ (67,000)	\$ (66,620)	\$ (11,000)
BEGINNING BALANCE Revised	\$ 14,567,244	\$ 14,986,854	\$ 17,086,837	\$ 16,104,197
Revenues				
Fixed				
Demand Charges (RTWS and NPWS)	\$ 33,979,517	\$ 35,046,345	\$ 35,091,220	\$ 36,350,395
Capital Charges for Joint / Individual Facilities with Interim Finance Charges (Water Reclamation Systems)	5,505,177	5,968,255	5,968,260	7,064,705
Fixed O&M Costs for Jt. Facilities (Water Recl. Systems)	5,283,718	5,837,615	5,837,615	5,837,615
Fees for Administration and Planning (Administration)	147,274	151,420	151,420	155,975
Contract Payments (RTWS)	811,787	657,965	653,220	411,845
Subtotal	\$ 45,727,473	\$ 47,661,600	\$ 47,701,735	\$ 49,820,535
Variable				
Volume Revenues (RTWS)	\$ 11,531,071	\$ 12,789,435	\$ 13,322,185	\$ 13,919,205
Volume - Treated Effluent (NPWS)	18,051	36,000	28,720	36,000
Volume - Raw Water (NPWS)	-	3,325	3,325	3,430
Treatment and Transportation (Water Recl. Systems)	4,424,419	3,744,650	4,598,135	4,291,835
Charges for Services (HHW)	16,044	15,320	7,645	15,320
Subtotal	\$ 15,989,585	\$ 16,588,730	\$ 17,960,010	\$ 18,265,790
Miscellaneous				
Rental Revenues	\$ 173,998	\$ 218,855	\$ 195,460	\$ 172,905
Other Revenues	682,003	544,925	632,675	674,485
Interest Income	996,870	861,250	437,155	331,450
Subtotal	\$ 1,852,871	\$ 1,625,030	\$ 1,265,290	\$ 1,178,840
Total Revenues	\$ 63,569,929	\$ 65,875,360	\$ 66,927,035	\$ 69,265,165
Interfund Transfers *	\$ 1,932,641	\$ 1,914,610	\$ 2,071,650	\$ 2,857,745
Total Revenues and Interfund Transfers	\$ 65,502,570	\$ 67,789,970	\$ 68,998,685	\$ 72,122,910
Expenditures (w/o Debt Service)				
Administration Fund	\$ 196,822	\$ 237,995	\$ 227,490	\$ 251,895
Lakeview Regional Water Reclamation System (LRWRS)	2,516,638	2,917,500	2,926,490	3,118,765
Non-Potable Water System (NPWS)	58,697	110,455	91,045	100,190
Northeast Regional Water Reclamation System (NERWRS)	3,174,853	4,120,530	4,102,570	4,628,080
Peninsula Water Reclamation Plant (PWRP)	697,828	813,305	810,280	873,400
Regional Treated Water System (RTWS)	17,677,413	22,847,855	20,556,855	24,191,685
Household Hazardous Waste Program (HHW)	24,182	26,450	17,050	26,295
Subtotal	\$ 24,346,433	\$ 31,074,090	\$ 28,731,780	\$ 33,190,310
Debt Service (Net of Capitalized Interest)				
Lakeview Regional Water Reclamation System	\$ 3,127,230	\$ 3,120,640	\$ 3,120,640	\$ 3,040,015
Northeast Regional Water Reclamation System	1,893,848	2,522,355	2,522,355	3,518,380
Peninsula Water Reclamation Plant (w/Fiscal Agent Fees)	69,729	69,690	68,795	68,835
Regional Treated Water System (w/Commercial Paper)	21,595,924	21,874,940	21,771,475	21,794,075
Subtotal	\$ 26,686,731	\$ 27,587,625	\$ 27,483,265	\$ 28,421,305
Total Expenditures and Debt Service	\$ 51,033,164	\$ 58,661,715	\$ 56,215,045	\$ 61,611,615
Interfund Transfers *	\$ 11,883,193	\$ 5,744,740	\$ 13,755,280	\$ 5,142,360
Total Expenditures and Interfund Transfers	\$ 62,916,357	\$ 64,406,455	\$ 69,970,325	\$ 66,753,975
Net Revenues / (Expenses)	\$ 2,586,213	\$ 3,383,515	\$ (971,640)	\$ 5,368,935
Ending Balance	\$ 17,153,457	\$ 18,370,369	\$ 16,115,197	\$ 21,473,132

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

Historical Fund Balances Operating Funds FY 2015 – 2021

Fiscal Year	Budgeted Total Fund Balance	Actual Total Fund Balance
2015	\$ 7,806,907	\$ 11,958,245
2016	\$ 10,340,487	\$ 13,857,854
2017	\$ 11,941,675	\$ 14,984,832
2018	\$ 12,878,910	\$ 14,576,244
2019	\$ 15,322,002	\$ 17,153,457
2020	\$ 18,370,369	\$ 16,115,197 *
2021	\$ 21,473,132	N/A

* - Estimate



The District's ending fund balances have steadily increased since FY 2015. However, as shown in the above graph, there were years (FY 2017 to FY 2018 and FY 2019 to FY 2020) 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.

FY 2015 operating results yielded an actual fund balance increase of \$4.2 million when compared to the budgeted fund balance. Actual operating revenues exceeded budgeted revenues by approximately \$1.1 million due to experiencing higher than projected treated water sales and wastewater flows treated. Additionally, this \$4.2 million increase is net of transferring excess working capital of approximately \$2.5 million (from FY 2014 operating results) to various District System reserve funds.

FY 2016 operating results yielded an actual fund balance increase of \$3.5 million when compared to the budgeted fund balance. Actual operating revenues exceeded budgeted revenues by approximately \$1.3 million due to experiencing higher than projected treated water sales and wastewater flows treated. This \$3.5 million increase is net of transferring excess working capital of approximately \$4.6 million (from FY 2015 operating results) to various District System reserve funds, including a loan of \$2.5 million from the Regional Treated Water System for interim construction funding for the expansion of the Riverbend Plant in the Northeast Regional Water Reclamation System.

FY 2017 operating results yielded an actual fund balance increase of \$3.0 million when compared to the budgeted fund balance, even after transferring approximately \$6.0 million of excess working capital (savings from FY 2016 budgeted expenses versus actual results, as well as repayment of a \$2.5 million loan from 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 \$491,000 due to higher than projected treated water sales and wastewater flows treated in the Northeast Regional Water Reclamation System.

FY 2018 operating results yielded an actual fund balance increase of \$1.7 million when compared to the budgeted fund balance, even after transferring approximately \$5.7 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 \$2.4 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 actual operating revenues exceeded budgeted revenues by approximately \$843,565 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 \$752,000 due largely from higher rainfall experienced in the District's service area. The actual ending fund balance for FY 2019 versus the budgeted ending fund balance yielded an increase of \$1.8 million. This increase includes transferring \$5.7 million of excess working capital (from FY 2018 results) being transferred to various District System reserve funds.

The FY 2020 estimated ending fund balance is projected to decrease by approximately \$2.3 million due to transferring approximately \$7.2 million of excess working capital (savings from FY 2019 budgeted expenses versus actual results) to various District System reserve funds. FY 2020

estimated operating revenues are projected to exceed budgeted revenues by \$1.2 million due to higher than projected wastewater flows treated in the District's wastewater systems. Additionally, interest income is projected to decrease 45% to 50% (District-wide) from initial projections due to the economic downturn caused by the Covid-19 pandemic.

The FY 2021 budgeted ending fund balance is projected to increase by \$5.4 million from estimated FY 2020 ending fund balance (a \$3.1 million increase from the FY 2020 budgeted ending fund balance). This is due to setting FY 2021 rates and charges for the operating systems to yield a \$5.4 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 2021 cash basis bond coverage ratios for the District's Systems with Debt are as follow: Regional Treated Water System – 1.20, Lakeview Regional Water Reclamation System – 1.15, Northeast Regional Water Reclamation System – 1.27 (only by transferring in \$600,000 from this System's Non-Bond Capital Reserve fund in lieu of a rate increase), Peninsula Water Reclamation Plant – 1.72.

DEBT SERVICE FUNDS

The following types of reserve funds are used to account for funds received from debt issues.

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.

Regional Treated Water System

FY 2020 - 2021 Adopted Budget

Schedule of Requirements

Series	Description	TIC *	Maturity	Principal	Interest	Total	Notes
2008	TWDB Water Infrastructure Funds	0.83%	2028	\$ 965,000	\$ 202,655	\$ 1,167,655	1
2012	Revenue Bonds (Refunding)	3.25%	2029	795,000	276,080	1,071,080	2
2012 A	Revenue Bonds (Refunding)	3.58%	2037	1,370,000	1,068,180	2,438,180	3
2013	Revenue Bonds (Refunding)	3.11%	2030	1,090,000	378,490	1,468,490	4
2015	Revenue Bonds (Refunding)	3.06%	2044	2,625,000	1,411,630	4,036,630	5
2015	TWDB Board Participation Bonds	4.02%	2050	-	187,710	187,710	6
2016	Revenue Bonds (Refunding)	2.27%	2032	2,880,000	865,700	3,745,700	7
2017	Revenue Bonds (CP Conversion)	3.31%	2047	440,000	570,350	1,010,350	8
2018	TWDB SWIFT Subsidized Bonds	2.68%	2043	240,000	179,170	419,170	9
2019	TWDB SWIFT Subsidized Bonds	2.02%	2044	635,000	318,530	953,530	10
2019A	Revenue Bonds (CP Conversion)	2.88%	2049	390,000	615,990	1,005,990	11
2020	Revenue Bonds (Refunding)	0.51%	2026	2,200,000	462,730	2,662,730	12
2020	TWDB SWIFT Subsidized Bonds	1.77%	2045	620,000	164,505	784,505	13
Total				\$ 14,250,000	\$ 6,701,720	\$ 20,951,720	

* True Interest Cost

This schedule represents the 2020 - 2021 debt service payments due on each outstanding Regional Treated Water System bond issue. However, one debt issue listed for the 2021 fiscal year period includes a \$15.84 million issue (3rd) to complete the Parallel Pipeline from the Taylor RWTP to the Stone Hill Pump Station project. The debt service amount (\$784,505) for this issue is an estimate. For future debt issues during the five-year planning period (FY 2021 - FY 2025), refer to the Capital Improvement Program section of this budget document.

Notes:

- 1 \$10.4 million Texas Water Development Board (TWDB) Water Infrastructure Funds were issued for initial planning and permitting efforts for the Lake Ralph Hall project. Funds were issued in FY 2008 with a 10-year payment deferral with payments beginning in FY 2018.
- 2 \$13.8 million bond issue to refund future principal maturities of a previous bond issue from 2002 (\$16.5 million - used to construct a variety of capital projects including raw and treated water pipelines and renovations to the District's Administration building).
- 3 \$37.0 million bond issue to convert \$15.0 million of Commercial Paper (used for various capital projects including the Harpool RWTP) to long-term debt and to repurchase (refund) outstanding bonds held by the TWDB from 1999 (\$17.2 million), originally issued to expand the Taylor RWTP from 20 to 70 mgd.
- 4 \$16.6 million bond issue to refund future principal maturities of a previous bond issue from 2004 (\$23.0 million - used to construct the Tom Harpool RWTP and associated treated water pipelines).
- 5 \$48.4 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 \$34.3 million to refund the FY 2016 principal payment for the 2004 bond issue (\$23.0 million - see Note 4 above), as well as future maturities of the Series 2005 bond issue (\$43.8 million issue - used to refund previous bond issues from 1999 of \$15.6 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 \$25.0 million used for continued expansion of the Taylor RWTP and northeast and southwest pipelines, and the Series 2001 bonds of \$20.6 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.
- 6 \$15.6 million TWDB Board (Board Participation) funding for the purchase of land and easements for the future Lake Ralph Hall.
- 7 \$33.6 million bond issue to refund future principal maturities of previously issued refunding bonds from 2006 of \$9.7 million (originally used to refund the 1998 bond issue that refunded the original issues from 1993 of \$2.8 million, 1994 of \$3.4 million, 1995 of \$4.7 million, and 1996 of \$15.1 million, that were all used for the construction of the Taylor RWTP and associated pipelines), and from 2007 (\$26.7 million) originally used to refinance \$22.0 million of Commercial Paper issued for the initial phase of the Harpool RWTP and treated water pipelines.
- 8 \$18.1 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.
- 9 \$7.6 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.
- 10 \$18.6 million TWDB (SWIFT Subsidized Interest Funding) issue to continue with the Parallel Pipeline project (See Note 9 above).
- 11 \$19.7 million bond issue to convert \$20.0 million of Commercial Paper (used for various capital projects, including Lake Ralph Hall) and have a 30-year term.
- 12 \$12.2 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.
- 13 Preliminary \$15.8 million issue for the completion of the Parallel Pipeline project (See Note 9 above).

Regional Treated Water System
FY 2020 - 2021 Adopted Budget
Long-Term Debt Indebtedness to Maturity

Year	Principal	Interest	Total	
2020 - 2021	\$ 14,250,000	\$ 6,701,720	\$ 20,951,720	*
2021 - 2022	12,650,000	6,118,950	18,768,950	
2022 - 2023	13,180,000	5,937,290	19,117,290	
2023 - 2024	14,620,000	6,188,925	20,808,925	
2024 - 2025	15,180,000	6,241,155	21,421,155	
2025 - 2026	13,485,000	5,853,365	19,338,365	
2026 - 2027	11,550,000	5,523,855	17,073,855	
2027 - 2028	10,735,000	5,270,090	16,005,090	
2028 - 2029	10,220,000	5,605,530	15,825,530	
2029 - 2030	7,735,000	5,383,155	13,118,155	
2030 - 2031	6,565,000	5,129,180	11,694,180	
2031 - 2032	6,795,000	4,900,785	11,695,785	
2032 - 2033	6,475,000	5,610,735	12,085,735	
2033 - 2034	6,705,000	5,385,085	12,090,085	
2034 - 2035	5,445,000	5,144,585	10,589,585	
2035 - 2036	6,405,000	4,380,385	10,785,385	
2036 - 2037	6,640,000	4,149,030	10,789,030	
2037 - 2038	5,935,000	3,920,010	9,855,010	
2038 - 2039	6,150,000	3,718,350	9,868,350	
2039 - 2040	7,130,000	2,563,165	9,693,165	
2040 - 2041	7,375,000	2,320,185	9,695,185	
2041 - 2042	7,625,000	2,066,050	9,691,050	
2042 - 2043	7,300,000	1,803,140	9,103,140	
2043 - 2044	7,130,000	1,550,035	8,680,035	
2044 - 2045	6,165,000	1,300,495	7,465,495	
2045 - 2046	4,405,000	1,073,020	5,478,020	
2046 - 2047	4,570,000	920,250	5,490,250	
2047 - 2048	4,250,000	761,685	5,011,685	
2048 - 2049	4,400,000	614,290	5,014,290	
2049 - 2050	3,555,000	461,595	4,016,595	
2050 - 2051	2,260,000	331,470	2,591,470	
2051 - 2052	2,345,000	253,270	2,598,270	
2052 - 2053	2,440,000	172,135	2,612,135	
2053 - 2054	2,535,000	87,710	2,622,710	
Total	\$ 254,205,000	\$ 117,440,675	\$ 371,645,675	

* This amount includes the preliminary debt service payment (Principal and Interest) of \$784,505 for the Series 2020A Texas Water Development Board (TWDB) Subsidized Interest bonds for \$15.84 million (projected for issuance in November 2020) and is the third tranche of bonds for the completion of the Parallel Pipeline project.

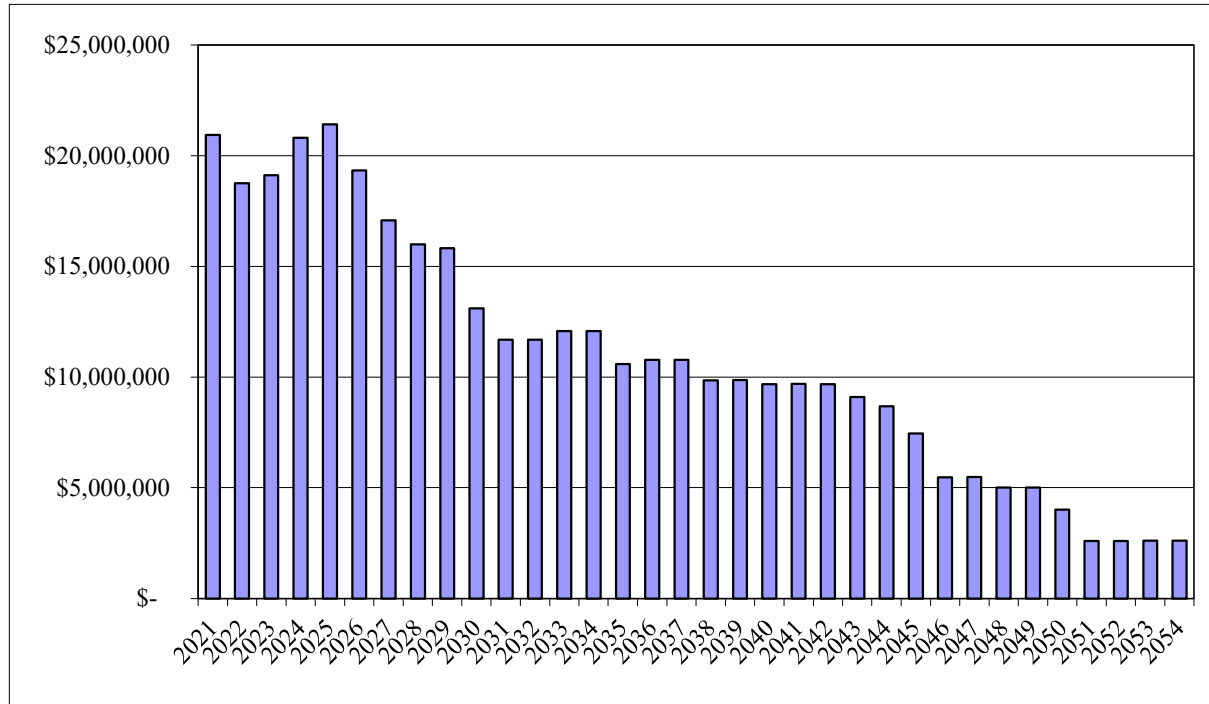
This schedule represents annual debt service payments on all outstanding (as of 9/30/2021) Regional Treated Water System bonds and loans through maturity. In addition, the above annual amounts include:

- Series 2015 State Water Implementation Revenue Funds (\$29.1 million) used for planning, permitting, and engineering activities for the Lake Ralph Hall project with debt service deferred through FY 2023. Annual payments of \$1.6 to \$2.0 million begin FY 2024 and end in FY 2045.
- Series 2015 Texas Water Development Board Participation Funds (\$15.6 million) used for land purchases and mitigation activities for the Lake Ralph Hall project. 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 Texas Water Development Board Participation Funds (\$30.0 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.

For future debt issues planned during the five-year planning period (FY 2021 - FY 2025), refer to the Capital Improvement Program section of this budget document.

Regional Treated Water System FY 2020 - 2021 Adopted Budget

Graph of Existing Long-Term Debt Indebtedness to Maturity



**Regional Treated Water System
Debt Service Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 11,213,566	\$ 11,213,566	\$ 11,236,791	\$ 11,236,791
REVENUES				
Deposit				
Series 2020 Refunding Bonds				
(\$28.0M Commercial Paper)	-	550,640	-	-
Interest Income	244,277	168,205	85,835	65,905
GASB 31 Adjustments	8,194	-	-	-
TOTAL REVENUES	\$ 252,471	\$ 718,845	\$ 85,835	\$ 65,905
EXPENDITURES				
Interfund Transfer - Operations	229,246	168,205	85,835	65,905
TOTAL EXPENDITURES	\$ 229,246	\$ 168,205	\$ 85,835	\$ 65,905
ENDING CASH BALANCE 9/30	\$ 11,236,791	\$ 11,764,206	\$ 11,236,791	\$ 11,236,791

Regional Treated Water System
Series 2000-A Bonds Debt Service Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ -	\$ 393,835	\$ 387,058	\$ 575,843
Transfer to Operations				\$ (116,000)
BEGINNING CASH BALANCE Revised				\$ 459,843
REVENUES				
Interfund Transfers				
Operations	387,058	193,530	188,785	-
Working Capital	-	-	-	116,000
Interest Income	-	8,810	-	-
TOTAL REVENUES	\$ 387,058	\$ 202,340	\$ 188,785	\$ 116,000
EXPENDITURES				
Interfund Transfer - Operations	-	-	-	116,000
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 116,000
ENDING CASH BALANCE 9/30	\$ 387,058	\$ 596,175	\$ 575,843	\$ 459,843

FY 2021 Ending Balance decrease of \$136,332 is due to transferring \$116,000 from previous collections received from Argyle Water Supply Corporation (AWSC) who purchased their share of the Argyle Joint Ground Storage Tank (a joint-project between the District and AWSC), to operations for the offsetting of debt service from bond issues used to complete this project. Additionally, no interest was posted to this reserve, but instead was posted to Operating Cash of the System.
--

**Regional Treated Water System
Interest and Sinking Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,051,273	\$ 1,171,118	\$ 1,010,063	\$ 1,038,978
Transfer to Operations	\$ (41,210)			
BEGINNING CASH BALANCE Revised	\$ 1,010,063			
REVENUES				
Interfund Transfers				
Operations	20,298,934	21,022,065	20,851,470	20,951,720
Working Capital	41,210	-	-	-
Interest Income	117,747	106,925	28,915	18,890
TOTAL REVENUES	\$ 20,457,891	\$ 21,128,990	\$ 20,880,385	\$ 20,970,610
EXPENDITURES				
Debt Service	20,457,891	21,022,065	20,851,470	20,951,720
TOTAL EXPENDITURES	\$ 20,457,891	\$ 21,022,065	\$ 20,851,470	\$ 20,951,720
ENDING CASH BALANCE 9/30	\$ 1,010,063	\$ 1,278,043	\$ 1,038,978	\$ 1,057,868

FY 2021 Ending Balance decrease of \$220,175 is due to lower than projected interest income based on current market conditions in FY 2020 from the Covid-19 pandemic.

Lakeview Regional Water Reclamation System FY 2020 - 2021 Adopted Budget

Schedule of Requirements

Series	Description	TIC *	Maturity	Principal	Interest	Total	Notes
2012	Revenue Bonds (Refunding)	2.91%	2028	\$ 540,000	\$ 75,890	\$ 615,890	1
2012A	Revenue Bonds (Refunding)	3.11%	2028	1,045,000	399,890	1,444,890	2
2014	Revenue Bonds (Refunding)	3.08%	2030	180,000	63,875	243,875	3
2015	Revenue Bonds	3.38%	2035	150,000	97,645	247,645	4
2020	Revenue Bonds (Refunding)	0.90%	2035	400,000	83,345	483,345	5
Total				\$ 2,315,000	\$ 720,645	\$ 3,035,645	

* True Interest Cost

This schedule represents the 2020 - 2021 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 2021 - FY 2025), refer to the Capital Improvement Program section of this budget document.

Notes:

- 1 \$6.5 million bond issue to refund future principal maturities of a previous bond issue from 2001 (\$6.7 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 (\$1.4 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.
- 2 \$16.2 million bond issue to refund future principal maturities of a previous bond issue from 2003 (\$7.3 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 (\$8.7 million - used in conjunction with the 1996 TWDB State Participation bonds discussed in Note 1 above). This issue has a 16-year term with the final payment due in FY 2028.
- 3 \$3.2 million bond issue to refund future principal maturities of a previous refunding bond issue from 2005 (\$5.2 million - used to refund future maturities of two previous bond issues of 1995A and 1995B of \$1.6 million and \$190,000, 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 \$4.0 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.
- 4 \$3.6 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.
- 5 \$3.9 million bond issue to refund future principal maturities of two previous refunding bond issues from (2006 and 2011) that were also to refund earlier bond issues from 1996 (\$9.8 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 (\$4.6 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.

Lakeview Regional Water Reclamation System FY 2020 - 2021 Adopted Budget

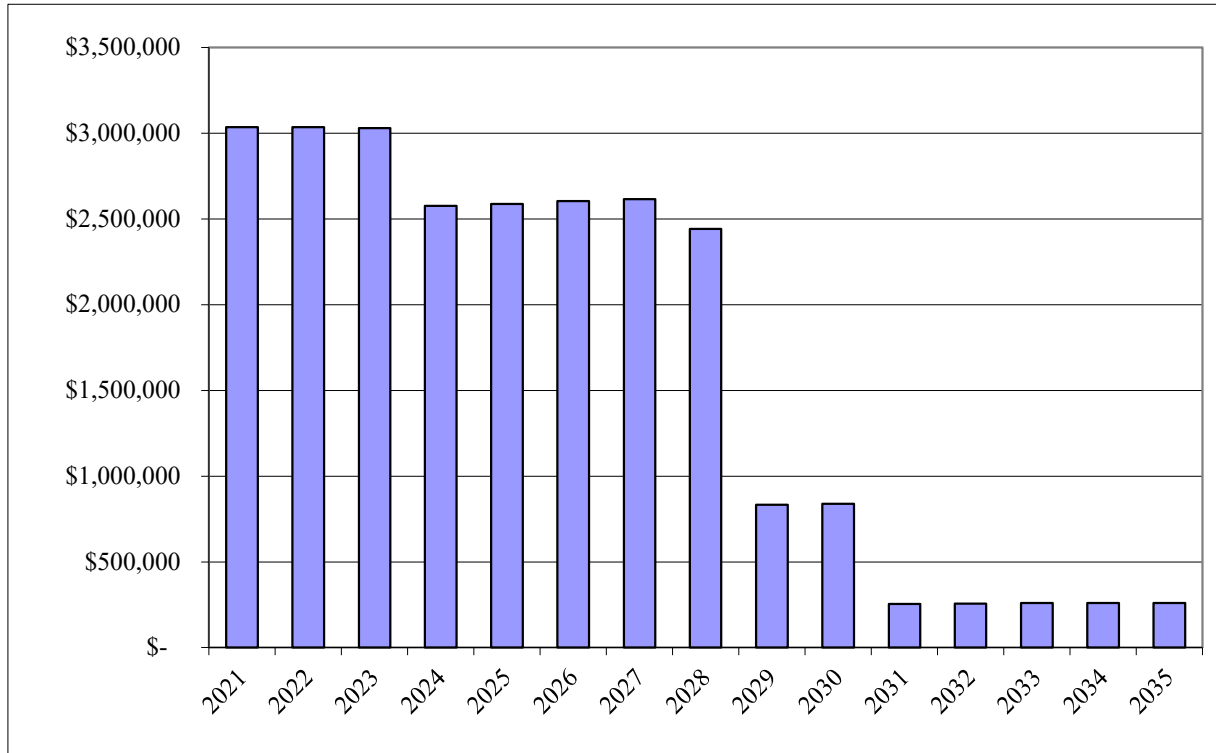
Long-Term Debt Indebtedness to Maturity

Year	Principal	Interest	Total
2020 - 2021	\$ 2,315,000	\$ 720,645	\$ 3,035,645
2021 - 2022	2,375,000	660,895	3,035,895
2022 - 2023	2,445,000	585,120	3,030,120
2023 - 2024	2,085,000	491,805	2,576,805
2024 - 2025	2,180,000	407,930	2,587,930
2025 - 2026	2,285,000	319,380	2,604,380
2026 - 2027	2,370,000	245,980	2,615,980
2027 - 2028	2,275,000	168,175	2,443,175
2028 - 2029	740,000	92,445	832,445
2029 - 2030	770,000	68,895	838,895
2030 - 2031	210,000	43,850	253,850
2031 - 2032	220,000	36,500	256,500
2032 - 2033	230,000	28,800	258,800
2033 - 2034	240,000	19,600	259,600
2034 - 2035	250,000	10,000	260,000
Total	\$ 20,990,000	\$ 3,900,020	\$ 24,890,020

This schedule represents annual debt service payments on all currently outstanding Lakeview Regional Water Reclamation System bonds through maturity. For future debt issues during the five-year planning period (FY 2021 - FY 2025), refer to the Capital Improvement Program section of this budget document.

Lakeview Regional Water Reclamation System FY 2020 - 2021 Adopted Budget

Graph of Existing Long-Term Debt Indebtedness to Maturity



Lakeview Regional Water Reclamation System
Debt Service Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 2,210,844	\$ 2,210,844	\$ 2,216,533	\$ 2,216,533
REVENUES				
Interest Income	36,833	49,745	23,500	17,760
GASB 31 Adjustment	4,097	-	-	-
TOTAL REVENUES	\$ 40,930	\$ 49,745	\$ 23,500	\$ 17,760
EXPENDITURES				
Interfund Transfer - Operations	35,241	49,745	23,500	17,760
TOTAL EXPENDITURES	\$ 35,241	\$ 49,745	\$ 23,500	\$ 17,760
ENDING CASH BALANCE 9/30	\$ 2,216,533	\$ 2,210,844	\$ 2,216,533	\$ 2,216,533

Lakeview Regional Water Reclamation System
Interest and Sinking Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 161,537	\$ 175,292	\$ 150,394	\$ 154,494
Transfer to Operations	\$ (11,143)			
BEGINNING CASH BALANCE Revised	\$ 150,394			
REVENUES				
Interfund Transfers				
Operations	3,093,712	3,116,395	3,116,395	3,035,645
Working Capital	11,143	-	-	-
Interest Income	18,039	17,970	4,100	2,240
TOTAL REVENUES	\$ 3,122,894	\$ 3,134,365	\$ 3,120,495	\$ 3,037,885
EXPENDITURES				
Debt Service	3,122,894	3,116,395	3,116,395	3,035,645
TOTAL EXPENDITURES	\$ 3,122,894	\$ 3,116,395	\$ 3,116,395	\$ 3,035,645
ENDING CASH BALANCE 9/30	\$ 150,394	\$ 193,262	\$ 154,494	\$ 156,734

FY 2021 Ending Balance decrease of \$36,528 is due to lower than projected interest income based on current market conditions in FY 2020 from the Covid-19 pandemic.
--

**Northeast Regional Water Reclamation System -
Riverbend Plant
FY 2020 - 2021 Adopted Budget**

Schedule of Requirements

Series	Description	TIC *	Maturity	Principal	Interest	Total	Notes
2002	State Participation	5.71%	2035	\$ -	\$ 233,435	\$ 233,435	1
2016	TWDB "D" Funds	3.30%	2045	-	365,880	365,880	2
2017	TWDB "D" Funds	3.89%	2045	-	898,390	898,390	3
2019	Revenue and Refunding Bonds	3.94%	2032	150,000	113,200	263,200	4
Total				\$ 150,000	\$ 1,610,905	\$ 1,760,905	

* True Interest Cost

This schedule represents the 2020 - 2021 debt service payments due on each outstanding Northeast Regional Water Reclamation System (Riverbend Plant) bond issue. For future debt issues during the five-year planning period (FY 2021 - FY 2025), refer to the Capital Improvement Program section of this budget document.

Notes:

- 1 \$2.3 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.
- 2 \$11.6 million bond issue to refund a \$1.1 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 \$2.5 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.
- 3 \$24.0 million bond issue to be used for the Riverbend Water Reclamation Plant Expansion, Phase 3. This issue has a 29-year term with Interest-only payments thru FY 2022, with Principal and Interest payments for FY 2023 - FY 2045.
- 4 \$28.4 million bond issue to refund \$2.7 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. Additionally, a portion of the Series 2019 bond issue was used to refund \$10.0 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 \$11.1 million of new funding for for the City of Celina's portion of the Doe Branch Plant Expansion, Phase 2 project, and \$4.6 million to fund excess plant capacity. The FY 2021 debt service amount of \$263,200 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.

**Northeast Regional Water Reclamation System -
Riverbend Plant
FY 2020 - 2021 Adopted Budget**

Long-Term Debt Indebtedness to Maturity

Year	Principal	Interest	Total
2020 - 2021	\$ 150,000	\$ 1,610,905	\$ 1,760,905
2021 - 2022	255,000	1,491,585	1,746,585
2022 - 2023	645,000	1,479,810	2,124,810
2023 - 2024	980,000	1,458,955	2,438,955
2024 - 2025	1,140,000	1,430,860	2,570,860
2025 - 2026	1,240,000	1,398,285	2,638,285
2026 - 2027	1,320,000	1,361,565	2,681,565
2027 - 2028	1,565,000	1,320,350	2,885,350
2028 - 2029	1,625,000	1,269,355	2,894,355
2029 - 2030	1,695,000	1,213,390	2,908,390
2030 - 2031	1,760,000	1,152,440	2,912,440
2031 - 2032	1,840,000	1,087,060	2,927,060
2032 - 2033	1,655,000	1,016,755	2,671,755
2033 - 2034	1,725,000	954,555	2,679,555
2034 - 2035	1,810,000	888,410	2,698,410
2035 - 2036	1,665,000	817,535	2,482,535
2036 - 2037	1,745,000	756,655	2,501,655
2037 - 2038	1,820,000	691,255	2,511,255
2038 - 2039	1,905,000	618,680	2,523,680
2039 - 2040	1,995,000	542,700	2,537,700
2040 - 2041	2,085,000	463,140	2,548,140
2041 - 2042	2,180,000	379,970	2,559,970
2042 - 2043	2,280,000	292,465	2,572,465
2043 - 2044	2,390,000	199,530	2,589,530
2044 - 2045	2,505,000	102,110	2,607,110
Total	\$ 39,975,000	\$ 23,998,315	\$ 63,973,315

This schedule represents annual debt service payments on all currently outstanding Northeast Regional Water Reclamation System (Riverbend Plant) bonds through maturity. For future debt issues during the five-year planning period (FY 2021 - FY 2025), refer to the Capital Improvement Program section of this budget document.

**Northeast Regional Water Reclamation System -
Doe Branch Plant
FY 2020 - 2021 Adopted Budget**

Schedule of Requirements

Series	Description	TIC *	Maturity	Principal	Interest	Total	Notes
2019	Revenue and Refunding Bonds	3.94%	2048	\$ 610,000	\$ 1,144,825	\$ 1,754,825	1
Total				\$ 610,000	\$ 1,144,825	\$ 1,754,825	

* True Interest Cost

This schedule represents the 2020 - 2021 debt service payment due on the outstanding Northeast Regional Water Reclamation System (Doe Branch Plant) bond issue. The issue shown above includes debt service for the refunded Series 2014 Doe Branch Plant Revenue Bond issue and for the portion of the 2019 bond issue to fund the Phase 2 expansion of the Doe Branch Plant. For future debt issues during the five-year planning period (FY 2021 - FY 2025), refer to the Capital Improvement Program section of this budget document.

Notes:

- 1 \$28.4 million bond issue to refund \$2.7 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. Additionally, a portion of the Series 2019 bond issue was used to refund \$10.0 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 \$11.1 million of new funding for the City of Celina's portion of the Doe Branch Plant Expansion, Phase 2 project, and \$4.6 million to fund excess plant capacity. The FY 2021 debt service amount of \$1,754,825 is made up of \$759,925 (City of Celina's portion for their initial capacity in the construction of the Doe Branch Plant), \$704,775 (Celina's portion for their additional capacity from the phase 2 expansion of the Doe Branch Plant), and \$290,125 (due from all Doe Branch Plant participants for excess capacity provided during the phase 2 expansion of the Doe Branch Plant). 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.

**Northeast Regional Water Reclamation System -
Doe Branch Plant
FY 2020 - 2021 Adopted Budget**

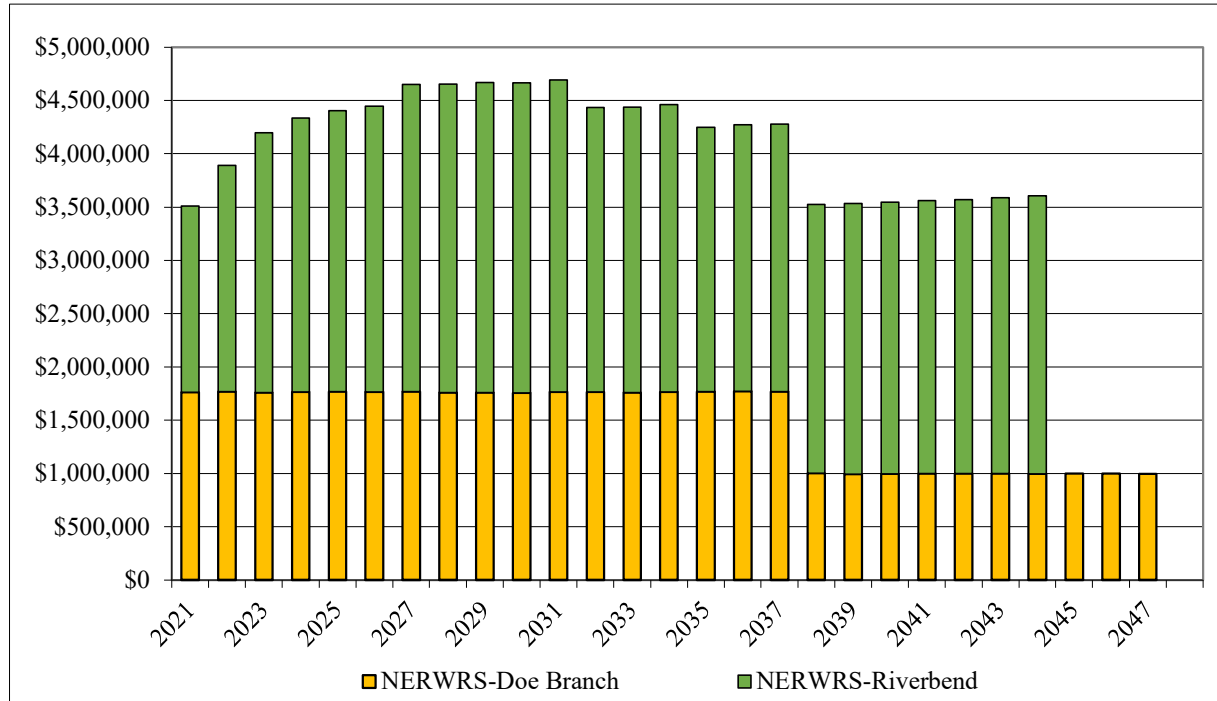
Long-Term Debt Indebtedness to Maturity

Year	Principal	Interest	Total
2020 - 2021	\$ 610,000	\$ 1,144,825	\$ 1,754,825
2021 - 2022	640,000	1,120,425	1,760,425
2022 - 2023	670,000	1,094,825	1,764,825
2023 - 2024	695,000	1,061,325	1,756,325
2024 - 2025	735,000	1,026,575	1,761,575
2025 - 2026	775,000	989,825	1,764,825
2026 - 2027	810,000	951,075	1,761,075
2027 - 2028	855,000	910,575	1,765,575
2028 - 2029	890,000	867,825	1,757,825
2029 - 2030	935,000	823,325	1,758,325
2030 - 2031	975,000	776,575	1,751,575
2031 - 2032	1,035,000	727,825	1,762,825
2032 - 2033	1,085,000	676,075	1,761,075
2033 - 2034	1,135,000	621,825	1,756,825
2034 - 2035	1,180,000	582,100	1,762,100
2035 - 2036	1,230,000	534,900	1,764,900
2036 - 2037	1,295,000	473,400	1,768,400
2037 - 2038	1,355,000	408,650	1,763,650
2038 - 2039	645,000	354,450	999,450
2039 - 2040	670,000	322,200	992,200
2040 - 2041	705,000	288,700	993,700
2041 - 2042	745,000	253,450	998,450
2042 - 2043	780,000	216,200	996,200
2043 - 2044	820,000	177,200	997,200
2044 - 2045	850,000	144,400	994,400
2045 - 2046	885,000	110,400	995,400
2046 - 2047	920,000	75,000	995,000
2047 - 2048	955,000	38,200	993,200
Total	\$ 24,880,000	\$ 16,772,150	\$ 41,652,150

This schedule represents annual debt service payments on all currently outstanding Northeast Regional Water Reclamation System (Doe Branch Plant) bonds through maturity. For future debt issues during the five-year planning period (FY 2021 - FY 2025), refer to the Capital Improvement Program section of this budget document.

Northeast Regional Water Reclamation System Riverbend and Doe Branch Plants (Combined) FY 2020 - 2021 Adopted Budget

Graph of Existing Long-Term Debt Indebtedness to Maturity



**Northeast Regional Water Reclamation System -
Riverbend and Doe Branch Plants
Debt Service Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 2,976,014	\$ 3,658,964	\$ 3,687,067	\$ 3,687,067
Transfer to Operations				
BEGINNING CASH BALANCE Revised				
REVENUES				
Deposit				
Riverbend Plant Series 2019 Revenue and Refunding Bonds	682,952	-	-	-
Interest Income	75,438	61,325	42,205	40,500
TOTAL REVENUES	\$ 758,390	\$ 61,325	\$ 42,205	\$ 40,500
EXPENDITURES				
Interfund Transfer - Operations	47,337	61,325	42,205	40,500
TOTAL EXPENDITURES	\$ 47,337	\$ 61,325	\$ 42,205	\$ 40,500
ENDING CASH BALANCE 9/30	\$ 3,687,067	\$ 3,658,964	\$ 3,687,067	\$ 3,687,067

**Northeast Regional Water Reclamation System -
Riverbend and Doe Branch Plants
Interest and Sinking Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 950,238	\$ 1,059,823	\$ 937,805	\$ 240,905
Transfer to Operations	\$ (12,433)	\$ (681,230)	\$ (696,900)	
BEGINNING CASH BALANCE Revised	\$ 937,805	\$ 378,593	\$ 240,905	
REVENUES				
Deposit (Capitalized Interest)				
Riverbend Plant				
Series 2019 Revenue and Refunding				
Bonds	1,088,237	-	-	-
Interfund Transfers				
Operations	1,760,206	3,234,680	2,519,780	3,515,730
Working Capital	12,433	681,230	696,900	-
Interest Income	33,061	33,670	18,000	12,000
TOTAL REVENUES	\$ 2,893,937	\$ 3,949,580	\$ 3,234,680	\$ 3,527,730
EXPENDITURES				
Debt Service	2,893,937	3,949,580	3,234,680 *	3,515,730 *
TOTAL EXPENDITURES	\$ 2,893,937	\$ 3,949,580	\$ 3,234,680	\$ 3,515,730
ENDING CASH BALANCE 9/30	\$ 937,805	\$ 378,593	\$ 240,905	\$ 252,905

FY 2021 Ending Balance decrease of \$125,688 is due to depositing less from Operating Cash to this reserve than originally projected for FY 2020. This was done so that the reserve would not be over-funded.

* FY 2020 debt service includes \$714,900 funded via Capitalized Interest (Series 2019 Revenue and Refunding Bonds-Doe Branch Plant portion for the Phase 2 Expansion project).

Peninsula Water Reclamation Plant

FY 2020 - 2021 Adopted Budget

Schedule of Requirements

Series	Description	TIC *	Maturity	Principal	Interest	Total	Notes
2016	Revenue Bonds	2.60%	2035	\$ 45,000	\$ 22,245	\$ 67,245	1
Total				\$ 45,000	\$ 22,245	\$ 67,245	

* True Interest Cost

This schedule represents the 2020 - 2021 debt service payment due on the outstanding Peninsula Water Reclamation Plant. For future debt issues during the five-year planning period (FY 2021 - FY 2025), refer to the Capital Improvement Program section of this budget document.

Notes:

- 1 \$1.1 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.

Peninsula Water Reclamation Plant
FY 2020 - 2021 Adopted Budget

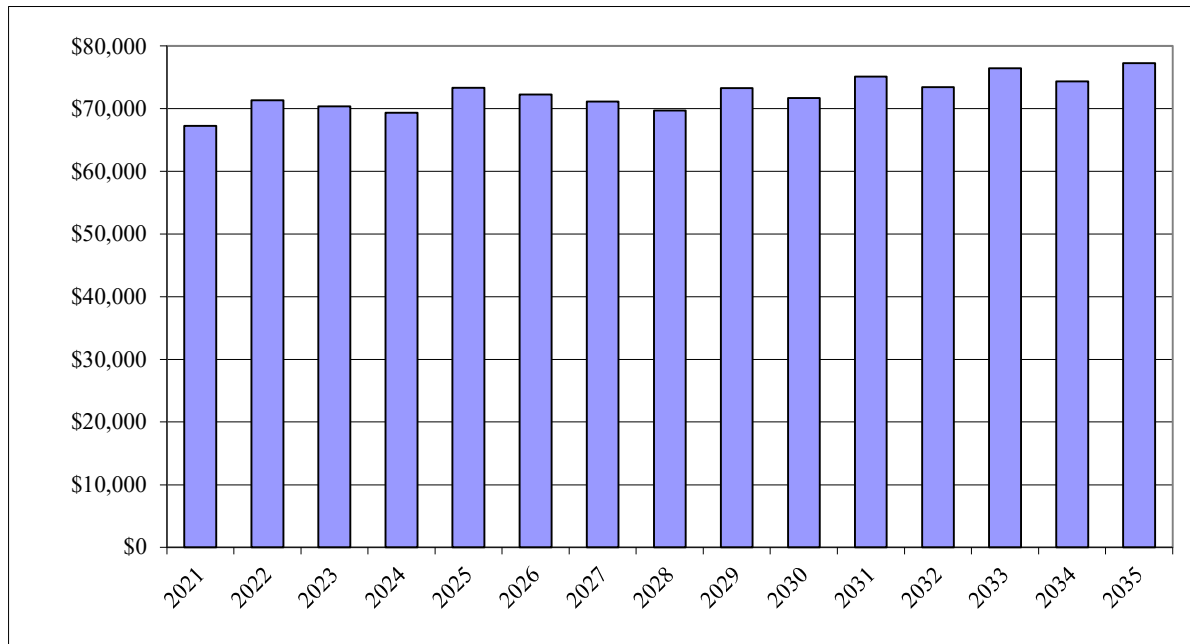
Long-Term Debt Indebtedness to Maturity

Year	Principal	Interest	Total
2020 - 2021	\$ 45,000	\$ 22,245	\$ 67,245
2021 - 2022	50,000	21,345	71,345
2022 - 2023	50,000	20,345	70,345
2023 - 2024	50,000	19,345	69,345
2024 - 2025	55,000	18,345	73,345
2025 - 2026	55,000	17,245	72,245
2026 - 2027	55,000	16,145	71,145
2027 - 2028	55,000	14,700	69,700
2028 - 2029	60,000	13,255	73,255
2029 - 2030	60,000	11,680	71,680
2030 - 2031	65,000	10,105	75,105
2031 - 2032	65,000	8,400	73,400
2032 - 2033	70,000	6,450	76,450
2033 - 2034	70,000	4,350	74,350
2034 - 2035	75,000	2,250	77,250
Total	\$ 880,000	\$ 206,205	\$ 1,086,205

This schedule represents annual debt service payments on the outstanding Peninsula Water Reclamation Plant bond issue. For future debt issues during the five-year planning period (FY 2021 - FY 2025), refer to the Capital Improvement Program section of this budget document.

Peninsula Water Reclamation Plant
FY 2020 - 2021 Adopted Budget

Graph of Existing Long-Term Debt Indebtedness to Maturity



Peninsula Water Reclamation Plant
Debt Service Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 75,490	\$ 75,490	\$ 75,625	\$ 75,625
REVENUES				
Interest Income	1,884	1,360	675	500
TOTAL REVENUES	\$ 1,884	\$ 1,360	\$ 675	\$ 500
EXPENDITURES				
Interfund Transfer - Operations	1,749	1,360	675	500
TOTAL EXPENDITURES	\$ 1,749	\$ 1,360	\$ 675	\$ 500
ENDING CASH BALANCE 9/30	\$ 75,625	\$ 75,490	\$ 75,625	\$ 75,625

Peninsula Water Reclamation Plant
Interest and Sinking Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 4,114	\$ 4,554	\$ 3,962	\$ 4,062
Transfer to Operations	\$ (152)			
BEGINNING CASH BALANCE Revised	\$ 3,962			
REVENUES				
Interfund Transfers				
Operations	69,188	69,690	68,795	68,835
Working Capital	152	-	-	-
Interest Income	389	495	100	80
TOTAL REVENUES	\$ 69,729	\$ 70,185	\$ 68,895	\$ 68,915
EXPENDITURES				
Debt Service (w/Fiscal Agent Fees)	69,729	69,690	68,795	68,835 *
TOTAL EXPENDITURES	\$ 69,729	\$ 69,690	\$ 68,795	\$ 68,835
ENDING CASH BALANCE 9/30	\$ 3,962	\$ 5,049	\$ 4,062	\$ 4,142

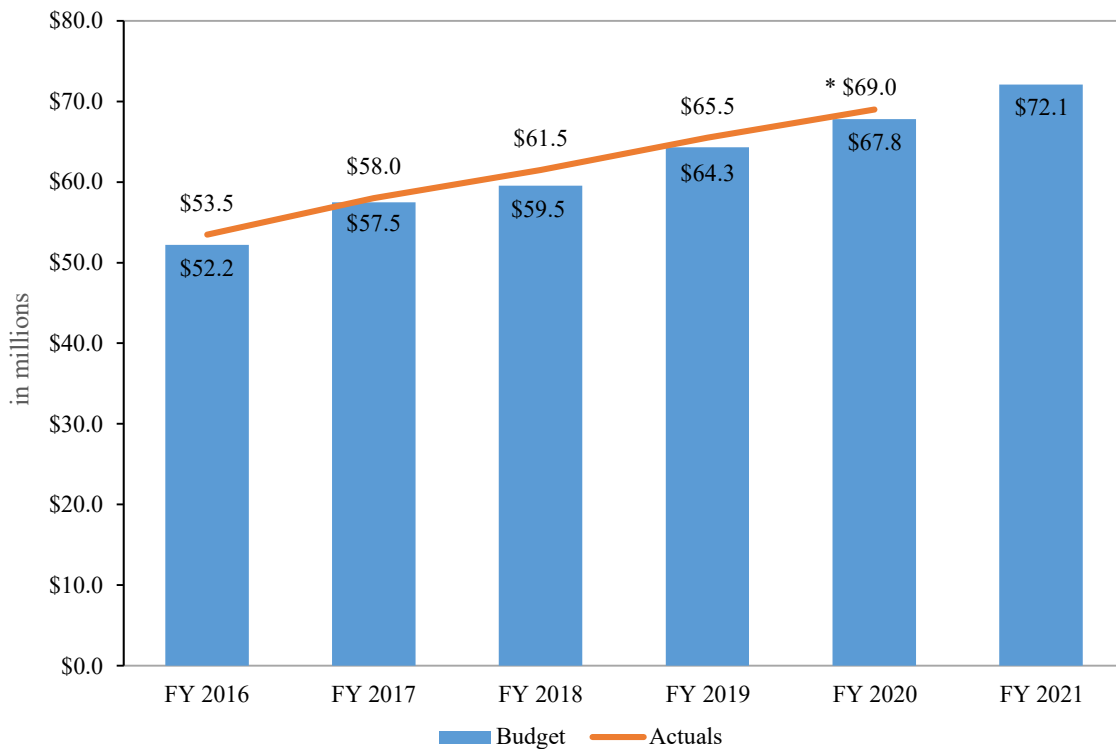
FY 2021 Ending Balance decrease of \$907 is due to lower than projected interest income based on current market conditions in FY 2020 from the Covid-19 pandemic. In addition, FY 2021 I&S Reserve transactions have been added.
--

* Includes Fiscal Agent Fees of \$1,590

FUND REVENUE OVERVIEW

The District derives its total revenues primarily from water operations (Regional Treated Water System). However, it also has two regional water reclamation operating systems; the Lakeview System and Northeast System (Riverbend and Doe Branch Plants), and the Peninsula Plant. In addition, the District generates revenues through the General Fund (Administration), 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 2019 (Actuals), FY 2020 (Adopted and Estimates) and FY 2021 (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.

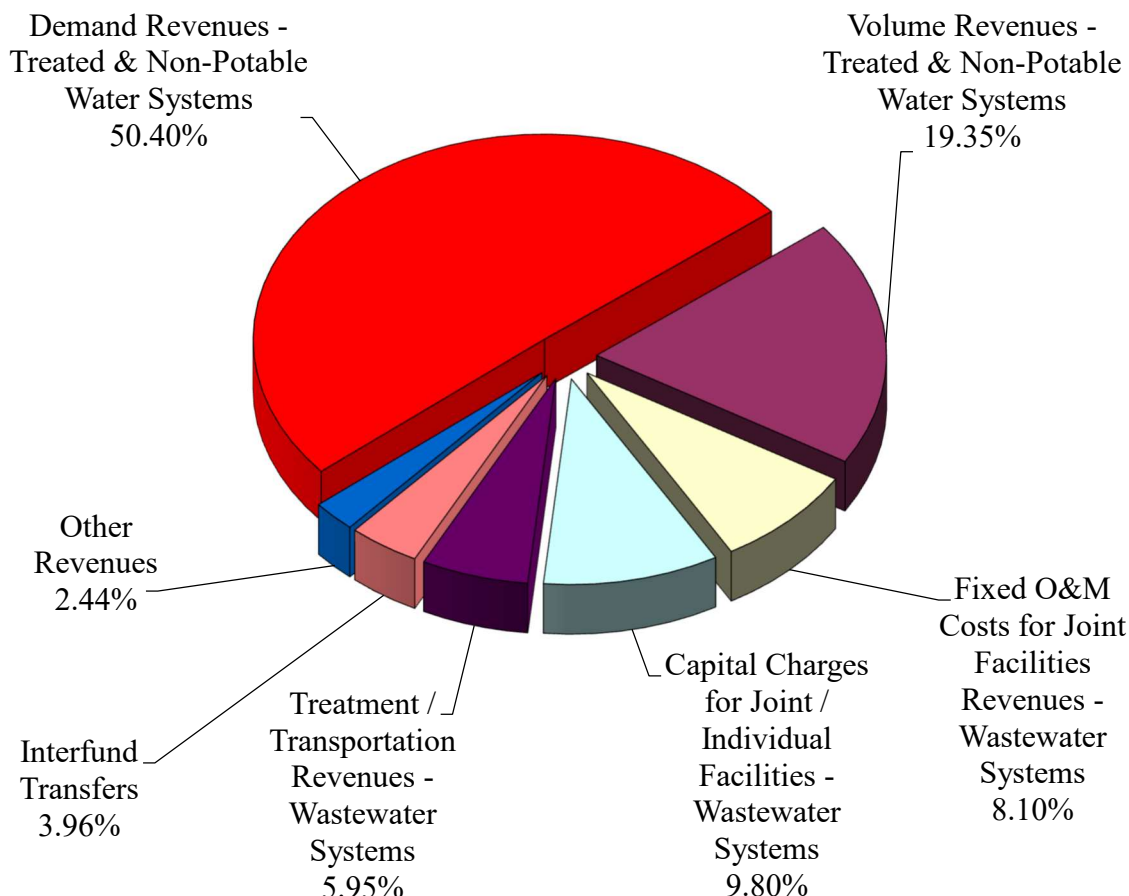
All Operating Funds - Revenues



* - Represents FY 2020 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.

FY 2021 DISTRICT OPERATING REVENUES BY MAJOR CATEGORY



DISCUSSION OF OPERATING REVENUES

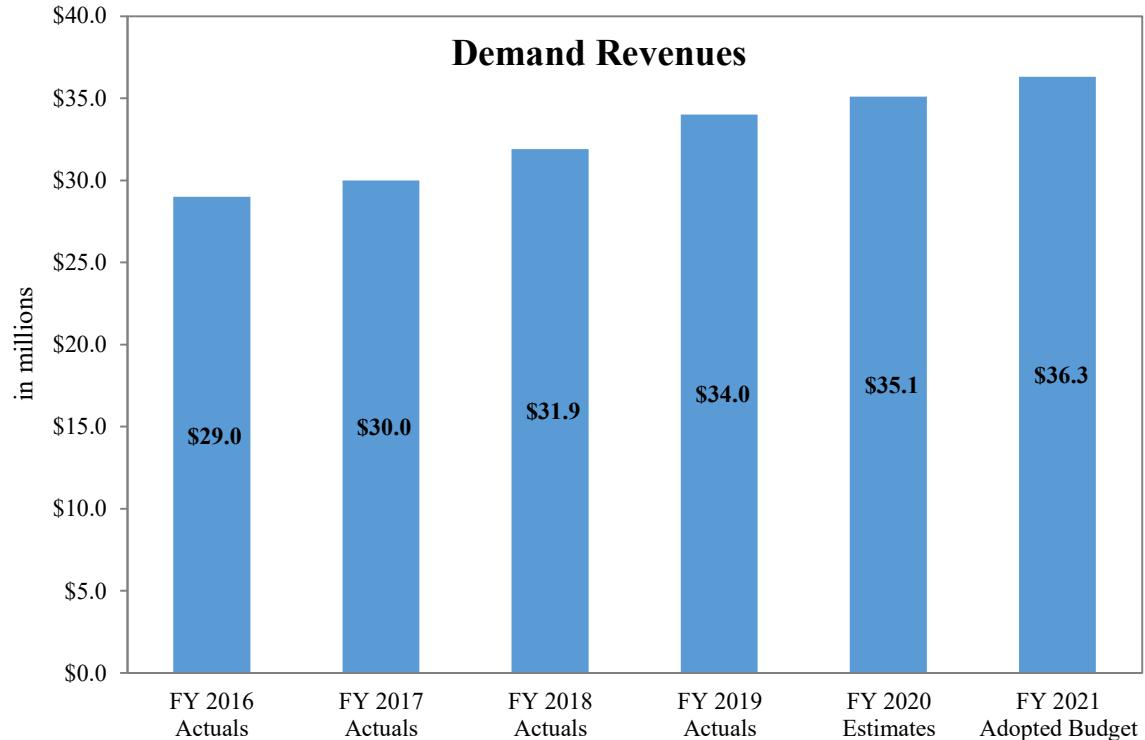
The District's Water and Water Reclamation Systems generate most of the District's annual total revenues and are primarily divided between those that recover fixed operating expenses and debt service payments, and those that recover variable operating expenses. The following section will discuss and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

Projected Regional Treated Water System (RTWS) Demand Revenue for FY 2021 is \$36,225,395. This amount represents a 3.7% increase from Adopted FY 2020 and was necessary to increase the Cash Debt Coverage Ratio to 1.20. FY 2021 subscriptions are expected to increase by less than 2.3% (1.77 mgd increase from FY 2020). The RTWS Demand Charge was increased by 1.4% from FY 2020 to FY 2021 (from \$448,745 / mgd to \$455,150 / mgd, respectively). Meanwhile, Non-Potable Water System (NPWS) Demand Revenue for FY 2021 is \$125,000; unchanged from Adopted FY 2020.

The following graph reflects annual growth in Demand Revenues experienced by the Regional Treated Water and Non-Potable Water Systems since FY 2016.



Demand Revenues have increased an average of 4.6% from FY 2016 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 (see the Five-Year Financial Forecast in the Strategic Plan tab) as various "large-dollar" capital projects are projected for this period.

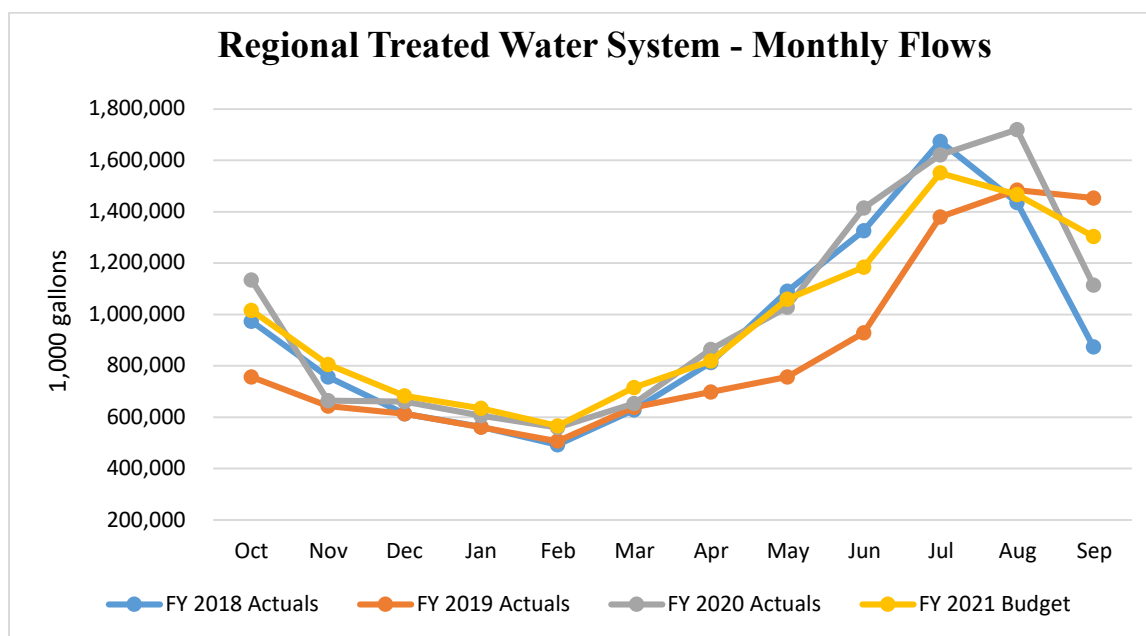
Volume Revenues – Treated and Non-Potable Water Systems

This type of revenue represents the amount of revenues needed to recover annual variable operation expenses, such as electricity, chemicals, raw water, and reserve fund contributions, incurred by the Regional Treated Water and Non-Potable Water Systems. The adopted volume rate in the (RTWS) is the amount necessary to recover the total of these expenses, divided by total projected treated water flows (shown in units of 1,000 gallons). Additionally, the Non-Potable Water System (NPWS) has two volume rates. The

treated effluent rate is established based on the total of all variable NPWS costs incurred to secure and pump treated effluent water to this System's only customer, Denton County Fresh Water Supply District (DCFWSO) # 1A divided by the amount of 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 DCFWSO #1A.

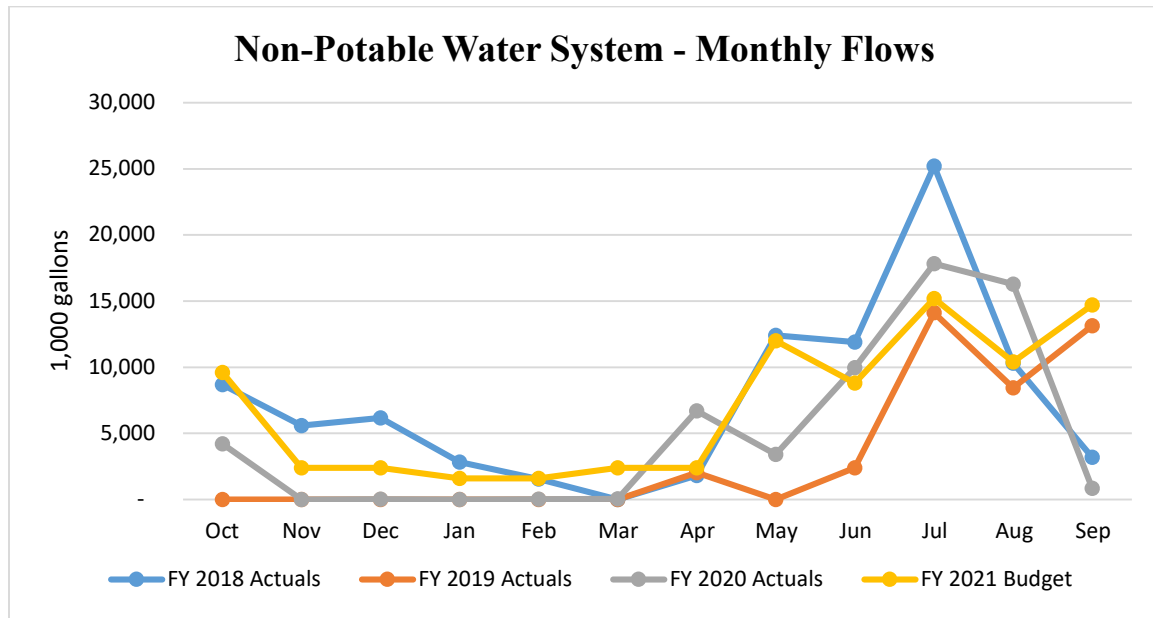
Projected Volume Revenue for RTWS is \$13,919,205 for FY 2021 and represents an 8.8% increase from the Adopted FY 2020 amount due to projecting a 5.1% increase in RTWS participant flows from FY 2020. The RTWS Volume Rate, set at \$1.16 / 1,000 gallons for FY 2021, was increased by \$0.04 / 1,000 gallon from FY 2020, due to increasing contributions to reserves (discussed in the Operating Fund Detail section of this budget document), as well as a 2.4% rate increase to raw water supplied by Dallas Water Utilities.

The following graph reflects actual monthly flows from treated water sales for FY 2018 through FY 2020, with projections for FY 2021.

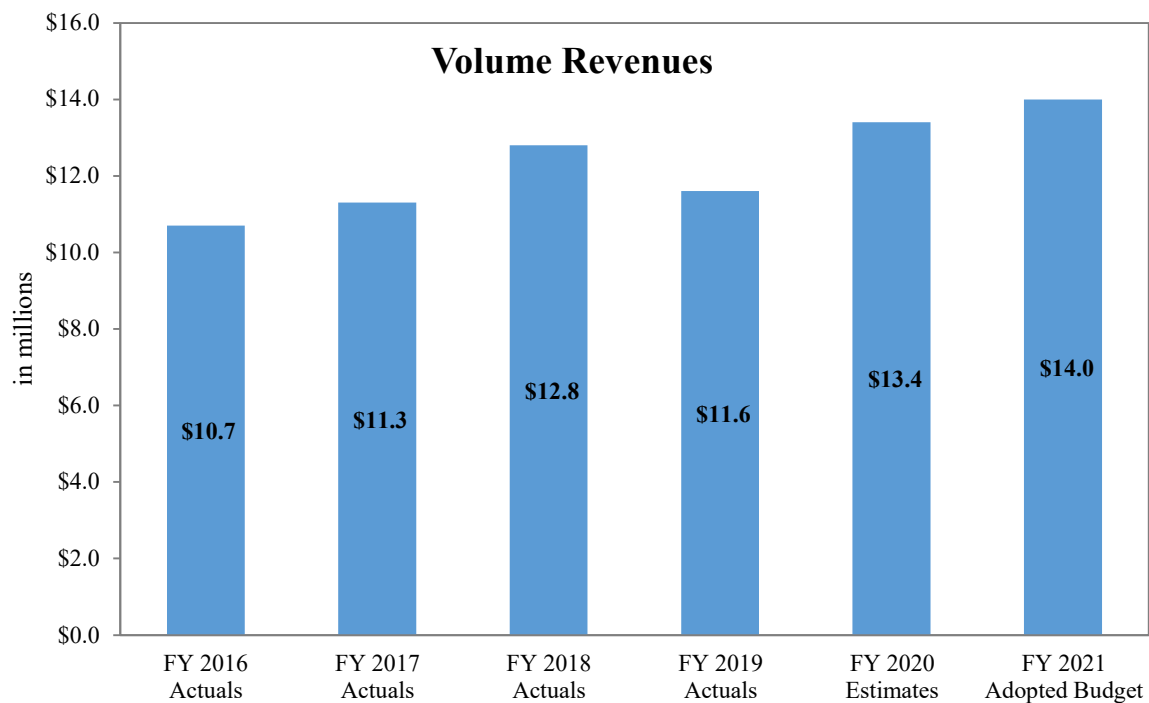


Projected Treated Effluent Volume Revenue for NPWS is \$36,000 for FY 2021 and remains unchanged from the Adopted FY 2020 amount. The Treated Effluent Volume Rate (\$0.45 / 1,000 gallons) is unchanged from FY 2020. Projected Raw Water Volume Revenue for NPWS is \$3,430 for FY 2021. The District's Raw Water Volume Rate was increased from \$0.95 / 1,000 gallons to \$0.98 / 1,000 gallons, an increase of \$0.03 / 1,000 gallons or 3.2%. This was increased to offset the 2.4% rate increase from FY 2020 to FY 2021 for raw water purchased from Dallas Water Utilities. Projected treated effluent flows and raw water flows also remain unchanged for FY 2021.

The following graph reflects actual monthly flows from treated effluent water sales for FY 2018 through FY 2020, with projections for FY 2021.



The following graph reflects annual growth in Volume Revenues experienced by the Regional Treated Water and Non-Potable Water Systems since FY 2016.



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 5.9% from FY 2016 due to moderate growth in the RTWS, as well as increasing the Volume Rate from \$1.09 / 1,000 gallons in FY 2016 to \$1.16 / 1,000 gallons for FY 2021; an annual average of 1.3%. 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. Estimated FY 2020 Volume Revenues reflect a 15.5% increase over FY 2019 Volume Revenues due to a \$0.03 / 1,000 gallon (2.8%) increase to the RTWS volume rate and a 12.3% increase in treated water flows sold over FY 2019. Adopted FY 2021 Volume Revenues are projected to increase approximately \$1,129,770 due to a \$0.04 increase from the FY 2020 rate of \$1.12 / 1,000 gallons to \$1.16 / 1,000 gallons (Member Rate). The Customer Rate reflects a 7% 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 2021, the Customer Volume Rate is \$1.25 / 1,000 (an increase of \$0.05 from the Adopted FY 2020 rate of \$1.20 / 1,000 gallons). Adopted FY 2021 participant flows are projected to increase 5.1% from Adopted FY 2020; a modest growth rate. Future (Post FY 2021) Volume Revenues are expected to increase annually, both from the estimated increases to flows (2.5% to 3.0% per year) and increases to the RTWS volume rate (an average of 3.0% to 4.0% 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 Five-Year Financial Forecast in the Strategic Plan tab for future rate increase projections.

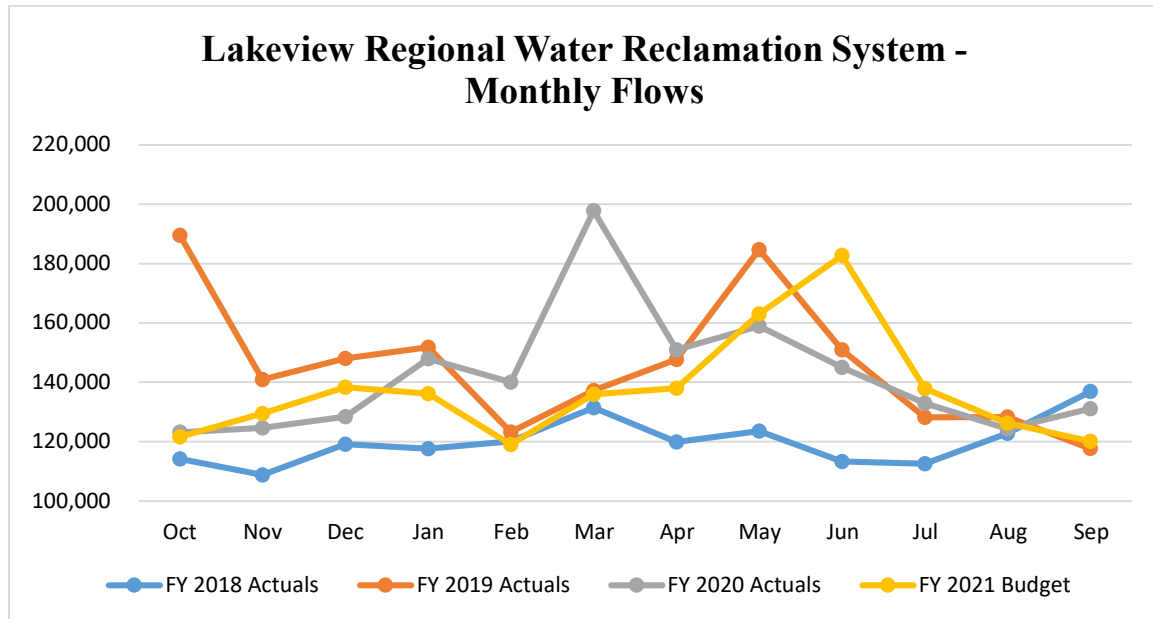
Treatment and Transportation Revenues – Water Reclamation Systems

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

Projected Treatment and Transportation Revenue (including the Corinth Entry Point at Post Oak) for the Lakeview Regional Water Reclamation System (LRWRS) is \$2,041,865 for FY 2021 and reflects a 7.9% increase from the Adopted FY 2020 amount due to increasing projected wastewater flows by the same amount. The Treatment Rate was decreased from \$1.50 / 1,000 gallons (FY 2016) to \$1.25 / 1,000 gallons (FY 2017) and has remained unchanged through Adopted FY 2021. This is due to previous improvements made for odor control and sludge processing at the Lakeview Plant, as well as the LRWRS being a mature and stable system. Additionally, this rate is set at an amount to absorb a projected 74% increase for Biosolids Disposal expenses in FY 2021, based on the need to transport these materials to a more remote landfill location than in previous years. FY 2019 reflected a 24.1% increase in LRWRS Treatment and Transportation Revenue due to a wetter than average year compared to FY 2018. Since FY 2019, improvements were made by system participants to curb needless inflow and infiltration problems that contribute to increased pumping costs and chemical and ultraviolet disinfection expenses. Lakeview Plant

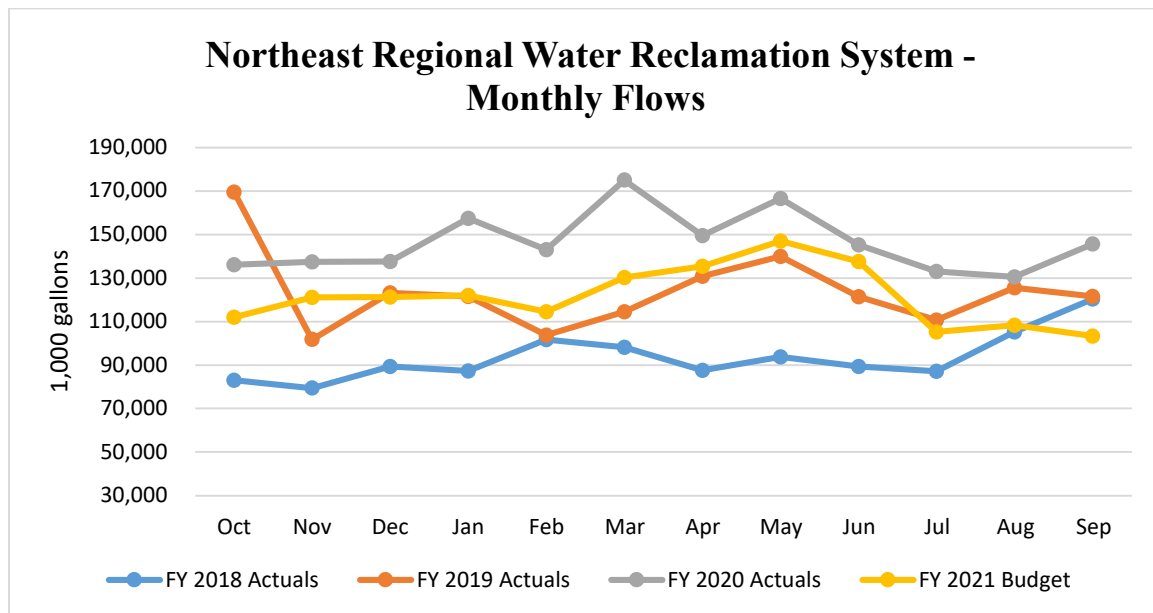
wastewater flows reflect an average annual growth rate of 4.0% for FY 2018 through projected FY 2021.

The following graph reflects actual monthly flows from wastewater sales for FY 2018 through FY 2020, with projections for FY 2021.



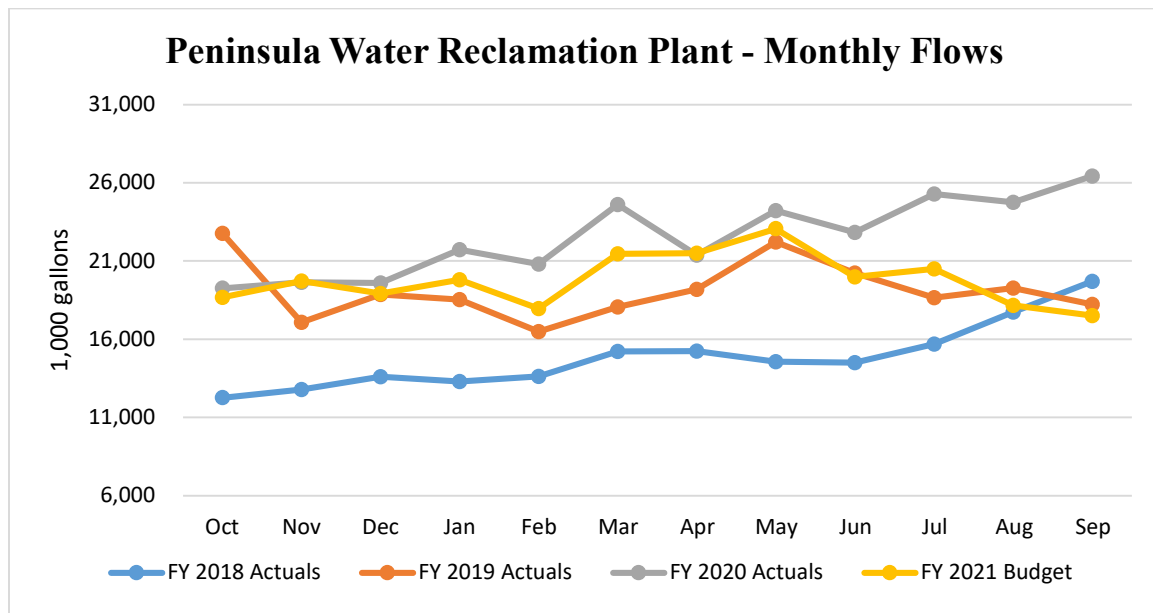
Projected Treatment Revenue for the Northeast Regional Water Reclamation System (NERWRS) is \$1,875,115 for FY 2021 and reflects a 20.9% increase from the Adopted FY 2020 amount due solely to a 21.4% increase in projected wastewater flows. The Northeast System's service area has experienced double-digit growth in treatment flows due to continued housing construction and economic development activity over the past several years. The District is anticipating further continued growth by currently expanding the treatment capacity of the Doe Branch Plant (projected to be on-line in FY 2022). The Treatment Rate for Adopted FY 2021, set at \$1.25 / 1,000 gallons, remains unchanged from FY 2017, primarily due to efficient treatment processes at both plants. Additionally, this rate is set at an amount to absorb a projected 25% increase for Biosolids Disposal expenses in FY 2021, based on the need to transport these materials to a more remote landfill location than in previous years.

The following graph reflects actual monthly flows from wastewater sales for FY 2018 through FY 2020, with projections for FY 2021.

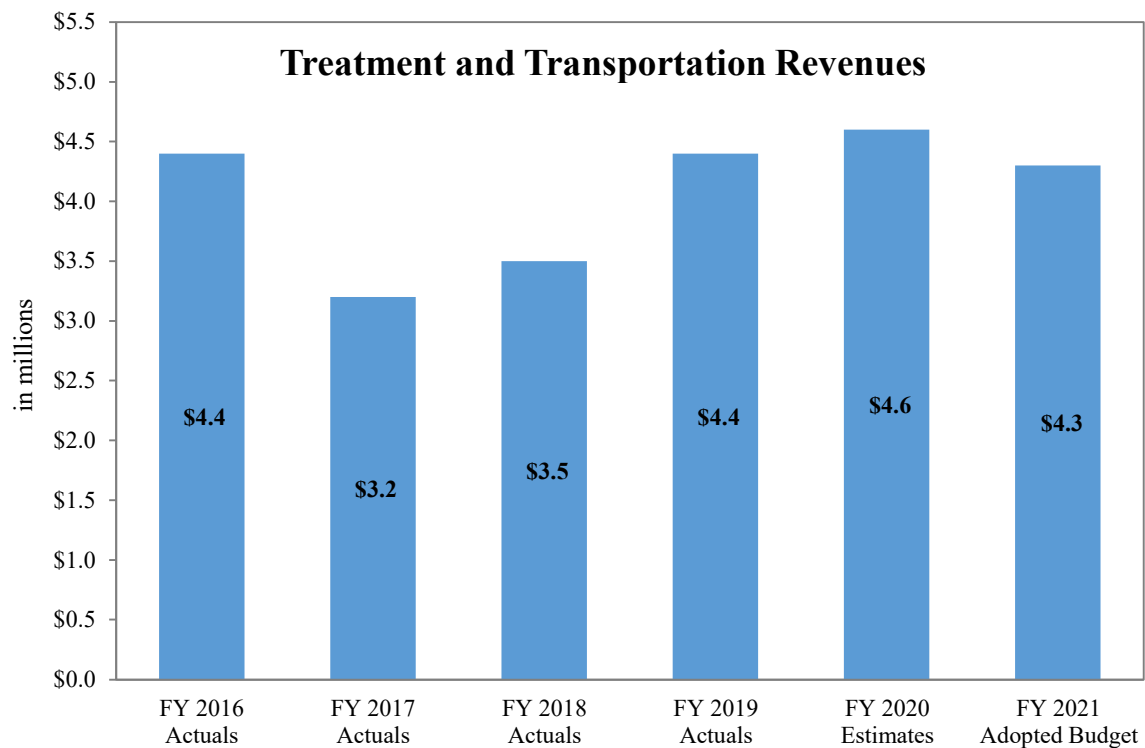


Projected Treatment Revenue for the Peninsula Water Reclamation Plant is \$374,855 for FY 2021 and reflects a 23.8% increase from the Adopted FY 2020 amount solely due to a 23.8% increase in projected wastewater flows for FY 2021. The FY 2021 Treatment Rate of \$1.58 / 1,000 gallons remains unchanged from the prior fiscal year. Additionally, this rate is set at an amount to absorb a projected 38% increase for Biosolids Disposal expenses in FY 2021, based on the need to transport these materials to a more remote landfill location than in previous years. 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 14.8% in wastewater flows for FY 2018 through projected FY 2021. Growth is anticipated to increase over the next 3-5 years based on continued housing construction and economic develop in the Mustang SUD area. With this anticipated growth in mind, the District has incorporated the expansion of the treatment capacity of the Peninsula Plant into its five-year capital budget (see CIP Funds tab).

The following graph reflects actual monthly flows from wastewater sales for FY 2018 through FY 2020, with projections for FY 2021.



The following graph reflects annual growth in Treatment and Transportation Revenues experienced by Lakeview and Northeast Regional Water Reclamation Systems and the Peninsula Water Reclamation Plant since FY 2016.



Adopted FY 2021 Treatment and Transportation Revenues are approximately the same as the total amount shown in FY 2016 due to keeping the treatment rates at \$1.25 / 1,000

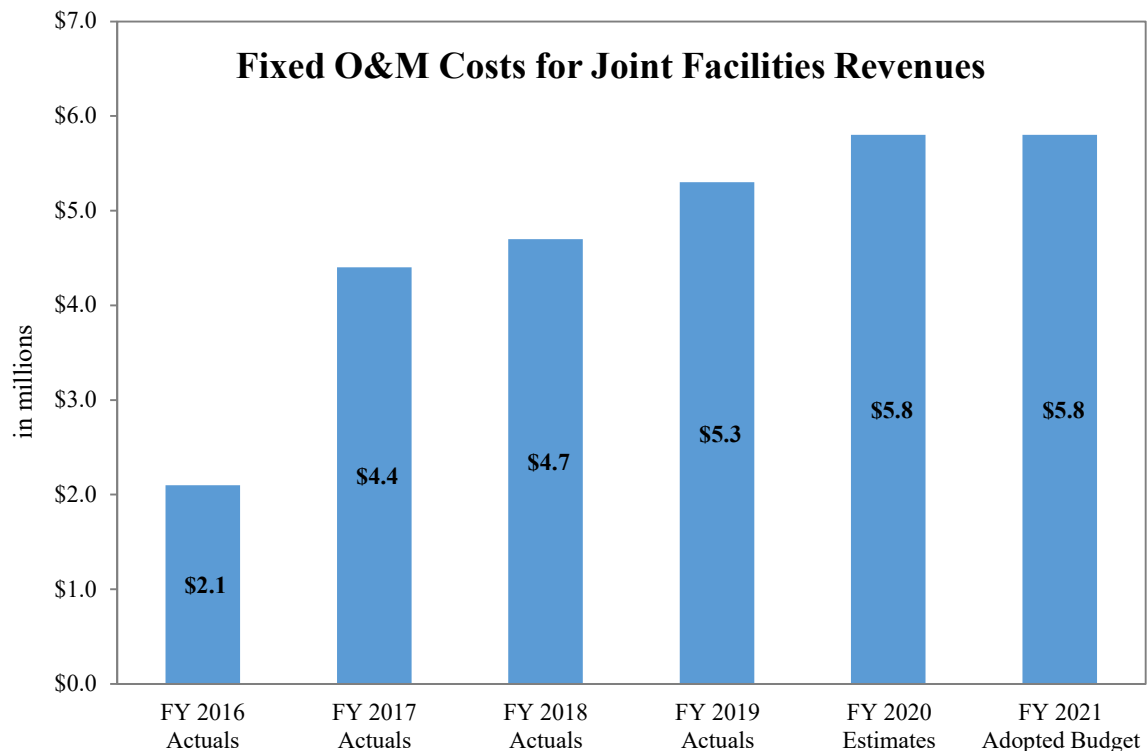
gallons for FY 2017 through FY 2021 for the Lakeview and Northeast Regional Water Reclamation Systems. While the Treatment Rates for the Peninsula Water Reclamation Plant have been increased from a low of \$1.25 to \$1.58 / 1,000 gallons from FY 2016 to FY 2021, its size relative to the District's other three water reclamation plants lessened its effect on the overall revenue variances experienced by the other plants during this time period. Participant wastewater flows are anticipated to continue to significantly increase over the next 3-5 years, especially in the Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants) and Peninsula Water Reclamation Plant service areas.

Fixed O&M Costs for Joint Facilities Revenues – Water Reclamation Systems

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

Projected Fixed O&M Costs for Joint Facilities revenues for the Lakeview Regional Water Reclamation System for FY 2021 is \$2,150,175 and is unchanged from FY 2019 and FY 2020, due to continuing to maintain a high quality of operations and process efficiencies. Projected Fixed O&M Costs for Joint Facilities revenues for the Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants) for FY 2021 is \$3,071,645; unchanged from FY 2020. While the Adopted FY 2021 budget for the Northeast Regional Water Reclamation System reflects higher Personnel Service expenses, as well as an increased amount of allocated expenses from the Administration and Maintenance Funds, the Fixed O&M Costs for Joint Facilities Charge was kept at \$563,500 / mgd. This was accomplished only by utilizing a transfer-in of \$600,000 from the Non-Bond Capital Reserve fund for rate stabilization, in lieu of a 19.9% increase to the FY 2021 Fixed O&M Costs for Joint Facilities charge. With an additional 2.0 mgd of subscribed capacity projected to be available from the completion of the Doe Branch Plant Expansion, Phase 2 project in FY 2022, the District will be able to collect these revenues from the Doe Branch Plant participants, so that a transfer from reserves for rate stabilization should not be necessary. Additionally, Projected Fixed O&M Costs for Joint Facilities for the Peninsula Water Reclamation Plant for FY 2021 also remains unchanged from FY 2020 at \$615,795.

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 2016.



Fixed O&M Costs for Joint Facilities Revenues have increased an average of 27.7% from FY 2016 mainly due to having experienced tremendous growth in the Northeast service area, including bringing the Doe Branch Plant on-line in November 2016. This is evident by the increase in these revenues from FY 2016 to FY 2017 in the above graph. The data for FY 2016 represents a methodology change by reassigning the debt service component from the calculation of the Fixed O&M Costs charge for the Lakeview Regional Water Reclamation Plant to the Capital Charge for Joint and Individual Facilities. This was done to yield comparable Fixed O&M Costs for Joint Facilities charges between the water reclamation systems.

In addition, the FY 2017 Lakeview Plant Fixed O&M Costs for Joint Facilities charge was increased 125.1% (from \$174,250 per mgd to \$392,200 per mgd) due to moving certain fixed operating expenses from the variable Treatment Rate group to the fixed expense group for proper recovery through the Fixed O&M Costs charge. As discussed in the Treatment and Transportation Revenue - Wastewater Systems section, this change in rate methodology allowed for the reduction of the Lakeview Plant's treatment rate from \$1.50 / 1,000 gallons to \$1.25 / 1,000 gallons for FY 2017 in order to keep all District wastewater treatment rates at a consistent amount. Projected future Fixed O&M Costs for Joint Facilities Revenues are projected to increase slightly over the next five years in anticipation of expanding both water reclamation plants in the Northeast Regional Water Reclamation System, increasing the System's treatment capacity from 4.0 mgd to 8.0 mgd. With the expansion of the District's water reclamation plants, increases to operating expenses such

as additional manpower (for 24-hour staffing) and increased maintenance efforts, are likely.

Capital Charges (with Interim Financing) for Joint and Individual Facilities Revenues – Wastewater Systems

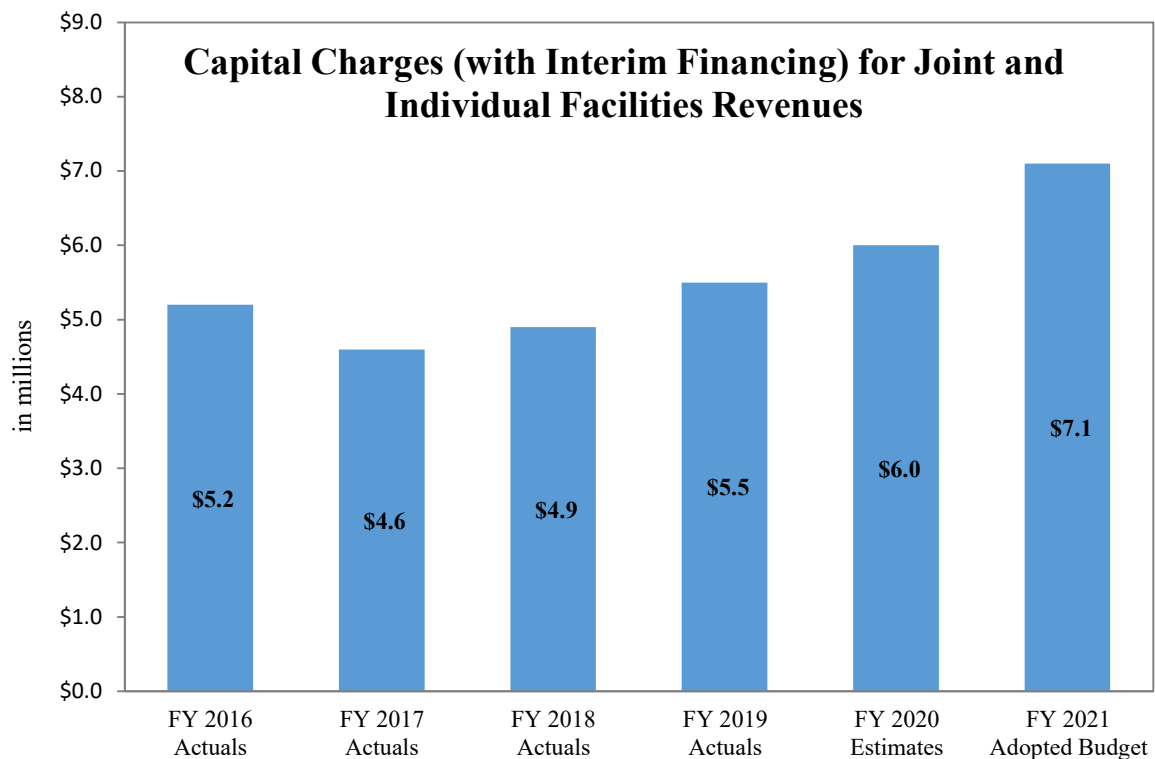
This type of revenue represents recovery of annual debt service payments for debt issues used to construct common-to-all (Joint) infrastructure, such as a reclamation plant, and for participant (Individual) infrastructure (i.e., lift stations, trunk mains, points of entry). Regarding debt service for 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 2021 Capital Charge for Joint and Individual Revenues for the Lakeview Regional Water Reclamation System (LRWRS) is \$3,043,140 and reflects a 1.5% increase from the Adopted FY 2020 amount due to a \$62,500 decrease in interest revenue from FY 2020 to FY 2021. 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 2021 Capital Charges for Joint Facilities is \$2,212,570 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. Conversely, total Capital Charges for Individual Facilities totals \$830,570 for FY 2021 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 Revenues for the Northeast Regional Water Reclamation System (NERWRS) is \$3,952,630 for FY 2021 and reflects a 36.3% increase from the Adopted FY 2020 amount primarily due to the beginning of debt service payments for the Series 2019 Revenue and Refunding Bonds, issued for the expansion of the Doe Branch Regional Water Reclamation Plant and to refund future maturities of the Series 2014 and Series 2007 Northeast Regional Water System Revenue Bonds. Total FY 2021 Capital Charges for Joint Facilities (Riverbend Plant participants) is \$660,260 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 2021 Capital Charges for Joint Facilities (Doe Branch Plant participants) is \$290,125 and reflects the total amount of debt service payments from the Series 2019 Refunding and Revenue Bond debt issue to fund the unsubscribed treatment capacity (excess capacity) from the Doe Branch Plant Expansion, Phase 2 project (from 2.0 to 4.0 mgd). FY 2019 and FY

2020 debt service for the Series 2019 bond issue was funded via capitalized interest. Conversely, total Capital Charges for Individual Facilities (Riverbend Plant participants) totals \$1,100,650 for FY 2021 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 2021 Capital Charges for Individual Facilities (Doe Branch) totals \$1,812,205 and includes \$759,925 (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), \$704,775 (portion of the Series 2019 Bonds issued on Celina’s behalf to fund their additional capacity in the phase 2 expansion of the Doe Branch Plant), and \$347,505 (fifth and final payment for an interfund loan to fund Celina’s portion of the Doe Branch Interceptor, Phase 2 project). Also included in this revenue category are interim financing charges totaling \$89,390 to fund the previous installation of a new ultraviolet disinfection system at the Riverbend Plant and represents the fifth and final payment for this interfund loan made in FY 2017. Projected Capital Charge for Joint and Individual Revenues for the Peninsula Water Reclamation Plant is \$68,935 for FY 2021 and reflects a 1.1% decrease from the Adopted FY 2020 amount due to a decrease to the annual debt service payment for the Series 2016 Revenue Bond issue that was used 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 2016.

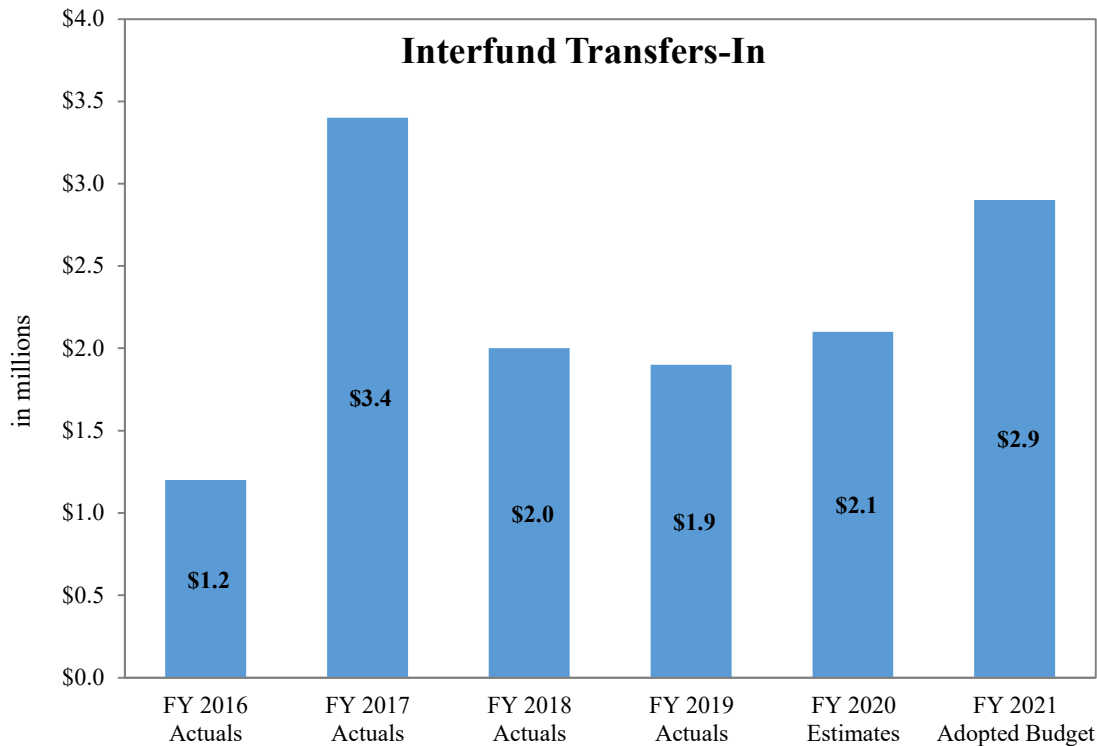


Capital Charge (with Interim Financing) for Joint and Individual Facilities Revenues have increased an average of 6.9% from FY 2016 from the use of bond funding for the construction of the Doe Branch Plant, the expansion of the Riverbend Plant and the use of interim financing (loans) between Systems for completion of capital projects such as UV Disinfection Improvements (Riverbend and Peninsula Plants) and the Doe Branch Interceptor, Phase 2. Capitalized interest was used to fund the debt service payments for the Series 2016 and 2017 TWDB “D” Fund Bonds for FY 2016, 2017, and partially for FY 2018 and FY 2019. FY 2020 through FY 2022 debt service payments for these two bond issues are interest only, with principal and interest payments beginning FY 2023 through FY 2045. Principal and interest payments began in FY 2021 and continue through FY 2048, for the Series 2019 Revenue Bonds issued to finance the portion of Celina’s additional capacity purchased in the phase 2 expansion of the Doe Branch Plant. As annual debt service requirements increase, revenues will increase to recover these debt service payments. This category of revenues is strictly based on the use and amount of loans and / or debt financing for completion of capital projects for the Systems and is not associated with the setting of a specific charge or rate.

Interfund Transfers-In

This type of revenue represents the transfer of funds between reserve funds within a System or between Systems. These transfers are not always consistent from year-to-year and are necessary for a variety of ever-changing circumstances. For example, when vehicles or equipment are to be replaced, the expense or revenue requirement is offset by an Interfund Transfer from the Vehicle and Equipment Replacement Reserve fund. Additionally, several of the District’s Systems transfer funds to the Regional Treated Water System (RTWS) for loans made to those Systems for various capital expenditures or projects. Those payments are included as an Interfund Transfer for the RTWS but are shown as “Shared Debt Service Payments”. Therefore, over the years, the totals and types of Interfund Transfers have differed greatly. Detail regarding individual FY 2021 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 2016.

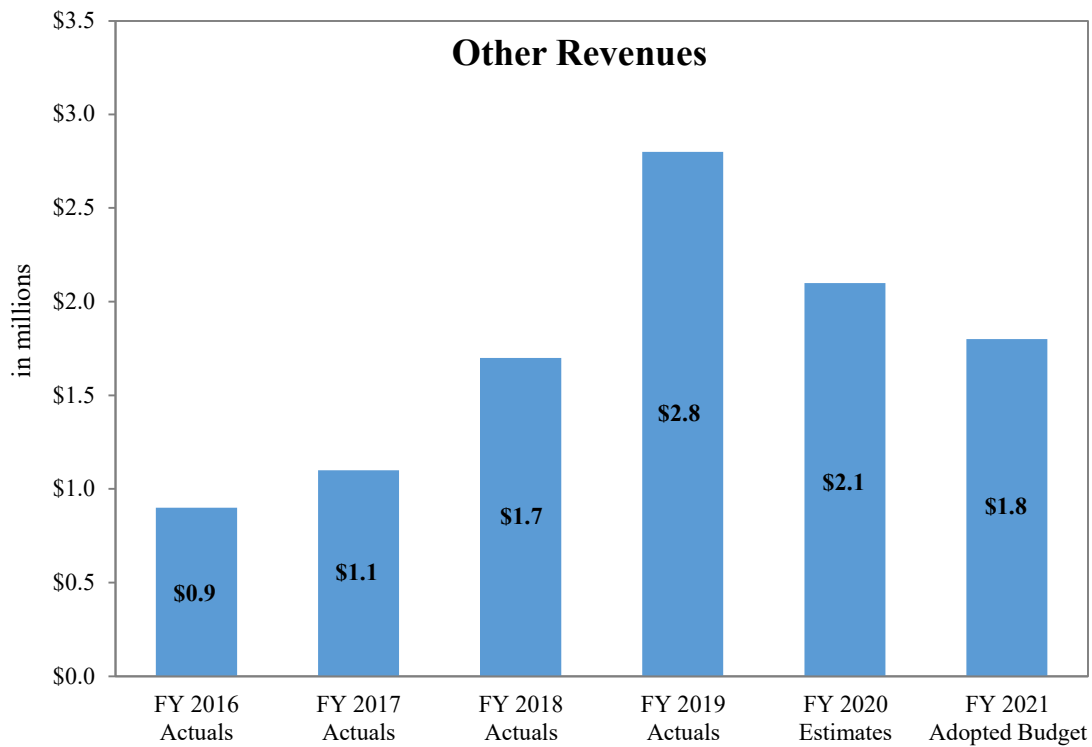


Interfund Transfers-In have increased an average of 37.2% from FY 2016 for a variety of reasons. However, the FY 2017 total increased 183.3% over FY 2016 due to a \$2.5 million reimbursement of a prior year working capital loan made from the Regional Treated Water System (RTWS) to the Northeast Regional Treated Water System's (NERWS) construction cash. This was done to fund the initial planning and design of the Riverbend Plant Expansion, Phase 3 project. Reimbursement was made from bond funds received at the end of FY 2016 via Texas Water Development Board "D" Funds designated for the Riverbend Plant Expansion project. The FY 2021 amount of \$2.9 million includes a \$1.5 million transfer from the O&M Reserve Fund in the Regional Treated Water System to complete the dredging and sludge removal project at the Taylor Regional Treated Water Plant raw water storage pond (\$940,000) and to complete Smart Ball testing and leak repairs of various System pipelines (\$515,000). A transfer-in of \$600,000 is also included in the FY 2021 Interfund Transfer-In total to be used as rate stabilization from the Northeast Regional Water Reclamation Systems' Non-Bond Capital Reserve. This was done to avoid increasing the FY 2021 Fixed O&M Charge 19.9%. Information on the smaller transfers-in can be found in the Operating Fund Detail section of this budget document

Other Revenues

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

The following graph reflects annual growth of District Other Revenues since FY 2016.



Other Revenues have increased an average of 20.4% from FY 2016 due to steady increases to annual Interest Revenue as market interest rates continue to increase, and by effective investment strategies employed by the District. Additionally, these amounts include periodic reimbursements from District participants for various specific capital expenditures or projects funded for the benefit of those participants.

ADMINISTRATION

The purpose of Administration is to facilitate the overall management and organizational focus of the District and to provide support services to the core operations. Administrative and support services include the office of the Executive Director, accounting and financial management, 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.

Business Services 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 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 program. 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.

Business Services

- 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.

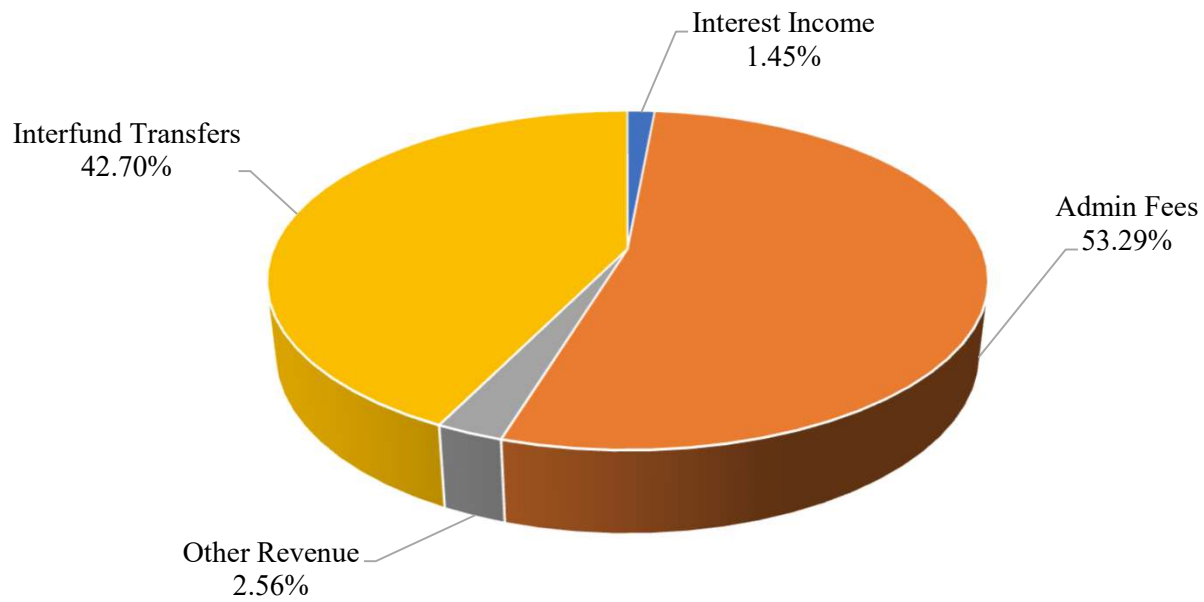
Human Resources and Purchasing

- 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.

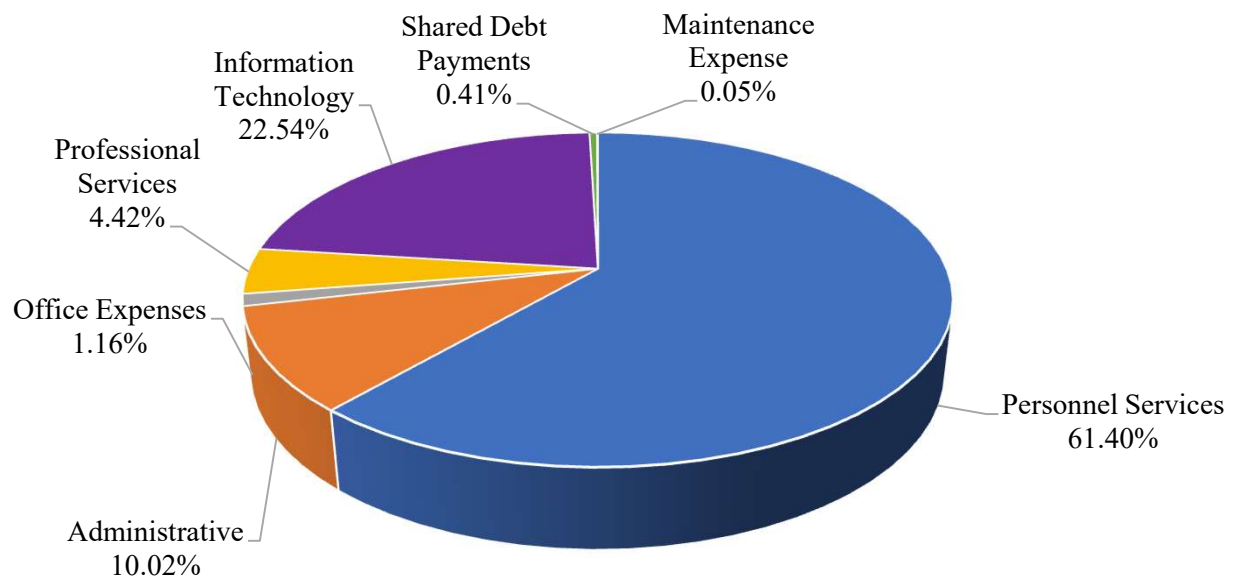
BUDGET SUMMARY

	FY 2018-2019	FY 2019-2020	FY 2019-2020	FY 2020-2021
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ 267,897	\$ 309,802	\$ 332,049	\$ 353,299
Operating Revenue				
Interest Income	\$ 16,396	\$ 7,500	\$ 6,540	\$ 4,250
Admin Fees	147,274	151,420	151,420	155,975
Other Revenue	22,661	8,455	29,760	7,500
Interfund Transfers	95,000	100,000	100,000	125,000
Total Operating Revenue	\$ 281,331	\$ 267,375	\$ 287,720	\$ 292,725
Operating Expense				
Personnel Services	\$ 2,883,842	\$ 3,340,625	\$ 3,114,420	\$ 3,073,285
Administrative	415,739	649,980	660,005	501,740
Office Expenses	258,893	357,135	405,160	58,200
Professional Services	281,121	291,365	344,910	221,465
Information Technology	-	-	-	1,128,565
Shared Debt Payment	20,357	20,360	20,360	20,360
Interfund Transfers	-	-	18,620	-
Maintenance Expense	1,033	1,290	1,265	2,735
Adjustment for Accrued Expenditures	(4,187)	-	-	-
Total Operating Expense	\$ 3,856,798	\$ 4,660,755	\$ 4,564,740	\$ 5,006,350
Transfer Out	(3,639,619)	(4,402,400)	(4,298,270)	(4,734,095)
Net Operating Expense	\$ 217,179	\$ 258,355	\$ 266,470	\$ 272,255
Ending Balance	\$ 332,049	\$ 318,822	\$ 353,299	\$ 373,769

Operating Revenues



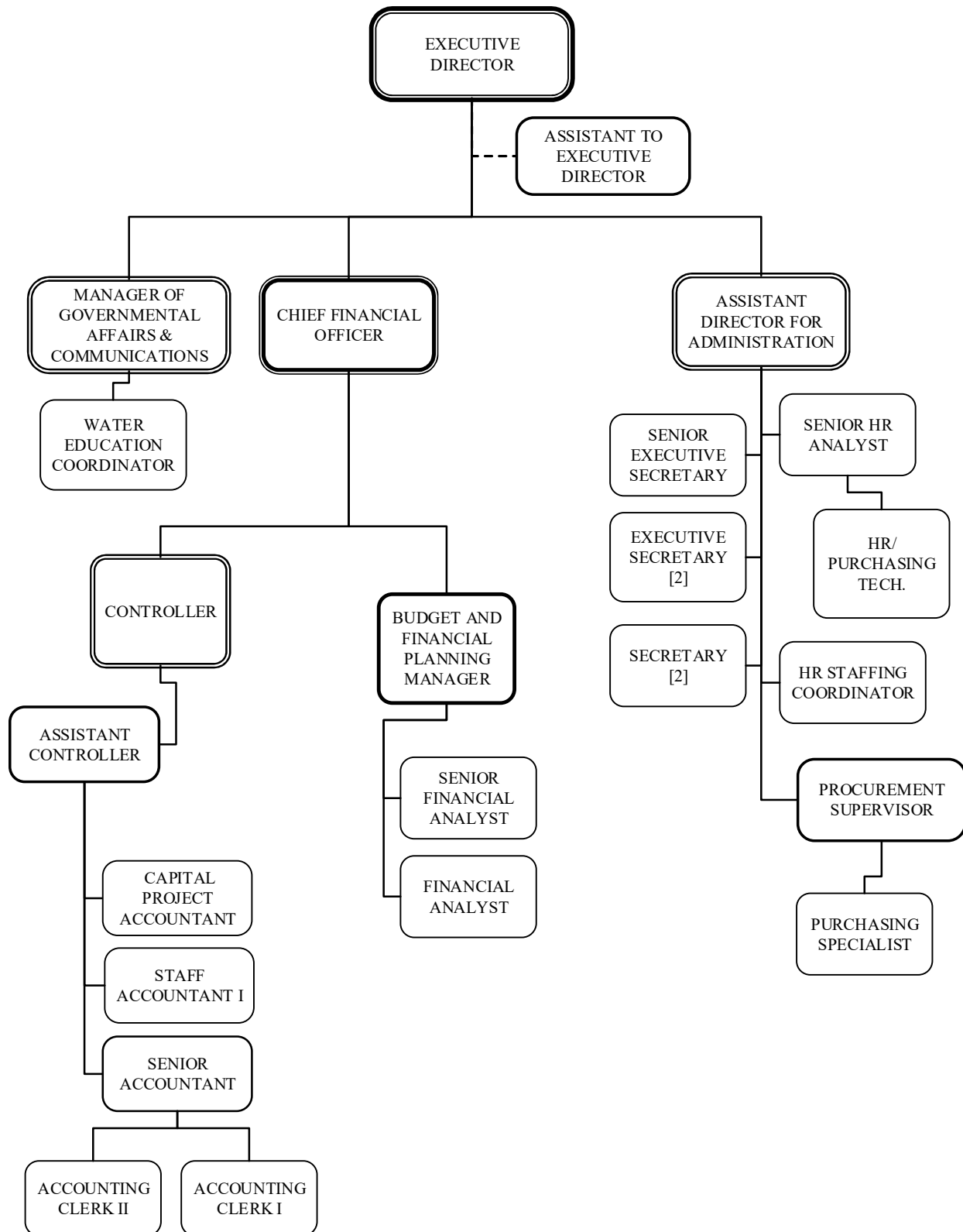
Operating Expenditures



PERSONNEL SUMMARY

Positions	FY 2019 Actuals	FY 2020 Budget	FY 2020 Revised	FY 2021 Budget
Executive Director	0.50	0.50	0.50	0.50
Assistant to the Executive Director	1	1	1	1
Deputy Executive Director	0.10	0	0	0
Manager of Government Affairs and Communications	0	0.20	0.20	0.20
Manager of Customer Contracts/ Support Services	0.30	0	0	0
Water Education Coordinator	0.20	0.20	0.20	0.20
Assistant Director for Administration	0	1	1	1
Manager of HR and Purchasing	1	0	0	0
Senior HR Analyst	1	1	1	1
HR Staffing Coordinator	0	0	0	1
HR Generalist	1	1	1	0
HR / Purchasing Technician	0	0	0	1
Procurement Supervisor	1	1	1	1
Purchasing Specialist	1	1	1	1
Senior Executive Secretary	1	1	1	1
Executive Secretary	3	2	2	2
Secretary	1	2	2	2
Chief Financial Officer	0	1	1	1
Director of Business Services	1	0	0	0
Controller	0	1	1	1
Accounting Manager	1	0	0	0
Assistant Controller	0	1	1	1
Senior Accountant	1	1	1	1
Staff Accountant II	1	0	0	0
Staff Accountant I	1	1	1	1
Accounting Clerk II	0	1	1	1
Accounting Clerk I	1	1	1	1
Cash Coordinator	1	0	0	0
Budget and Financial Planning Manager	1	1	1	1
Senior Financial Analyst	1	1	1	1
Financial Analyst	1	1	1	1
Engineering	1.50	1.60	1.60	1.60
Total FTEs	23.60	23.50	23.50	24.50

ORGANIZATIONAL CHART



PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2019 Actuals	FY 2020 Estimates	FY 2021 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)	93.6%	95.7%	98%
Employee Benefits Administration	Process and maintain all employee benefits within policy requirements	100%	100%	100%
Operating expense to budget	The % of actual expenditures to current budget	102%	109%	100%
Operating revenue to budget	Revenue actually collected as a % of the amount projected in current budget	102%	102%	100%
Annual budget award submission	Annual budget receives GFOA Distinguished Budget Award	100%	100%	100%
Issue Comprehensive Annual Financial Report (CAFR)	Completion of CAFR and submitted to GFOA for review	100%	100%	100%
Website updated	Board Agenda and updated Board of Director information posted monthly	100%	100%	100%
Pay all undisputed invoices within 30 days	# of invoices paid within 30 days	100%	100%	100%
Purchase Orders Processing	Process all purchase orders within 3 business days of receipts of a correct and approved purchase requisition	100%	100%	100%
Bidding & Contracting	Bid and obtain contracts for commodities and services as requested within required timelines and in accordance with policy requirements	100%	100%	100%
Award of Bid/Contract	Finalize contracts, obtain approval and award all bids and contracts within 90 days or less of bid due date	100%	100%	100%

SUMMARY OF MAJOR CHANGES

Revenue

- The adopted fees for FY 2021 are based on 2020 population estimates from the North Central Texas Council of Governments or provided directly by customers/members.
- The Other Revenue account includes revenues from rebates and auction items.
- The Rental Revenue account captures the rental income estimated for 802 N. Kealy and reallocates to operating funds to offset total allocated debt for this facility.
- This transfer from Regional Treated Water System and the Riverbend Plant within the Northeast Water Reclamation System 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 24.5 full-time equivalent positions which includes one new position (HR / Purchasing Technician) and reclass of HR Generalist to HR Staffing Coordinator. A 10% increase in medical insurance rates is included in Personnel Services.

Administrative

- Building Maintenance & Improvements decreased as several major projects including gutter work, flooring, and HVAC were budgeted in FY 2020.
- Printing increase based on current trends.
- Botanical includes an increase for mowing costs, as well as associated costs for flower bed maintenance.
- Meetings increase based on current trends.
- Bank Fees increase related to account balance.
- The request for Furniture and Equipment less than \$5,000 will fund a DJI Phantom drone and office chair replacements. No requests for Furniture and Equipment greater than \$5,000.
- Maintenance Expense of \$46,950 (out of \$49,685 allocated to this fund) is for the 802 N. Kealy rental property. Due to an increase in work orders, this represents 1.89% of the total Maintenance budget, up from 0.945%.

Office Expenses

- The reduction of Communications and Computer Equipment and Supplies is due to the creation of the Information Technology Fund, which will now reflect all related costs (including Personnel, computer, and software costs) to provide more transparency and better oversight over the ever-expanding role of technology within the District.

Professional Services

- Temporary/Contract Labor increase to assist with Laserfiche project.
- The reduction in Other Outside Services is due to one-time costs in FY 2020 for website design and the monthly backup subscription that is now included in the Information Technology budget.
- The reduction of Equipment Services is due to the creation of the Information Technology Fund. All related costs will now be included within that Fund.

Information Technology

- The Information Technology expense includes all costs within the newly created Information Technology Fund. Further detail 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

- This account represents the remaining portion of the total allocated maintenance expenses directly related to the 900 and 802 N. Kealy Administrative offices.

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 2019-2020

- ✓ Issue Comprehensive Annual Financial Report (CAFR) 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 nineteenth 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 eleventh Distinguished Budget Presentation Award. Special Capital Recognition was also achieved.

- ✓ 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 \$1,141,470 of medical claims and approximately \$128,340 of Medical Stop-Loss Claims.*
 - *Teladoc services available with an annual utilization of 42.7% with an estimated District savings of \$14,632.*
 - *Successfully negotiated the employee health insurance stop loss contract with a new provider with a slight increase in employee paid premiums of 5%.*
 - *Offered increases in voluntary life insurance coverage to employees (\$10,000) and their spouse (\$5,000) with no Evidence of Insurability (EoI) required.*

- ✓ Recruit capable candidates for vacant positions.

Worked with Directors, Managers, Superintendents, and Supervisors to successfully advertise, interview, and fill 13 vacant full-time positions.

- ✓ Continued contract renewal for the Wastewater Internship Program with Tarrant County College (TCC).

The program was expanded to all of the District's Water Reclamation Plants. The COVID-19 pandemic caused this program to be temporarily suspended.

- ✓ Continue to monitor and manage the Commercial Paper Program.

As of September 30, 2020, \$32M out of an authorized \$75M credit line has been utilized to fund various capital projects identified in the Regional Treated Water System.

✓ Prepared and processed bid documents.

- *Completed 13 competitive sealed bids and 1 sealed proposal.*
- *Completed 4 formal bids resulting in the procurement of a commodity or service.*
- *Completed 23 contract renewals.*
- *Processed / Issued 213 Purchase Orders for a total of \$4.7 million.*
- *Processed / Issued 24 new contracts.*

✓ Completed various projects assigned to the Purchasing Division.

- *Updated Purchasing Manual to include current SOPs for all activities.*
- *Provided a 'Purchasing 101' refresher class to all operations staff to ensure that employees are aware of changes on purchasing requirements and procedures as stated in the District's Purchasing Policy.*
- *Sourced, purchased, and managed inventory of PPE gear for all District employees throughout the COVID-19 Pandemic.*

✓ Continue to expand the Watershed Protection Program.

- *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.*
- *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'.*
- *Participated in the Third Grade Shade Tree Program in partnership with the Denton County Soil and Water Conservation District and the Denton County Agrilife Extension Office to provide every third grade student in Denton County a shade tree. Students are instructed on how to plant and care for the native trees.*
- *In a joint effort with the Upper Trinity Conservation Trust and Denton County, continue implementing the Greenbelt Master Plan for Denton County. The purpose of the Plan is to protect greenbelt areas and riparian assets and to create a common vision for voluntary participation in preserving these irreplaceable assets. Held an educational event to promote preservation and protection of riparian areas.*

INFORMATION TECHNOLOGY

The purpose of Information Technology is to facilitate technology related needs of the District and to provide support services to the core operations. Services include information technology and communication systems.

MISSION

Information Technology Services is responsible for managing technological support of the District. 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, and video surveillance systems, and design and maintenance of primary and secondary communications systems for the District's networks.

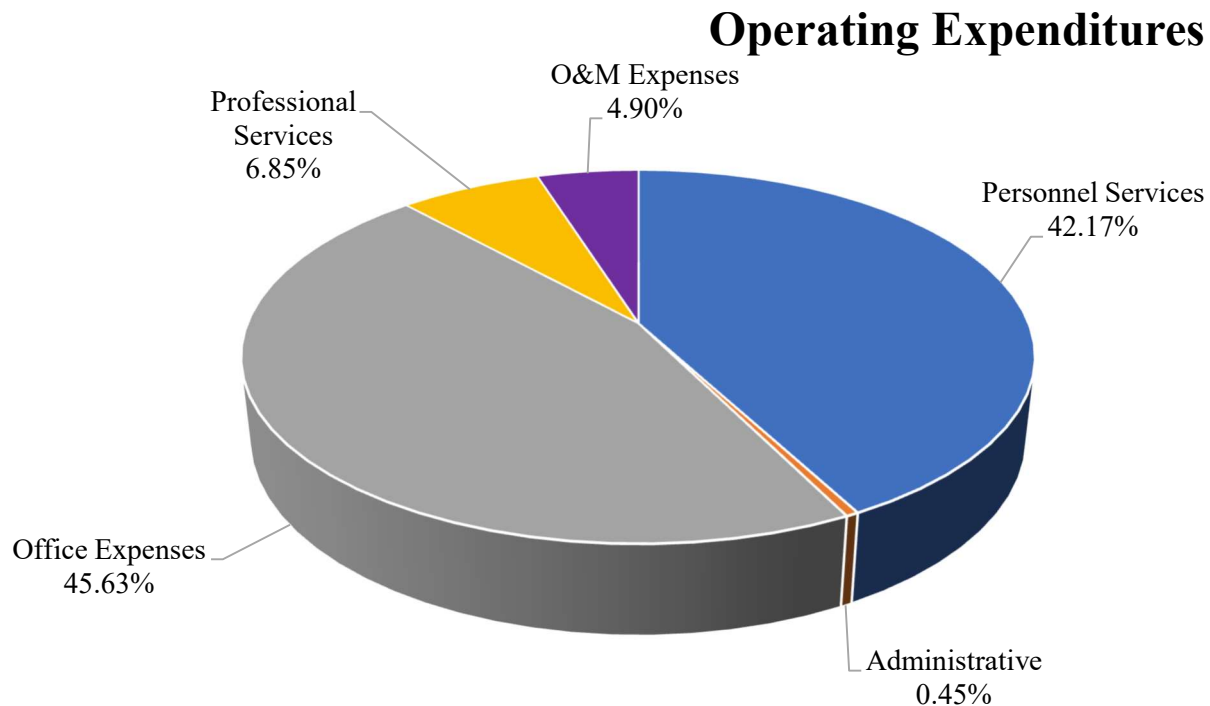
GOALS AND OBJECTIVES

Information Technology Services

- 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 in regard to cyber security threats.
- Work with operations staff to coordinate network and SCADA systems.

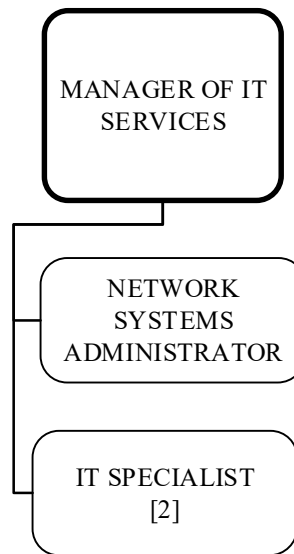
BUDGET SUMMARY

	<u>FY 2018-2019</u>	<u>FY 2019-2020</u>	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
	<u>Actuals</u>	<u>Adopted</u>	<u>Estimates</u>	<u>Adopted</u>
Beginning Balance	\$ -	\$ -	\$ -	\$ -
Operating Expense				
Personnel Services	\$ -	\$ -	\$ -	\$ 475,920
Administrative	-	-	-	5,050
Office Expenses	-	-	-	515,015
Professional Services	-	-	-	77,280
O&M Expenses	-	-	-	55,300
Total Operating Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,128,565</u>
Allocation Transfer to Administration	-	-	-	(1,128,565)
Ending Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



PERSONNEL SUMMARY

Positions	FY 2019 Actuals	FY 2020 Budget	FY 2020 Revised	FY 2021 Budget
Manager of IT Services	1	1	1	1
Network Systems Administrator	1	1	1	1
IT Specialist	2	2	2	2
Total FTEs	4	4	4	4



PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2019 Actuals	FY 2020 Estimates	FY 2021 Target
Servers, desktop and laptop computers, mobile devices maintained	% of total number of hardware components maintained	100%	100%	100%
Network reliability	Calculation of network operational days as a percentage of total available network days	100%	100%	100%
Monitor life cycles of all District devices and software to ensure continued support and plan for end-of-life replacement	% of total number of devices and software life cycles monitored	100%	100%	100%
Backup of all District data, using a hybrid system, including an on-premise 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%

SUMMARY OF MAJOR CHANGES

Personnel Services

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

Administrative

- Administrative costs include Water Information Sharing and Analysis Center (Water ISAC) membership and various training.

Office Expenses

- Communications includes leased communication services through AT&T Ethernet, as well as fax service.
- 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, ArcGIS subscription and hosting, Laserfiche, and Cisco licensing and switches.

Professional Services

- Other Outside Service includes monthly backup subscription.
- Equipment Service comprises maintenance and service agreements for copiers, phone system and Cisco equipment. Alarm and access control are also included.
- Security account will provide additional cameras at the Riverbend plant.

O&M Expenses

- Plant and Equipment Maintenance includes funding for Fiber Optic maintenance in the event of an issue.
- Included in the Furniture and Equipment greater than \$5,000 account:
 - Trimble R12 Model 60 (GPS Unit) - \$32,000
 - Cisco Firepower 2110 NGFW Appliance (Firewall / Computer Security Server) - \$6,200

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 2019-2020

- ✓ Continue to promote awareness and knowledge of potential cybersecurity issues.

Additional cybersecurity training curriculums will be provided to all District employees throughout the year to reinforce awareness of new and ever-evolving cyber threats. Simulated phishing campaigns will also be utilized to measure how we are doing as an organization and to gauge employee retention of cybersecurity training.

- ✓ Replaced or upgraded all servers, desktops, and laptops running on retired Microsoft operating systems and/or applications.

Microsoft recently retired Windows 2008, Windows 2008 R2, SQL Server 2008, Windows 7 desktop operating system, and many other software products. We either replaced or upgraded servers, desktops, and laptops containing any of these retired operating systems.

- ✓ Transformed District data center through server virtualization.

By building our infrastructure using VMware, we can increase our systems to high availability, decrease hardware and maintenance costs, and keep the resources available that we depend on daily. To date, we have virtualized 20 servers.

- ✓ Purchased hardware and software in preparation for upgrade to Wonderware System Platform.

Procured hardware and software that either met or exceeded both the manufacturer's and the System Integrator's recommended requirements for the upgrade to Wonderware Systems Platform. System Platform will decrease licensing and hardware costs and provide a standardized system for existing and future plants.

- ✓ Contracted with local telephone company to run fiber from the data center to the Stone Hill Pump Station.

We currently have a microwave radio link at the Stone Hill Pump Station. This will become the secondary communication path, as fiber is always our primary, if available. This will provide the opportunity to monitor SCADA in the near future and to place surveillance cameras, security equipment, and other needed items.

- ✓ Changed productivity software standard to Microsoft Office 365.

Changed Microsoft Office Suite to subscription-based Office 365. This will allow us to stay current with future versions and provide online access to applications. It also includes some additional collaboration tools that were not available in the perpetual version.

- ✓ Moved on-premise Exchange Server to Exchange Hosted.

Moved Microsoft Exchange from on-premise to hosted access. This will simplify administering email accounts and save on hardware and maintenance costs. It also provides Enterprise-level security, scalability, and automatic update to future versions. It allows you to synchronize your data with devices such as a laptop, tablet or mobile. You can easily access your email, contacts or calendars anytime and anywhere.

- ✓ Planned upgrade to Incode 10.

Contacted Tyler Technologies and put our name on the list to be upgraded to Incode v10. We currently have the latest release of version 9 which still has a proprietary database. There would be a substantial cost to convert data from current database to Incode 10, with an industry standard database. We are considering the Incode Online version which would replace the current on-premise server.

- ✓ Created Mobile Device Management Platform.

Created an MDM (mobile device management) platform which will allow us to administrate the ever-growing fleet of mobile devices. This will provide us consistent configurations, policies, applications, and over-the-air distribution of applications, data, configuration settings, and updates. It will also allow us to monitor and track mobile equipment and remotely wiping a lost or outdated device.

- ✓ Upgrade to current communication products

Have been working with AT&T Engineers to upgrade our current point-to-point communication services, which are older and slower, to AT&T switched Ethernet which would increase our speed and provide a substantial annual cost savings. This solution will allow us to add future EVC (Ethernet Virtual Connections) as needed. We hope to have this project completed before the end of the calendar year.

- ✓ Deployed SolarWinds Service Desk

Deployed SolarWinds Service Desk, which is an ITSM (IT Service Management) portal which will allow users to send an email request to an associated email address and all team members will be notified by email, or in the portal itself. This allows us to set and monitor SLA (service level agreements) and also keep records of service tickets and resolutions. This information can be shared with management as requested or at set intervals. It helps provide IT Management with a visual indication of staff activity and allows prioritization and assignment to the appropriate staff member.

WATER RECLAMATION SYSTEMS

The District is committed to protecting public health and raw water supplies by providing superior wastewater treatment for our current customers and anticipating future treatment requirements using responsible planning practices. The Northeast Regional Water Reclamation System, consisting of the Riverbend Plant and the Doe Branch Plant, and separately the Peninsula Water Reclamation Plant, serve the northeastern portion of Denton County, generally north of Lewisville Lake and east of Highway 377. The Lakeview Regional Water Reclamation System 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.
 - 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.
 - Properly staff with Maintenance and Electronic Technicians.

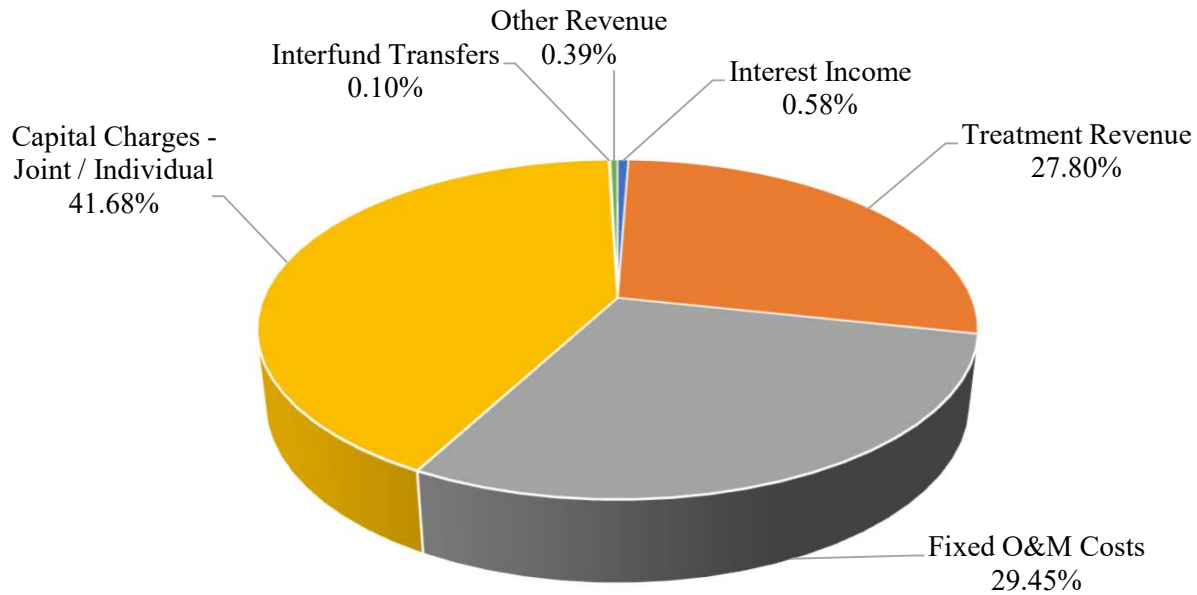
- Scheduled maintenance performed according to manufacturer's recommendations.
- Monitor equipment constantly and report any maintenance requirements promptly.
- Be cognizant of new, or improved, methods and equipment that would benefit Operations, Maintenance and the communities we serve.
- Maintain 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.
 - Continue odor and corrosion prevention activities in Northeast systems.
- Maintain security/safety of systems and resources.
 - Secure all of 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.

BUDGET SUMMARY

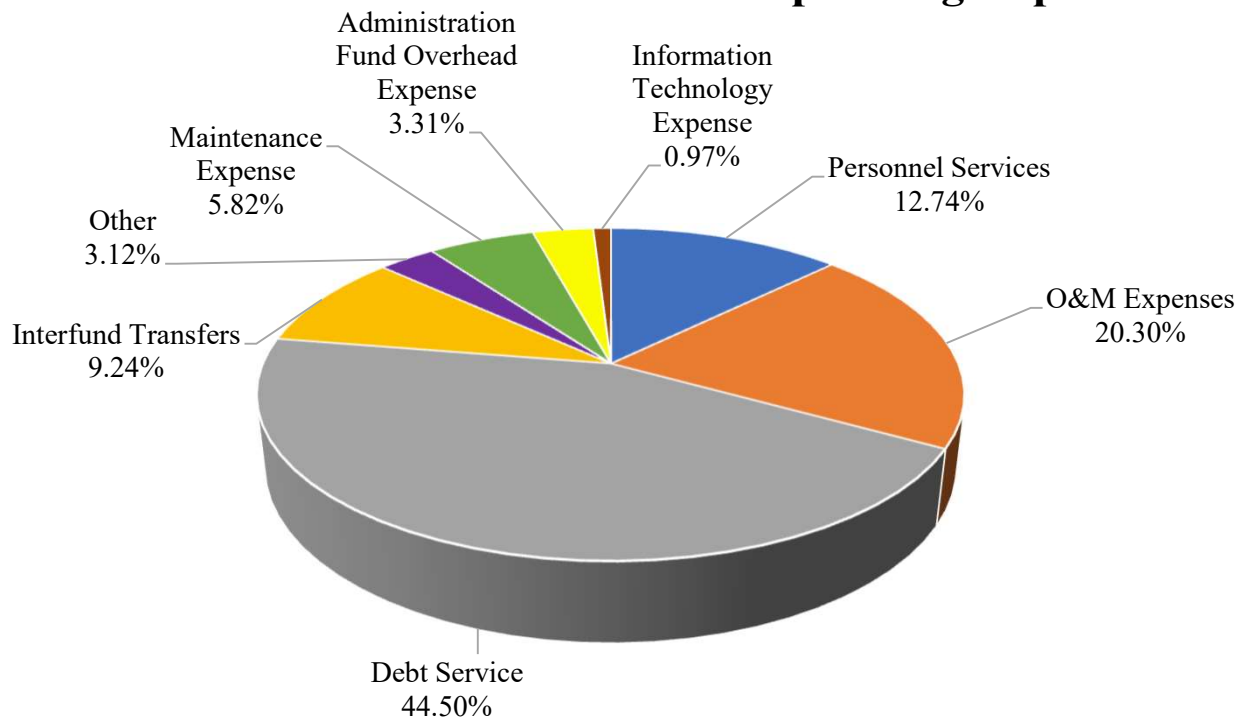
Lakeview Regional Water Reclamation System

	FY 2018-2019	FY 2019-2020	FY 2019-2020	FY 2020-2021
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ 2,003,100	\$ 1,962,075	\$ 2,403,300	\$ 1,676,530
Operating Revenue				
Interest Income	\$ 117,288	\$ 105,000	\$ 57,675	\$ 42,500
Treatment Revenue	2,151,502	1,880,445	2,066,325	2,030,545
Fixed O&M Costs	2,150,171	2,150,175	2,150,175	2,150,175
Capital Charges - Joint / Individual	3,057,969	2,997,845	2,997,850	3,043,140
Interfund Transfers	156,160	5,750	14,430	7,120
Corinth Point of Entry Transportation	12,385	10,440	12,105	11,320
Other Revenue	26,262	17,800	18,710	16,930
Total Operating Revenue	\$ 7,671,737	\$ 7,167,455	\$ 7,317,270	\$ 7,301,730
Operating Expense				
Personnel Services	\$ 818,478	\$ 882,650	\$ 834,735	\$ 870,325
Administrative	91,642	103,310	98,350	106,315
Office Expenses	5,498	20,770	14,770	3,560
Professional Services	137,430	51,850	74,375	52,400
O&M Expenses	1,088,416	1,206,080	1,262,520	1,386,505
Debt Service	3,127,230	3,120,640	3,120,640	3,040,015
Interfund Transfers	1,586,853	566,335	1,956,095	631,385
Shared Debt Payments	40,816	40,815	40,815	40,815
DCFWSO #7 - Corinth Point of Entry	11,146	9,395	10,895	10,190
Maintenance Expense	300,426	374,745	368,525	397,475
Administration Fund Overhead Expense	139,671	268,700	262,320	225,795
Information Technology Expense	-	-	-	66,200
Adjustment for Accrued Expenditures	(76,069)	-	-	-
Total Operating Expense	\$ 7,271,537	\$ 6,645,290	\$ 8,044,040	\$ 6,830,980
Ending Balance	\$ 2,403,300	\$ 2,484,240	\$ 1,676,530	\$ 2,147,280

Lakeview Operating Revenues



Lakeview Operating Expenditures

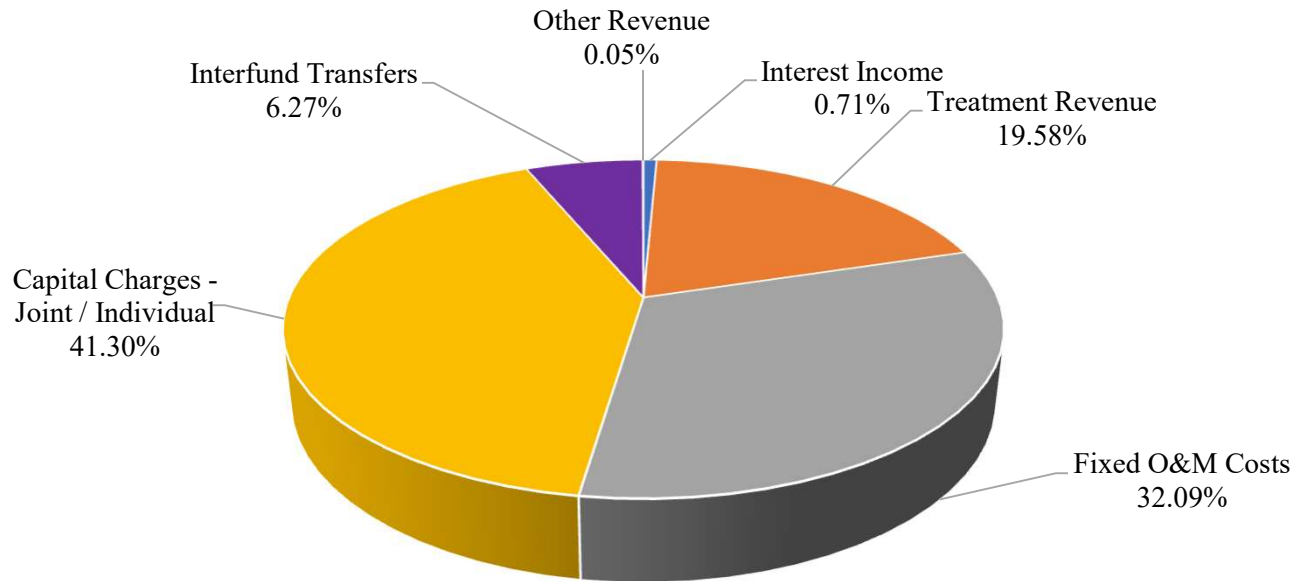


BUDGET SUMMARY

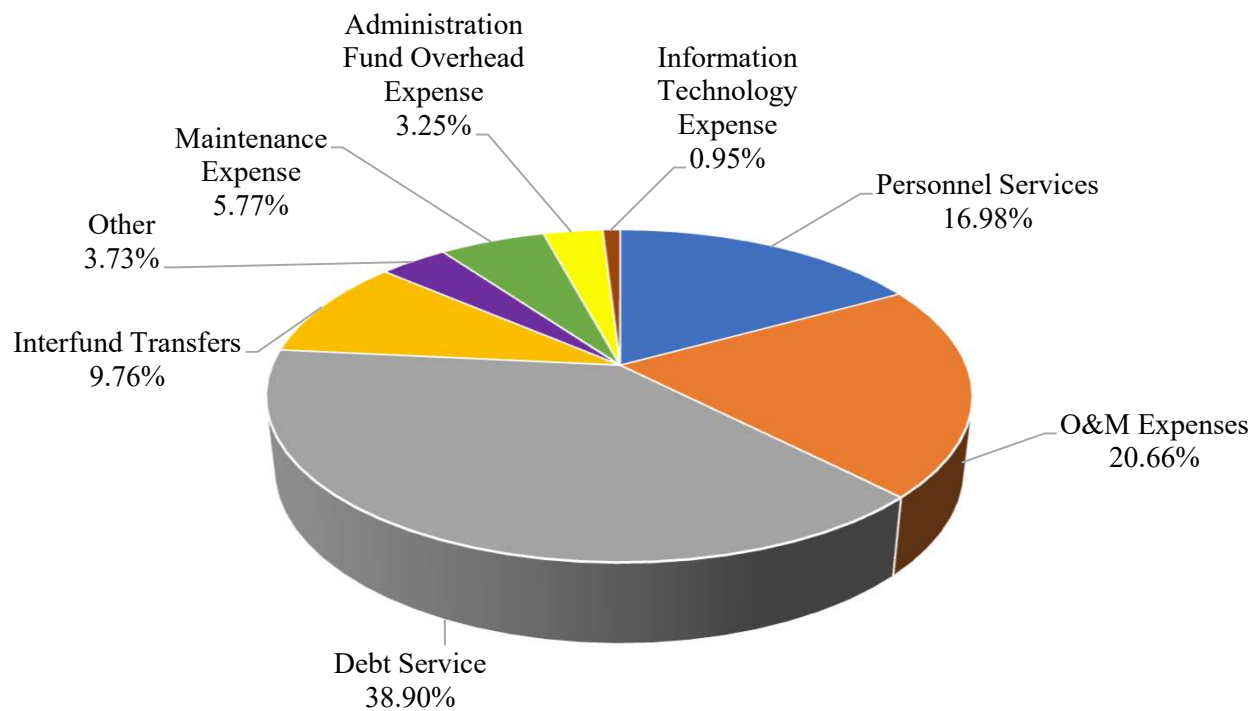
Northeast Regional Water Reclamation System - Riverbend & Doe Branch

	FY 2018-2019	FY 2019-2020	FY 2019-2020	FY 2020-2021
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ 1,470,884	\$ 1,681,189	\$ 2,244,342	\$ 2,200,357
Transfer to Operations		\$ (57,000)	\$ (58,120)	
Beginning Balance Revised		\$ 1,624,189	\$ 2,186,222	
Operating Revenue				
Interest Income	\$ 155,102	\$ 180,000	\$ 82,185	\$ 67,500
Treatment Revenue	1,911,581	1,550,995	2,127,620	1,875,115
Fixed O&M Costs	2,558,267	3,071,645	3,071,645	3,071,645
Capital Charges - Joint / Individual	2,376,663	2,900,720	2,900,720	3,952,630
Interfund Transfers	148,000	57,000	65,545	600,000
Other Revenue	46,603	5,280	24,940	4,580
Total Operating Revenue	\$ 7,196,216	\$ 7,765,640	\$ 8,272,655	\$ 9,571,470
Operating Expense				
Personnel Services	\$ 1,122,351	\$ 1,300,110	\$ 1,194,215	\$ 1,535,745
Administrative	118,717	164,780	189,085	192,185
Office Expenses	55,951	57,075	54,315	5,160
Professional Services	57,861	187,175	225,985	125,200
O&M Expenses	1,438,480	1,680,750	1,722,835	1,868,540
Debt Service	1,893,848	2,522,355	2,522,355	3,518,380
Interfund Transfers	1,339,224	738,560	1,618,765	882,710
Shared Debt Payments	14,833	14,830	14,830	14,830
Maintenance Expense	319,203	398,170	391,555	521,685
Administration Fund Overhead Expense	181,273	332,470	324,580	293,515
Information Technology Expense	-	-	-	86,050
Adjustment for Accrued Expenditures	(118,983)	-	-	-
Total Operating Expense	\$ 6,422,758	\$ 7,396,275	\$ 8,258,520	\$ 9,044,000
Ending Balance	\$ 2,244,342	\$ 1,993,554	\$ 2,200,357	\$ 2,727,827

Riverbend & Doe Branch Operating Revenues



Riverbend & Doe Branch Operating Expenditures

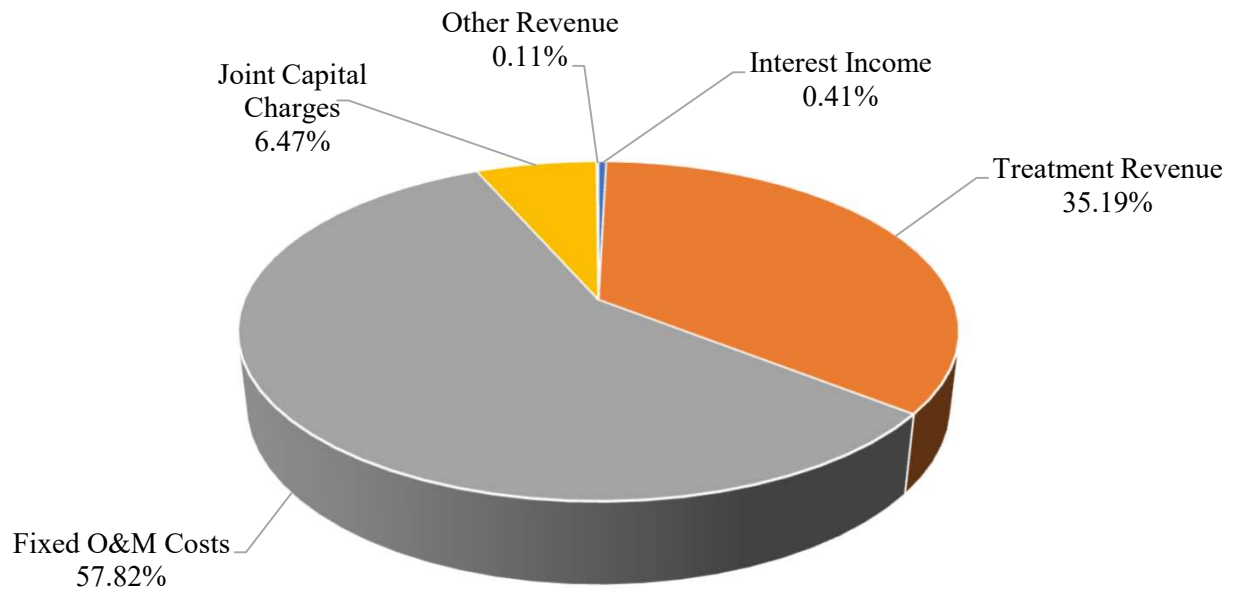


BUDGET SUMMARY

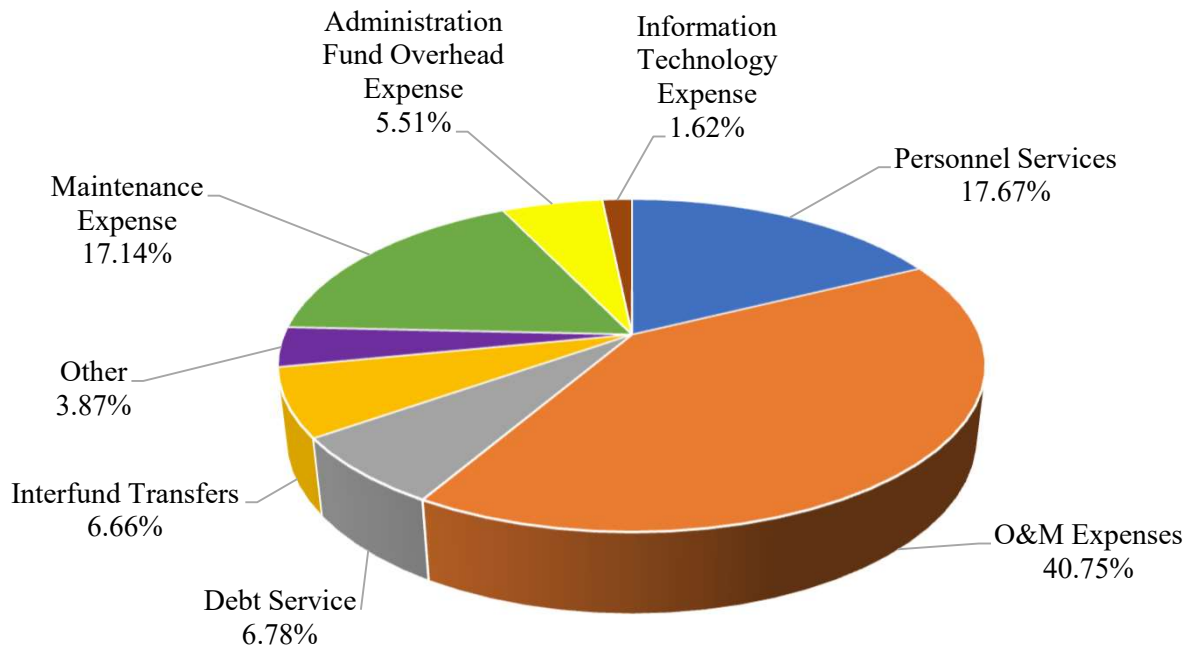
Peninsula Water Reclamation Plant

	FY 2018-2019	FY 2019-2020	FY 2019-2020	FY 2020-2021
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ 333,717	\$ 241,197	\$ 331,157	\$ 274,697
Operating Revenue				
Interest Income	\$ 13,397	\$ 11,250	\$ 5,935	\$ 4,380
Treatment Revenue	348,951	302,770	392,085	374,855
Fixed O&M Costs	575,280	615,795	615,795	615,795
Joint Capital Charges	70,545	69,690	69,690	68,935
Interfund Transfers	35,000	-	3,055	-
Other Revenue	22,540	1,320	4,085	1,145
Total Operating Revenue	\$ 1,065,713	\$ 1,000,825	\$ 1,090,645	\$ 1,065,110
Operating Expense				
Personnel Services	\$ 150,517	\$ 165,430	\$ 155,125	\$ 179,260
Administrative	21,035	23,450	24,000	26,900
Office Expenses	267	6,800	6,800	1,000
Professional Services	16,458	8,500	8,610	6,500
O&M Expenses	342,828	377,725	388,665	413,550
Debt Service	69,729	69,690	68,795	68,835
Interfund Transfers	295,834	64,120	263,150	67,540
Shared Debt Payments	4,883	4,880	4,880	4,880
Maintenance Expense	131,437	163,950	161,230	173,895
Administration Fund Overhead Expense	37,414	67,450	65,850	55,905
Information Technology Expense	-	-	-	16,390
Adjustment for Accrued Expenditures	(2,128)	-	-	-
Total Operating Expense	\$ 1,068,273	\$ 951,995	\$ 1,147,105	\$ 1,014,655
Ending Balance	\$ 331,157	\$ 290,027	\$ 274,697	\$ 325,152

Peninsula Operating Revenues

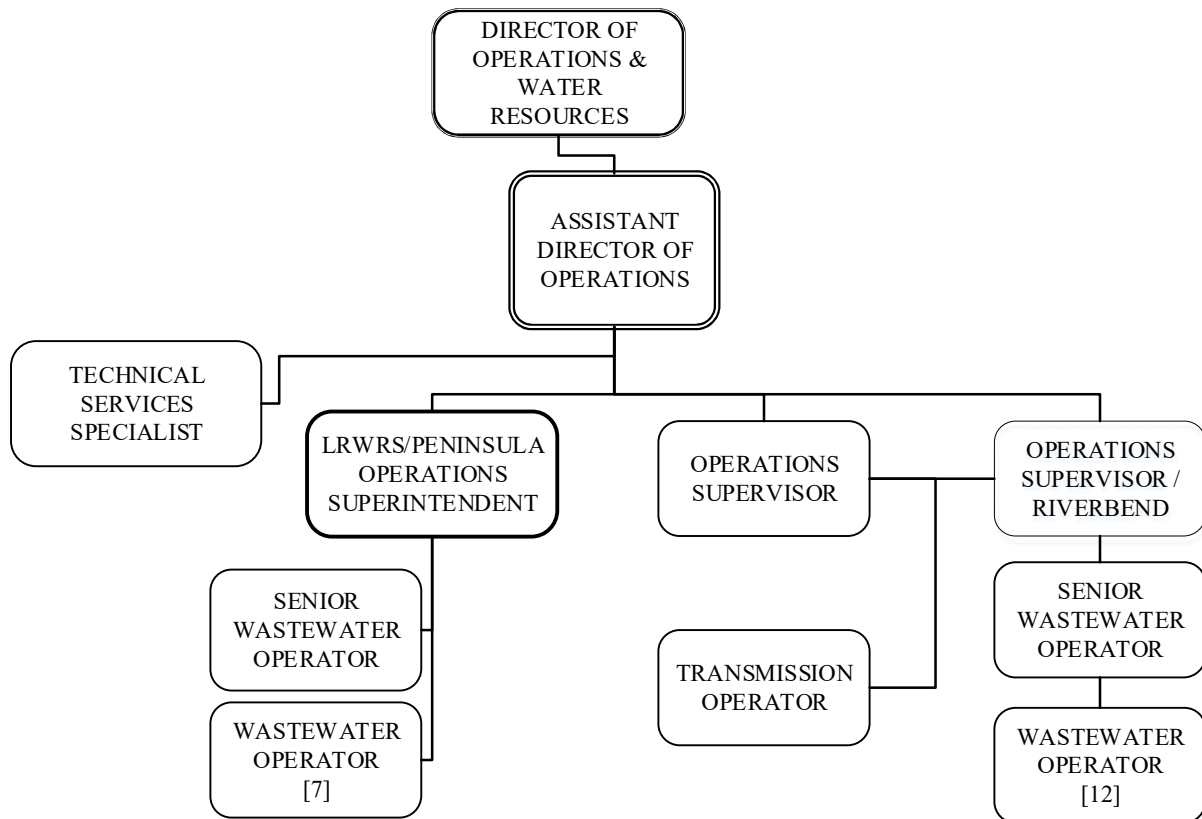


Peninsula Operating Expenditures



PERSONNEL SUMMARY

Positions	FY 2019 Actuals	FY 2020 Budget	FY 2020 Revised	FY 2021 Budget
Deputy Executive Director	0.20	0	0	0
Director of Operations	0.55	0.50	0.50	0.50
Assistant Director of Operations	0	0.50	0.50	0.50
Technical Services Specialist	0.40	0.55	0.55	0.55
Electrical Engineer	0	0	0	0.15
Project Engineer	0.15	0.15	0.15	0
Water Resource Specialist	0	0.15	0.15	0.20
Wastewater Operations Superintendent	1	1	1	1
Northeast Operations Manager	0.40	0	0	0
Operations Supervisor	0.60	0.60	0.60	1.70
Senior Wastewater Operator	2	2	2	2
Wastewater Operator III	12	11	11	8
Wastewater Operator II	0	3	3	4
Wastewater Operator I	4	5	5	7
Transmission Operator	0.50	0.50	0.50	0.50
Water Operator II / Clerk	0.40	0.40	0.40	0.40
Total FTEs	22.20	25.35	25.35	26.50



PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2019 Actuals	FY 2020 Estimates	FY 2021 Target
Effluent Quality	Achieve 100% regulatory compliance / NACWA Award - Lakeview - Riverbend - Doe Branch - Peninsula	100% / Platinum 100% / Platinum 100% / Gold 100% / Platinum	100% / Platinum 100% / Platinum 100% / Gold 100% / Platinum	100% / Platinum 100% / Platinum 100% / Platinum 100% / Platinum
Process Control Testing	Ratio (%) of tests completed / total tests required - Lakeview - Riverbend - Doe Branch - Peninsula	200% 200% 200% 200%	200% 200% 200% 200%	200% 200% 200% 200%
Biosolids Processing	Number of tons of biosolids processed and hauled to disposal - Lakeview - Riverbend - Doe Branch - Peninsula	950 600 500 180	1200 900 500 180	1400 900 500 200
Equipment Shutdowns	Percent of time critical equipment is available - Lakeview - Riverbend - Doe Branch - Peninsula	>99% >99% >99% >99%	>99% >99% >99% >99%	>99% >99% >99% >99%
Complaints From Neighbors / Addressed	Number of odor complaints per year / percent addressed - Lakeview - Riverbend - Doe Branch - Peninsula	1 / 100% 0 / 100% 0 / 100% 4 / 100%	1 / 100% 0 / 100% 0 / 100% 2 / 100%	0 / 100% 0 / 100% 0 / 100% 0 / 100%

SUMMARY OF MAJOR CHANGES

Lakeview

SUBSCRIBED CAPACITIES

Entity	FY 2020 Budget	FY 2021 Budget
Bartonville	0.0378 mgd	0.0378 mgd
Corinth	1.6080 mgd	1.6080 mgd
DCFWSO #7	0.8440 mgd	0.8440 mgd
Double Oak	0.0080 mgd	0.0080 mgd
Highland Village	1.6500 mgd	1.6500 mgd
Lake Cities MUA	1.1810 mgd	1.1810 mgd
Total	5.3288 mgd	5.3288 mgd

PROJECTED FLOWS

Entity	FY 2020 Budget	FY 2020 Estimates	FY 2021 Budget
Bartonville	0.0035 mgd	0.0037 mgd	0.0040 mgd
Corinth	1.3000 mgd	1.4195 mgd	1.4100 mgd
DCFWSO #7	0.7300 mgd	0.8173 mgd	0.8000 mgd
Double Oak	0.0014 mgd	0.0035 mgd	0.0025 mgd
Highland Village	1.2500 mgd	1.3591 mgd	1.3500 mgd
Lake Cities MUA	0.9000 mgd	0.9943 mgd	0.9500 mgd
Total	4.1849 mgd	4.5974 mgd	4.5165 mgd

RATE STRUCTURE

	FY 2020 Budget	FY 2021 Budget
Treatment Rate	\$1.25 / 1,000 gallons	\$1.25 / 1,000 gallons
Fixed O&M Charges*	\$403,500 / mgd	\$403,500 / mgd

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

Lakeview

CAPITAL CHARGES

Entity	Individual	Joint	Total
Bartonville	\$6,010	\$15,695	\$21,705
Corinth	\$84,015	\$667,660	\$751,675
DCFWSO #7	\$452,360	\$350,435	\$802,795
Double Oak	\$10,935	\$3,320	\$14,255
Highland Village	\$232,410	\$685,095	\$917,505
Lake Cities MUA	\$44,840	\$490,365	\$535,205
Total	\$830,570	\$2,212,570	\$3,043,140

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.
- The joint fixed O&M charges 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 2021 capital charges are based on the allocated debt service requirement for each entity's individual pipeline(s), as well as their portion of joint debt.
- The Lakeview Plant processes biosolids sludge from the Peninsula Plant and receives \$0.03 / 1,000 gallons as a reimbursement for electricity expense. Due to continued growth in the Peninsula Plant's service area, the amount of biosolids sludge has greatly increased.
- Corinth point-of-entry near I-35E transportation charge is collected and credited to DCFWSO #7 (Lantana) for rental of pipeline capacity.
- Other Revenue includes income from Lake Dallas animal shelter and the EnelX electric rebate program.
- Rental Revenue includes the pro rata share of 802 N. Kealy annex rental income.

Lakeview

Expenses

Personnel Services

- The adopted budget includes funding for 8.85 full-time equivalent positions and a 10% increase in medical insurance rates.

Office Expenses

- The decrease in the Communications expense is based on FY 2020 actual cell phone charges.
- The reduction of Computer Equipment and Supplies is due to the creation of the Information Technology Fund, which will now reflect all related costs (including Personnel, computer, and software costs) to provide more transparency and better oversight over the ever-expanding role of technology within the District.
- The Supplies account increase is due to an invoice approval processing change, thus requiring additional supplies of ink and paper.

Professional Services

- Equipment Service decreased due to a new annual SmartNet service agreement (for system updates and technical support for Cisco devices) in FY 2020 and is now being budgeted in the Information Technology Fund.

O&M Expenses

- The Botanical account increase reflects an anticipated cost increase for a new vendor contract, as well as additional flower bed maintenance costs.
- Due to having added several vehicles to this System over the past few years, maintenance items such as oil changes (synthetic oil), as well as tires and batteries for these vehicles have been increased.
- Plant and Equipment Maintenance expenses decreased due to having replaced several meters in FY 2020.
- Pipeline Maintenance expenses increased due to the System getting older, thus requiring the replacement of more air release valves and carbon barrels than in the past.
- The Lab Supplies and Services account increased due to switching to a new vendor for routine lab testing.
- The Machinery, Equipment, and Tools account decreased due to purchasing an additional pump for the McDonald's lift station in FY 2020

Lakeview

- The Biosolids Disposal account increased due to the anticipated closing of the landfill in the City of Lewisville and therefore, no longer able to accept sludge materials from the Lakeview Plant. This will require the shipment of these materials to a more remote landfill.
- There were no requests for Equipment and Furniture account greater than \$5,000.

Interfund Transfers

- Equity funding of \$300,000 is generated for projects within the Capital Improvement Program. The funds are earmarked to be placed in a Non-Bond Capital Reserve.
- The transfer of \$42,500 to the O&M Reserve Fund is included in the adopted budget to recover the required level of 25% of O&M expenses (less debt service). This reserve is anticipated to be 100% funded at the end of FY 2021.
- Funding for Capital Replacement Reserve is provided for in the volume charge at \$0.10 / 1,000 gallons – no change from FY 2020.
- Transfer to Plant Permitting Reserve (\$12,000) is for the next permit renewal.
- Transfer to Vehicle and Equipment Replacement Reserve Fund (\$112,035) is calculated according to quantity and age of vehicles and equipment. This amount is funded according to established replacement schedule.

Shared Debt Payments

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

DCFWSO #7 - Corinth Point of Entry

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

Maintenance Expense

- This allocation represents 16% of the adopted Maintenance budget.

Administration Fund Overhead Expense

- The allocation of overhead to operations.

Information Technology Expense

- Allocation of Information Technology Fund expenses to operations.

Riverbend & Doe Branch

SUBSCRIBED CAPACITIES

Entity	FY 2020 Budget	FY 2021 Budget
DCFWSO #8A	0.454 mgd	0.454 mgd
Providence Village	0.550 mgd	0.550 mgd
DCFWSO #10	0.250 mgd	0.250 mgd
DCFWSO #11	0.716 mgd	0.716 mgd
Mustang SUD	1.817 mgd	1.817 mgd
Celina	0.665 mgd	0.665 mgd
Prosper	1.000 mgd	1.000 mgd
Total	5.452 mgd	5.452 mgd

PROJECTED FLOWS

Entity	FY 2020 Budget	FY 2020 Estimates	FY 2021 Budget
DCFWSO #8A	0.2500 mgd	0.3896 mgd	0.3000 mgd
Providence Village	0.4200 mgd	0.3932 mgd	0.4200 mgd
DCFWSO #10	0.2500 mgd	0.3666 mgd	0.2750 mgd
DCFWSO #11	0.6000 mgd	0.6183 mgd	0.6000 mgd
Mustang SUD	0.9000 mgd	1.1393 mgd	1.0000 mgd
Celina	0.5200 mgd	0.8209 mgd	0.7000 mgd
Prosper	0.3500 mgd	0.8081 mgd	0.7000 mgd
Total	3.2900 mgd	4.5360 mgd	3.9950 mgd

RATE STRUCTURE

	FY 2020 Budget	FY 2021 Budget
Volume Charge - Members	\$1.25 / 1,000 gallons	\$1.25 / 1,000 gallons
Volume Charge - Customers	\$1.34 / 1,000 gallons	\$1.34 / 1,000 gallons
Joint Fixed O&M	\$563,500 / mgd	\$563,500 / mgd

Riverbend & Doe Branch

CAPITAL CHARGES

Entity	Individual	Interim	Joint	Total
DCFWSO #8A	\$182,530	\$12,080	\$89,245	\$283,855
Providence Village	\$355,280	\$14,645	\$108,175	\$478,100
DCFWSO #10	\$4,555	\$560	\$32,370	\$37,485
DCFWSO #11	\$266,585	\$19,060	\$140,775	\$426,420
Mustang SUD	\$291,700	\$43,045	\$395,300	\$730,045
Celina	\$1,812,205	\$ ---	\$107,155	\$1,919,360
Prosper	\$ ---	\$ ---	\$77,365	\$77,365
Total	\$2,912,855	\$89,390	\$950,385	\$3,952,630

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 2021 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 Transfer of \$600,000 from the Non-Bond Capital Reserve being used for rate stabilization, in lieu of an increase to the FY 2021 Fixed O&M Charge.
- Rental Revenue is the pro rata share of 802 N. Kealy annex rental income.

Expenses

Personnel Services

- The adopted budget includes funding for 16.10 full time equivalent positions including one new position (Operations Supervisor at the Riverbend plant). A 10% increase in medical insurance rates is also included.

Riverbend & Doe Branch

Administrative

- The decrease in Conference, Training, & Travel is based on trending.
- Insurance - Property, GL, Vehicle account includes a significant property insurance increase beginning in FY 2020 for the Riverbend Plant expansion.

Office Expenses

- The reduction of Communications and Computer Equipment and Supplies is due to the creation of the Information Technology Fund, which will now reflect all related costs (including Personnel, computer, and software costs) to provide more transparency and better oversight over the ever-expanding role of technology within the District.

Professional Services

- The reduction of Equipment Services is due to the creation of the Information Technology Fund. All related costs will now be included within that fund.
- The Security account reflects a decrease as additional security fencing and gates at the Riverbend plant were budgeted in FY 2020.
- The decrease in Other Outside Services is due to the Sludge Holding Tank Rehab budgeted in FY 2020.

O&M Expenses

- The increase in Plant Supplies is driven by increased personal safety supplies expenses.
- Vehicle Expense increase due to an expanding fleet and aging vehicles.
- The increase in Pipeline Maintenance is to cover system testing and obtain spare pipeline parts in case of emergency.
- The reduction of Machinery, Equipment and Tools is based on FY 2020 trending.
- The Biosolids Disposal account increased due to the anticipated closing of the landfill in the City of Lewisville. This will require the shipment of these materials to a more remote landfill.
- The increase in Electricity is related to the average FY 2020 expense, as well as an increase in flows.

Riverbend & Doe Branch

- The Equipment and Furniture less than \$5,000 includes a conference table and chairs at the new Doe Branch operations building. The Equipment and Furniture greater than \$5,000 includes:

Riverbend

- Replacement of Siemens centrifuge polymer system - \$40,000
- Decanter for rehabbed sludge holding tank- \$20,000
- Spare magnetite recovery shear mill - \$20,000

Doe Branch

- New Gator utility vehicle - \$15,000

Debt Service

- Debt Service payments for all outstanding debt reflects an increase due to the first year with no Capital Interest for Series 2019 Revenue and Refunding bonds.

Interfund Transfers

- Funding for Non-Bond Capital Reserve is provided for in the volume charge at \$0.01 / 1,000 gallons. The additional \$570,225 in the FY 2020 estimate reflects a mid-year adjustment from working capital.
- The Plant Permitting Reserve continues to collect \$12,000 each for the Riverbend and Doe Branch plants over a five-year period to cover plant permitting renewals.
- Transfer to Vehicle and Equipment Replacement Reserve Fund (\$83,025) is calculated according to quantity and age of vehicles and equipment. This amount includes all new vehicles and equipment that have been added over the past few years and is funded according to established replacement schedule.
- The transfer to the O&M Reserve Fund (\$167,500) is included in the adopted budget to recover the required level 25% of O&M expenses (less debt service). This reserve is anticipated to be 100% funded at the end of FY 2021.
- Funding for Capital Replacement Reserve is provided for in the volume charge at \$0.05 / 1,000 gallons.
- The transfer of \$50,000 to the Administration Fund is the portion of the customer surcharge to fund administration services.
- The transfer to Regional Treated Water System consists of \$3,750 for water usage at the Riverbend Plant, a transfer of principal and interest collected from Riverbend participants as the final payment for the UV Disinfection Improvement project (\$89,390), and payments totaling \$347,505 from Celina to various reserves that provided funding for the pipeline project completed in 2010.

Riverbend & Doe Branch

- Riverbend and Doe Branch's portion (\$30,050) of the principal and interest payment for the Northeast Regional Water Reclamation System CIP Planning Study.

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 21% of the adopted Maintenance budget.

Administration Fund Overhead Expense

- The allocation of overhead to operations.

Information Technology Expense

- Allocation of Information Technology Fund expenses to operations.

Peninsula

SUBSCRIBED CAPACITIES

Entity	FY 2020 Budget	FY 2021 Budget
Mustang SUD	0.940 mgd	0.940 mgd
Total	0.940 mgd	0.940 mgd

PROJECTED FLOWS

Entity	FY 2020 Budget	FY 2020 Estimates	FY 2021 Budget
Mustang SUD	0.5250 mgd	0.6799 mgd	0.6500 mgd
Total	0.5250 mgd	0.6799 mgd	0.6500 mgd

RATE STRUCTURE

	FY 2020 Budget	FY 2021 Budget
Member Treatment Rate	\$1.58 / 1,000 gallons	\$1.58 / 1,000 gallons
Joint Fixed O&M	\$655,100 / mgd	\$655,100 / mgd

Revenue

- Interest Income is representative of current market conditions.
- Total treatment revenue reflects the projected flows at adopted rates.
- The adopted joint fixed O&M charges are assessed to recover fixed costs.
- Capital Charges are necessary to make annual debt service payments.
- No Interfund Transfers are requested for FY 2021.
- Rental Revenue is the pro rata share of 802 N. Kealy annex rental income.

Peninsula

Expenses

Personnel Services

- The adopted budget includes funding for 1.55 full time equivalent positions and a 10% increase in medical insurance rates.

Administrative

- Meetings/Training/Travel/Memberships increase due to anticipated training expenses in FY 2021.

Office Expenses

- The reduction of Computer Equipment and Supplies and Equipment Service is due to the creation of the Information Technology Fund, which will now reflect all related costs (including Personnel, computer, and software costs) to provide more transparency and better oversight over the ever-expanding role of technology within the District.

O&M Expenses

- Biosolids Disposal increase is due to the anticipated closing of the landfill in the City of Lewisville. This will require the shipment of these materials to a more remote landfill.
- Chemicals increase driven by an anticipated increase in flows.

Interfund Transfers

- Transfer to Vehicle and Equipment Replacement Reserve Fund (\$22,420) is calculated according to quantity and age of vehicles and equipment. This amount is funded according to an established replacement schedule.
- Transfer to Plant Permitting Reserve (\$5,000) is to continue to accumulation of funds for the next permit renewal.
- The transfer to the O&M Reserve Fund of \$16,000 is included in the adopted budget to recover the required level 25% of O&M expenses (less debt service). This reserve is anticipated to be 100% funded at the end of FY 2021.
- Funding for Capital Replacement Reserve is provided for in the volume charge at \$0.05 / 1,000 gallons, no change from FY 2020.

Peninsula

- The transfer to the Project Development Program (\$7,510) is the final principal and interest payment of a loan for the Northeast Regional Water Reclamation System CIP Planning Study.

Shared Debt Payments

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

Maintenance Expense

- This allocation represents 7% of the adopted Maintenance Budget.

Administration Fund Overhead Expense

- Allocation of overhead to operations.

Information Technology Expense

- Allocation of Information Technology Fund expenses to operations.

ACCOMPLISHMENTS FOR FY 2019-2020

- ✓ Discharge effluent from District water reclamation facilities that meets all regulatory treatment requirements.
 - *Lakeview Regional Water Reclamation System*
 - *TCEQ completed a routine compliance certification inspection for which Lakeview received an excellent rating.*
 - *Completed more voluntary load shedding Demand Response Testing with ERCOT.*
 - *Maintained perfect regulatory compliance and NACWA Platinum Status.*
 - *Maintained 100% survival of all Biomonitoring test species for over 20 years.*
 - *Northeast Regional Water Reclamation System - Riverbend*
 - *Treated WW flows from the Doe Branch basin at 1.0 mgd daily average to assist with construction and hydraulic overloads.*
 - *Started implementing Systems Platform SCADA development. Riverbend is now operating under the Systems Platform SCADA Automation control.*
 - *Maintained perfect regulatory compliance and NAWCA Platinum status.*
 - *TCEQ will complete a routine compliance certification inspection in October 2020.*
 - *Maintained 100% survival of all Biomonitoring test species for over 14 years.*
 - *Maintained the epidemic safe-distancing and wearing of face mask policies. Zero employee COVID-19 illnesses to report.*
 - *Riverbend staff helped with design and value engineering for the roads, receiving station, and maintenance storage/workshop building project.*
 - *Northeast Regional Water Reclamation System - Doe Branch*
 - *Phase II expansion (2.0 mgd – 4.0 mgd) has begun. Design was completed and project began construction in November 2019.*
 - *Continually adapted to increased flows and challenging influent quality episodes while maintaining perfect regulatory compliance and NACWA Gold Status. Continue to assist customers with collection system issues.*
 - *Installed the Weir-Wolf clarifier cleaning system to both clarifiers to reduce algae buildup and greatly improving operator safety and morale.*
 - *Made operational adjustments to solids processing system that have greatly increased operational and overall solids processing efficiency.*
 - *Successfully completed TCEQ Compliance Investigation April 2020.*
 - *Maintained excellent discharge effluent throughout the year.*
 - *Began staffing an overnight operator split between Doe Branch and Riverbend.*
 - *Peninsula Water Reclamation Plant*
 - *TCEQ completed a routine compliance certification inspection for which Peninsula received an excellent rating.*
 - *Maintained perfect regulatory compliance and NACWA Platinum status.*
 - *Phase II expansion project is currently being designed. Construction is scheduled to start in early 2021.*

Lakeview, Riverbend and Peninsula Plants received the NACWA Platinum Award and Doe Branch received the NACWA Gold Award for calendar year 2019. All plants met discharge permit limits through record-setting spring floods and passed all biomonitoring testing at Riverbend, Doe Branch and Lakeview plants.

Northeast Operations and Maintenance staff completed air piping modifications at Peninsula that provided more flexibility and options for process control, along with more effective use of existing equipment.

The Northeast Operations group continued the Operations to Maintenance cross-training program for new Northeast Operations staff members that has proven to be very beneficial to the Northeast Operations and maintenance groups. Plans are being made to incorporate this program District-wide based on its success to-date.

Initiated Wonderware and SCADA server upgrade project. Will be constructing a system platform to unify the design and function of our SCADA HMI for all District plants. Also replacing outdated hardware and updating software and licenses as needed to complete the project. Riverbend is now operating under the Systems Platform SCADA Automation control.

Initiated additional management and leadership training opportunities for mid-level management and high-potential employees.

The Operations Data Management project Phase II is currently underway. Operations staff are currently using the new system to assist with O&M data management needs. Additional training for staff is planned and use of the program will continue to expand. An executive dashboard of key operational parameters is in the final draft stage.

Design for US Highway 380 widening project has started. Several District pipelines will have to be relocated impacting both the water and wastewater systems along the Highway 380 corridor.

✓ **Maintain all water reclamation facilities in high-quality working order.**

Continued using the Weir-Wolf clarifier cleaning system at the Lakeview and Doe Branch plants with good results, reducing labor hours and increasing staff safety.

District staff upgraded a significant portion of the Lakeview Plant lighting to LED.

Improvements to the Peninsula headworks area to enhance freeze protection to minimize equipment downtime during cold weather months continues to pay dividends. For the third consecutive year after implementing these improvements we had zero shutdowns of critical plant equipment due to freezing weather.

Continued vendor service to clean out the Riverbend wet well and influent pipeline, the Doe Branch lift station, and select Lakeview system lift stations. Maintenance has been providing this service at various locations after the District purchased its own Vactor Truck.

Continued to maintain on-hand spare parts inventory of key operational equipment at all facilities. Purchased a spare RAS pump for Doe Branch.

Installed and began using new modernized maintenance management software program to help increase O&M efficiency.

✓ Maintain facilities with a good neighbor policy.

Operations has continued the on-going landscape and maintenance of the property along the Riverbend entry road that borders neighboring Paloma Creek making for a very aesthetically appealing area to visitors and residents.

Continue to ensure that all property owned by the District is well maintained, especially around the Doe Branch, Riverbend, and Peninsula facilities. Landscaping at Riverbend has been completed.

Continue to feed iron salts at pumping stations and hydrogen peroxide at the plant for effective odor control both in the pipeline system and at the Lakeview facility.

✓ Maintain security/safety of systems and resources.

Completed a large easement reclamation project on the Doe Branch Phase II interceptor from Fishtrap Road to the Doe Branch facility that now allows for access to the pipeline easement for inspection and maintenance. All Northeast Wastewater collection system pipelines are now fully accessible.

The fiber optic network update for all facilities was completed.

Taylor Plant is now linked to all the plants in the District with cameras and SCADA monitoring capabilities.

Installed numerous cameras throughout the District to improve site security.

Installed a 70' communication tower at Riverbend to provide a connection for NE communications between facilities and provide a microwave link for redundancy during fiber optic or other communication equipment failures.

Continue to utilize and update the District GIS system for optimal plant and system operations.

NON-POTABLE WATER SYSTEM

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

MISSION

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

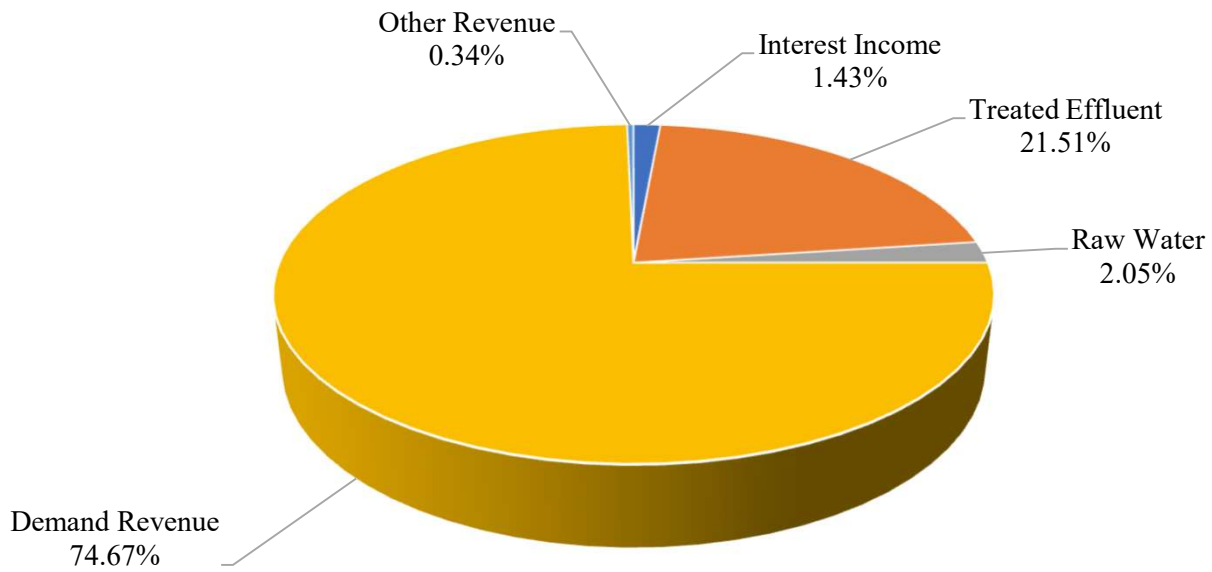
GOALS AND OBJECTIVES

- Provide treated effluent water as requested.
 - Deliver up to 2 mgd of treated effluent from the City of Lewisville to FWSD No. 1A for irrigation of Castle Hills golf course.
 - Maintain pump station and transmission pipeline to ensure effluent is available as requested.
 - Coordinate with the City of Lewisville to ensure effluent is available as requested.
- Maintain an effluent monitoring program.
 - Ensure compliance with applicable federal, state and local effluent regulations.
 - Identify potential environmental problems and evaluate the need for remedial actions.
- Maintain accurate meter records.
 - Coordinate with the City of Lewisville to ensure annual meter calibrations are performed.

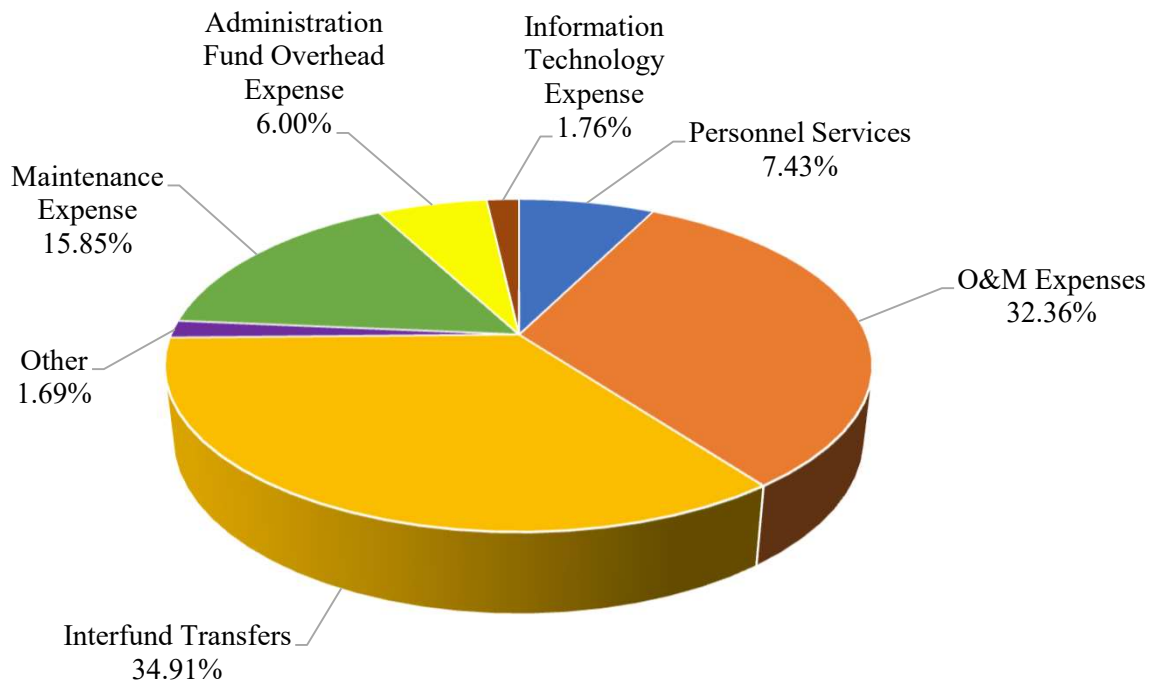
BUDGET SUMMARY

	FY 2018-2019	FY 2019-2020	FY 2019-2020	FY 2020-2021
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ 47,382	\$ 43,427	\$ 57,707	\$ 36,842
Operating Revenue				
Interest Income	\$ 6,917	\$ 5,100	\$ 2,995	\$ 2,400
Treated Effluent Volume Revenue	18,051	36,000	28,720	36,000
Raw Water Volume Revenue	-	3,325	3,325	3,430
Demand Revenue	125,000	125,000	125,000	125,000
Interfund Transfers	-	12,500	-	-
Other Revenue	546	660	540	575
Total Operating Revenue	\$ 150,514	\$ 182,585	\$ 160,580	\$ 167,405
Operating Expense				
Personnel Services	\$ 10,437	\$ 11,560	\$ 12,070	\$ 11,640
Professional Services	-	1,300	-	800
O&M Expenses	26,553	61,165	43,240	50,745
Interfund Transfers	79,650	54,725	88,555	54,725
Shared Debt Payments	1,842	1,845	1,845	1,845
Maintenance Expense	18,777	23,420	23,035	24,840
Administration Fund Overhead Expense	3,434	13,010	12,700	9,405
Information Technology Expense	-	-	-	2,760
Adjustment for Accrued Expenditures	(504)	-	-	-
Total Operating Expense	\$ 140,189	\$ 167,025	\$ 181,445	\$ 156,760
Ending Balance	\$ 57,707	\$ 58,987	\$ 36,842	\$ 47,487

Operating Revenues

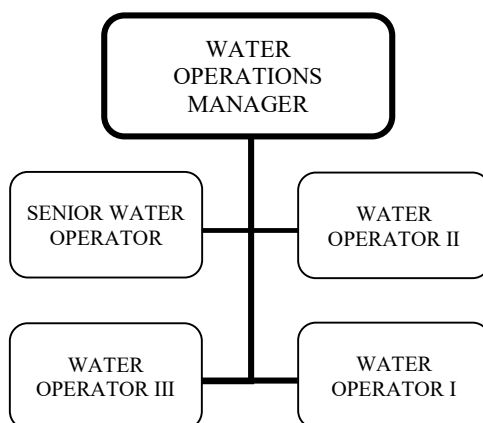


Operating Expenditures



PERSONNEL SUMMARY

Positions	FY 2019 Actuals	FY 2020 Budget	FY 2020 Revised	FY 2021 Budget
Water Operations Manager	0	.01	.01	.01
Water Operations Superintendent	.01	0	0	0
Senior Water Operator	.01	.01	.01	.01
Water Operator III	.06	.06	.06	.08
Water Operator II	.01	.01	.01	.04
Water Operator I	.05	.05	.05	0
Total FTEs	.14	.14	.14	.14



PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2019 Actuals	FY 2020 Estimates	FY 2021 Target
Availability of effluent for irrigation	Percent of time requested effluent is delivered.	100%	99.7%	>99%
Effluent monitoring program	Meet or exceed all applicable federal, state and local effluent regulations.	100%	100%	100%
Meter Accuracy	Yearly pass of meter calibration checks for accuracy.	100%	100%	>97%

SUMMARY OF MAJOR CHANGES

PROJECTED FLOWS

Type	FY 2020 Budget	FY 2020 Estimates	FY 2021 Budget
Treated Effluent	0.2192 mgd	0.1748 mgd	0.2192 mgd
Raw Water	0.0096 mgd	0.0083 mgd	0.0096 mgd

RATE STRUCTURE

	FY 2020 Budget	FY 2021 Budget
Treated Effluent Rate	\$0.45 / 1,000 gallons	\$0.45 / 1,000 gallons
Raw Water Rate	\$0.95 / 1,000 gallons	\$0.98 / 1,000 gallons
Demand Charge	\$125,000	\$125,000

Revenue

- Interest Income is representative of current market conditions.
- Rental Revenue consists of a pro-rata share of rental income from 802 N. Kealy.

Expenses

Personnel Services

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

O&M Expenses

- There are no requests for Furniture and Equipment greater than \$5,000 in FY 2021.

Interfund Transfers

- A contribution of \$25,000 is recommended to be made to the Non-Bond Capital Reserve to allow for equity cash funding of future capital projects.
- Transfer to Capital Replacement Reserve (\$29,475) is included to set aside funds to be used for future pipeline replacement.

- 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 1% of the adopted Maintenance budget.

Administration Fund Overhead Expense

- Allocation of overhead to operations.

Information Technology Expense

- Allocation of Information Technology Fund expenses to operations.

ACCOMPLISHMENTS FOR FY 2019-2020

- ✓ As per contract with Denton County Fresh Water Supply District #1A, supplied non-potable water for golf course irrigation and maintained recreational pond level by utilizing treated effluent that was provided from the City of Lewisville wastewater treatment plant and pumped to the Castle Hills golf course in Carrollton for irrigation. Raw water was provided from Lewisville Lake to Lake Avalon.
 - *59,350,000 gallons of effluent provided for golf course irrigation.*

MAINTENANCE

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

MISSION

The mission is to maintain all treatment facilities and apparatuses to exceed the life expectancy of all equipment and structures, acting quickly to emergency situations and making sure our customer entities have the best possible service available with limited interruptions.

GOALS AND OBJECTIVES

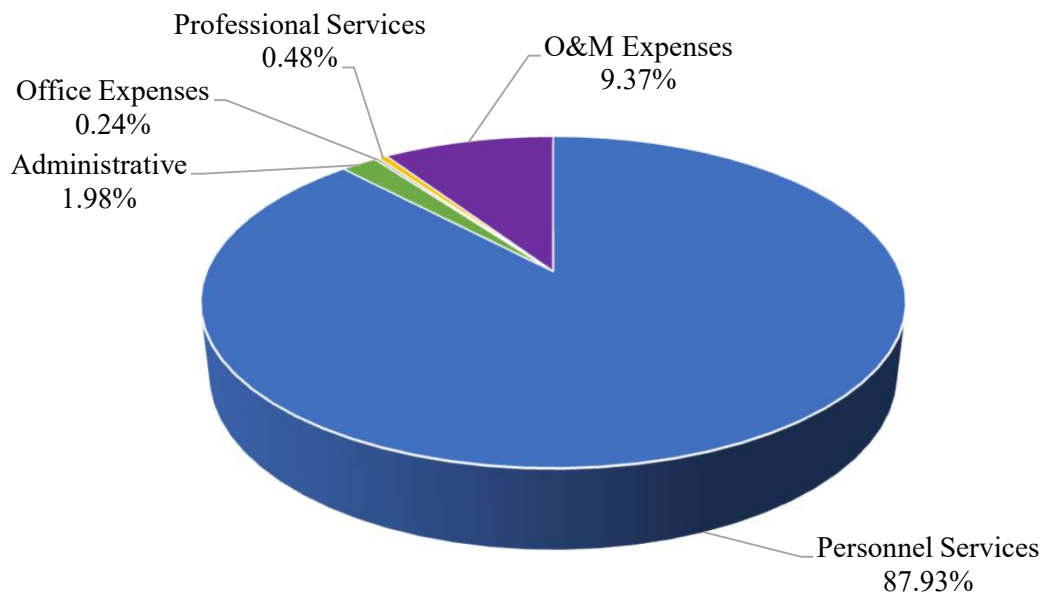
- Provide quick and accurate responses and effective repairs or solutions to the needs of all of the District's facilities.
 - Abide by the rules and regulations set by State and Federal agencies in all repairs that could adversely affect potable water for the end user.
 - Work with operators to provide the best quality product in compliance with State and Federal Standards.
- Maintain all apparatuses and exceed the life expectancy of all equipment and facilities.
 - Maintain facilities, equipment and other machinery in conjunction with the operation and maintenance manuals.
- Be safety conscious at all times, read and understand the District's health & 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.

BUDGET SUMMARY

	FY 2018-2019	FY 2019-2020	FY 2019-2020	FY 2020-2021
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ -	\$ -	\$ -	\$ -
Operating Expense				
Personnel Services	\$ 1,586,447	\$ 1,872,190	\$ 1,789,505	\$ 2,184,480
Administrative	34,915	45,310	42,655	49,180
Office Expenses	102,007	86,290	93,075	5,840
Professional Services	8,893	21,105	19,755	11,905
O&M Expenses	145,403	317,280	358,280	232,810
Total Operating Expense	\$ 1,877,665	\$ 2,342,175	\$ 2,303,270	\$ 2,484,215
 Allocation Transfer to Operating Funds	 (1,877,665)	 (2,342,175)	 (2,303,270)	 (2,484,215)
Ending Balance	\$ -	\$ -	\$ -	\$ -

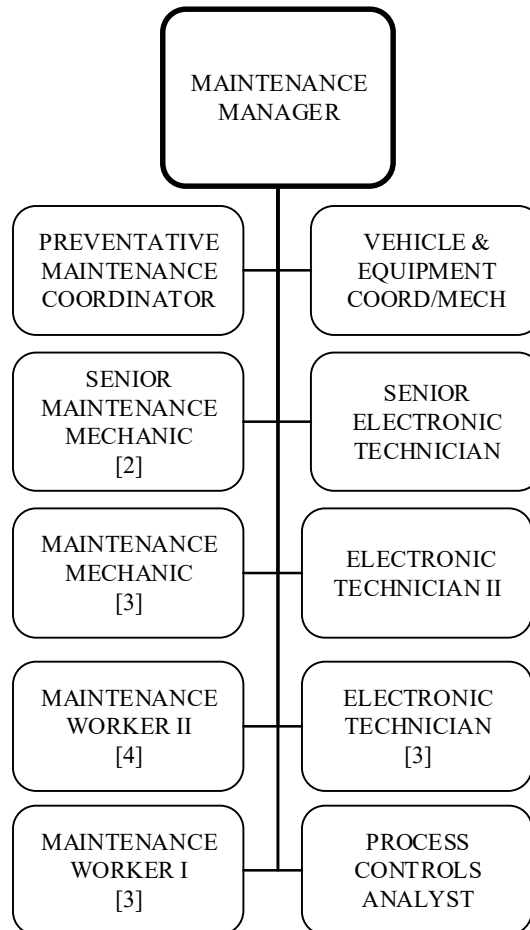
* All Maintenance Expenses are allocated to the Operating Funds based on the size and complexity of maintaining each facility.

Operating Expenditures



PERSONNEL SUMMARY

Positions	FY 2019 Actuals	FY 2020 Budget	FY 2020 Revised	FY 2021 Budget
Maintenance Manager	0	1	1	1
Maintenance Superintendent	1	0	0	0
Preventative Maintenance Coord.	1	1	1	1
Vehicle & Equipment Coord.	1	1	1	1
Senior Electronic Technician	1	1	1	1
Electronic Technician II	1	1	1	1
Electronic Technician I	2	2	2	3
Senior Maintenance Mechanic	2	2	2	2
Maintenance Mechanic	4	4	4	3
Maintenance Worker II	3	1	1	3
Maintenance Worker I	1	4	4	4
Landscape Assistant (Temporary)	0	1	1	1
Process Controls Analyst	1	1	1	1
GIS Analyst	.45	.45	.45	.45
Total FTEs	18.45	18.45	20.45	22.45



PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2019 Actuals	FY 2020 Estimates	FY 2021 Target
Reduce response time on Preventative (PM), Scheduled (SM) & Landscape (LM) Maintenance Work Orders	Complete PMs within 5 working days	95%	95%	100%
Reduce response time on Corrective Maintenance (CM) Work Orders	Complete CMs within 5 working days	98%	95%	100%
Emergency Response	Response and repair time less than 24 hours	89%	95%	100%
Special Projects	Total # of special projects each FY completed on time	90%	93%	100%
Funding	Total # of special projects each FY completed within budget	97%	100%	100%
Safety	12 safety training hours / employee / year	100%	80%	100%
Staffing	% of time at full staff	90%	99%	100%

SUMMARY OF MAJOR CHANGES

Personnel Services

- The adopted budget includes funding for 22.45 full-time equivalent positions which includes two new requested positions (Electronic Technician and Maintenance Mechanic). A 10% increase in medical insurance rates is also included in the adopted budget.

Administrative

- Insurance - Property, GL, Vehicle account increase due to the addition of new vehicles.
- Conference, Training and Travel reduction based on trending.

Office Expenses

- The reduction of Communications and Computer Equipment and Supplies is due to the creation of the Information Technology Fund, which will now reflect all related costs (including Personnel, computer, and software costs) to provide more transparency and better oversight over the ever-expanding role of technology within the District. All related costs will now be included within that fund.

Professional Services

- The decrease in Other Outside Services is due to a painting project budgeted in FY 2020.
- The reduction of Equipment Service is due to the creation of the Information Technology Fund. All related costs will now be included within that fund.

O&M Expenses

- The increase in Plant Supplies is driven by Uniform costs for increasing staffing needs.
- Plant and Equipment Maintenance is reduced as Fiber Optic maintenance is now included within the Information Technology Fund.
- Furniture and Equipment less than \$5,000 includes office chairs. Included in the Furniture and Equipment greater than \$5,000 account:
 - Diesel 4x4 truck - \$50,000
 - High top van - \$35,000
 - Tilt bed tandem axle trailer - \$9,000
- Total operating expenses for the Maintenance budget are allocated to the following projects: Regional Treated Water System (53%), Lakeview Regional Water Reclamation System (16%), Northeast Regional Water Reclamation System (21%), Peninsula Water Reclamation Plant (7%), Non-Potable Water System (1%), and Admin (2%). This allocation is based on the updated methodology of work order distribution.

ACCOMPLISHMENTS FOR FY 2019-2020

- ✓ Provide quick and accurate responses for effective repairs or solutions to the needs of all of the District's facilities.
- *System Wide*
 - *Ensure everything is tested and in compliance annually for each facility so that all documentation is in place for TCEQ inspections.*
 - *With new EPA regulations on cooling refrigerants and as of January 2020 the R22 refrigerant will no longer be manufactured. It will still be available but with a very high cost. Therefore, when older A/C units go down we must be diligent in taking everything into account from the age of the equipment, cost of repair and cost of a new replacement.*
- *Administration*
 - *Completed painting project of upper exterior walls on Maintenance shop.*
 - *Completed move in and setup in Maintenance Equipment Storage Facility that houses pipeline spare parts and covered parking for mobile equipment to keep them out of the elements and extend their useful life cycle.*
- *Thomas E. Taylor Regional Treated Water System*
 - *Worked with Odessa pumps to remove, repair and installed High Service Pump #7.*
 - *Installed 36" suction isolation valve on Stone Hill pump #3.*
 - *Rebuilt Stone Hill Pump #4 with C&P Pump Services.*
 - *Rebuilt Stone Hill Pump #3 with C&P Pump Services.*
 - *Rebuilt Inline Booster Pump #1 with Smith Pump Company.*
 - *Rebuilt Inline Booster Pump #2 with C&P Pump Services.*
 - *Repaired leaking 16" non potable line at Castle Hills.*
- *Lakeview Water Reclamation System*
 - *Successfully planned out how to unclog sludge line to Press Building.*
 - *Changed Highland Village lift station pump out with spare.*
 - *Pulled and reinstalled repaired pump at Burl St. lift station.*
 - *Cleaned up after Hickory Creek lift station meter vault flooded.*
 - *Worked with machine shop to repair screenings auger.*
 - *Purchased new mag meters for Hickory Creek, Burl St. & Highland Village lift stations.*
- *Harpool Regional Water System*
 - *Emergency repair of 36" finished water line at FM 1385 & Byron Road.*
 - *Repaired leaking blow off on 36" finished water pipeline at FM 1385.*
 - *Repaired leaking ARV on 36" finished water pipeline on FM 428.*
 - *Repaired leaking isolation valves at Celina meter vault.*
 - *Repaired two 48" raw water leaks detected by the Smart Ball project.*

- *Northeast Regional Water Reclamation System*
 - *Assisted Pilot Point over night with sewer overflow.*
 - *Removed old screenings compactor at Peninsula*
 - *Had two incidents where we had to install emergency cooling to the blower building at Doe Branch.*

- ✓ Maintain all apparatuses and exceed the life expectancy of all equipment and facilities.

REGIONAL TREATED WATER SYSTEM

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

MISSION

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

GOALS AND OBJECTIVES

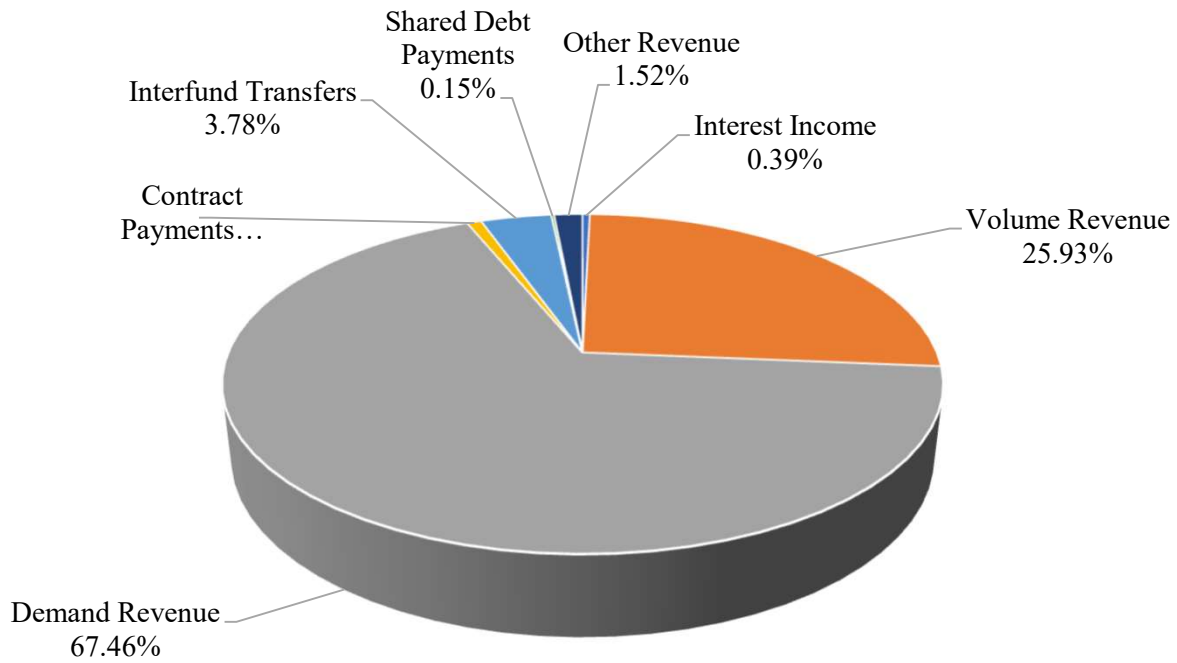
- Provide all District customers with dependable, high quality water.
 - Ensure that District rules, guidelines, and practices meet or exceed all Federal and State standards.
 - Maximize redundancy by ensuring that treated water can be provided from both water treatment plants.
- Minimize the impact of water treatment costs to offset water rate increases.
 - Work to identify savings that will not affect the quality or level of service for treated water.
 - Monitor items such as Granulated Activated Carbon media, sodium hypochlorite generation cells, and membranes to determine when replacement of these items will be needed.
 - Follow and continue to monitor the replacement schedule based on historical trends.
 - Maintain a funding plan to provide for the established replacement schedule.
- 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.

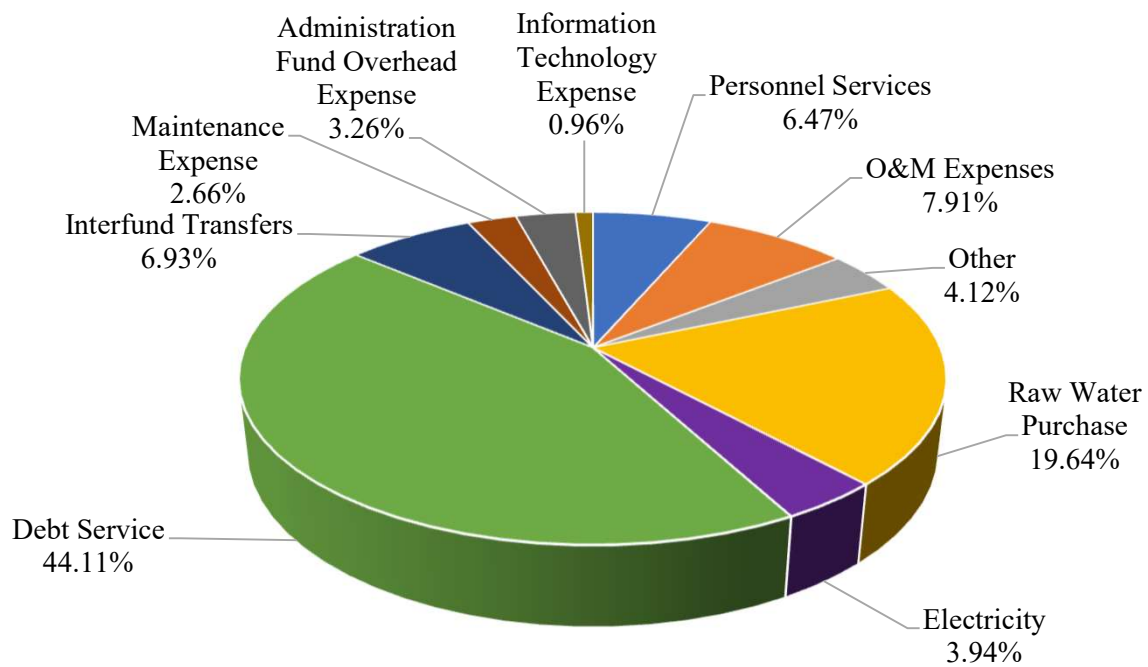
BUDGET SUMMARY

	FY 2018-2019	FY 2019-2020	FY 2019-2020	FY 2020-2021
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ 10,297,037	\$ 10,667,017	\$ 11,633,341	\$ 11,430,001
Operating Revenue				
Interest Income	\$ 684,298	\$ 550,000	\$ 280,510	\$ 210,000
Volume Revenue	11,531,071	12,789,435	13,322,185	13,919,205
Demand Revenue	33,854,517	34,921,345	34,966,220	36,225,395
Contract Payments	811,787	657,965	653,220	411,845
Interfund Transfers	1,406,751	1,646,630	1,797,390	2,031,895
Shared Debt Payments	82,730	82,730	82,730	82,730
Other Revenue	737,389	730,265	750,100	816,660
Total Operating Revenue	\$ 49,108,543	\$ 51,378,370	\$ 51,852,355	\$ 53,697,730
Operating Expense				
Personnel Services	\$ 2,748,451	\$ 3,133,235	\$ 3,024,630	\$ 3,199,155
Administrative	402,009	438,555	455,345	464,075
Office Expenses	31,765	70,780	84,110	20,010
Professional Services	426,444	684,050	671,105	1,551,565
O&M Expenses	4,259,968	4,269,275	4,094,135	3,907,485
Chapman Raw Water Purchase	3,513,350	3,059,630	2,837,255	2,986,250
Dallas/Denton Raw Water Purchase	2,644,344	6,154,365	4,175,590	6,718,170
Electricity	1,756,844	1,722,695	1,970,280	1,946,910
Debt Service	21,595,924	21,874,940	21,771,475	21,794,075
Interfund Transfers	8,498,902	4,238,270	9,727,365	3,423,270
Maintenance Expense	1,089,046	1,358,460	1,335,895	1,316,630
Administration Fund Overhead Expense	930,314	1,956,810	1,908,510	1,609,555
Information Technology Expense	-	-	-	471,880
Adjustment for Accrued Expenditures	(125,122)	-	-	-
Total Operating Expense	\$ 47,772,239	\$ 48,961,065	\$ 52,055,695	\$ 49,409,030
Ending Balance	\$ 11,633,341	\$ 13,084,322	\$ 11,430,001	\$ 15,718,701

Operating Revenues



Operating Expenditures

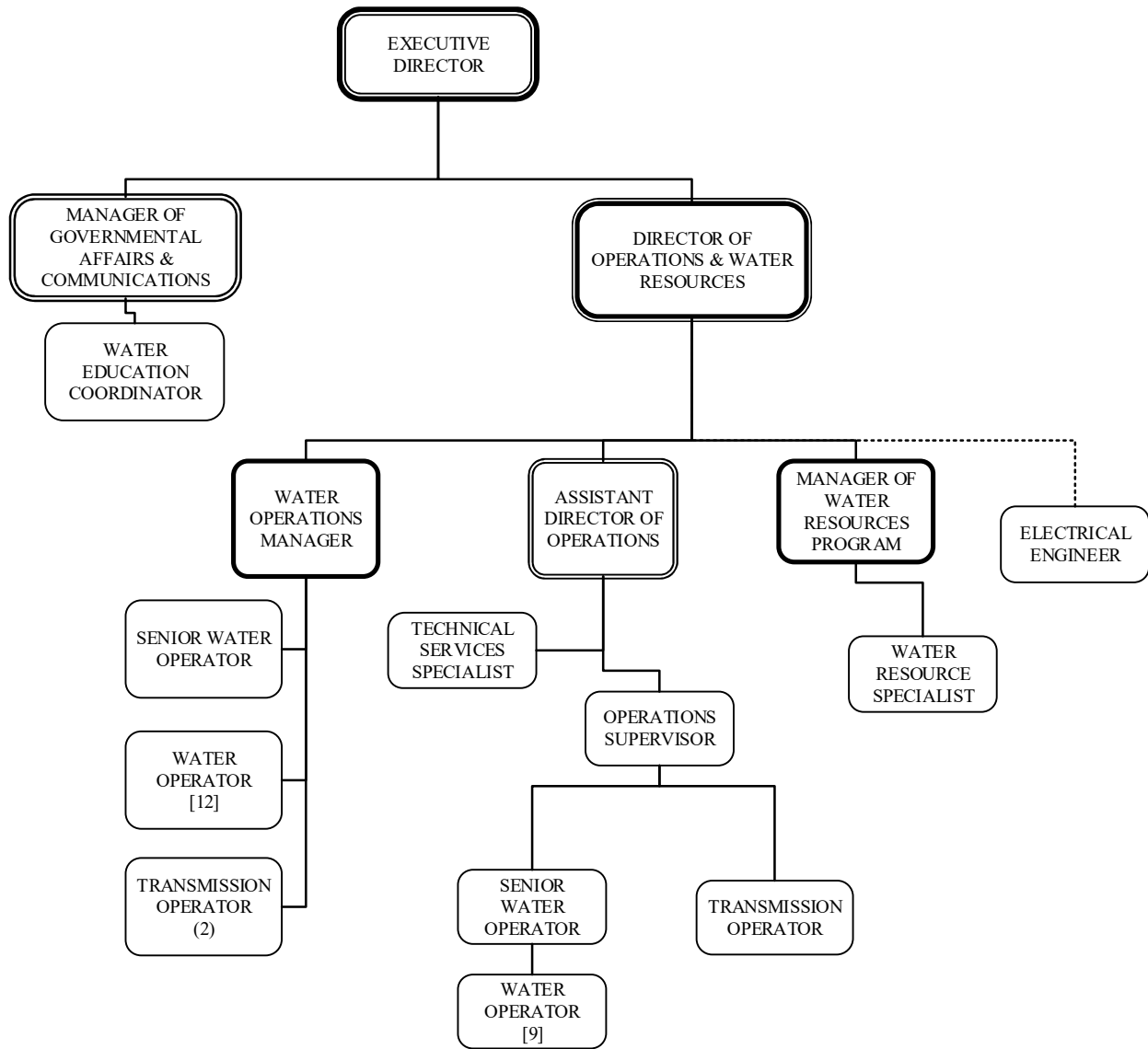


PERSONNEL SUMMARY

Positions	FY 2019 Actuals	FY 2020 Budget	FY 2020 Revised	FY 2021 Budget
Executive Director	.25	.25	.25	.25
Manager of Governmental Affairs & Communications	0	.65	.65	.65
Manager of Customer Contracts / Support Services	.55	0	0	0
Water Education Coordinator	.80	.80	.80	.80
Manager of Water Resources Program	0	.10	.10	.15
Water Resource Specialist	0	.05	.05	.10
Deputy Executive Director	.40	0	0	0
Director of Operations and Water Resources	0	.50	.50	.50
Director of Operations	.45	0	0	0
Assistant Director of Operations	0	.50	.50	.50
Technical Services Specialist	.50	.45	.45	.45
Electrical Engineer	0	0	0	.35
Project Engineer	.35	.35	.35	0
Water Operations Manager	0	.99	.99	.99
Water Operations Superintendent	.99	0	0	0
Northeast Operations Manager	.60	0	0	0
Operations Supervisor	.40	.40	.40	.30
Senior Water Operator	1.99	1.99	1.99	1.99
Water Operator III	9.94	9.94	9.94	11.92
Water Operator II	1.99	3.99	3.99	5.96
Water Operator I	5.95	5.95	5.95	2
Water Operator II / Clerk	0	.60	.60	.60
Water Operator I / Clerk	.60	0	0	0
Transmission Operator	2.50	2.50	2.50	2.50
Total FTEs	28.26	30.01	30.01	30.01

Additional Positions (contract):
 Special Assistant for Water Resources

ORGANIZATIONAL CHART



PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2019 Actuals	FY 2020 Estimates	FY 2021 Target
Meet or Exceed all State and Federal rules and regulations	Percentage of time the treatment system in compliance % Time System Compliance = $[1 - (\text{non-compliant samples or readings} / \text{total samples or readings})] \times 100$	100%	100%	100%
Disruption in service, plant shutdowns due to non-construction related activity	Percentage of time the treatment system was on-line % Time on-line = $[1 - (\text{\#days offline} / 365)] \times 100$	99.7%	99.7%	>99%
Meter Accuracy	Yearly meter calibration checks inaccuracy % Meter accuracy = $[1 - (\text{inaccurate meters} / \text{total meters})] \times 100$	100% Taylor 100% Harpool	100% Taylor 100% Harpool	>97%
Billed flow accuracy	Billing adjustments as a result of meter inaccuracy. Accuracy = $[1 - (\text{\# total flow adjust} / \text{\# total flows billed})] \times 100$	100% Taylor 100% Harpool	100% Taylor 100% Harpool	>99%
Maximize after hours monitoring efficiency of N.E. Water and all Wastewater Systems	Percentage of time RWTP staff alert WW/NE personnel to potential problems or alarm situations	99%	99%	100%
Minimize taste or odor complaint episodes	Establish baseline trends; then target reductions	0 Taylor 2 Harpool	0 Taylor 2 Harpool	0
Minimize unaccounted water loss	Unaccounted for water, annual average UFW = $\text{billed} + \text{accounted flows} / \text{raw water flow}$	4.5% Taylor 4.0% Harpool	3.19% Taylor 4.0% Harpool	<5%
Dual Certified Operators	Number of Operators with both Water and Wastewater certification	40% Taylor 58% Harpool	40% Taylor 70% Harpool	>75%
Maintain Qualified / Trained Staff	Percentage of positions filled $[1 - (\text{vacancies} / \text{filled})] \times 100$	100% Taylor 100% Harpool	93.8% Taylor 100% Harpool	>90%

SUMMARY OF MAJOR CHANGES

SUBSCRIBED CAPACITIES

Entity	FY 2020 Budget	FY 2021 Budget
Argyle WSC	2.00 mgd	2.00 mgd
Aubrey	0.10 mgd	0.10 mgd
Cross Timbers WSC	2.50 mgd	2.50 mgd
Celina	5.00 mgd	5.25 mgd
Corinth	7.50 mgd	7.50 mgd
DCFWSO #1A	3.00 mgd	3.00 mgd
DCFWSO #7	3.50 mgd	4.00 mgd
DCFWSO #8A	1.87 mgd	1.87 mgd
DCFWSO #10	0.82 mgd	1.02 mgd
DCFWSO #11A	3.30 mgd	3.30 mgd
Flower Mound	30.00 mgd	30.00 mgd
Highland Village	3.00 mgd	3.00 mgd
Justin	1.15 mgd	1.25 mgd
Krum	0.40 mgd	0.40 mgd
Lake Cities MUA	3.80 mgd	3.80 mgd
Mustang SUD	4.48 mgd	5.00 mgd
Northlake	3.00 mgd	3.20 mgd
Providence Village	2.40 mgd	2.40 mgd
Sanger	0.50 mgd	0.50 mgd
Total	78.32 mgd	80.09 mgd

AVERAGE FLOWS

Entity	FY 2020 Budget	FY 2020 Estimates	FY 2021 Budget
Argyle WSC	0.925 mgd	1.011 mgd	1.023 mgd
Aubrey	0.000 mgd	0.000 mgd	0.000 mgd
Cross Timbers WSC	0.600 mgd	0.629 mgd	0.600 mgd
Celina	2.300 mgd	2.528 mgd	2.500 mgd
Corinth	3.100 mgd	2.876 mgd	3.000 mgd
DCFWSO #1A	1.550 mgd	1.558 mgd	1.550 mgd
DCFWSO #7	1.900 mgd	1.844 mgd	1.900 mgd
DCFWSO #8A	0.290 mgd	0.265 mgd	0.290 mgd
DCFWSO #10	0.380 mgd	0.482 mgd	0.450 mgd
DCFWSO #11A	1.100 mgd	1.213 mgd	1.200 mgd
Flower Mound	9.500 mgd	9.461 mgd	9.500 mgd
Highland Village	2.300 mgd	2.153 mgd	2.300 mgd
Justin	0.400 mgd	0.595 mgd	0.550 mgd
Krum	0.100 mgd	0.109 mgd	0.100 mgd
Lake Cities MUA	1.700 mgd	1.548 mgd	1.600 mgd
Mustang SUD	2.900 mgd	3.774 mgd	3.800 mgd
Northlake	0.850 mgd	1.177 mgd	1.100 mgd
Providence Village	0.700 mgd	0.664 mgd	0.700 mgd
Sanger	0.180 mgd	0.172 mgd	0.180 mgd
Total	30.775 mgd	32.059 mgd	32.343 mgd

RATE STRUCTURE

	FY 2020 Budget	FY 2021 Budget
Volume Rate – Members	\$1.12 / 1,000 gallons	\$1.16 / 1,000 gallons
Volume Rate – Customers	\$1.20 / 1,000 gallons	\$1.25 / 1,000 gallons
Flat Rate/Temporary Service	\$4.64 / 1,000 gallons	\$4.74 / 1,000 gallons
Demand Rate	\$448,745 / mgd	\$455,150 / mgd

Revenue

- Interest Income is representative of current market conditions.
- Total volume revenue reflects the projected flows at the adopted rates.
- The demand revenue reflects the current and anticipated increases in subscriptions at the adopted rate.
- The contract payments (P&I) from Argyle WSC and Mustang SUD are for joint capital projects. The reduction to the Mustang SUD payment is due to the recent refunding of the Series 2010 and 2010-A bonds.
- Interfund transfers include funds from the O&M Reserve Fund to cover the Taylor raw water storage pond dredging expenses (\$940,000), Smartball testing and pipeline repairs (\$535,000), funds 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 (\$116K), funds from the Non-Potable Water System for its share of debt service from the Raw Water Intake (\$250), and payments from the Northeast Regional Water Reclamation System for loans from the system's various reserves (\$89,390 and \$347,505), as well as funds for projected usage of potable water at the Riverbend Plant (\$3,750).
- Other Revenue generally consists of energy rebates and revenue from auctioned items. FY 2021 budget includes projected energy rebates. Dallas Water Utilities Raw Water Credit (\$647,085) represents an offset to the raw water purchases from Dallas Water Utilities for their settlement with Sabine River Authority.
- The rental revenue is the pro-rata share of 802 N Kealy annex rental income and for the rental of District owned properties around the Lake Ralph Hall site.
- 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 30.01 full-time equivalent positions and a 10% increase in medical insurance rates.

Administrative

- The decrease in Advertising reflects a lower expected need for these services and will be used for employment/project advertising.
- The increase in Conference, Training, & Travel is based on increased travel and conference attendance.

Office Expenses

- The reduction of Computer Equipment and Supplies is due to the creation of the Information Technology Fund, which will now reflect all related costs (including Personnel, computer, and software costs) to provide more transparency and better oversight over the ever-expanding role of technology within the District.
- The increase in Supplies is based on trending for office supplies and sundry expenses.

Professional Services

- The Equipment Service account decrease is due to various pump repairs budgeted in FY 2020.
- The increase in Other Outside Services is attributable to the sealing and recoating of the exterior basin walls at the Taylor plant.
- Other Outside Services – Completion of the Taylor RWTP raw water holding pond sludge dredging project increased due to delaying the start of this project until July 2020. This project is funded from the O&M Reserves.

O&M Expenses

- The Botanical account increase reflects an anticipated cost increase for a new vendor contract, as well as additional flower bed maintenance costs.
- Pipeline Maintenance is reduced for FY 2021 due to completing Smartball testing and major pipeline repairs that began in FY 2020 (funded through O&M Reserves).
- Lab Supplies & Services increase based on current trending and increased testing requirements for 24-hour operations.
- Reduction in Permits, Licenses, and Fees based on a scheduled yearly reduction for the Lake Ralph Hall permit.

- The increase in Machinery, Equipment and Tools is due to additional safety equipment needs and anticipated rentals.
- Requests for Furniture and Equipment greater than \$5,000 includes:

Taylor Plant

- Upgrade chemical room Mobile Control Center uninterruptible power supply- \$20,000
- Raw Water Pump #3 Variable Frequency Drive- \$100,000
- Filter gallery air compressor- \$25,000
- Replacement of one chemical feed pump- \$15,000

Harpool Plant

- Replacement sight glasses and level probes for exterior bulk chemical storage tanks- \$15,000

Raw Water Purchases

- Raw water purchases reflect a 2.39% increase in the price of raw water from Dallas Water Utilities. Assumptions for raw water sources include a total of 33.67 mgd from the following sources:

Dallas water – 15.94 mgd
 Denton water – 5.40 mgd
 Chapman Lake – 9.00 mgd
 Reuse – 3.33 mgd

Debt Service

- Debt Service includes an increased payment of deferred interest for the 2015 TWDB Board Participation issue, the first payment for the third (and last) TWDB Subsidized Interest bond issue for the Parallel Pipeline project, and cost related to additional Commercial Paper usage, but at a lower interest rate (from 2.00% to less than 1.00%). Additionally, two previous bond issues (2010 and 2010-A) were refunded via issuance of the 2020 Refunding Bonds, yielding a net decrease of approximately \$202,000 for FY 2021.

Interfund Transfers

- No transfer to the O&M Reserve Fund. The reserve is anticipated to be 81% funded at the end of FY 2021.
- Funding for Capital Replacement Reserve is provided for in the volume charge at \$0.11 / 1,000 gallons, a \$0.01 / 1,000 gallons increase from FY 2020. The loan repayment of \$116,320 is the final year of Celina's five-year repayment schedule for funds loaned for the Doe Branch Interceptor project.

- Transfer to Vehicle and Equipment Replacement Reserve Fund of \$233,670 is calculated according to quantity and age of vehicles and equipment. This amount is funded according to established replacement schedule.
- A transfer to Lake Ralph Hall Reserve is budgeted in the amount of \$647,085 for FY 2021 and is funded through a raw water credit which offsets the raw water expense from Dallas Water Utilities due to their settlement with Sabine River Authority. The FY 2020 estimate reflects an additional \$2,212,000 from a mid-year adjustment from working capital.
- Funding for the Water Conservation Program is at \$0.02 / 1,000 gallons, no change from FY 2020.
- Funding for the Watershed Protection Program is at \$0.02 / 1,000 gallons, no change from FY 2020.
- The Future Water Program includes \$0.02 / 1,000 gallons. This is a \$0.005 / 1,000 gallons increase from FY 2020.
- The transfers to Gas Lease Reserve (\$118,660) and the Northeast Contribution Reserve (\$105,985) are the final year of Celina's five-year repayment schedule for funds loaned for the Doe Branch Interceptor project.
- There will not be a contribution from rates to Non-Bond Capital Reserve in FY 2021. Payments of \$119,665 from other systems for prior loans are included in the overall transfer to the Reserve. The FY 2020 estimate includes \$2,427,230 of working capital transferred at mid-year to the Non-Bond Capital Reserve account.
- A transfer (\$75,000) of Customer Surcharge to Administration Fund is the portion of the customer surcharge and will fund administration services.

Maintenance Expense

- This allocation represents 58% of the adopted Maintenance budget.

Administration Fund Overhead Expense

- Allocation of overhead to operations.

Information Technology Expense

- Allocation of Information Technology Fund expenses to operations.

ACCOMPLISHMENTS FOR FY 2019-2020

- ✓ Provided customers with dependable, high-quality water in a cost-effective manner.
 - *Reservoir levels were continually monitored, and raw water sources utilized in the most optimal manner possible to ensure the lowest costs raw water costs possible while managing our water supply.*
 - *The Meter, Tank, and Pipeline Repair and Improvements project was completed with 15 mag meters installed and numerous other system improvements made.*
 - *Construction of the Parallel Pipeline project for the redundant line between Taylor Plant and Stonehill Pump Station is underway.*
 - *Performed Preventative Maintenance service on the variable frequency drives at Stonehill Pump Station and serviced numerous main breakers in the main switchgears at Taylor Plant and at the Intake. Installed a new breaker for hypo generator #1.*
 - *Replaced the pump for Stonehill pump #5, repaired the pump and motor for Stonehill pump #4, and replaced the bearing and seals in Stonehill pump #3. Also repaired the pump for HSP #7 and will be repairing the motor in the fall of 2020.*
 - *Upsizing of the 18" line along 2181 is currently underway with an expected completion date in October 2020. Initiated the design to upsize the pipeline along Copper Canyon Rd.*
 - *Performed cathodic protection station testing on large diameter pipelines District-wide in order to assess the current state of the system and to develop a list of improvements needed.*
 - *Planning for the replacement of LPU-1 and 1A is underway. The new cabinet is nearing completion and preparations for the installation are on-going with an expected completion date of early 2021.*
 - *Performed inspection of the 42" raw water inlet structure at the Harpool Emergency lake to assess condition of the structure and any potential zebra mussel impacts. The inlet structure is in good condition and no zebra mussels were found.*
 - *GIS program for all District pipelines has been completed and implemented. GPS data points are continuing to be collected on new pipelines, pipeline alterations, and existing pipelines and facilities in order to improve GIS system accuracy.*
 - *Planning for the Taylor Plant recycle pond dredging project continues and work should commence in the next year. Prior to the dredging, the ozone sidestream will be replaced, which should be completed in October 2020. The dredging contract will be finalized and awarded soon with the plan to start in December 2020 and be completed by then end of April 2021.*

- *The Harpool Operations and Maintenance Team conducted the 6th annual full-scale audit of all the membrane filtration units during January 2020. This was done in conjunction with the ongoing expansion project. Trains 1-4 had all open slots filled with the best modules from trains 5 and 6 at the same time, the modules with the highest number of repairs were also replaced with modules in better condition. This took those trains to their maximum capacity of 64 modules, up from 52. Then in July 2020, trains 5 and 6 were populated with 64 new 440 square foot modules. These have increased capacity over the 340 square foot modules in the other trains. Membrane performance is exceptional at this time.*
- *Design is underway on the pipeline that will transfer Chapman raw water from a second local emergency storage lake located one mile north of the Harpool RWTP.*
- *Added a second Point of Delivery (POD) for Mustang SUD at their future FM 428 pump station.*
- *Construction of a permanent POD for DCFWSD#10 Artesia is now complete.*
- *The Northeast Distribution System preventive maintenance program continues, with an ongoing goal to quickly identify and address potential problems before they become emergencies and provide quick and effective response to emergencies if they arise. All Northeast Distribution system pipelines are fully accessible and completely compliant with the maintenance program. All pipeline equipment is easily identified and all easements easily navigable.*
- *Maintained 100% Billing meter accuracy for the entire NE Water system for the fourth consecutive year.*
- *The Northeast Operations group implemented an Operations to Maintenance cross-training program for new Northeast Operations staff members that has proven to be very beneficial to the Northeast Operations and maintenance groups. Plans are being made to incorporate this program District-wide based on its success to-date.*
- *The Harpool RWTP has undergone most of an expansion project to increase capacity from 20 MGD to 26 MGD through the means of increased membrane size and quantities, along with improvements to the neutralization process to increase the time available for drinking water production.*
- *Performed full pipeline leak detection and condition assessment inspections on the entire 48" Harpool raw water line and the entire Harpool Northern finished water pipeline. Multiple leaks were confirmed or identified during the inspections and were subsequently repaired improving reliability of the Harpool raw and finished delivery and distribution systems.*
- *Continued to maintain on-hand spare parts inventory of key operational equipment at all facilities.*

✓ Continued long-range planning for water supply.

- *Lake Ralph Hall's permitting has been approved by the US Army Corps of Engineers and TCEQ. Strategic land purchases and design of the dam, pump station and pipeline are underway and will continue with high priority.*
- *The District continued to monitor three water rights permit applications (Kiamichi River, Muddy Boggy Creek, and Lake Texoma) filed with the Oklahoma Water Resources Board (OWRB) seeking a total of 115,000 acre-feet/year of raw water from any combination of the sources listed in the application.*
- *The District has been coordinating and providing data as needed to assist the Region C Water Planning Group in its preparation of future Region C Water Plans.*
- *Utilizing our hydraulic modeling and long-range flow/subscription projections, the District is working to develop transmission system improvements and treatment plant expansion needs to help direct CIP planning.*
- *Updating the Taylor Plant Master Plan based on current conditions, updated modeling and projections, and the updated technology available.*

✓ Ensure that water sold to District customers meets all Federal and State standards.

- *The District's water treatment plants employ technologies and monitoring programs to ensure the production of finished water that is safe and healthy. Daily, monthly, and semi-annual testing confirms that the water meets and exceeds high standards of drinking water required by EPA and TCEQ regulations.*
- *Both Taylor Plant and Harpool follow recently updated and TCEQ approved monitoring plans. These plans demonstrate that all required testing is accounted for and provides transparency into our means and methods for meeting or exceeding all standards and regulations.*
- *Received TCEQ approval for a updated CT study at the Taylor Plant.*
- *Continually confirmed that laboratory testing, both in-house and contracted, follow EPA or TCEQ required testing guidelines and methods.*

✓ Monitor expendable items such as Granular Activated Carbon (GAC) filter media and Zeeweed Membranes to determine when replacement of these items will be needed.

- *GAC filter media level measurements, along with other filter testing to determine our backwash efficiency and underdrain integrity, are performed several times per year.*
- *Our Sodium Hypochlorite On-site Generation system is routinely monitored with cells being repaired and replaced as needed. Repairs were performed on multiple cells, acid washing was performed on all three generators, and several new cells were purchased to serve as spares when needed.*

- *See above description regarding inspection and replacement of membrane filter fibers and units.*
- ✓ Continue to secure the District's remote facilities, by using updated technology.
- *To provide full system redundancy of our fiber optic network, improvements to the microwave system at all plants and at our administration building are underway. This includes erecting towers and upgrading microwave transmitters at several District facilities.*
 - *The Wonderware and SCADA server upgrade project is underway. System Platform will be constructed to unify the design and function of our SCADA HMI for all District plants. Will also be replacing outdated hardware and updating software and licenses as needed to complete the project.*
 - *Continued to upgrade computer system security appliances, such as firewalls and switches, and created subnetworks to segregate each plants' network.*
 - *Cybersecurity training classes were completed by all District employees to increase network security.*
 - *The Taylor Plant is linked to all the plants in the District with cameras and/or SCADA monitoring capabilities.*
 - *Numerous cameras are installed throughout the District to improve site security.*
- ✓ The Operations Data Management Project (Phase II) and Tableau are currently underway.
- *Operations data and records such as meter readings and laboratory test results have now been fully migrated over to our SQL structured server with redundancy. This improves data integrity and security to preserve both historical and current records while still maintaining a high degree of usability.*
 - *Tableau has been implemented as the District Operation's data visualization and analyzation tool, with pleasing results. Further implementation of its capabilities is expected this year.*
 - *Data Management User-Interface (UI) options are being explored to aid in the ease and accuracy of the data capturing process.*

HOUSEHOLD HAZARDOUS WASTE

The District is committed to providing safe and efficient collection, transportation, and disposal of household hazardous material for our Customers.

MISSION

Our mission is to work with Customers 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.

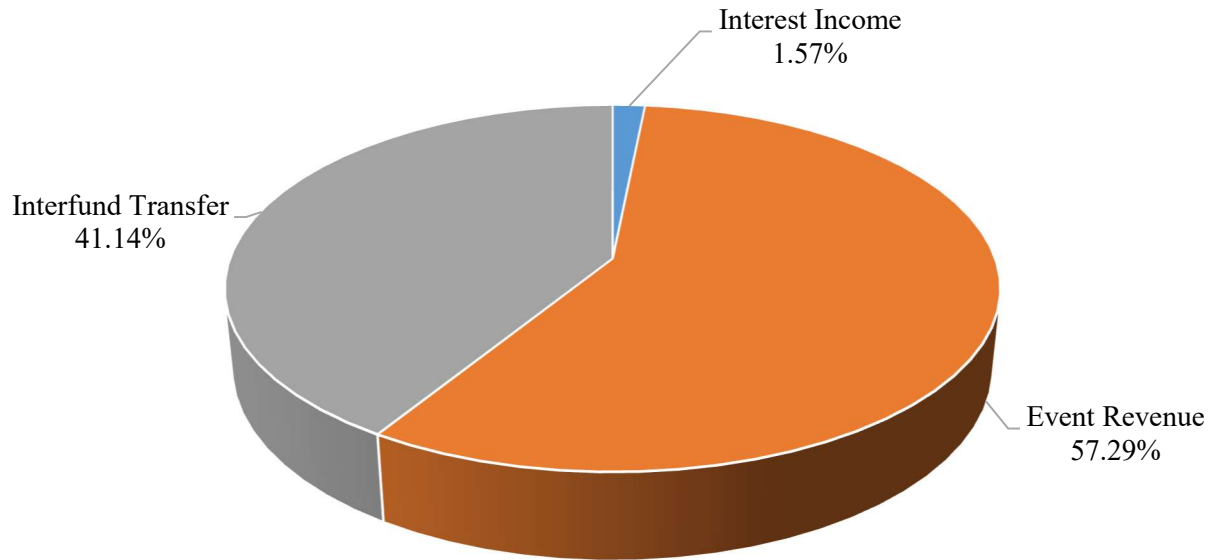
GOALS AND OBJECTIVES

- 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.
 - Improve the information packet sent to potential customers regarding the HHW Program.
 - Update the District's Board of Directors annually about the HHW program.
- 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.

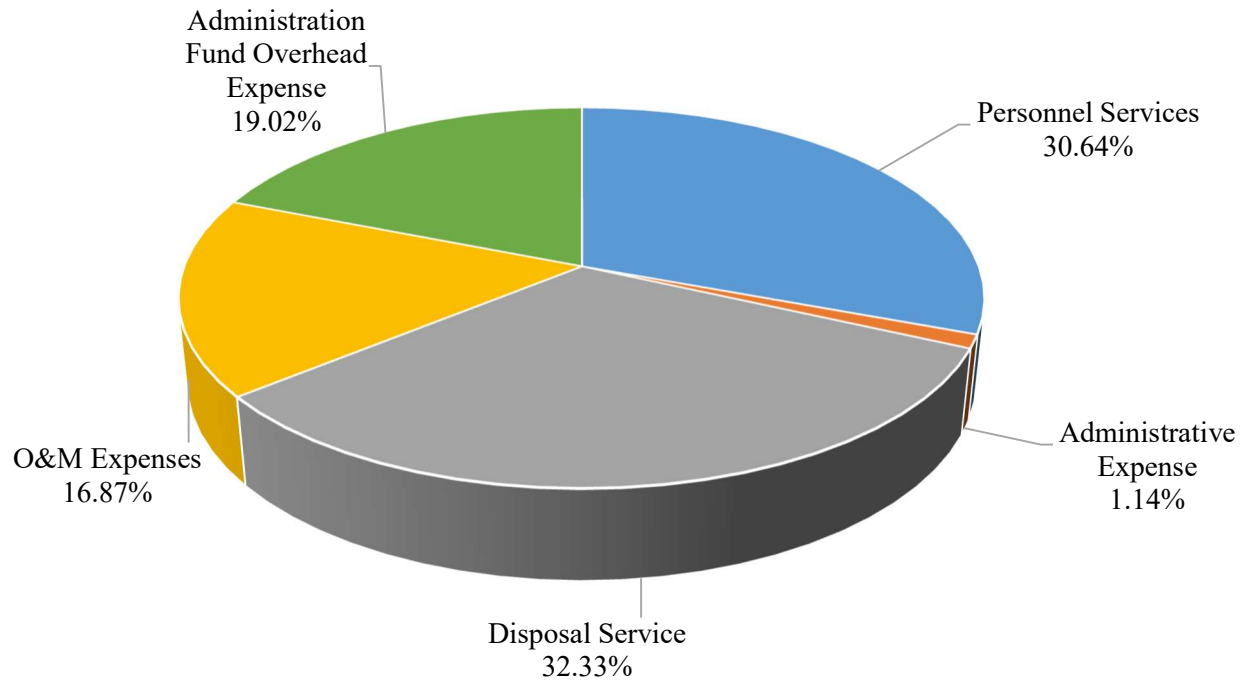
BUDGET SUMMARY

	FY 2018-2019	FY 2019-2020	FY 2019-2020	FY 2020-2021
	<u>Actuals</u>	<u>Adopted</u>	<u>Estimates</u>	<u>Adopted</u>
Beginning Balance	\$ 156,227	\$ 149,147	\$ 151,561	\$ 143,471
Transfer to Operations	\$ (9,000)	\$ (10,000)	\$ (8,500)	\$ (11,000)
Beginning Balance Revised	\$ 147,227	\$ 139,147	\$ 143,061	\$ 132,471
Operating Revenue				
Event Revenue	\$ 16,044	\$ 15,320	\$ 7,645	\$ 15,320
Interest Revenue	3,472	2,400	1,315	420
Transfer in - Working Capital	9,000	10,000	8,500	11,000
Total Operating Revenue	\$ 28,516	\$ 27,720	\$ 17,460	\$ 26,740
Operating Expense				
Personnel Services	\$ 6,797	\$ 8,060	\$ 4,915	\$ 8,060
Administrative Expense	-	300	-	300
Disposal Services	9,000	8,500	4,250	8,500
O&M Expenses	3,385	4,590	2,885	4,435
Administration Fund Overhead Expense	5,000	5,000	5,000	5,000
Total Operating Expense	24,182	26,450	17,050	26,295
Ending Balance	\$ 151,561	\$ 140,417	\$ 143,471	\$ 132,916

Operating Revenues



Operating Expenditures



PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2019 Actuals	FY 2020 Estimates	FY 2021 Target
Program Summary	Maintain current information about HHW program on the District's website.	100%	100%	100%
Program Promotion	Continue promoting HHW program throughout service area.	100%	100%	100%
Team Member's Training	Keep all staff current on HHW training.	100%	100%	100%
Processing and Collecting Equipment	Continue to improve event protocol and acquire needed equipment for efficient and safe collection events.	100%	100%	95%

SUMMARY OF MAJOR CHANGES

HOUSEHOLDS

Entity	FY 2020 Adopted	FY 2021 Adopted
Cross Roads	40 households	40 households
Denton County	125 households	125 households
District Vouchers	5 households	5 households
TOTAL	170 households	170 households

RATE STRUCTURE

	FY 2020 Budget	FY 2021 Budget
Collection Events & Disposal	\$91 / household	\$91 / household
Fort Worth Voucher	\$61 / household	\$61 / household
Event Voucher	\$91 / household	\$91 / household

*minimum 25 households per event

Revenue

- A transfer 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.

Operating Expenses

- The adopted budget includes funding for staffing the HHW events.
- Allocation of overhead to the program.

ACCOMPLISHMENTS FOR FY 2019 - 2020

✓ Trained personnel

All Household Hazardous Waste Technicians are trained to properly handle and dispose of hazardous material, as well as critical incident management.

✓ Continue voucher program

8 Fort Worth voucher participants, 0 event participants

✓ Collected HHW materials from District employees

District employees continue to properly dispose of hazardous materials used and collected at the various District facilities, including light bulbs, used oil, and batteries.

OTHER FUNDS

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

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% 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% level. This account can be utilized to stabilize rates and charges from year to year by transferring funds from this reserve to operating cash to assist with one-time capital purchases and/or unpredictable expenditures that arise during a fiscal year.

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

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

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

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

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

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

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

Non-Bond Capital Reserve Fund – To account for deposits earmarked to provide funding, at the discretion of the District’s Board of Directors, for the Capital Improvement Program, or other District needs.

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

Building Activity Fees 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 Special Utility District per contract amendment. Furthermore, these funds are used at the discretion of the District for various needs.

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

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

Upper Trinity Conservation Trust Fund (The Trust) – Initially funded for FY 2011 with seed money transferred from the Project Development and Watershed Protection Program Funds, this Trust will be used to protect water quality in streams and lakes and water resource assets in local watersheds; and, to encourage conservation of water and land resources with watersheds from which water is provided for the service area of the District. The primary goal and function of the Trust is to educate various stakeholders (i.e., land owners, 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.

**Regional Treated Water System
Operating and Maintenance Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 5,473,624	\$ 5,932,569	\$ 5,949,832	\$ 6,533,107
Transfer to Operations				\$ (1,463,215)
BEGINNING CASH BALANCE Revised				\$ 5,069,892
REVENUES				
Interfund Transfers				
Operations	964,500	1,075,000	1,075,000	-
Working Capital	-	-	-	1,463,215
Interest Income	121,616	93,210	58,275	11,785
TOTAL REVENUES	\$ 1,086,116	\$ 1,168,210	\$ 1,133,275	\$ 1,475,000
EXPENDITURES				
Interfund Transfer - Operations	609,908	1,200,000	550,000	1,475,000
TOTAL EXPENDITURES	\$ 609,908	\$ 1,200,000	\$ 550,000	\$ 1,475,000
ENDING CASH BALANCE 9/30	\$ 5,949,832	\$ 5,900,779	\$ 6,533,107	\$ 5,069,892

FY 2021 Ending Balance decrease of \$830,887 is due to funding the Taylor Regional Treated Water Plant raw water holding pond sludge dredging project (\$940,000) and Smartball testing and pipeline leak repairs (\$535,000) from the O&M Reserve, without depositing contributions for FY 2021. Since this reserve is projected to be 81.0% funded at the end of FY 2021, District management will assess whether to fully fund this reserve over the next three fiscal years (FY 2021 through FY 2023), or to utilize excess working capital identified at the completion of FY 2020.

**Regional Treated Water System
Capital Replacement Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 3,366,103	\$ 4,415,234	\$ 4,420,130	\$ 5,706,610
REVENUES				
Interfund Transfers				
RTWS Operations	937,706	1,123,290	1,170,160	1,298,570
NERWRS Operations	116,321	116,320	116,320	116,320
TOTAL REVENUES	\$ 1,054,027	\$ 1,239,610	\$ 1,286,480	\$ 1,414,890
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 4,420,130	\$ 5,654,844	\$ 5,706,610	\$ 7,121,500

FY 2021 Ending Balance increase of \$1,466,656 is a result of reflecting FY 2021 transactions for this reserve. Additionally, this contribution was increased from \$0.10 to \$0.11 / 1,000 gallons of water sold. FY 2021 also reflects the final annual payment (principal and interest) of \$116,320 from the City of Celina for a \$592,667 loan from this reserve to fund the Doe Branch Interceptor, Phase 2 project, completed in FY 2009.

**Regional Treated Water System
Watershed Protection Program Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 130,746	\$ 171,531	\$ 176,700	\$ 233,985
REVENUES				
Interfund Transfer - Operations	208,379	224,660	234,030	236,105
TOTAL REVENUES	\$ 208,379	\$ 224,660	\$ 234,030	\$ 236,105
EXPENDITURES				
Personnel Services	70,137	66,000	64,500	66,000
Administrative	1,716	8,270	3,500	7,605
Program Expenses (Public Information)				
Public Information	9,537	10,000	3,865	10,000
Media Campaigns	12,884	29,250	12,580	64,000
Watershed Signs	-	3,500	2,800	3,500
Program Expenses (Public Outreach)				
Public Information				
Texas Parks and Wildlife				
Zebra Mussels	5,000	5,000	5,000	5,000
Shade Trees	2,303	2,500	2,650	2,500
Festivals	1,000	2,500	2,250	1,500
School Outreach	-	5,000	2,000	10,000
AgriLife Dallas	5,600	5,000	-	-
Clean Water Alliance	2,500	-	-	-
Sponsorships	2,250	-	-	3,500
Professional Services				
USGS Monitoring Program	15,900	15,500	15,900	15,500
Greenbelt Plan Implementation	-	3,000	1,200	15,000
Other Outside Services	-	30,000	28,000	-
Overhead Allocation	8,598	5,000	7,500	7,000
Interfund Transfer - Upper Trinity Conservation Trust	25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	\$ 162,425	\$ 215,520	\$ 176,745	\$ 236,105
ENDING CASH BALANCE 9/30	\$ 176,700	\$ 180,671	\$ 233,985	\$ 233,985

FY 2021 Ending Balance increase of \$53,314 is largely due to the FY 2020 contributions exceeding program expenditures.

**Regional Treated Water System
Water Conservation Program Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 383,648	\$ 266,618	\$ 268,380	\$ 245,820
Transfer to Operations	\$ (118,000)	\$ (41,000)	\$ (22,560)	\$ (30,000)
BEGINNING CASH BALANCE Revised	\$ 265,648	\$ 225,618	\$ 245,820	\$ 215,820
REVENUES				
Interfund Transfers				
Operations	156,284	224,660	234,030	236,105
Working Capital	118,000	41,000	22,560	30,000
TOTAL REVENUES	\$ 274,284	\$ 265,660	\$ 256,590	\$ 266,105
EXPENDITURES				
Personnel Services	76,330	66,000	\$ 70,055	66,000
Administrative	29,963	15,145	\$ 12,335	5,700
Program Expenses	151,034	179,250	\$ 158,650	158,810 *
Overhead Allocation	14,225	5,000	\$ 15,550	5,595
TOTAL EXPENDITURES	\$ 271,552	\$ 265,395	\$ 256,590	\$ 236,105
ENDING CASH BALANCE 9/30	\$ 268,380	\$ 225,883	\$ 245,820	\$ 245,820

*** - FY 2021 Program Expenses**

Water My Yard	
Annual Renewal of AgriLife	\$ 5,500
Installation of New Station	5,000
Weather Station Maintenance	2,000
Telephones	3,060
Media Campaigns	59,000
Public Information	5,000
Public Outreach	
Sponsorships	3,250
Festivals	1,000
School Outreach Program	2,500
Regional Symposium	5,500
GreenPros Program	750
Irrigation System Check-Ups	
Administration Fee	3,750
Check-Ups	30,000
Industrial, Commercial, & Institutional Audit Program	7,500
Professional Services	25,000
Total	<u>\$ 158,810</u>

**Regional Treated Water System
Future Water Program Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 458,986	\$ 210,911	\$ 222,434	\$ 224,459
Transfer to Operations	\$ (236,552)			
BEGINNING CASH BALANCE Revised	\$ 222,434			
REVENUES				
Interfund Transfers				
Operations	104,190	168,495	175,525	236,105
Working Capital	236,552	-	-	-
TOTAL REVENUES	\$ 340,742	\$ 168,495	\$ 175,525	\$ 236,105
EXPENDITURES				
Personnel Services	20,866	30,000	22,000	30,000
Administrative	5,870	8,995	4,500	10,000
Professional Services	57,620	120,000	135,000	142,500
Overhead Expenses	6,386	9,500	12,000	14,000
Interfund Transfer - Operations	250,000	-	-	-
TOTAL EXPENDITURES	\$ 340,742	\$ 168,495	\$ 173,500	\$ 196,500
ENDING CASH BALANCE 9/30	222,434	\$ 210,911	\$ 224,459	\$ 264,064

FY 2021 Ending Balance increase of \$53,153 is due to increasing the contribution for this program by \$0.005 / 1,000 gallons of water sold from FY 2020 to FY 2021.
--

**Regional Treated Water System
Lake Ralph Hall Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 9,396,954	\$ 11,981,954	\$ 11,989,921	\$ 14,851,921
REVENUES				
Interfund Transfer - Operations	2,395,145	517,525	2,729,525	647,085
Interest Income	197,822	187,490	132,475	31,000
TOTAL REVENUES	\$ 2,592,967	\$ 705,015	\$ 2,862,000	\$ 678,085
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 11,989,921	\$ 12,686,969	\$ 14,851,921	\$ 15,530,006

FY 2021 Ending Balance increase of \$2,843,037 is due primarily to the transfer of excess FY 2019 working capital of \$2,212,000 in FY 2020, as well as transfers of credits from escrowed funds held by Dallas Water Utilities (from prior year purchased raw water) of \$517,525 (FY 2020) and \$647,085 (FY 2021), and associated interest income.

**Regional Treated Water System
Northeast Contribution Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 255,941	\$ 161,927	\$ 361,925	\$ 467,910
REVENUES				
Interfund Transfer - NERWRS Operations	105,984	105,985	105,985	105,985
TOTAL REVENUES	\$ 105,984	\$ 105,985	\$ 105,985	\$ 105,985
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 361,925	\$ 267,912	\$ 467,910	\$ 573,895

FY 2021 Ending Balance increase of \$305,983 is due to the transfer of the fourth (FY 2020) and fifth (FY 2021) annual payments (principal and interest) of \$105,985 from the City of Celina for a loan for the Doe Branch Interceptor, Phase 2 project completed in 2009.

**Regional Treated Water System
Gas Lease Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 289,597	\$ 415,402	\$ 415,077	\$ 538,542
REVENUES				
Interfund Transfer - NERWRS Operations	118,659	118,660	118,660	118,660
Interest Income	6,821	8,010	4,805	1,315
TOTAL REVENUES	\$ 125,480	\$ 126,670	\$ 123,465	\$ 119,975
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 415,077	\$ 542,072	\$ 538,542	\$ 658,517

FY 2021 Ending Balance increase of \$116,445 is largely due to the transfer of the final annual payment (principal and interest) of \$118,660 from the City of Celina for a loan for the Doe Branch Interceptor, Phase 2 project completed in FY 2009.
--

Regional Treated Water System
Non-Bond Capital Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019	FY 2019-2020	FY 2019-2020	FY 2020-2021
	Actuals	Budget	Estimates	Budget
BEGINNING CASH BALANCE 10/01	\$ 6,342,875	\$ 2,623,547	\$ 3,912,713	\$ 7,804,493
Transfer to Operations	\$ (2,435,000)	\$ (2,347,275)	\$ -	\$ (5,950,000)
BEGINNING CASH BALANCE Revised	\$ 3,907,875	\$ 276,272	\$ 3,912,713	\$ 1,854,493
REVENUES				
Deposit - TxDOT Reimbursement for Projects	152,304	156,145	4,279,530	-
Interfund Transfers				
Regional Treated Water System				
Reserve Fund				
Operations				
Rate Component /				
Working Capital	2,641,690	-	3,209,200	-
Loan Repayments	132,681	120,710	120,710	119,665
Working Capital	2,435,000	2,347,275	-	5,950,000
Northeast Regional Water Reclamation				
System Reserve Funds				
Doe Branch Construction Cash				
Fund (Loan Repayment)	1,100,000	-	-	-
Interest Income	112,321	4,085	47,720	15,010
TOTAL REVENUES	\$ 6,573,996	\$ 2,628,215	\$ 7,657,160	\$ 6,084,675
EXPENDITURES				
Interfund Transfers				
Regional Treated Water System				
Reserve Funds				
Operations	16,275	-	-	-
Construction Cash Fund	6,552,883	2,628,215	2,856,590 *	2,444,915
Northeast Regional Water Reclamation				
System Reserve Fund				
Doe Branch Construction Cash				
Fund (Loan)	-	-	908,790	3,637,500
TOTAL EXPENDITURES	\$ 6,569,158	\$ 2,628,215	\$ 3,765,380	\$ 6,082,415
ENDING CASH BALANCE 9/30	\$ 3,912,713	\$ 276,272	\$ 7,804,493	\$ 1,856,753

FY 2021 Ending Balance increase of \$1,580,481 is due to transferring \$3,209,200 (\$2,427,230 from 2019 RTWS operating results and \$781,970 from other District systems as reimbursements for shared CIP projects previously funded from this reserve - \$18,620 Administration Fund, \$297,890 Lakeview Regional Water Reclamation System, \$18,620 Non-Potable Water System, \$316,510 Northeast Regional Water Reclamation System, and \$130,330) from working capital. In addition, reimbursements of \$4,279,530 were received for previously completed capital projects required by the Texas Department of Transportation (TxDOT) and funded from this reserve. This fund will provide an intrafund loan of \$4,546,290 (FY 2020 and FY 2021) to the NERWRS-Doe Branch Plant to complete the TxDOT US Hwy 380 road improvement project in Denton County. FY 2021 funding for RTWS capital projects are as follows: \$200,000 - RTWS Operational Pumping Improvements and Enhancements Study (568), \$100,000 - Elevated Water Storage Tank Site Evaluation Study (54G), \$290,800 - SCADA Systems Improvements (PLC and LPU Upgrade and Rehabilitation Project) (59X), \$1,600,000 - SCADA System Improvements (Wonderware Platform Upgrade Project) (59Q), \$66,830 - Operational Data Management Project (54M), \$10,000 - Roadway Improvements Coordination Adjustments (53W), \$10,000 - Lewisville Lake / USACE Dam Coordination (5W3), \$50,000 - U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project (5T7), \$25,000 - Relocation / TxDOT US Hwy 380 Project (Denton County) (5T8), \$10,000 - Relocation / TxDOT US Hwy 380 Project (Collin County) (5T9), \$30,000 - RTWS Risk and Resiliency Plan (59K), and \$82,285 (of \$100,000 shown in CIP Budget) - Contingency Improvements (5WI). The total of these project expenditures is \$2,444,915.

* Amount also contains expenditures: \$468 - CMMS Installation Project (59M), \$25,000 - SCADA and Communication Systems Improvements (59S), \$44,500 - Vehicle / Equipment Storage Building (5VS), \$1,052,705 - RTWS Valve, Tank, Meters, and Pipeline Improvements and Rehabilitation Project (5SR), \$11,745 - IH-35E Corridor Improvements (51H), \$64,734 - Relocation / TxDOT FM 720 Coordination Project, Phase 2 (57V), \$849,235 - Ozone System Rehabilitation at the Taylor RWTP (5T0), \$75,000 - RTWS Risk and Resiliency Plan (59K), \$206,495 - Hydraulic Efficiency and Optimization Study (55H), and \$25,000 - Phase 1A Pipeline Easement Renewal (51G). These projects are expected to be completed in FY 2020 and are not shown on the 5-Year list of capital improvement projects in the CIP Funds section of this budget document for the Regional Treated Water System.

Lakeview Regional Water Reclamation System
Operating and Maintenance Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 792,801	\$ 806,676	\$ 810,882	\$ 818,032
REVENUES				
Interfund Transfer - Operations	-	-	-	42,500
Interest Income	18,081	18,150	7,150	1,720
TOTAL REVENUES	\$ 18,081	\$ 18,150	\$ 7,150	\$ 44,220
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 810,882	\$ 824,826	\$ 818,032	\$ 862,252

Lakeview Regional Water Reclamation System
Capital Replacement Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 429,780	\$ 602,625	\$ 604,618	\$ 772,423
REVENUES				
Interfund Transfer - Operations	174,838	152,750	167,805	164,850
TOTAL REVENUES	\$ 174,838	\$ 152,750	\$ 167,805	\$ 164,850
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 604,618	\$ 755,375	\$ 772,423	\$ 937,273

FY 2021 Ending Balance increase of \$181,898 is largely due to the addition of contributions for FY 2021 at a rate of \$0.10 / 1,000 gallons.

Lakeview Regional Water Reclamation System
Non-Bond Capital Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 3,670,126	\$ 5,052,980	\$ 4,895,769	\$ 6,324,894
Transfer to Operations		\$ (179,310)		\$ (673,820)
BEGINNING CASH BALANCE Revised		\$ 4,873,670		\$ 5,651,074
REVENUES				
Interfund Transfers				
Operations	1,304,650	300,000	1,376,815	300,000
Construction Cash Fund	52,225	-	8,810	172,340
Working Capital	-	179,310	-	673,820
Interest Income	94,350	113,690	44,500	12,650
TOTAL REVENUES	\$ 1,451,225	\$ 593,000	\$ 1,430,125	\$ 1,158,810
EXPENDITURES				
Refund to DCFWSD #7 (TxDOT Purchase of Easement)	149,489	-	-	-
Interfund Transfers				
Operations	75,511	-	-	-
Construction Cash Fund	582	593,000	1,000 *	1,158,810
TOTAL EXPENDITURES	\$ 225,582	\$ 593,000	\$ 1,000	\$ 1,158,810
ENDING CASH BALANCE 9/30	\$ 4,895,769	\$ 4,873,670	\$ 6,324,894	\$ 5,651,074

FY 2021 Ending Balance increase of \$777,404 is due to the deposit of excess working capital of \$1,126,815 (from FY 2019 operations) to this reserve fund in FY 2020, as well as postponing capital projects funded with these reserve funds from FY 2020 to FY 2021 and FY 2022. FY 2021 funding for LRWRS capital projects are as follows: \$952,625 - System Interceptor and Odor Control Improvements (53B), \$156,185 - Security / SCADA Improvements (599), and \$50,000 - Contingency Improvements (5LM).

* Amount contains expenditures: \$1,000 - Swisher Force Main Odor Control Improvements. This project is to be completed by the end of FY 2020 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.

Lakeview Regional Water Reclamation System
Plant Permitting Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019	FY 2019-2020	FY 2019-2020	FY 2020-2021
	Actuals	Budget	Estimates	Budget
BEGINNING CASH BALANCE 10/01	\$ 20,000	\$ 32,000	\$ 32,000	\$ 44,000
Transfer to Operations				\$ (28,000)
BEGINNING CASH BALANCE Revised				\$ 16,000
REVENUES				
Interfund Transfers				
Operations	12,000	12,000	12,000	12,000
Working Capital	-	-	-	28,000
TOTAL REVENUES	\$ 12,000	\$ 12,000	\$ 12,000	\$ 40,000
EXPENDITURES				
Interfund Transfer - Construction Cash Fund	-	-	-	40,000
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 40,000
ENDING CASH BALANCE 9/30	\$ 32,000	\$ 44,000	\$ 44,000	\$ 16,000

FY 2021 Ending Balance decrease of \$28,000 is due to the planned funding of the next renewal period for the Texas Pollutant Discharge Elimination System permit starting in FY 2021.

Non-Potable Water System
Operating and Maintenance Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 27,920	\$ 28,555	\$ 28,556	\$ 28,806
REVENUES				
Interest Income	636	780	250	125
TOTAL REVENUES	\$ 636	\$ 780	\$ 250	\$ 125
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 28,556	\$ 29,335	\$ 28,806	\$ 28,931

**Non-Potable Water System
Capital Replacement Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 233,685	\$ 263,160	\$ 263,160	\$ 292,635
REVENUES				
Interfund Transfer - Operations	29,475	29,475	29,475	29,475
TOTAL REVENUES	\$ 29,475	\$ 29,475	\$ 29,475	\$ 29,475
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 263,160	\$ 292,635	\$ 292,635	\$ 322,110

Interfund transfer of \$29,475 is the annual rate component for the future replacement of the Non-Potable Water pipeline.

Non-Potable Water System
Non-Bond Capital Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 265,428	\$ 316,463	\$ 316,460	\$ 357,545
REVENUES				
Interfund Transfer - Operations	49,925	25,000	40,210	25,000
Interest Income	1,107	1,295	875	400
TOTAL REVENUES	\$ 51,032	\$ 26,295	\$ 41,085	\$ 25,400
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 316,460	\$ 342,758	\$ 357,545	\$ 382,945

FY 2021 Ending Balance increase of \$40,187 is due to the transfer in of \$15,210 from excess working capital generated from FY 2019 operational activities, as well as reflecting another annual deposit of \$25,000 for FY 2021.
--

**Northeast Regional Water Reclamation System -
Riverbend and Doe Branch Plants
Operating and Maintenance Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 803,310	\$ 898,260	\$ 902,021	\$ 1,047,566
REVENUES				
Interfund Transfer - Operations	79,500	136,200	136,200	167,500
Interest Income	19,211	23,275	9,345	1,945
TOTAL REVENUES	\$ 98,711	\$ 159,475	\$ 145,545	\$ 169,445
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 902,021	\$ 1,057,735	\$ 1,047,566	\$ 1,217,011

FY 2021 Interfund Transfer from Operations of \$167,500 is required so that the ending balance of this reserve is the equivalent to 25% of operating expenses for this fiscal year.

**Northeast Regional Water Reclamation System -
Riverbend and Doe Branch Plants
Capital Replacement Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ -	\$ -	\$ -	\$ -
REVENUES				
Interfund Transfer - Operations	-	-	-	72,910
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,910</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 72,910</u></u>

FY 2021 represents the first year of contributions from rates deposited to this reserve fund in order to accumulate over time to serve as a source of funding for the replacement of aging operating assets.
--

**Northeast Regional Water Reclamation System -
Riverbend and Doe Branch Plants
Non-Bond Capital Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 567,024	\$ 878,644	\$ 966,433	\$ 1,545,218
Transfer to Operations		\$ (4,140)		\$ (603,500)
BEGINNING CASH BALANCE Revised		\$ 874,504		\$ 941,718
REVENUES				
Deposits				
Participant Reimbursements				
Coordinate Mustang SUD Point of Entry #3 (SRM)	20,000	-	-	-
Riverbend North Interceptor (5AM)	-	-	62,500	-
Interfund Transfers - Riverbend Plant				
Operations	597,740	-	570,225	14,580
Working Capital	-	4,140	-	603,500
Interest Income	18,449	12,605	8,985	1,920
TOTAL REVENUES	\$ 636,189	\$ 16,745	\$ 641,710	\$ 620,000
EXPENDITURES				
Interfund Transfers				
Operations	148,000	-	-	600,000
Riverbend Plant Construction Cash Fund	21,250	-	20,000	20,000
Doe Branch Plant Construction Cash Fund	67,530	16,745	42,925	-
TOTAL EXPENDITURES	\$ 236,780	\$ 16,745	\$ 62,925	\$ 620,000
ENDING CASH BALANCE 9/30	\$ 966,433	\$ 874,504	\$ 1,545,218	\$ 941,718

**Northeast Regional Water Reclamation System -
Riverbend and Doe Branch Plants
Plant Permitting Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 32,947	\$ 6,947	\$ 6,947	\$ 14,202
Transfer to Operations	<u>\$ (2,000)</u>			
BEGINNING CASH BALANCE Revised	\$ 30,947			
REVENUES				
Interfund Transfers				
Operations	24,000	24,000	24,000	24,000
Working Capital	2,000	-	-	-
TOTAL REVENUES	<u>\$ 26,000</u>	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ 24,000</u>
EXPENDITURES				
Interfund Transfer - Riverbend Plant				
Construction Cash Fund	50,000 *	16,745	16,745 *	-
TOTAL EXPENDITURES	<u>\$ 50,000</u>	<u>\$ 16,745</u>	<u>\$ 16,745</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u>\$ 6,947</u>	<u>\$ 14,202</u>	<u>\$ 14,202</u>	<u>\$ 38,202</u>

FY 2021 Ending Balance increase of \$24,000 is due to the annual deposit from operations shown for FY 2021, in order to accumulate funds for the next renewal of the Texas Pollutant Discharge Elimination System (TPDES) for the Riverbend and Doe Branch Plants. The next renewal period is scheduled for fiscal years 2024 and 2025.

* Amounts shown for fiscal years 2019 and 2020 reflect funding for the renewal of the Riverbend Plant's TPDES permit.

**Northeast Regional Water Reclamation System -
Riverbend and Doe Branch Plants
Building Activity Fee Reserve Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,035,605	\$ 1,423,780	\$ 1,414,955	\$ 320,890
Transfer to Operations		\$ (956,375)	\$ (1,094,065)	
BEGINNING CASH BALANCE Revised		\$ 467,405	\$ 320,890	
REVENUES				
Deposit - Building Activity Fees	379,350	59,625	22,435	23,070
Interfund Transfer - Working Capital	-	956,375	1,094,065	-
TOTAL REVENUES	\$ 379,350	\$ 1,016,000	\$ 1,116,500	\$ 23,070
EXPENDITURES				
Interfund Transfer - Peninsula Plant Construction Cash Fund	-	1,116,500	1,116,500	-
TOTAL EXPENDITURES	\$ -	\$ 1,116,500	\$ 1,116,500	\$ -
ENDING CASH BALANCE 9/30	\$ 1,414,955	\$ 366,905	\$ 320,890	\$ 343,960

Peninsula Water Reclamation Plant
Operating and Maintenance Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 184,392	\$ 197,797	\$ 198,710	\$ 215,510
REVENUES				
Interfund Transfer - Operations	10,000	15,000	15,000	16,000
Interest Income	4,318	3,830	1,800	465
TOTAL REVENUES	\$ 14,318	\$ 18,830	\$ 16,800	\$ 16,465
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 198,710	\$ 216,627	\$ 215,510	\$ 231,975

Peninsula Water Reclamation Plant
Capital Replacement Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 61,875	\$ 72,825	\$ 73,354	\$ 85,764
REVENUES				
Interfund Transfer - Operations	11,479	9,580	12,410	11,865
TOTAL REVENUES	\$ 11,479	\$ 9,580	\$ 12,410	\$ 11,865
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 73,354	\$ 82,405	\$ 85,764	\$ 97,629

FY 2021 Ending Balance increase of \$15,224 is largely due to including the FY 2021 contribution amount of \$11,865 to the ending reserve balance. Also, higher than originally budgeted year-to-date FY 2020 treatment flows have generated an additional contribution amount of \$2,830 for this reserve.

Peninsula Water Reclamation Plant
Non-Bond Capital Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 429,392	\$ 507,332	\$ 508,589	\$ 577,264
REVENUES				
Interfund Transfer - Operations	199,215	3,835	69,705	4,745
Interest Income	11,059	9,200	1,170	950
TOTAL REVENUES	\$ 210,274	\$ 13,035	\$ 70,875	\$ 5,695
EXPENDITURES				
Interfund Transfers				
Operations	35,000	-	-	-
Construction Cash Fund	96,077	-	2,200 *	-
TOTAL EXPENDITURES	\$ 131,077	\$ -	\$ 2,200	\$ -
ENDING CASH BALANCE 9/30	\$ 508,589	\$ 520,367	\$ 577,264	\$ 582,959

FY 2021 Ending Balance increase of \$65,592 is primarily due to the deposit of excess working capital of \$64,740 (from FY 2019 operations) to this reserve fund in FY 2020.
--

* Amount reflects the following expenditures: \$2,200 - SCADA / Security System Improvements (5S6). This project was completed in FY 2020 and is not shown on the 5-Year list of capital improvement projects in the CIP Funds section of this budget document for the Peninsula Water Reclamation Plant.

Peninsula Water Reclamation Plant
Plant Permitting Reserve Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 42,000	\$ 47,000	\$ 47,000	\$ 52,000
Transfer to Operations				\$ (35,000)
BEGINNING CASH BALANCE Revised				\$ 17,000
REVENUES				
Interfund Transfers				
Operations	5,000	5,000	5,000	5,000
Working Capital	-	-	-	35,000
TOTAL REVENUES	\$ 5,000	\$ 5,000	\$ 5,000	\$ 40,000
EXPENDITURES				
Interfund Transfer - Construction Cash Fund	-	-	-	40,000
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 40,000
ENDING CASH BALANCE 9/30	\$ 47,000	\$ 52,000	\$ 52,000	\$ 17,000

FY 2021 Ending Balance decrease of \$35,000 is due to the planned funding of the next renewal period for the Texas Pollutant Discharge Elimination System permit starting in FY 2021.

Vehicle And Equipment Replacement Fund

FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,715,910	\$ 2,010,425	\$ 2,010,425	\$ 2,336,670
REVENUES				
Interfund Transfers				
RTWS Operations	165,305	184,435	184,435	233,670
Lakeview Operations	95,365	101,585	101,585	112,035
NERWRS Operations	57,940	66,625	66,625	83,025
Peninsula Operations	22,580	23,125	23,125	22,420
TOTAL REVENUES	\$ 341,190	\$ 375,770	\$ 375,770	\$ 451,150
EXPENDITURES				
Dodge Ram 3500 (Repl for Vehicle #061)	-	-	49,525	-
Front-End Loader (Repl for Equipment #005)	46,675	-	-	-
TOTAL EXPENDITURES	\$ 46,675	\$ -	\$ 49,525	\$ -
ENDING CASH BALANCE 9/30	\$ 2,010,425	\$ 2,386,195	\$ 2,336,670	\$ 2,787,820

FY 2021 Ending Balance increase of \$401,625 is due to including the FY 2021 contribution to this reserve from all District systems.
--

Self-Insurance Fund

FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,250,629	\$ -	\$ 1,068,031	\$ 1,068,031
Transfer to Operations	\$ (182,598)			\$ (23,030)
BEGINNING CASH BALANCE Revised	\$ 1,068,031			\$ 1,045,001
REVENUES				
Interfund Transfers				
General Fund	339,880	-	350,500	353,520
NPWS Operations	3,250	-	3,340	3,890
RTWS Operations	592,857	-	586,610	615,000
Lakeview Operations	198,870	-	210,650	228,500
NERWRS Operations	335,480	-	308,000	345,000
Peninsula Operations	35,880	-	35,060	42,350
Working Capital	182,598	-	-	23,030
TOTAL REVENUES	\$ 1,688,815	\$ -	\$ 1,494,160	\$ 1,611,290
EXPENDITURES *				
General Fund	308,962	-	356,350	321,875
NPWS Operations	3,040	-	3,085	4,000
RTWS Operations	555,879	-	575,905	525,215
Lakeview Operations	163,661	-	162,950	367,085
NERWRS Operations	301,896	-	351,890	357,175
Peninsula Operations	36,957	-	43,980	35,940
Subsidy Transfer - Shown as a Credit on Operating Fund Budget Detail (Offset for Health Insurance Cost Increase)	318,420	-	-	-
TOTAL EXPENDITURES	\$ 1,688,815	\$ -	\$ 1,494,160	\$ 1,611,290
ENDING CASH BALANCE 9/30	\$ 1,068,031	\$ -	\$ 1,068,031	\$ 1,045,001

This reserve fund was not shown in the FY 2020 GFOA Budget Document. Therefore, the FY 2019 - FY 2020 Budget column has been left blank.

* FY 2021 Expenditure amounts include a \$300,000 "carve-out" as required by the District's stop loss carrier.

Upper Trinity Conservation Trust

FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 51,651	\$ 51,556	\$ 63,860	\$ 77,395
Transfer to Operations				\$ (10,000)
BEGINNING CASH BALANCE Revised				\$ 67,395
REVENUES				
Charitable Contributions	-	1,500	1,200	1,500
Conservation Symposiums	660	-	-	-
Watershed Partners Program	3,875	3,875	3,775	3,875
Interfund Transfers				
Working Capital	-	-	-	10,000
Watershed Protection Program	25,000	25,000	25,000	25,000
Interest Income	141	240	135	75
TOTAL REVENUES	\$ 29,676	\$ 30,615	\$ 30,110	\$ 40,450
EXPENDITURES				
Personnel Services	12,305	20,000	12,285	20,000
Administrative	5,147	5,000	2,790	15,000
Professional Services	15	5,000	1,500	5,000
TOTAL EXPENDITURES	\$ 17,467	\$ 30,000	\$ 16,575	\$ 40,000
ENDING CASH BALANCE 9/30	\$ 63,860	\$ 52,171	\$ 77,395	\$ 67,845

FY 2021 Ending Balance increase of \$15,674 is due to actual program expenditures for FY 2020 being less than originally estimated.

Capital Improvement Program

Capital Improvement Program Policy

The District's Capital Improvement Program consists of those projects identified as necessary to assure safe and uninterrupted operation of facilities, meet modified and / or new statutory and regulatory requirements, provide services to new customers, replace or enhance current capital facilities and maintain efficiency, i.e., cost effectiveness. A long-term planning approach (10 – 30 years) is used by the District based on an analysis of population growth estimates provided by its members / customers, the North Central Texas Council of Governments, and the Texas Water Development Board State Plan (Region C Water Planning Group). Studies are also conducted to investigate the potential need for new or expanded facilities. Such studies can be initiated when facilities are nearing or operating at capacity in order to determine future needs or when facilities are anticipated to be required as a result of pending regulations. Projects deemed necessary are then requested by the Engineering Department to be authorized and added to the Capital Improvement Program. Additionally, when the District contracts with new customers to provide water and / or wastewater services, the Engineering and Operation Departments meet to discuss and formulate the most appropriate type, size, scope, as well as cost estimates, for new construction projects required to serve customers' needs.

Projects are added to the District's Capital Improvement Program with the authorization from the District's Board of Directors on whether the project is valid and necessary to be included in the budget. In addition, the District's Board of Directors conduct weighted votes for expenditure of funds throughout the fiscal year for capital projects.

The District's FY 2021 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 2021 is \$175,836,435. This budget amount is approximately \$55.0 million higher than the prior year capital budget (\$120.8M in FY 2020) due to entering the construction phase on various segments of the Lake Ralph Hall project, as well as completing the Parallel Pipeline (from the Taylor Regional Treated Water Plant to the Stone Hill Pump Station) project.

Funding

Funding for capital projects falls primarily into four general categories consisting of Revenue Bonds (considered Senior Lien Debt), Texas Water Development Board (TWDB) Funding (consisting of State Water Implementation Fund for Texas -- SWIFT Deferred Interest and Subsidized Interest Loans -- considered Senior Lien Debt and Board Participation / State Participation Funding -- considered Junior Lien Debt), Commercial Paper (considered Junior Lien Debt), and internally generated capital funds (Non-Bond Capital Reserve funds). Other funding methods include use of rate revenues / cash from operations, as well as contributions from District participants and customers.

Texas Water Development Board SWIFT Deferred Interest and Board Participation funding, used for the Lake Ralph Hall project, offers very favorable repayment terms. The SWIFT Deferred Interest funding, received in December 2015, requires no repayment of principal and interest for eight years after receiving the funds or the completion of project construction, whichever is first.

Currently, our project planning reflects repayment of Deferred Interest financing beginning in FY 2024. A second installment of SWIFT Deferred Interest funding is to be received in November 2020 and includes the same payment structure as the Series 2015 Deferred Interest issue. Additionally, Board Participation funding of \$15,565,000, also received in December 2015, allows for the deferment of principal until FY 2036, with graduated, interest-only payments until then. A second installment of Board Participation funding of \$30.0 million was received in November 2019, while a third installment of \$120.0 million is anticipated to be received in November 2020. All Board Participation funding has the same payment structure of no payments for three years, graduated interest-only payments for the next seven years, interest-only payments for the next three years, repayment of deferred interest amounts (including full annual interest payments) for the next seven years, and finally, principal and interest payments for the remaining 15 years.

Texas Water Development Board (TWDB) State Participation Funds (\$18.5 million), with a similar repayment structure of Board Participation Funds, are anticipated to be issued in FY 2021 to fund 50% of the Harpool Regional Water Treatment Plant Northeast Transmission Pipeline. The remaining half of this project is to be funded via issuance of Revenue Bonds (\$18.5 million), anticipated to be issued in FY 2022. The District will observe the financial markets, as well as the pace of the project, to determine the timing of the issuance of these bonds. Additionally, a repayment structure of interest-only payments may be utilized to reduce the rate impact on the participants of the Regional Treated Water System.

For FY 2021, the District will be receiving a third installment of SWIFT Subsidized Interest Funds (\$15.8 million) to complete the Parallel Pipeline (from Taylor RWTP to the Stone Hill Pump Station) project. Again, this type of funding offers very favorable terms that include a fixed-rate, below market interest rate and a 25-year maturity. By receiving three annual portions of this funding type, District staff utilized a strategy allowing for a gradual increase in debt service over the past two fiscal years, allowing the District's Regional Treated Water System to gain additional members / customers over time to share in the expense, but with a much lower rate impact compared to conventional financing.

Participating entities have entered into contracts with the District that assure 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 for infrastructure costs for portions of the regional water reclamation system in the northeast portion of the District's service area. 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.

The Engineering and Business Departments regularly meet to discuss the status of all capital improvement projects. These meetings are held to maintain communication regarding the progress / delays of construction projects, to ensure funding for monthly expenditures are appropriately budgeted, adjustments to project completion timelines can be made, and to update the capital improvement program for any new or suspended projects. The District currently has capital improvement projects underway or planned in the Regional Treated Water System, Non-Potable Water System, Lakeview Regional Water Reclamation System, Northeast Regional Water

Reclamation System (consisting of the Riverbend and Doe Branch Water Reclamation Plants), and at the Peninsula Water Reclamation Plant.

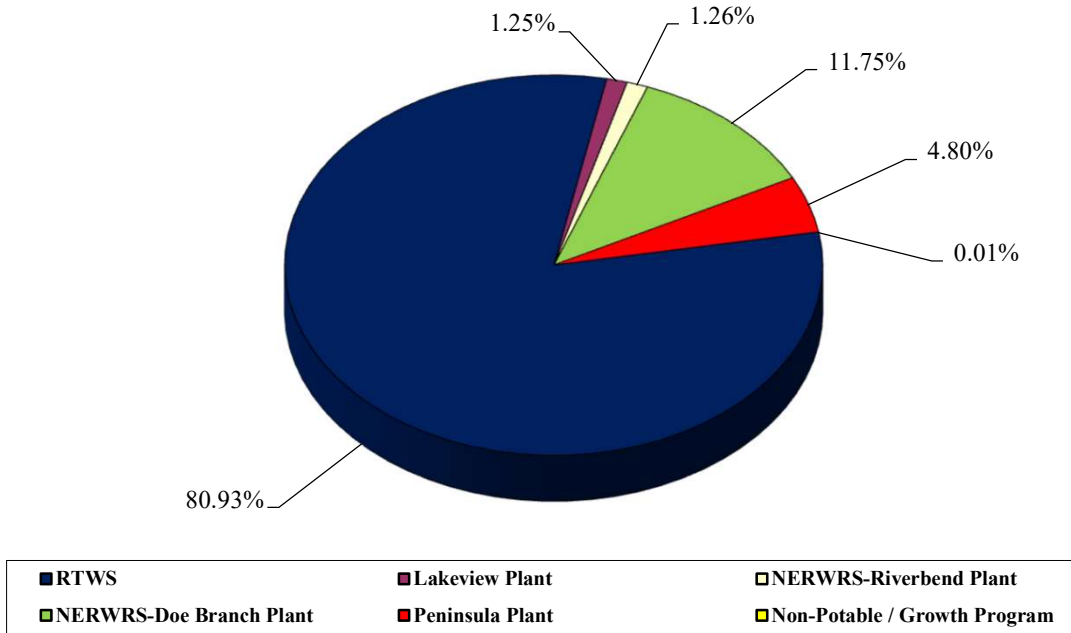
Allocation of Debt Service and Effect on District Operating Budget

A project detail sheet is included for each capital project with funding for FY 2021. 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 2021 and FY 2025 that will affect the District's operating budget, estimates are provided for their annual operating expenses.

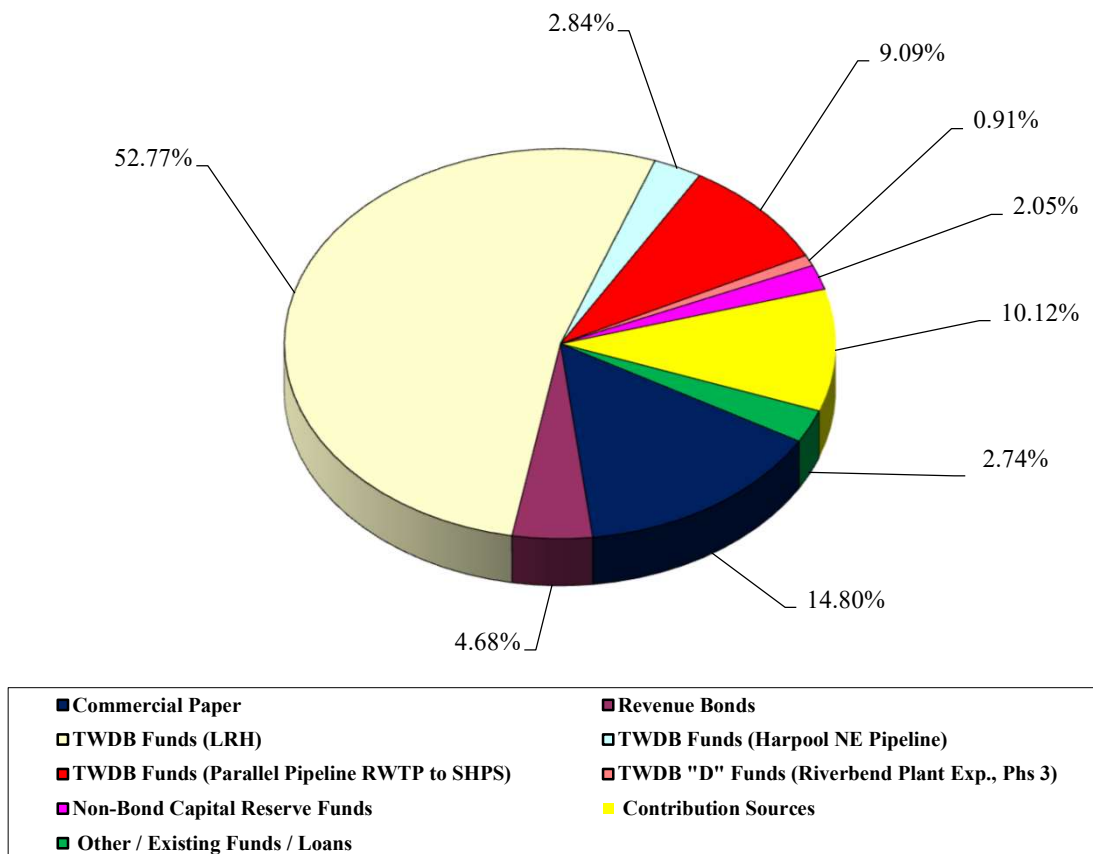
For purposes of reflecting a construction project's share of a system's annual debt service, allocated annual debt service amounts are provided for projects funded by Commercial Paper, Revenue Bonds, Texas Water Development Board Funds and / or Water Infrastructure Funds. Debt service assigned to a project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

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

Capital Expenditures by System FY 2020 - 2021 Adopted Budget



Capital Expenditures by Funding Source FY 2020 - 2021 Adopted Budget



CONSTRUCTION FUNDS

The following type of fund is used to account for transactions from construction of various District capital improvement projects.

Construction Cash Fund – 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. Water and Water Reclamation System Revenue Bonds are specifically issued for improvements to the Water and Water Reclamation systems 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.

ENGINEERING

The District is committed to providing engineering services for the provision of safe, adequate, efficient, and reliable transportation of raw and finished water, transportation of wastewater, 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-year 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, and 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 let.

BUDGET SUMMARY

	FY 2018-2019	FY 2019-2020	FY 2019-2020	FY 2020-2021
	Actuals	Budget	Estimates	Budget
Beginning Balance	\$ -	\$ -	\$ -	\$ -
Operating Expense				
Personnel Services	\$ 1,929,975	\$ 2,197,500	\$ 1,970,000	\$ 2,152,670
O&M Expenses	9,238	-	-	-
Total Operating Expense	\$ 1,939,213	\$ 2,197,500	\$ 1,970,000	\$ 2,152,670
Transfer to Capital Projects*	(1,939,213)	(2,197,500)	(1,970,000)	(2,152,670)
Ending Balance	\$ -	\$ -	\$ -	\$ -

* - 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.

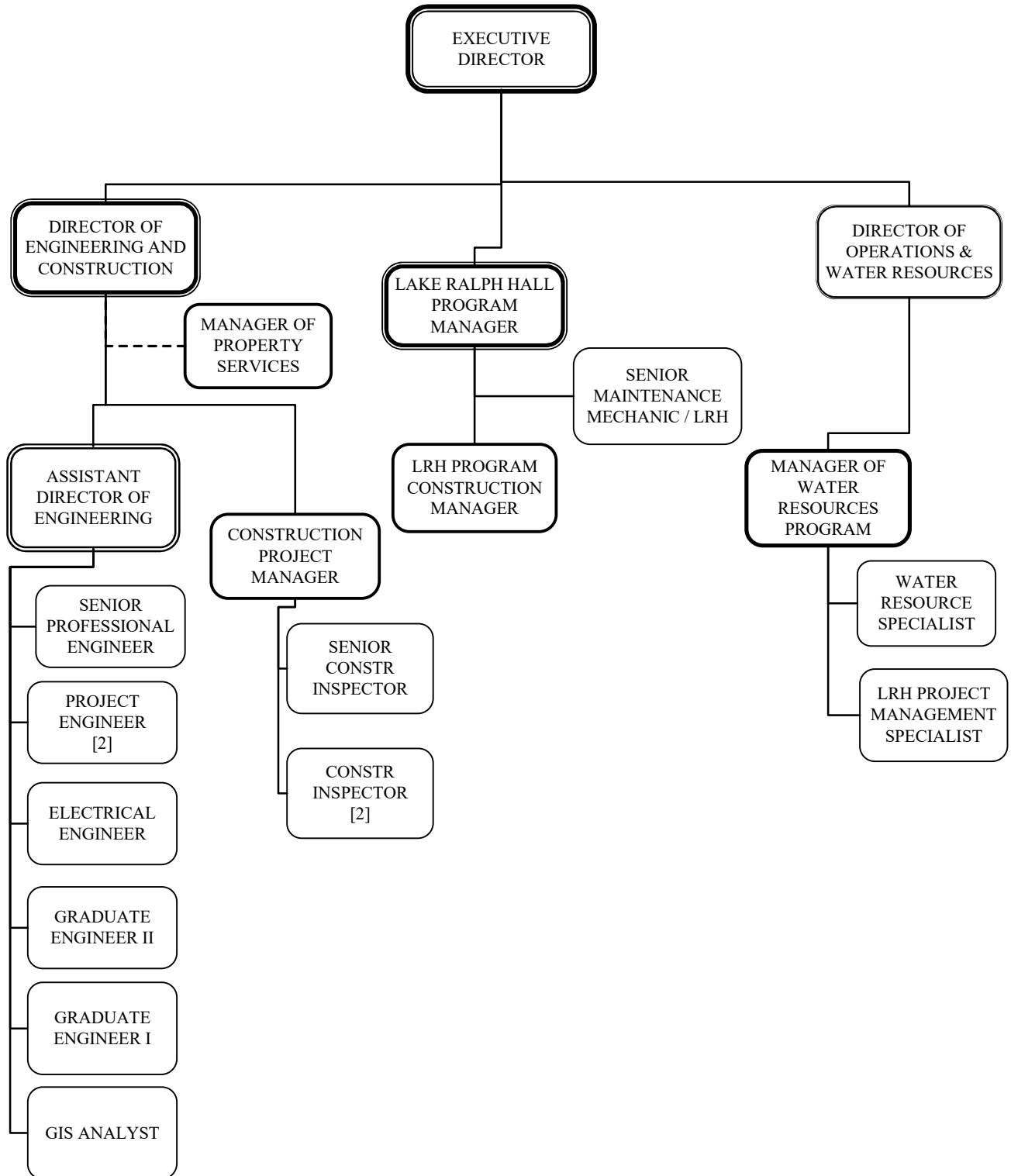
Beginning in Fiscal Year 2020, only 90% of the Personnel Services expenses were solely allocated to all capital projects via the previously described methodology. The remaining 10% of these expenses, along with 100% of Administrative and O&M Expenses were included in the Fiscal Year 2020 Administration Fund budget. Subsequently, 95% of all Administration Fund expenses were then allocated to the Operating Funds (Systems) and individual capital projects. This was done so that a portion of the Engineering Fund expenses become a revenue requirement and funded via Rates and Charges from Operating Systems. The District is continuing this process for the Fiscal Year 2021 Adopted budget as well.

PERSONNEL SUMMARY

Positions	FY 2019 Actuals	FY 2020 Budget	FY 2020 Revised	FY 2021 Budget
Executive Director	0.25	0.25	0.25	0.25
Deputy Executive Director	0.30	0	0	0
Director of Engineering & Construction	0.90	0.90	0.90	0.90
Manager of Government Affairs / Communication	0.15	0.15	0.15	0.15
Assistant Director of Engineering	0.90	0.90	0.90	0.90
Senior Professional Engineer	0	0.90	0.90	0.90
Electrical Engineer	0	0	0	0.40
Project Engineer	2.20	2.20	2.20	1.80
Professional Engineer	0.90	0	0	0
Graduate Engineer	0.90	1.80	1.80	1.80
GIS Analyst	0.45	0.45	0.45	0.45
Capital Project Accountant	0	0	1.00	1.00
LRH Project Management Specialist	0	0	0	0.50
Manager of Property Services	0.90	0.90	0.90	0.90
LRH Program Manager	0	0	0	1.00
LRH Program Construction Manager	0	0	1.00	1.00
Construction Project Manager	0.90	0.90	0.90	0.90
Senior Construction Inspector	0.90	0.90	0.90	1.80
Construction Inspector	1.80	1.80	1.80	0.90
Senior Maintenance Mechanic	0	0	0	1.00
Technical Service Specialist	0.10	0	0	0
Manager of Water Resources	0.90	0.80	0.80	0.75
Water Resource Specialist	0.90	0.70	0.70	0.60
Total FTEs	13.35	13.55	15.55	17.90

Additional Position (contract):
Lake Ralph Hall Secretary

ENGINEERING ORGANIZATIONAL CHART



PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2019 Actuals	FY 2020 Estimates	FY 2021 Target
Projects In-Process completed within requested funding period	Percentage of projects that are substantially completed on schedule	53.3%	70.0%	> 75.0%
Projects completed within Construction and Engineering estimates	Percent variation to cost estimates	-12.1%	-12.7%	+/- 5.0%
Change orders processed on completed construction projects	Percent variation on completed construction project amounts	5.0%	3.3%	+/- 3.0%
Construction contract awards approved by the Board	Number of contracts awarded	6	7	9
Construction contracts accepted by Board as complete	Number of contracts accepted	4	5	6
Right of way parcels acquired	Number of parcels acquired	LRH=34 Other=20	LRH=59 Other=14	LRH=60 Other=5
Right of way parcels acquired according to budget and construction timelines	Percent of properties acquired on time and within budget	100.0%	100.0%	> 90.0%

SUMMARY OF MAJOR CHANGES

The following is a brief description of each system's major capital projects (total expenditures in excess of \$500,000) included in the Adopted FY 2021 Construction Improvement Program Budget. A broader description of each capital project (by system) is included in subsequent pages.

Regional Treated Water System

Lake Ralph Hall Project

- Continue land acquisitions, engineering and design studies, and initiate construction of the Leon Hurse Dam and surrounding roads and bridges, for the proposed Lake Ralph Hall.

Thomas E. Taylor Regional Water Treatment Plant

- Purchase rights-of-way and begin design / engineering for the construction of the Southwest Pump Station, Phase 1, needed for increased pumping pressure to the farthest edges of the Regional Treated Water System's southwest service area.
- Begin design / engineering and construction for a multi-year project to upgrade and improve of various components of the Regional Treated Water System that include additional and / or new pumps, electrical components, underdrains, and sediment basin rakes for increased water treatment and pumping abilities.
- Begin design / engineering for the construction of a new elevated water storage tank, northeast of Lewisville Lake, to increase water pressure and pumping efficiencies in this segment of the Regional Treated Water System.
- Continue the removal of a segment of the Phase 1A water pipeline and to replace it with a larger diameter (36") section, to provide redundancy and pumping flexibility in the Lantana, Texas area of the Regional Treated Water System's service area.
- Completion of a 72" diameter pipeline, parallel to the existing transmission main from the Taylor Regional Water Treatment Plant to the Stone Hill Pump Station, needed for additional pipeline capacity to meet customer needs in the District's southwest service area.

Tom Harpool Regional Water Treatment Plant

- Continue the phased expansion of the Harpool Regional Water Treatment Plant to include additional administration, maintenance and treatment facilities such as filter membranes, a diurnal pond, and additional raw water handling infrastructure.
- Complete construction of a storage pond in the Silverado Development (Aubrey, Texas) to serve the Harpool Regional Treated Water Plant as a back-up source for raw water.
- Complete design / engineering, purchase necessary rights-of-way, and begin construction of a regional treated water transmission main to deliver water to Mustang Special Utility District's third point of delivery, as well as other District customers north of the Harpool Regional Water Treatment Plant.
- Continue design / engineering and begin purchasing necessary rights-of-way / easements, for the future construction of a 36" treated water transmission pipeline extending northeast

from the Harpool Regional Water Treatment Plant to serve the City of Celina, Texas, the Artesia Community (Texas), and other customers in that area.

District-Wide Project

- Complete installation of a new SCADA platform in all operating systems that will upgrade the District's current version of Wonderware software due to obsolescence and decreased efficiency.

Lakeview Regional Water Reclamation System

- Begin design / engineering for the expansion of the Lakeview Regional Water Reclamation Plant from 5.5 to 7.5 MGD.
- Based on previous "Smartball" testing, begin design / engineering and construction to correct piping issues, as well as install odor control equipment, along interceptors and force mains of the Lakeview Regional Water Reclamation System.

Non-Potable Water System

- No capital projects listed are in excess of \$500,000.

Northeast Regional Water Reclamation System

- Complete construction of additional improvements to sludge processing, storage and disposal activities at the Riverbend Regional Water Reclamation Plant, that was previously expanded from 2.0 to 4.0 MGD (treatment capacity) in April 2019.
- Continue construction to expand the Doe Branch Regional Water Reclamation Plant from 2.0 to 4.0 MGD for projected completion by the end of FY 2021.
- Begin initial design / engineering for the construction of a new wastewater flow interceptor, parallel to the current Doe Branch Interceptor, to allow for increased capacity for the transport of flows from the ever-growing population of Doe Branch Regional Water Reclamation Plant's service area.
- Continue preliminary planning and coordination with the Texas Department of Transportation's (TxDOT) U.S. Hwy 380 project for the possible relocation of the Doe Branch Plant's wastewater pipelines due to roadway improvements.

Peninsula Water Reclamation Plant

- Complete initial design / engineering and begin construction to expand the Peninsula Water Reclamation Plant from 0.94 to 2.0 MGD for projected completion in FY 2022.

ACCOMPLISHMENTS FOR FY 2019 – 2020

- 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 repairs and expansions to existing facilities, as well as providing for new facilities as they are necessary to meet the needs of the District's customers/participants. This program is updated annually.

- 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 were provided to the Board on the 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 will be identified.

- Strive to make substantial progress and / or complete capital improvement projects.

Regional Treated Water System

- *After approximately 17 years of effort working toward receiving the coveted Section 404 Clean Water Act permit, the Upper Trinity Regional Water District was awarded this permit by the U.S. Corps of Engineers in February 2020. With this permit, the District is finally able to begin construction of the various segments of the proposed Lake Ralph Hall.*
- *Upgrade and installation of three high-service pumps at the Harpool Regional Treated Water Plant.*
- *Improvements to the Ozone System at the Taylor Regional Treated Water Plant were completed.*
- *Improvements and / or replacements of various valves, storage tanks, meters, and pipelines around the Regional Treated Water System were completed.*
- *The Computer Maintenance Management System (CMMS) was completed and placed into service.*
- *A study to increase the efficiency and optimization of the Regional Treated Water System's hydraulic conditions was completed, allowing District staff to develop the scope of additional capital projects to improve the System's pumping and delivery facilities.*

Lakeview Regional Water Reclamation System

- *Smartball testing was completed in various areas of the System (interceptors and force mains), allowing District staff to develop the scope and magnitude of improvements to correct piping issues and install odor control equipment shown in a new capital project titled, "System Interceptor and Odor Control Improvements" beginning in FY 2021. Please refer to the CIP Funds section of this budget document.*

*Northeast Regional Water Reclamation System
Riverbend Plant*

- *Substantial progress has been made toward the re-rating of the Texas Pollutant Elimination System permit required by the Texas Commission on Environmental Quality. However, the District has not yet been formally notified that the new re-rated permit has been issued.*

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.*

Peninsula Water Reclamation Plant

- *Design / engineering for the expansion of the Peninsula Water Reclamation Plant (from 0.94 to 2.0 MGD) has reached the 60% threshold with construction planned to begin in FY 2021.*

Regional Treated Water System

Upon establishment of the District in 1989, the Board of Directors embarked on an ambitious vision to plan, develop, and implement a regional water supply and regional water reclamation programs for approximately 30 cities and utilities. Water supply was the largest and most immediate challenge. Prior to completion of its own treatment facilities, the District purchased treated water from other entities to resell to its customers. This arrangement continued until the District's first water treatment plant began operation in 1997. The Thomas E. Taylor Water Treatment Plant is planned with staged expansion capability to at least 300 million gallons per day (mgd) of treatment capacity as needed to provide for future growth within the District's service area.

The Regional Treated Water System began by providing service to 11 towns and cities. Growth continues throughout the District's service area and many communities (members and customers) have requested service. To provide for the needs of the member entities and other wholesale customers, the District has extended a network of major transmission pipelines across Denton County. In addition, the Tom Harpool Water Treatment Plant was completed in 2008 with a current treatment capacity of 20 mgd and a staged expansion capability to at least 240 mgd. Additionally, both treatment plants are interconnected to ensure safety and redundancy.

The District is meeting the needs of its members who have contracted for service and each community has access to an adequate supply of water, including the peak needs that occur during periods of drought. The District has continually supplied wholesale water service to 29 cities and / or utilities without any curtailment in service.

Construction Improvement Program Funding

FY 2021 funding for this system's capital budget consists of \$26.0 million of Commercial Paper, TWDB Funds for Lake Ralph Hall (Present and Anticipated) of \$92.8 million, TWDB Funds for the Parallel Pipeline Project - Taylor RWTP to Stone Hill Pump Station (Subsidized Interest) of \$16.0 million, TWDB Funds for the Harpool RWTP Northeast Transmission Pipeline (State Participation) of \$5.0 million, Non-Bond Capital Reserve funds of \$2.4 million, Growth Program funds of \$17,715, and Contribution Pipeline Extension Reimbursements of \$50,000.

Current Projects

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, Commercial Paper funding of \$650,000 is provided in FY 2021 for the purchase of rights-of-way and design / engineering activities, for the subsequent construction of the Southwest Pump Station, Phase 1. This project will also include a screening wall and fence to provide a barrier for a nearby subdivision.

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 30 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. For FY 2021, the District will continue with design and engineering activities, as well as land purchases and begin construction of segments of the proposed Lake Ralph Hall and associated transmission pipelines. FY 2021 funding for these activities consists of approximately \$92.8 million (both present and anticipated TWDB Funds) and \$1.4 million of Commercial Paper.

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, Commercial Paper of \$3.5 million is included for FY 2021 to begin 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.

\$200,000 of Non-Bond Capital Reserve funding is provided for FY 2021 for the completion of a Regional Treated Water System Operational Pumping Improvements and Enhancements Study to provide District staff with design / engineering ideas for the scope and planning of various improvements to the Regional Treated Water System's hydraulic instrumentation.

District staff began a site evaluation in FY 2020 for the construction of a new elevated water storage tank to provide increased pressure and improved distribution of treated water in the Regional Treated Water Systems' northeast service area. Non-Bond Capital Reserve funding of \$100,000 is provided for FY 2021 for the completion of this evaluation.

Commercial Paper of \$700,000 is provided to acquire property and begin design / engineering for the construction of a new elevated storage tank for the Regional Treated Water System, northeast of Lewisville Lake, to provide increased pressure and improved distribution of treated water for customers / members in the northeast service area.

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 2021, Commercial Paper funding of \$4.0 million is provided to begin construction to replace the 18" and 16" portions of this pipeline with larger diameter (36") sections to increase pipeline capacity for additional treated water demand in this area.

The District will complete construction of a 72" diameter pipeline parallel to the existing treated water delivery line from the Taylor Regional Water Treatment Plant to the Stone Hill Pump Station for additional pipeline capacity. Also, since the existing pipeline serves such a large section of the System's southwest service area, the need for a redundant pipeline to serve these customers was necessary in case of a break in the existing pipeline. TWDB SWIFT Subsidized Interest funding of \$16.0 million and \$2.1 million of Commercial Paper is included for FY 2021 to complete this project.

With projected population growth in the northeast service area, the FY 2021 capital budget provides Commercial Paper funding of \$8.4 million 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 40.0 mgd by 2025 to 2030.

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. Commercial Paper of \$810,000 is provided for FY 2021 to complete construction of this storage reservoir.

The FY 2021 capital budget also contains Commercial Paper funding of \$200,000 to complete initial design / engineering for the future construction of a raw water pipeline from the planned water reservoir at the Silverado development in Aubrey, Texas, to the Harpool Regional Water Treatment Plant.

Commercial Paper funding of \$3.7 million is provided for FY 2021 to complete initial design / engineering, acquire of rights-of-way, and begin construction of a regional treated water transmission main to deliver water to Mustang SUD's third point of delivery and other District customers north of Harpool Regional Water Treatment Plant.

The FY 2021 capital budget also includes Commercial Paper of \$80,000 to complete initial design / engineering and begin construction of the third point of delivery for treated water service for Mustang Special Utility District. Upon completion of this project, Mustang SUD is to reimburse the District approximately \$455,500 of total project costs.

Due to increasing population growth and treated water demand from the City of Celina, the Artesia Community, and other customers around this area, Texas Water Development Board (TWDB) Board Participation Funds of \$5.0 million are provided to continue with design / engineering activities and begin 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.

Over the past several fiscal years, the District has been enhancing its SCADA systems within the Regional Treated Water System. Non-Bond Capital Reserve funding of \$290,800 is included in the FY 2021 budget to complete the upgrade and rehabilitation of Programmable Logic Controllers (PLCs) and Local Processing Units (LPUs) at the Taylor and Harpool Regional Treated Water Plants, due to age and obsolescence.

The FY 2021 budget also provides funding to complete the upgrade of the District's current version of Wonderware software due to obsolescence and decreased efficiency. Currently, the District has several versions of Wonderware operating separately at each of its water and water reclamation plants. Non-Bond Capital Reserve Funds of \$1.6 million are 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.

In order to enhance the District's management of data from operations, Non-Bond Capital Reserve funding of \$66,830 is included in the FY 2021 capital budget to complete the transition of the System's operational data from Excel spreadsheets to a Microsoft Structured Query Language

(SQL) centralized database for improved reliability and accuracy of data, as well as improved operational efficiency.

District staff will also be continuing their coordination with other public entities to identify conflicts between proposed roadway improvements and District facilities. The FY 2021 budget provides Non-Bond Capital Reserve funding of \$10,000 for this project.

The FY 2021 capital budget includes Non-Bond Capital Reserve funding of \$10,000 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.

Commercial Paper funding of \$10,495 is provided in the FY 2021 capital budget to complete a reimbursement request to the Texas Department of Transportation (TxDOT) for a portion of District funds for coordinating with TxDOT on their FM 2181 roadway project and for purchase of easements. A portion of previously spent District funds used for this project has already been reimbursed by TxDOT.

Due to recent work done by TxDOT's FM 2181 project, the FY 2021 capital budget reflects Commercial Paper funding of \$457,000 to complete the installation of 1,300 feet of new 24" pipeline, including a new check-meter vault, located in the District's easement on the west side of FM 2181 between Montecito Drive and Hickory Creek Road in Denton, Texas.

Non-Bond Capital Reserve funding of \$50,000 is provided for FY 2021 to complete 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 in Flower Mound, Texas.

Many active highway projects are under construction in the District's water service area. The FY 2021 capital budget provides funding for District staff to coordinate with the Texas Department of Transportation (TxDOT) regarding the possible relocation of District water pipelines in conjunction with their U.S. Highway 380 roadway project in Denton County. Non-Bond Capital Reserve funding of \$25,000 is provided for these coordination efforts. In addition, Non-Bond Capital Reserve funding of \$10,000 is also provided for FY 2021 for this same project that extends into Collin County and the City of Irving, Texas.

To adequately plan for new pipeline extensions for current and / or future customers of the Regional Treated Water System, the FY 2021 capital budget provides \$50,000, reimbursable by any requesting customer / member, to offset costs for District efforts provided.

Finally, the FY 2021 capital budget contains annual expenditures of \$100,000 for Contingency Improvements to allow for various projects that may be identified throughout the fiscal year. Non-Bond Capital Reserve funding of \$82,285 and \$17,715 of transferred Growth Program funds is provided for funding.

As shown in the five-year capital improvement program, the FY 2021 adopted capital budget for the Regional Treated Water System is \$142,311,770; an increase of \$55,935,275 from the previous year adopted capital budget of \$86,376,495. This increase is primarily due to beginning construction on certain segments of the Lake Ralph Hall project. In addition, the Parallel Pipeline

project (from the Taylor RWTP to the Stone Hill Pump Station) is anticipated to be completed by the end of FY 2021.

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 an attempt to anticipate future population growth in Aubrey and its need for treated water services, Commercial Paper funding of \$100,000 and \$300,000 in FYs 2024 and 2025, respectively, 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 2025 and entails the eventual construction of a pipeline to deliver treated water to the City of Pilot Point, Texas. Commercial Paper of \$125,000 is provided to begin District planning efforts.

Harpool In-Line Booster Pump Station at Northeast Pipeline – This project is slated to begin in FY 2025 and is required to boost the pumping pressure at the Northeast Pipeline. Commercial Paper of \$50,000 is provided to begin this project.

Regional Treated Water System Construction Cash Fund FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 8,761,802	\$ 6,415,703	\$ 13,932,040	\$ 9,351,635
Transfer to Operations			<u>(4,580,405)</u>	
BEGINNING CASH BALANCE Revised			\$ 9,351,635	
REVENUES				
Commercial Paper	17,650,000	24,127,720	23,200,000	29,023,150
Texas Water Development Board				
SWIFT Funds				
Deferred Interest Loan	8,561,310	13,589,870	5,801,165	15,120,775
Subsidized Interest Loan	4,416,387	21,721,060	21,721,060	15,982,975
Board Participation Funds	6,104,652	23,363,090	22,286,495	77,672,240
State Participation Funds	-	-	-	18,235,735
Interfund Transfers				
Non-Bond Capital Reserve Fund	6,552,883	2,628,215	2,856,590	2,444,915
Growth Program	17,480	17,585	17,585	17,715
Working Capital	-	-	4,580,405	-
Contribution Sources	15,000	15,000	-	50,000
TxDOT Reimbursements	-	-	95,800	-
Customer Reimbursements	-	50,000	-	-
Interest Revenue	372,745	87,090	92,515	47,850
TOTAL REVENUES	\$ 43,690,457	\$ 85,599,630	\$ 80,651,615	\$ 158,595,355
EXPENDITURES				
Construction Improvement Projects	38,520,219	86,376,495	62,151,615 *	142,311,770
Interfund Transfer - Retirement of				
Commercial Paper	-	-	18,500,000	-
TOTAL EXPENDITURES	\$ 38,520,219	\$ 86,376,495	\$ 80,651,615	\$ 142,311,770
ENDING CASH BALANCE 9/30	\$ 13,932,040	\$ 5,638,838	\$ 9,351,635	\$ 25,635,220

FY 2021 Ending Balance increase of \$19,996,382 is largely due to the projected receipt of Texas Water Development Board (TWDB) State Participation Funds of \$18.5 million to partially fund the Harpool RWTP Northeast Transmission Pipeline (54N). The FY 2021 budget amount for this project is \$5.0 million. Additionally, Commercial Paper is used to initially fund project expenditures, with a subsequent reimbursement request sent to the TWDB for the release of escrowed funds (Board Participation, Deferred Interest, and Subsidized Interest funds) for the Lake Ralph Hall (5RH) and Parallel Pipeline (5PS) projects. Due to the timing of these reimbursements from the TWDB, there is an additional \$3.0 million of Commercial Paper funding reflected in the revenues shown above.

* Amount also contains expenditures: \$468 - CMMS Installation Project (59M), \$25,000 - SCADA and Communication Systems Improvements (59S), \$44,500 - Vehicle / Equipment Storage Building (5VS), \$1,052,705 - RTWS Valve, Tank, Meters, and Pipeline Improvements and Rehabilitation Project (5SR), \$11,745 - IH-35E Corridor Improvements (5IH), \$64,734 - Relocation / Tx DOT FM 720 Coordination Project, Phase 2 (57V), \$849,235 - Ozone System Rehabilitation at the Taylor RWTP (5T0), \$75,000 - RTWS Risk and Resiliency Plan (59K), \$206,495 - Hydraulic Efficiency and Optimization Study (55H), and \$25,000 - Phase 1A Pipeline Easement Renewal (51G), \$25,000 - Harpool RWTP High Service Pumping Improvements, Phase 1A (53P), \$429,030 - Harpool RWTP High Service Pumping Improvements, Phase 1B (54P), and \$123,630 - Interconnect between District's Treated Water Transmission Pipeline along Byron Road and Mustang SUD's Elevated Storage Water Storage Tank 53F). These projects are expected to be completed in FY 2020 and are not shown on the accompanying 5-Year list of capital improvements projects.

Upper Trinity Regional Water District
Regional Treated Water System
FY 2021 Adopted Capital Budget with projections through FY 2025
September 3, 2020

Project Aect	Project	Prior Expenditures	Estimated FY 2020	Adopted FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
5WP	Southwest Pump Station, Phase 1 *	\$ 399,543	\$ -	650,000	8,000,000	9,350,000	2,000,000	\$ -	\$ 20,399,543
5RH	Lake Ralph Hall Project *	64,322,590	22,743,005	94,218,445	136,635,440	123,476,305	91,476,715	16,267,875	549,140,375
5M1	Aubrey Pipeline and 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	-	-	3,500,000	2,000,000	2,000,000	2,000,000	3,500,000	13,000,000
568	RTWS Operational Pumping Improvements and Enhancements Study	-	-	200,000	-	-	-	-	200,000
54G	Elevated Water Storage Tank Site Evaluation Study	-	300,000	100,000	-	-	-	-	400,000
5GT	Elevated Water Storage Tank Construction Project	-	-	700,000	2,000,000	3,000,000	2,000,000	-	7,700,000
57F	Replacement / Upsizing of Section of Phase 1-A Treated Water Pipeline	-	350,000	4,000,000	3,350,000	-	-	-	7,700,000
5PS	Parallel Pipeline from Taylor RTWP to Stone Hill Pump Station	4,005,965	21,721,060	18,099,610	-	-	-	-	43,826,635
5HB	Harpool In-Line Booster Pump Station @ N.E. Pipeline	-	-	-	-	-	-	50,000	50,000
5HO	Harpool RWTP Phased Treatment Expansion, Phase 1 (from 20.0 to 30.0 MGD)	1,050,489	10,461,470	8,370,500	8,629,500	6,000,000	6,000,000	4,000,000	44,511,959
5HR	Harpool RWTP Raw Water North Storage	603,913	40,085	810,000	-	-	-	-	1,453,998
5HP	Pipeline from Harpool RWTP Raw Water North Storage to the Harpool RWTP	1,158,392	200,000	200,000	-	-	-	1,600,000	3,158,392
5H1	Harpool RWTP North Transmission Main, Phase 1	31,908	200,000	3,703,090	2,915,005	-	-	-	6,850,003
5M3	Mustang Point of Delivery #3 *	29,888	30,000	80,000	346,305	-	-	-	486,193
54N	Harpool RWTP Northeast Transmission Pipeline	-	50,000	5,000,000	10,000,000	12,000,000	5,000,000	5,000,000	37,050,000
59X	SCADA Systems Improvements (PLC & LPU Upgrade and Rehabilitation Project)	49,668	120,000	290,800	-	-	-	-	460,468
59Q	SCADA System Improvements (Wonderware Platform Upgrade Project)	-	1,000,000	1,600,000	-	-	-	-	2,600,000

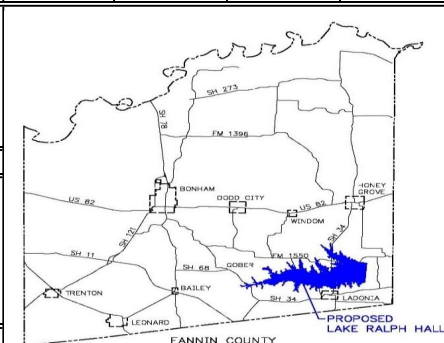
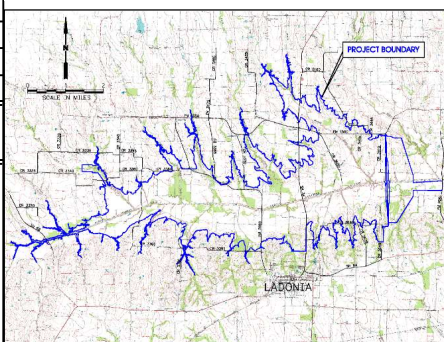
Upper Trinity Regional Water District
Regional Treated Water System
FY 2021 Adopted Capital Budget with projections through FY 2025
September 3, 2020



Project Acct	Project	Prior Expenditures	Estimated FY 2020	Adopted FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
54M	Operational Data Management Project	128,170	30,000	66,830	-	-	-	-	225,000
53W	Roadway Improvements Coordination Adjustments *	81,941	5,000	10,000	10,000	10,000	10,000	10,000	136,941
5W3	Lewisville Lake / USACE Dam Coordination	1,897	5,000	10,000	10,000	10,000	10,000	10,000	56,897
5T3	Relocation / TxDOT FM 2181 Project	663,458	5,000	10,495	-	-	-	-	678,953
5T4	Upsizing / Relocation FM 2181 24" Pipeline Project	47,001	1,846,455	457,000	-	-	-	-	2,350,456
5T7	U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project	-	10,000	50,000	-	-	-	-	60,000
5T8	Relocation / TxDOT U.S. Hwy 380 Project (DENTON COUNTY)	14,932	30,000	25,000	-	-	-	-	69,932
5T9	Relocation / TxDOT U.S. Hwy 380 Project (COLLIN COUNTY)	120	2,000	10,000	-	-	-	-	12,120
538	Customer Pipeline Extensions	-	-	50,000	50,000	50,000	50,000	50,000	250,000
5WI	Contingency Improvements	-	70,000	100,000	100,000	100,000	100,000	100,000	570,000
	Total	\$ 72,595,459	\$ 59,219,075	\$ 142,311,770	\$ 174,046,250	\$ 155,996,305	\$ 108,746,715	\$ 31,012,875	\$ 743,928,449
Funding Sources:									
	Commercial Paper	\$ 30,509,108	\$ 15,358,968	\$ 26,023,150	\$ 28,665,811	\$ 21,643,633	\$ 12,900,000	\$ 7,290,104	\$ 142,390,774
	Commercial Paper (Reimbursed From Contribution Sources)	-	-	-	(455,500)	-	-	-	(455,500)
	Commercial Paper (TxDOT Reimbursement - 21-5T3)	-	(49,483)	-	-	-	-	-	(49,483)
	Revenue Bonds	24,185	-	-	5,000,000	6,000,000	2,500,000	5,000,000	18,524,185
	Texas Water Development Board Funds								
	Lake Ralph Hall (Present)	37,667,773	20,567,047	16,445,180	-	-	-	-	74,680,000
	Lake Ralph Hall (Anticipated)	-	-	76,347,835	135,210,439	122,182,672	90,676,715	13,552,771	437,970,432
	Parallel Pipeline from Taylor RWTP to Stone Hill PS (SPS)	4,005,965	21,721,060	15,982,975	-	-	-	-	41,710,000
	Harpool RWTP Northeast Pipeline (54N) (State Participation Funds)	-	-	5,000,000	5,000,000	6,000,000	2,500,000	5,000,000	23,500,000
	Non-Bond Capital Reserve	357,052	1,554,415	2,444,915	102,285	102,285	102,285	102,285	4,765,522
	Non-Bond Capital Reserve (TxDOT Reimbursement - 21-5T3)	(37,878)	(46,316)	-	-	-	-	-	(84,194)
	Contribution Sources								
	Mustang SUD (5M3)	-	-	-	455,500	-	-	-	455,500
	Donated Assets	11,230	-	-	-	-	-	-	11,230
	Operating Funds	20,146	-	-	-	-	-	-	20,146
	Operating Funds (TxDOT Reimbursement - 21-5T3)	(16,276)	-	-	-	-	-	-	(16,276)
	Growth Program	-	17,585	17,715	17,715	17,715	17,715	17,715	106,160
	Texas Department of Transportation Reimbursement (21-5T3)	54,154	95,799	-	-	-	-	-	149,953
	Customer Pipeline Extension Reimbursements	-	-	50,000	50,000	50,000	50,000	50,000	250,000
	Total	\$ 72,595,459	\$ 59,219,075	\$ 142,311,770	\$ 174,046,250	\$ 155,996,305	\$ 108,746,715	\$ 31,012,875	\$ 743,928,449

* - Multiple Funding Sources

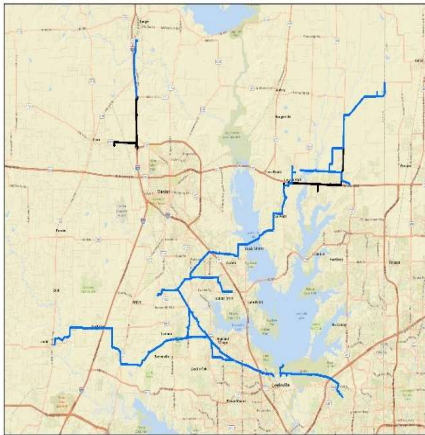
Project Title							Department			
Southwest Pump Station, Phase 1							5WP			
Description Funding provides for design / engineering for construction of a ground storage tank and pump station, including a screening wall and fencing.					Operating Budget Impact					
						2021	2022	2023	2024	2025
					Personnel Services	\$ -	\$ -	\$ -	\$ 8,580	\$ 13,890
					Administrative	-	-	-	-	-
					Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	-	65,800	86,750
					Debt Service	33,263	62,238	139,963	201,963	491,463
					Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation	-	-	-	8,926	12,077					
Total					\$ 33,263	\$ 62,238	\$ 139,963	\$ 285,269	\$ 604,180	
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total	
				2021	2022	2023	2024	2025 to Completion		
Design/Engineering		\$ 45,956	\$ -	\$ 230,000	\$ 1,450,000	\$ 100,000	\$ 50,000	\$ -	\$ 1,875,956	
Land/Right of Way		279,395	-	350,000	350,000	-	-	-	979,395	
Construction		-	-	-	5,340,000	8,240,000	1,730,000	-	15,310,000	
Admin/Inspection		74,192	-	70,000	860,000	1,010,000	220,000	-	2,234,192	
Legal										
Furniture/Equipment										
Other										
Total Costs		\$ 399,543	\$ -	\$ 650,000	\$ 8,000,000	\$ 9,350,000	\$ 2,000,000	\$ -	\$ 20,399,543	
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total	
				2021	2022	2023	2024	2025 to Completion		
Commercial Paper		\$ 380,287	\$ -	\$ 650,000	\$ 8,000,000	\$ 9,350,000	\$ 2,000,000	\$ -	\$ 20,380,287	
Revenue Bonds		19,256	-	-	-	-	-	-	19,256	
Operating Funds										
O&M Reserve Funds										
Total Sources		\$ 399,543	\$ -	\$ 650,000	\$ 8,000,000	\$ 9,350,000	\$ 2,000,000	\$ -	\$ 20,399,543	
Project Schedule		Project Start Date		Project Completion Date		Site Information				
Design/Engineering		Mar-13		2024		Town of Northlake and Argyle Water Supply Corporation (Denton County, Texas)				
Land/Right of Way		Apr-13		2022						
Construction		2022		2024						
Admin/Inspection		Mar-03		2024						
Legal										
Furniture/Equipment										
Total Project				2024						

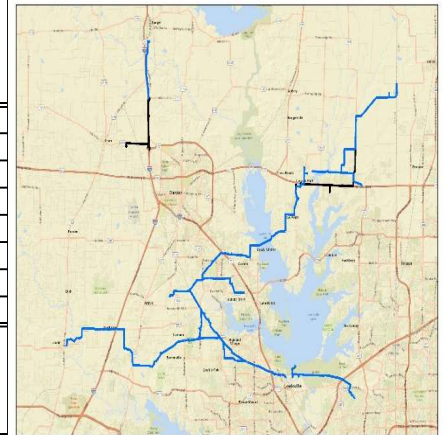


Project Title							Lake Ralph Hall Project			Department					5RH					
Description Continue with design / engineering and land acquisition activities, and with the recent awarding of the 404 permit from the U.S. Corps of Engineers, begin construction of segments of the proposed Lake Ralph Hall and associated transmission pipelines.							Operating Budget Impact													
							2021		2022		2023		2024		2025					
							Personnel Services		\$	-	\$	-	\$	-	\$	-	\$	-		
							Administrative			-		-		-		-		-		
							Office Expenses			-		-		-		-		-		
							Professional Services			-		-		-		-		-		
							Operating and Maintenance			-		-		-		-		-		
							Debt Service		2,214,169		2,353,234		2,764,804		5,234,618		5,881,232			
							Furniture and Equipment			-		-		-		-		-		
Maintenance/OH Allocation			-		-		-		-		-									
Total							\$	2,214,169	\$	2,353,234	\$	2,764,804	\$	5,234,618	\$	5,881,232				
		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					2025 to Completion	Project Total										
				2021	2022	2023	2024													
Total Costs		\$ 64,322,590	\$ 22,743,005	\$ 94,218,445	\$ 136,635,440	\$ 123,476,305	\$ 91,476,715	\$ 41,304,690	\$ 574,177,190											
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					2025 to Completion	Project Total										
				2021	2022	2023	2024													
Commercial Paper		\$ 26,643,587	\$ 2,175,958	\$ 1,425,430	\$ 1,425,001	\$ 1,293,633	\$ 800,000	\$ 27,751,919	\$ 61,515,528											
TWDB Funds - Present		37,667,773	20,567,047	26,917,190	-	-	-	-	85,152,010											
TWDB Funds - Anticipated		-	-	65,875,825	135,210,439	122,182,672	90,676,715	13,552,771	427,498,422											
Donated Assets		11,230	-	-	-	-	-	-	11,230											
Total Sources		\$ 64,322,590	\$ 22,743,005	\$ 94,218,445	\$ 136,635,440	\$ 123,476,305	\$ 91,476,715	\$ 41,304,690	\$ 574,177,190											
Project Schedule		Project Start Date		Project Completion Date		Site Information														
Permitting/Design/Engineering/Reuse		Jul-03		2024		Southeast Fannin County, Tx														
Land/Right of Way/Mitigation		Dec-08		2022																
Construction		Jul-20		2031																
Admin/Inspection		May-03		2031																
Contested Hearing/Expert Witness		May-12		Jun-17																
Other																				
Total Project				2031																

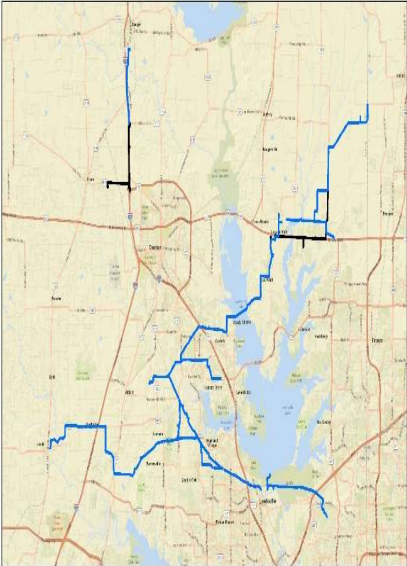
Project Title								Department					
Description Begin design / engineering and construction for a multi-year project for the upgrade and improvement of several components of the Regional Treated Water System that include additional/new pumps and electrical components at the Raw Water Intake Structure, Taylor Regional Water Treatment Plant (RWTP), and Stone Hill Pump Station, as well as upgrades to the filter underdrain and sediment basin rakes at the Taylor RWTP.								Operating Budget Impact					
									2021	2022	2023	2024	2025
								Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
								Administrative	-	-	-	-	-
								Office Expenses	-	-	-	-	-
								Professional Services	-	-	-	-	-
								Operating and Maintenance	-	-	-	-	-
								Debt Service	7,000	19,250	157,000	296,000	400,000
								Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation	-	-	-	-	-								
Total						\$ 7,000	\$ 19,250	\$ 157,000	\$ 296,000	\$ 400,000			
Project Costs	Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total					
			2021	2022	2023	2024	2025 to Completion						
Design/Engineering	\$ -	\$ -	\$ 625,000	\$ 325,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ 1,150,000					
Land/Right of Way													
Construction	-	-	2,500,000	1,460,000	1,685,000	1,735,000	3,075,000	10,455,000					
Admin/Inspection	-	-	375,000	215,000	215,000	215,000	375,000	1,395,000					
Legal													
Furniture/Equipment													
Other													
Total Costs	\$ -	\$ -	\$ 3,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 3,500,000	\$ 13,000,000					
Source of Funds	Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total					
			2021	2022	2023	2024	2025 to Completion						
Commercial Paper	\$ -	\$ -	\$ 3,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 3,500,000	\$ 13,000,000					
Revenue Bonds													
Contribution Sources													
Non-Bond Capital Rsrv Funds													
TWDB Funds													
Total Sources	\$ -	\$ -	\$ 3,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 3,500,000	\$ 13,000,000					
Project Schedule	Project Start Date		Project Completion Date		Site Information								
	2021		2025										
Design/Engineering	2021		2025		Various areas in the District's Regional Treated Water System								
Land/Right of Way													
Construction	2021		2025										
Admin/Inspection	2021		2025										
Legal													
Furniture/Equipment													
Total Project			2025										

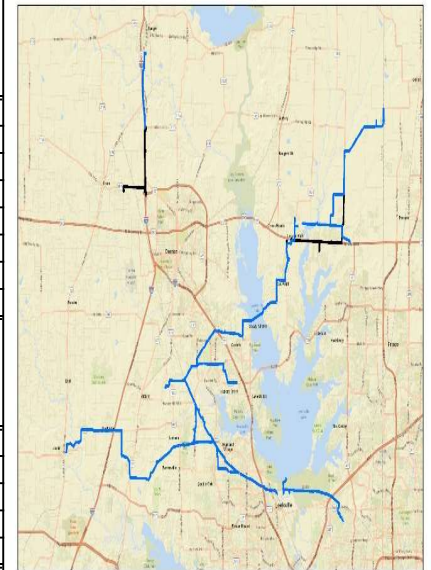
Project Title							Department		
RTWS Operational Pumping Improvements and Enhancements Study							568		
Description Engineering evaluation of hydraulic instrumentation and design of appropriate improvements.					Operating Budget Impact				
					2021	2022	2023	2024	2025
					Personnel Services				
					Administrative				
					Office Expenses				
					Professional Services				
					Operating and Maintenance				
					Furniture and Equipment				
					Maintenance/OH Allocation				
					Total				

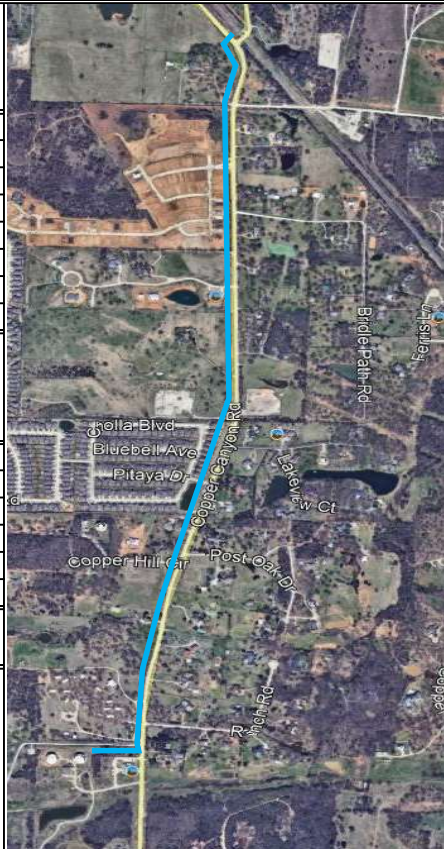
Project Title							Elevated Water Storage Tank Site Evaluation - Northeast Service Area				Department			54G									
Description Completion of a site evaluation for the construction of a new elevated water storage tank for the Regional Treated Water System, northeast of Lewisville Lake.							Operating Budget Impact							2021		2022		2023		2024		2025	
							Personnel Services																
							Administrative																
							Office Expenses																
							Professional Services																
							Operating and Maintenance																
							Furniture and Equipment																
Maintenance/OH Allocation																							
Total																							
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total														
				2021	2022	2023	2024	2025 to Completion															
Design/Engineering		\$ -	\$ 267,500	\$ 89,250	\$ -	\$ -	\$ -	\$ -	\$ 356,750														
Land/Right of Way																							
Construction																							
Admin/Inspection		-	32,500	10,750	-	-	-	-	43,250														
Legal																							
Furniture/Equipment																							
Total Costs		\$ -	\$ 300,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000														
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total														
				2021	2022	2023	2024	2025 to Completion															
Commercial Paper																							
Revenue Bonds																							
Non-Bond Capital Reserve Funds		\$ -	\$ 300,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000														
Operating Funds																							
Total Sources		\$ -	\$ 300,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000														
Project Schedule		Project Start Date		Project Completion Date		Site Information																	
Design/Engineering		Aug-20		2021		Generally north of Fishtrap Road and east of Navo Road - Aubrey, Texas																	
Land/Right of Way																							
Construction																							
Admin/Inspection		Aug-20		2021																			
Legal																							
Furniture/Equipment																							
Total Project				2021																			

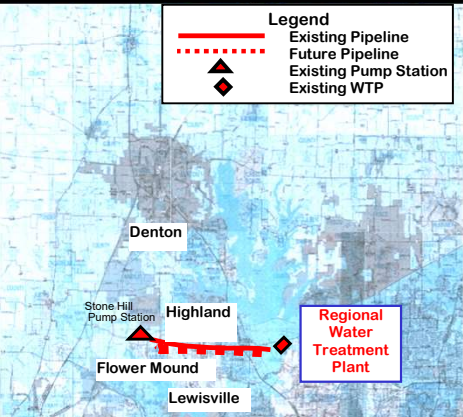
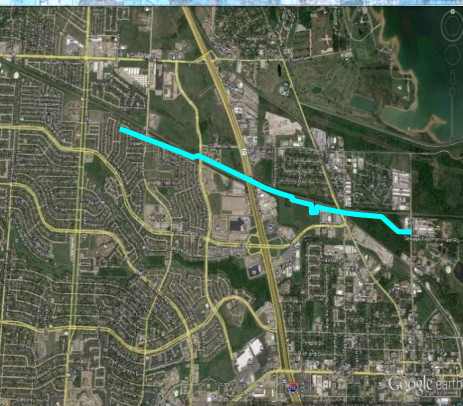


Project Title								Department		
Elevated Water Storage Tank Construction Project								5GT		
Description Funding provides for the land purchases and design / engineering for the construction of a new elevated water storage tank for the Regional Treated Water System, northeast of Lewisville Lake.					Operating Budget Impact					
						2021	2022	2023	2024	2025
					Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ 3,250
					Administrative	-	-	-	-	-
					Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	-	-	68,790
					Debt Service	1,400	9,450	34,550	108,500	179,000
					Furniture and Equipment	-	-	-	-	8,645
					Maintenance/OH Allocation	-	-	-	-	9,682
Total					\$ 1,400	\$ 9,450	\$ 34,550	\$ 108,500	\$ 269,367	
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total	
				2021	2022	2023	2024	2025 to Completion		
Design/Engineering		\$ -	\$ -	\$ -	\$ 615,000	\$ 150,000	\$ 25,000	\$ -	\$ 790,000	
Land/Right of Way		-	-	625,000	275,000	-	-	-	900,000	
Construction		-	-	-	890,000	2,525,000	1,760,000	-	5,175,000	
Admin/Inspection		-	-	75,000	220,000	325,000	215,000	-	835,000	
Legal										
Furniture/Equipment										
Total Costs		\$ -	\$ -	\$ 700,000	\$ 2,000,000	\$ 3,000,000	\$ 2,000,000	\$ -	\$ 7,700,000	
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total	
				2021	2022	2023	2024	2025 to Completion		
Commercial Paper		\$ -	\$ -	\$ 700,000	\$ 2,000,000	\$ 3,000,000	\$ 2,000,000	\$ -	\$ 7,700,000	
Revenue Bonds										
Non-Bond Capital Reserve Funds										
Operating Funds										
Total Sources		\$ -	\$ -	\$ 700,000	\$ 2,000,000	\$ 3,000,000	\$ 2,000,000	\$ -	\$ 7,700,000	
Project Schedule		Project Start Date		Project Completion Date		Site Information				
Design/Engineering		2022		2024						
Land/Right of Way		2021		2022		Generally north of Fishtrap Road and east of Navo Road - Aubrey, Texas				
Construction		2022		2024						
Admin/Inspection		2022		2024						
Legal										
Furniture/Equipment										
Total Project				2024						







Project Title								Department			
Replacement / Upsizing of Section of Phase 1A Treated Water Pipeline								57F			
Description Funding provides for the removal of a segment of Phase 1A, which includes 18-inch and 16-inch treated water pipeline and replace with larger diameter (36-inch) water pipeline, to provide redundancy and flexibility for the Regional Treated Water System.						Operating Budget Impact					
							2021	2022	2023	2024	2025
						Personnel Services	\$ -	\$ -	\$ 2,385	\$ 2,504	\$ 2,629
						Administrative	-	-	-	-	-
						Office Expenses	-	-	-	-	-
						Professional Services	-	-	-	-	-
						Operating and Maintenance	-	-	7,450	7,748	8,058
						Debt Service	700	26,863	196,600	332,975	438,500
						Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation	-	-	1,180	1,230	1,282						
Total						\$ 700	\$ 26,863	\$ 207,615	\$ 344,457	\$ 450,469	
Project Costs	Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total			
			2021	2022	2023	2024	2025 to Completion				
Design/Engineering	\$ -	\$ 312,500	\$ 650,000	\$ 250,000	\$ -	\$ -	\$ -	\$ 1,212,500			
Land/Right of Way											
Construction	-	-	2,915,000	2,735,000	-	-	-	5,650,000			
Admin/Inspection	-	37,500	435,000	365,000	-	-	-	837,500			
Furniture/Equipment											
Other											
Total Costs	\$ -	\$ 350,000	\$ 4,000,000	\$ 3,350,000	\$ -	\$ -	\$ -	\$ 7,700,000			
Source of Funds	Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total			
			2021	2022	2023	2024	2025 to Completion				
Commercial Paper	\$ -	\$ 350,000	\$ 4,000,000	\$ 3,350,000	\$ -	\$ -	\$ -	\$ 7,700,000			
Revenue Bonds											
Non-Bond Capital Rsrv Funds											
Operating Funds											
TWDB Funds											
Total Sources	\$ -	\$ 350,000	\$ 4,000,000	\$ 3,350,000	\$ -	\$ -	\$ -	\$ 7,700,000			
Project Schedule	Project Start Date		Project Completion Date		Site Information						
Design/Engineering	Jun-20		2022		Phase 1A pipeline from intersection of Copper Canyon Rd. and Hickory Hill Rd., south to Lantana's meter vault.						
Land/Right of Way											
Construction	2021		2022								
Admin/Inspection	Jun-20		2022								
Furniture/Equipment											
Other											
Total Project			2022								

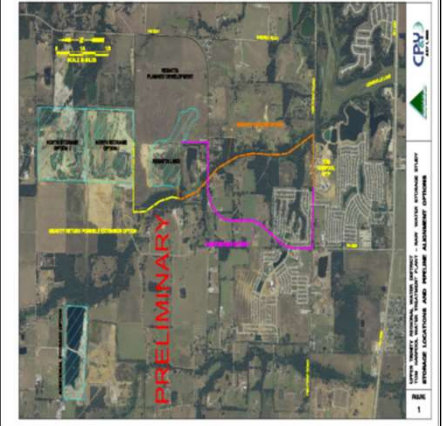
Project Title								Department				
Parallel Pipeline Taylor RWTP to Stone Hill Pump Station								SPS				
Description Complete construction of a 72" diameter pipeline parallel to the existing transmission main from the Taylor Regional Water Treatment Plant to the Stone Hill Pump Station for additional pipeline capacity required to meet customer needs.						Operating Budget Impact						
							2021	2022	2023	2024	2025	
						Personnel Services	\$ -	\$ 3,290	\$ 3,455	\$ 3,627	\$ 3,809	
						Administrative	-	-	-	-	-	
						Office Expenses	-	-	-	-	-	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	-	55,870	58,105	60,429	
						Debt Service	2,161,440	2,168,694	2,240,296	2,305,828	2,302,733	
Maintenance/OH Allocation	-	395	7,119	7,408	7,709							
Total						\$ 2,161,440	\$ 2,172,379	\$ 2,306,740	\$ 2,374,968	\$ 2,374,680		
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total	<div>Legend Existing Pipeline Future Pipeline Existing Pump Station Existing WTP</div> 		
				2021	2022	2023	2024	2025 to Completion				
Design/Engineering	\$ 2,258,235	\$ 1,000,000	\$ 377,675	\$ -	\$ -	\$ -	\$ -	\$ 3,635,910				
Land/Right of Way	1,215,984	445,515	-	-	-	-	-	1,661,499				
Construction	103,325	18,523,085	15,207,105	-	-	-	-	33,833,515				
Admin/Inspection	428,421	1,752,460	2,514,830	-	-	-	-	4,695,711				
Furniture/Equipment												
Other												
Total Costs	\$ 4,005,965	\$ 21,721,060	\$ 18,099,610	\$ -	\$ -	\$ -	\$ -	\$ 43,826,635				
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total			
				2021	2022	2023	2024	2025 to Completion				
Commercial Paper	\$ -	\$ -	\$ 2,116,635	\$ -	\$ -	\$ -	\$ -	\$ 2,116,635				
Revenue Bonds												
TWDB Subsidized Interest Funding	4,005,965	21,721,060	15,982,975	-	-	-	-	41,710,000				
Operating Funds												
Total Sources	\$ 4,005,965	\$ 21,721,060	\$ 18,099,610	\$ -	\$ -	\$ -	\$ -	\$ 43,826,635				
Project Schedule		Project Start Date		Project Completion Date		Site Information						
Design/Engineering		Aug-18		2021		Parallel to the Burlington Northern Santa Fe Railroad tracks from Lewisville to Flower Mound, Tx						
Land/Right of Way		Jun-19		Mar-20								
Construction		Sep-19		2021								
Admin/Inspection		Apr-18		2021								
Furniture/Equipment												
Other												
Total Project				2021								

Project Title								Department		
Harpool RWTP Phased Treatment Expansion, Phase 1								5HO		
Description Funding provides for a phased expansion of the Harpool RTWP, including expanded administration and maintenance facilities, increased raw water handling and water treatment capability (filter membranes and diurnal pond), leading to an expanded plant capacity of 30.0 MGD by 2025.					Operating Budget Impact					
						2021	2022	2023	2024	2025
					Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
					Administrative	-	-	-	-	-
					Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	-	-	-
					Debt Service	39,765	482,564	1,211,677	1,567,091	1,690,888
					Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation	-	-	-	-	-					
Total					\$ 39,765	\$ 482,564	\$ 1,211,677	\$ 1,567,091	\$ 1,690,888	
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total	
				2021	2022	2023	2024	2025 to Completion		
Design/Engineering		\$ 526,419	\$ 4,249,706	\$ 340,665	\$ 250,000	\$ 200,000	\$ 100,000	\$ 25,000	\$ 5,691,790	
Land/Right of Way										
Construction		410,964	5,075,891	7,126,640	7,440,000	5,150,000	5,240,000	3,545,000	33,988,495	
Admin/Inspection		111,093	1,134,873	903,195	939,500	650,000	660,000	430,000	4,828,661	
Legal		2,013	1,000	-	-	-	-	-	3,013	
Furniture/Equipment										
Other										
Total Costs		\$ 1,050,489	\$ 10,461,470	\$ 8,370,500	\$ 8,629,500	\$ 6,000,000	\$ 6,000,000	\$ 4,000,000	\$ 44,511,959	
Source of Funding		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total	
				2021	2022	2023	2024	2025 to Completion		
Commercial Paper		\$ 1,050,489	\$ 10,461,470	\$ 8,370,500	\$ 8,629,500	\$ 6,000,000	\$ 6,000,000	\$ 4,000,000	\$ 44,511,959	
Revenue Bonds										
Non-Bond Capital Rsrv Funds										
Operating Funds										
Total Sources		\$ 1,050,489	\$ 10,461,470	\$ 8,370,500	\$ 8,629,500	\$ 6,000,000	\$ 6,000,000	\$ 4,000,000	\$ 44,511,959	
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						
Furniture/Equipment										
Other - Legal		Jun-19		Sep-20						
Total Project				2025						




Project Title				Harpool RWTP Raw Water North Storage				Department		5HR								
Description Funding provides for the District's participation in the construction of the Harpool Regional Water Treatment Plant North Raw Water Storage at the future Silverado Development.				Operating Budget Impact														
				2021		2022		2023		2024		2025						
				Personnel Services		\$	-	\$	6,500	\$	6,825	\$	7,166	\$	7,525			
				Administrative			-		550		572		595		619			
				Office Expenses			-		-		-		-		-			
				Professional Services			-		3,500		3,640		3,786		3,937			
				Operating and Maintenance			-		18,550		19,292		20,064		20,866			
				Debt Service			2,908		53,434		101,780		101,780		101,780			
				Furniture and Equipment			-		-		-		-		-			
Maintenance/OH Allocation			-		3,492		3,639		3,793		3,954							
Total				\$	2,908	\$	86,026	\$	135,748	\$	137,184	\$	138,681					
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total									
				2021	2022	2023	2024	2025 to Completion										
Design/Engineering		\$	-	\$	35,585	\$	75,000	\$	-		\$	-	\$	-	\$	110,585		
Land/Right of Way			485,217		-		-		-			-		-		485,217		
Construction			-		-		647,500		-			-		-		647,500		
Admin/Inspection			115,237		4,500		87,500		-			-		-		207,237		
Legal			3,459		-		-		-			-		-		3,459		
Furniture/Equipment																		
Total Costs		\$	603,913	\$	40,085	\$	810,000	\$	-		\$	-	\$	-	\$	-	\$	1,453,998
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total									
				2021	2022	2023	2024	2025 to Completion										
Commercial Paper		\$	603,913	\$	40,085	\$	810,000	\$	-	\$	-	\$	-	\$	-	\$	1,453,998	
Revenue Bonds																		
Operating Funds																		
O&M Reserve Funds																		
Total Sources		\$	603,913	\$	40,085	\$	810,000	\$	-	\$	-	\$	-	\$	-	\$	1,453,998	
Project Schedule		Project Start Date		Project Completion Date		Site Information												
Design/Engineering		Sep-20		2021		Northeast Denton County Aubrey, Tx												
Land/Right of Way		Dec-09		Dec-09														
Construction		2021		2021														
Admin/Inspection		Dec-09		2021														
Legal		May-10		Mar-17														
Furniture/Equipment																		
Total Project				2021														

Project Title							Department			
Pipeline from Harpool RWTP Raw Water North Storage to the Harpool RWTP							5HP			
Description Complete initial design / engineering for the future construction of a strategic raw water pipeline from the raw water storage (North) site at the future Silverado Development to the Harpool Regional Water Treatment Plant.					Operating Budget Impact					
						2021	2022	2023	2024	2025
					Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
					Administrative	-	-	-	-	-
					Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	-	-	-
					Debt Service	3,117	50,621	102,687	109,087	117,780
					Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation	-	-	-	-	-					
Total					\$ 3,117	\$ 50,621	\$ 102,687	\$ 109,087	\$ 117,780	
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total	
				2021	2022	2023	2024	2025 to Completion		
Design/Engineering		\$ 404,077	\$ 178,500	\$ 178,500	\$ -	\$ -	\$ -	\$ 395,000	\$ 1,156,077	
Land/Right of Way		597,804	-	-	-	-	-	400,000	997,804	
Construction		-	-	-	-	-	-	8,408,610	8,408,610	
Admin/Inspection		133,793	21,500	21,500	-	-	-	1,115,000	1,291,793	
Legal		22,718	-	-	-	-	-	10,000	32,718	
Furniture/Equipment										
Other										
Total Costs		\$ 1,158,392	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 10,328,610	\$ 11,887,002	
Source of Funding		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total	
				2021	2022	2023	2024	2025 to Completion		
Commercial Paper		\$ 1,158,392	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 10,328,610	\$ 11,887,002	
Revenue Bonds										
Non-Bond Capital Rsrv Funds										
Operating Funds										
O&M Reserve Funds										
Total Sources		\$ 1,158,392	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 10,328,610	\$ 11,887,002	
Project Schedule		Project Start Date	Project Completion Date	Site Information						
Design/Engineering		Sep-11	2027	Northeast Denton County Aubrey, Tx (to the Harpool WTP in Southeast Denton County)						
Land/Right of Way		Sep-17	2025							
Construction		2021	2027							
Admin/Inspection		Sep-11	2027							
Legal		Sep-14	2025							
Furniture/Equipment										
Total Project			2027							

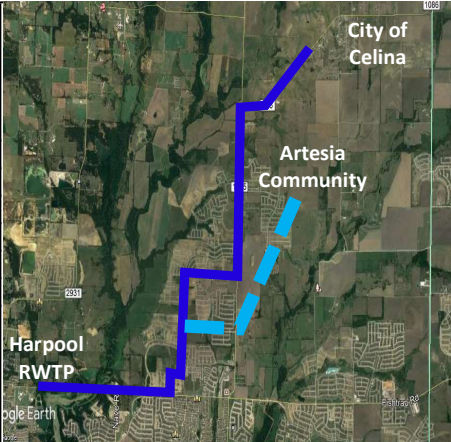


Project Title							Department			
Harpool RWTP North Transmission Main, Phase 1							5H1			
Description Funding provides for design / engineering and construction of a regional treated water transmission main to deliver water to Mustang Special Utility District's third point of delivery and other District customers north of Harpool Regional Water Treatment Plant.					Operating Budget Impact					
						2021	2022	2023	2024	2025
					Personnel Services	\$ -	\$ -	\$ 2,500	\$ 2,600	\$ 2,704
					Administrative	-	-	-	-	-
					Office Expenses	-	-	-	-	-
					Professional Services	-	-	500	515	530
					Operating and Maintenance	-	-	54,080	56,243	58,493
					Debt Service	7,870	21,833	174,441	300,227	392,050
					Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation	-	-	6,850	7,123	7,407					
Total					\$ 7,870	\$ 21,833	\$ 238,371	\$ 366,708	\$ 461,184	
Project Costs	Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total		
			2021	2022	2023	2024	2025 to Completion			
Design/Engineering	\$ 25,036	\$ 173,500	\$ 415,195	\$ 26,040	\$ -	\$ -	\$ -	\$ 639,771		
Land/Right of Way	-	-	500,000	-	-	-	-	500,000		
Construction	-	-	2,385,945	2,570,055	-	-	-	4,956,000		
Admin/Inspection	6,097	21,500	399,450	316,410	-	-	-	743,457		
Legal	775	5,000	2,500	2,500	-	-	-	10,775		
Furniture/Equipment										
Other										
Total Costs	\$ 31,908	\$ 200,000	\$ 3,703,090	\$ 2,915,005	\$ -	\$ -	\$ -	\$ 6,850,003		
Source of Funding	Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total		
			2021	2022	2023	2024	2025 to Completion			
Commercial Paper	\$ 31,908	\$ 200,000	\$ 3,703,090	\$ 2,915,005	\$ -	\$ -	\$ -	\$ 6,850,003		
Revenue Bonds										
O&M Reserve Funds										
Contribution Sources										
Total Sources	\$ 31,908	\$ 200,000	\$ 3,703,090	\$ 2,915,005	\$ -	\$ -	\$ -	\$ 6,850,003		
Project Schedule	Project Start Date	Project Completion Date	Site Information							
Design/Engineering	Aug-17	2022	Vicinity of Fish Trap Road to north of FM 2931 Aubrey, Tx							
Land/Right of Way	2021	2021								
Construction	2021	2022								
Admin/Inspection	Mar-17	2022								
Legal	Apr-17	2022								
Furniture/Equipment										
Total Project		2022								

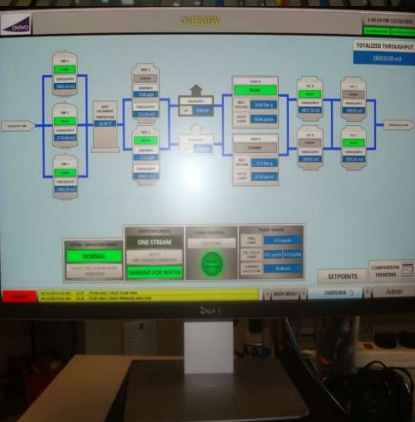



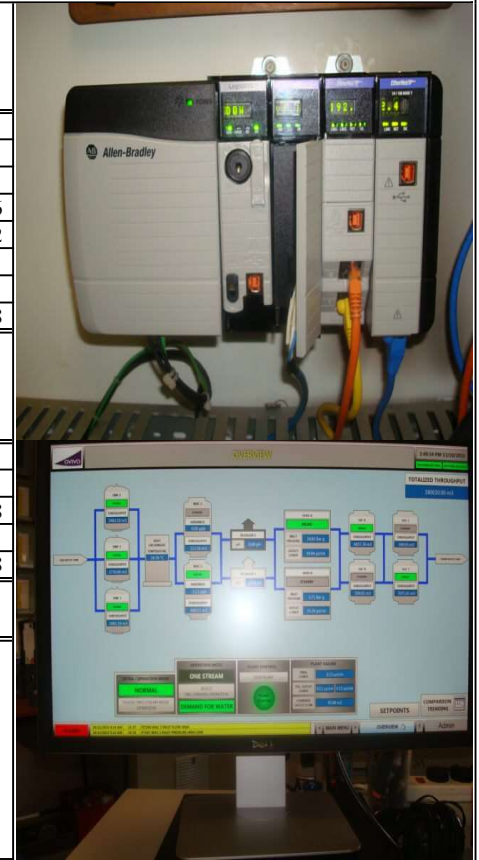
Project Title							Department			
Mustang Point of Delivery #3							5M3			
Description Funding provided for design / engineering and construction of a pipeline extension and meter vault to serve a third point of delivery for treated water service to Mustang Special Utility District.					Operating Budget Impact					
						2021	2022	2023	2024	2025
					Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
					Administrative	-	-	-	-	-
					Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	-	-	-
					Debt Service	2,312	2,149	2,149	2,149	2,149
					Furniture and Equipment	-	-	-	-	-
					Maintenance/OH Allocation	-	-	-	-	-
Total					\$ 2,312	\$ 2,149	\$ 2,149	\$ 2,149	\$ 2,149	
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures				Project Total		
				2021	2022	2023	2024		2025 to Completion	
Design/Engineering		\$ 23,465	\$ 26,750	\$ 10,000	\$ 2,635	\$ -	\$ -	\$ -	\$ 62,850	
Land/Right of Way										
Construction		-	-	61,300	306,265	-	-	-	367,565	
Admin/Inspection		6,423	3,250	8,700	37,405	-	-	-	55,778	
Legal										
Furniture/Equipment										
Total Costs		\$ 29,888	\$ 30,000	\$ 80,000	\$ 346,305	\$ -	\$ -	\$ -	\$ 486,193	
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations				Project Total		
				2021	2022	2023	2024		2025 to Completion	
Commercial Paper (Outflow)		\$ 29,888	\$ 30,000	\$ 80,000	\$ 346,305	\$ -	\$ -	\$ -	\$ 486,193	
Commercial Paper (Inflow)		-	-	-	(455,500)	-	-	-	(455,500)	
Revenue Bonds										
Non-Bond Capital Rsrv Funds										
Contribution Sources-MSUD		-	-	-	455,500	-	-	-	455,500	
Total Sources		\$ 29,888	\$ 30,000	\$ 80,000	\$ 346,305	\$ -	\$ -	\$ -	\$ 486,193	
Project Schedule		Project Start Date		Project Completion Date		Site Information				
Design/Engineering		Feb-17		2022		FM 2931 (Between Brewer Road and Mustang Lane) Aubrey, Tx				
Land/Right of Way										
Construction		2021		2022						
Admin/Inspection		Mar-16		2022						
Legal										
Furniture/Equipment										
Total Project				2022						

Project Title							Department			
Harpool RWTP Northeast Transmission Pipeline							54N			
Description Funding provided to continue with design / engineering and begin purchasing rights-of-way / easements, for the future construction of a 36-inch diameter treated water transmission pipeline extending northeast from the Harpool Water Treatment Plant to serve City of Celina, Artesia and other customers.					Operating Budget Impact					
						2021	2022	2023	2024	2025
					Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
					Administrative	-	-	-	-	-
					Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	-	-	-
					Debt Service (w/Cap-I)	100	175	300	149,272	674,047
					Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation	-	-	-	-	-					
Total					\$ 100	\$ 175	\$ 300	\$ 149,272	\$ 674,047	
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total	
				2021	2022	2023	2024	2025 to Completion		
Design/Engineering/Study		\$ -	\$ 44,600	\$ 1,260,000	\$ 1,125,000	\$ 450,000	\$ 125,000	\$ 50,000	\$ 3,054,600	
Land/Right of Way		-	-	3,200,000	2,350,000	-	-	-	5,550,000	
Construction		-	-	-	5,440,000	10,245,000	4,335,000	4,415,000	24,435,000	
Admin/Inspection		-	5,400	540,000	1,085,000	1,305,000	540,000	535,000	4,010,400	
Legal										
Furniture/Equipment										
Total Costs		\$ -	\$ 50,000	\$ 5,000,000	\$ 10,000,000	\$ 12,000,000	\$ 5,000,000	\$ 5,000,000	\$ 37,050,000	
Source of Funding		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total	
				2021	2022	2023	2024	2025 to Completion		
Commercial Paper		\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	
Revenue Bonds		-	-	-	5,000,000	6,000,000	2,500,000	5,000,000	18,500,000	
TWDB Board Participation Funds		-	-	5,000,000	5,000,000	6,000,000	2,500,000	-	18,500,000	
Contribution Sources										
Total Sources		\$ -	\$ 50,000	\$ 5,000,000	\$ 10,000,000	\$ 12,000,000	\$ 5,000,000	\$ 5,000,000	\$ 37,050,000	
Project Schedule		Project		Project		Site Information				
		Start Date		Completion Date						
Design/Engineering/Study		Sep-20		2025		Northeast from Aubrey, Texas (Navo Road) to the City of Celina, Texas				
Land/Right of Way		2021		2022						
Construction		2022		2025						
Admin/Inspection		Sep-20		2025						
Legal										
Furniture/Equipment										
Total Project				2025						



Project Title								Department			
SCADA System Improvements (PLC & LPU Upgrade and Rehabilitation Project)								59X			
Description Funds provided for the upgrade and rehabilitation of Programmable Logic Controllers (PLCs) and Local Processing Units (LPUs) at the Taylor and Harpool Regional Treated Water Plants due to age and obsolescence.						Operating Budget Impact					
							2021	2022	2023	2024	2025
						Personnel Services	\$ -	\$ (1,585)	\$ (1,664)	\$ (1,747)	\$ (1,835)
						Administrative	-	-	-	-	-
						Office Expenses	-	-	-	-	-
						Professional Services	-	-	-	-	-
						Operating and Maintenance	-	(575)	(598)	(622)	(647)
						Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation	-	(259)	(271)	(284)	(298)						
Total						\$ -	\$ (2,419)	\$ (2,533)	\$ (2,653)	\$ (2,780)	
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total		
				2021	2022	2023	2024	2025 to Completion			
Design/Engineering											
Land/Right of Way											
Construction											
Admin/Inspection		\$ 3,496	\$ 13,000	\$ 32,000	\$ -	\$ -	\$ -	\$ -	\$ 48,496		
Professional Services		46,172	107,000	258,800	-	-	-	-	411,972		
Furniture/Equipment											
Other											
Total Costs		\$ 49,668	\$ 120,000	\$ 290,800	\$ -	\$ -	\$ -	\$ -	\$ 460,468		
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total		
				2021	2022	2023	2024	2025 to Completion			
Commercial Paper									\$ -		
Revenue Bonds									-		
Non-Bond Capital Rsrv Funds		\$ 49,668	\$ 120,000	\$ 290,800	\$ -	\$ -	\$ -	\$ -	\$ 460,468		
Operating Cash									-		
Total Sources		\$ 49,668	\$ 120,000	\$ 290,800	\$ -	\$ -	\$ -	\$ -	\$ 460,468		
Project Schedule		Project Start Date		Project Completion Date		Site Information					
Design/Engineering						300 Treatment Plant Road Lewisville, Tx (Taylor Plant) 11500 Fishtrap Road Aubrey, Tx (Harpool Plant)					
Land/Right of Way											
Construction											
Admin/Inspection		Jan-19		2021							
Professional Services		Jan-19		2021							
Furniture/Equipment											
Other											
Total Project				2021							





Project Title								SCADA System Improvements (Wonderware Platform Upgrade Project)		Department				
Description Funds provided to upgrade the District's current version of Wonderware software due to obsolescence and decreased efficiency.								Operating Budget Impact						
										2021	2022	2023	2024	2025
								Personnel Services		\$ -	\$ (1,295)	\$ (1,360)	\$ (1,428)	\$ (1,499)
								Administrative		-	-	-	-	-
								Office Expenses		-	-	-	-	-
								Professional Services		-	99,500	99,500	102,485	105,560
								Operating and Maintenance		-	(1,600)	(1,664)	(1,731)	(1,800)
Furniture and Equipment		-	-	-	-	-								
Maintenance/OH Allocation		-	11,593	11,577	11,919	12,271								
Total		\$ -	\$ 108,198	\$ 108,053	\$ 111,245	\$ 114,532								
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures				Project Total						
				2021	2022	2023	2024		2025 to Completion					
Design/Engineering														
Land/Right of Way														
Construction														
Admin/Inspection		\$ -	\$ 110,000	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ 285,000					
Professional Services		-	240,000	350,000	-	-	-	-	590,000					
Furniture/Equipment														
Other - Software		-	650,000	1,075,000	-	-	-	-	1,725,000					
Total Costs		\$ -	\$ 1,000,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ 2,600,000					
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations				Project Total						
				2021	2022	2023	2024		2025 to Completion					
Commercial Paper														
Revenue Bonds														
Non-Bond Capital Rsrv Funds		\$ -	\$ 1,000,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ 2,600,000					
Operating Cash														
Total Sources		\$ -	\$ 1,000,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ 2,600,000					
Project Schedule		Project Start Date		Project Completion Date		Site Information								
Design/Engineering						Various Areas in the District's services area.								
Land/Right of Way														
Construction														
Admin/Inspection		Nov-19		2021										
Professional Services		Nov-19		2021										
Furniture/Equipment														
Other - Software		Nov-19		2021										
Total Project				2021										

Wonderware Clients

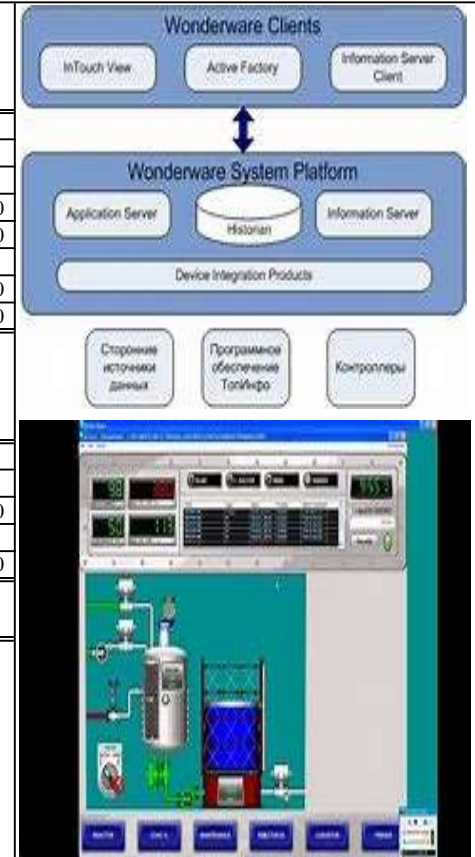
InTouch ViewActive FactoryInformation Server Client

Wonderware System Platform

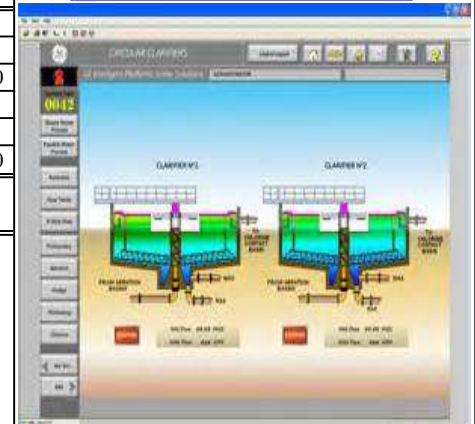
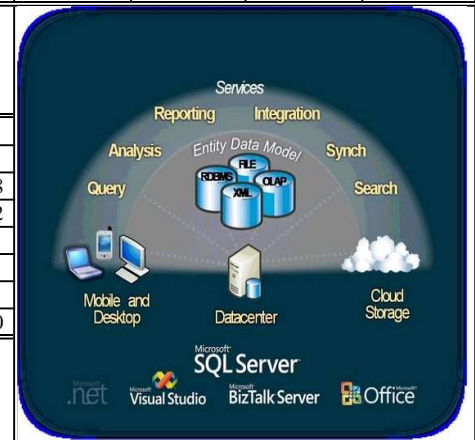
Application ServerHistorianInformation Server

Device Integration Products



Сторонние источники данныхПрограммное обеспечение Топ/ИероКонтроллеры





Project Title								Department			
Operational Data Management Project								54M			
Description Complete the process of transitioning water system operational data from Excel spreadsheets to a Microsoft Structured Query Language (SQL) centralized database for improved reliability and accuracy of data, as well as improved operational efficiency.						Operating Budget Impact					
							2021	2022	2023	2024	2025
						Personnel Services	\$ -	\$ (1,735)	\$ (1,822)	\$ (1,913)	\$ (2,008)
						Administrative	-	-	-	-	-
						Office Expenses	-	-	-	-	-
						Professional Services	-	-	-	-	-
						Operating and Maintenance	-	-	-	-	-
						Furniture and Equipment	-	-	-	-	-
						Maintenance/OH Allocation	-	(208)	(219)	(230)	(241)
Total						\$ -	\$ (1,943)	\$ (2,040)	\$ (2,142)	\$ (2,249)	
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total		
				2021	2022	2023	2024	2025 to Completion			
Design/Engineering											
Land/Right of Way											
Admin/Inspection		\$ 19,158	\$ 3,250	\$ 7,250	\$ -	\$ -	\$ -	\$ -	\$ 29,658		
Professional Services		109,012	26,750	59,580	-	-	-	-	195,342		
Legal											
Other											
Total Costs		\$ 128,170	\$ 30,000	\$ 66,830	\$ -	\$ -	\$ -	\$ -	\$ 225,000		
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total		
				2021	2022	2023	2024	2025 to Completion			
Commercial Paper											
Revenue Bonds											
Non-Bond Capital Reserve		\$ 128,170	\$ 30,000	\$ 66,830	\$ -	\$ -	\$ -	\$ -	\$ 225,000		
Operating Funds											
TWDB Funds											
Total Sources		\$ 128,170	\$ 30,000	\$ 66,830	\$ -	\$ -	\$ -	\$ -	\$ 225,000		
Project Schedule		Project Start Date		Project Completion Date		Site Information					
Design/Engineering						Various areas in the District's service area.					
Land/Right of Way											
Admin/Inspection		Aug-16		2021							
Professional Services		Jun-17		2021							
Legal											
Other											
Total Project				2021							




Project Title							Department		
Roadway Improvements Coordination Adjustments							53W		
Description Continue to coordinate with other public entities to identify potential conflicts between proposed roadway improvements and the District's facilities. (Does not include funding for modifications to District facilities.)					Operating Budget Impact Personnel Services Administrative Office Expenses Professional Services Operating and Maintenance Debt Service Furniture and Equipment Maintenance/OH Allocation Total				
Project Costs	Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total	
			2021	2022	2023	2024	2025 to Completion		
	Design/Engineering								
	Land/Right of Way								
	Construction	\$ 1,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,860	
	Admin/Inspection	76,978	4,500	9,000	9,000	9,000	9,000	126,478	
	Legal	3,103	500	1,000	1,000	1,000	1,000	8,603	
	Furniture/Equipment								
	Total Costs	\$ 81,941	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 136,941
Source of Funding	Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total	
			2021	2022	2023	2024	2025 to Completion		
	Commercial Paper								
	Revenue Bonds								
	Non-Bond Capital Rsrv Funds	\$ 78,071	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 133,071	
	Operating Funds	3,870	-	-	-	-	-	3,870	
	Total Sources	\$ 81,941	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 136,941
	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									
Admin/Inspection		Oct-10	Ongoing						
Legal									
Furniture/Equipment									
Total Project			Ongoing						

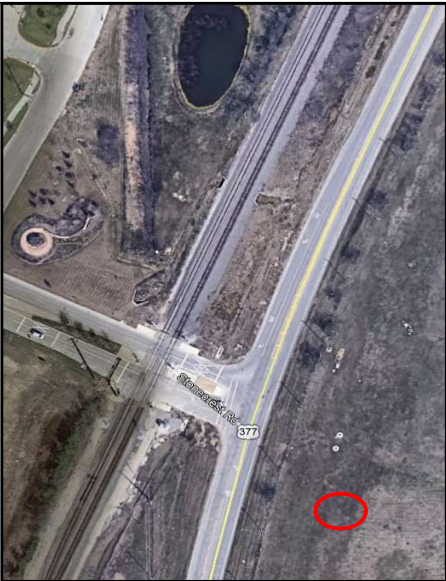


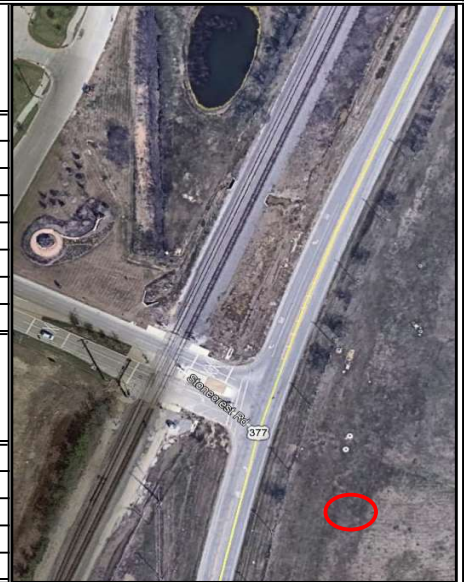
Project Title								Department			
Lewisville Lake / USACE Dam Coordination								5W3			
Description Continue coordination with the U.S. Army Corps of Engineers (USACE) on utility relocations, including engineering / design and construction activities, regard the District’s water pipelines, in the vicinity of the Lewisville Lake Dam.						Operating Budget Impact <div>20212022202320242025</div> Personnel Services Administrative Office Expenses Professional Services Operating and Maintenance Furniture and Equipment Maintenance/OH Allocation Total					
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total		
				2021	2022	2023	2024	2025 to Completion			
Design/Engineering											
Land/Right of Way											
Construction											
Admin/Inspection		\$1,897	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$56,897		
Legal											
Furniture/Equipment											
Other - Chemicals											
Total Costs		\$1,897	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$56,897		
Source of Funding		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total		
				2021	2022	2023	2024	2025 to Completion			
Commercial Paper											
Revenue Bonds											
Operating Funds											
Non-Bond Capital Rsrv Funds		\$1,897	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$56,897		
Total Sources		\$1,897	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$56,897		
Project Schedule		Project Start Date		Project Completion Date		Site Information					
Design/Engineering						Near the Lake Lewisville intake pump station and intake pipeline Lewisville, Tx					
Land/Right of Way											
Construction											
Admin/Inspection		Oct-18		On-Going							
Utility Enhancements											
Furniture/Equipment											
Total Project				On-Going							

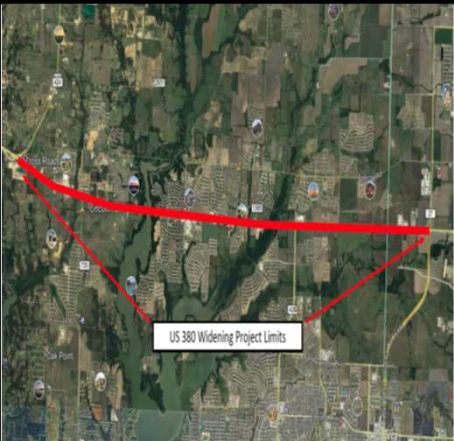
Project Title								Department				
Relocation / TxDOT FM 2181 Project								5T3				
Description Funding provided for District staff to complete a request for a portion of District funds for coordinating with Texas Department of Transportation's FM 2181 roadway project and for purchase of easements. A portion of previous District funds used for this project has already been reimbursed by the Texas Department of Transportation.						Operating Budget Impact <div>20212022202320242025</div> Personnel Services Administrative Office Expenses Professional Services Operating and Maintenance Debt Service Furniture and Equipment Maintenance/OH Allocation Total						
Project Costs	Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total				
	2021	2022	2023	2024	2025 to Completion							
	Design/Engineering	\$ 174,610	\$ -	\$ -	\$ -	\$ -	\$ -			\$ 174,610		
	Land/Right of Way	135,145	-	-	-	-	-			135,145		
	Construction	230,150	-	-	-	-	-			230,150		
	Admin/Inspection	100,666	5,000	10,495	-	-	-			116,161		
	Legal	22,887	-	-	-	-	-			22,887		
	Furniture/Equipment											
	Total Costs	\$ 663,458	\$ 5,000	\$ 10,495	\$ -	\$ -	\$ -			\$ -	\$ 678,953	
	Source of Funding	Expenditures through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations						Project Total		
2021		2022	2023	2024	2025 to Completion							
Commercial Paper		\$ 562,988	\$ 5,000	\$ 10,495	\$ -	\$ -	\$ -	\$ -	\$ 578,483			
Commercial Paper (TxDOT Reimbursement)		-	(49,483)	-	-	-	-	-	(49,483)			
Non-Bond Capital Rsrv Funds (NBCR)		84,194	-	-	-	-	-	-	84,194			
NBCR Funds (TxDOT Reimbursement)		(37,878)	(46,316)	-	-	-	-	-	(84,194)			
Operating Funds		16,276	-	-	-	-	-	-	16,276			
Operating Funds (TxDOT Reimbursement)		(16,276)	-	-	-	-	-	-	(16,276)			
TxDOT Reimbursement		54,154	95,799	-	-	-	-	-	149,953			
Total Sources		\$ 663,458	\$ 5,000	\$ 10,495	\$ -	\$ -	\$ -	\$ -	\$ 678,953			
Project Schedule		Project Start Date	Project Completion Date	Site Information Various areas within the District's service area.								
Design/Engineering		Aug-11	Sep-19									
Land/Right of Way		Jul-17	Oct-17									
Construction		Sep-17	Sep-18									
Admin/Inspection		Jul-11	2021									
Legal		Aug-12	Sep-17									
Furniture/Equipment												
Total Project			2021									

Project Title								Department												
Upsizing / Relocation FM 2181 24" Pipeline Project								5T4												
Description Complete construction of 1,300 feet of new 24 inch pipeline, including a new check meter vault, located in the District's easement on the west side of FM 2181 between Montecito Drive and Hickory Creek Road in Denton, Texas.						Operating Budget Impact														
							2021	2022	2023	2024	2025									
						Personnel Services	\$	-	\$	-	\$	-	\$	-	\$	-				
						Administrative		-		-		-		-		-				
						Office Expenses		-		-		-		-		-				
						Professional Services		-		-		-		-		-				
						Operating and Maintenance		-		-		-		-		-				
						Debt Service		7,897		72,747		135,284		136,426		150,822				
Maintenance/OH Allocation							-		-		-									
Total						\$	7,897	\$	72,747	\$	135,284	\$	136,426	\$	150,822					
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total											
				2021	2022	2023	2024	2025 to Completion												
Design/Engineering		\$	38,546	\$	221,455	\$	20,000	\$	-						\$	-	\$	-	\$	280,001
Land/Right of Way																				-
Construction			-		1,425,000		387,000		-							-		-		1,812,000
Admin/Inspection			8,455		200,000		50,000		-							-		-		258,455
Legal																				
Furniture/Equipment																				
Other																				
Total Costs		\$	47,001	\$	1,846,455	\$	457,000	\$	-						\$	-	\$	-	\$	2,350,456
Source of Funding		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total											
				2021	2022	2023	2024	2025 to Completion												
Commercial Paper		\$	47,001	\$	1,846,455	\$	457,000	\$	-						\$	-	\$	-	\$	2,350,456
Non-Bond Capital Rsrv Funds																				
Operating Funds																				
Contribution Sources																				
Total Sources		\$	47,001	\$	1,846,455	\$	457,000	\$	-						\$	-	\$	-	\$	2,350,456
Project Schedule		Project Start Date		Project Completion Date		Site Information														
Design/Engineering		Sep-19		2021		Approximately between Montecito Road and Hickory Creek Rd. in Denton, Tx.														
Land/Right of Way																				
Construction		Mar-20		2021																
Admin/Inspection		Sep-18		2021																
Legal																				
Furniture/Equipment																				
Total Project				2021																

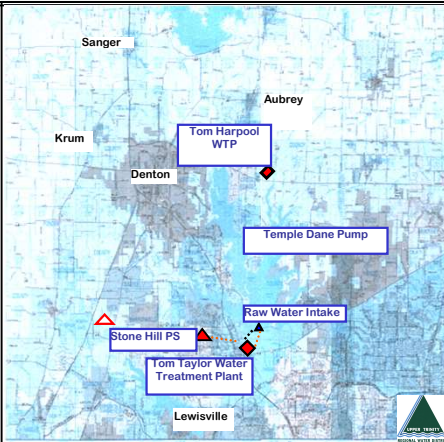





Project Title								Department				
U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project								5T7				
Description Funding provides for appurtenance adjustments for the Southwest Pipeline, as a result of the Texas Department of Transportation's widening project along U.S. Hwy 377 from FM 1171 to Country Club Road.						Operating Budget Impact						
						2021	2022	2023	2024	2025		
						Personnel Services						
						Administrative						
						Office Expenses						
						Professional Services						
						Operating and Maintenance						
						Furniture and Equipment						
Maintenance/OH Allocation												
					Total							
Project Costs	Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total				
			2021	2022	2023	2024	2025 to Completion					
Design/Engineering	\$ -	\$ 8,900	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 28,900				
Land/Right of Way												
Construction	-	-	24,500	-	-	-	-	24,500				
Admin/Inspection	-	1,100	5,500	-	-	-	-	6,600				
Legal												
Furniture/Equipment												
Total Costs	\$ -	\$ 10,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000				
Source of Funding	Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total				
			2021	2022	2023	2024	2025 to Completion					
Commercial Paper												
Non-Bond Capital Rsrv Funds	\$ -	\$ 10,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000				
Operating Funds												
Contribution Sources												
Total Sources	\$ -	\$ 10,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000				
Project Schedule		Project Start Date	Project Completion Date		Site Information							
Design/Engineering	Aug-20	2021		East Side of US 377, near intersection of Stonecrest Drive and US 377 Flower Mound, Texas								
Land/Right of Way												
Construction	2021	2021										
Admin/Inspection	Aug-20	2021										
Legal												
Furniture/Equipment												
Total Project		2021										



Project Title							Department						
Relocation / TxDOT US Hwy 380 Project (Denton County)							5T8						
Description Continue preliminary planning and coordination with the Texas Department of Transportation's US Hwy 380 project for the relocation of water pipelines due to roadway improvements. Upon project completion, the District will be reimbursed by the Texas Department of Transportation for project costs.					Operating Budget Impact								
					2021					2022	2023	2024	2025
					Personnel Services								
					Administrative								
					Office Expenses								
					Professional Services								
					Operating and Maintenance								
Furniture and Equipment													
Maintenance/OH Allocation													
Total													
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures				Project Total					
				2021	2022	2023	2024			2025 to Completion			
Design/Engineering	\$ 4,922	\$ 20,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 39,922					
Land/Right of Way													
Construction													
Admin/Inspection	9,814	10,000	10,000	-	-	-	-	29,814					
Legal	196	-	-	-	-	-	-	196					
Furniture/Equipment													
Other													
Total Costs	\$ 14,932	\$ 30,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 69,932					
Source of Funding		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations				Project Total					
				2021	2022	2023	2024			2025 to Completion			
Commercial Paper													
Revenue Bonds													
Non-Bond Capital Rsrv Funds	\$ 14,932	\$ 30,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 69,932					
Contribution Sources													
Total Sources	\$ 14,932	\$ 30,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 69,932					
Project Schedule		Project Start Date	Project Completion Date	Site Information									
Design/Engineering		Aug-19	2021	Project limits are from approximately Loop 288 to the U.S. Hwy 380 Denton County, Tx									
Land/Right of Way													
Construction													
Admin/Inspection		Feb-19	2021										
Legal		Aug-19	Aug-19										
Furniture/Equipment													
Total Project			2021										

Project Title							Department		
Relocation / TxDOT US Hwy 380 Project (Collin County)							5T9		
Description Funding provides for continued coordination with the Texas Department of Transportation's (TxDOT) U.S. Hwy 380 project (Collin County portion) and the City of Irving, Texas.					Operating Budget Impact <div>20212022202320242025</div> Personnel Services Administrative Office Expenses Professional Services Operating and Maintenance Furniture and Equipment Maintenance/OH Allocation Total				
Project Costs	Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total	
			2021	2022	2023	2024	2025 to Completion		
Design/Engineering									
Land/Right of Way									
Construction									
Admin/Inspection	\$ 120	\$ 2,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 12,120	
Legal									
Furniture/Equipment									
Other									
Total Costs	\$ 120	\$ 2,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 12,120	
Source of Funding	Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total	
			2021	2022	2023	2024	2025 to Completion		
Commercial Paper									
Revenue Bonds									
Non-Bond Capital Rsrv Funds	\$ 120	\$ 2,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 12,120	
Contribution Sources									
Total Sources	\$ 120	\$ 2,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 12,120	
Project Schedule		Project Start Date	Project Completion Date		Site Information				
Design/Engineering			Selected areas along U.S. Hwy 380 Collin County, Tx						
Land/Right of Way									
Construction									
Admin/Inspection	Jul-19	2021							
Legal									
Furniture/Equipment									
Total Project		2021							

Project Title								Department													
Customer Pipeline Extensions								538													
Description 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.						Operating Budget Impact															
						2021		2022		2023		2024		2025							
						Personnel Services															
						Administrative															
						Office Expenses															
						Professional Services															
						Operating and Maintenance															
						Debt Service															
						Furniture and Equipment															
						Maintenance/OH Allocation															
						Total															
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total												
				2021	2022	2023	2024	2025 to Completion													
Design/Engineering																					
Land/Right of Way																					
Construction/Other		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000												
Admin/Inspection																					
Legal																					
Furniture/Equipment																					
Total Costs		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000												
Source of Funding		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total												
				2021	2022	2023	2024	2025 to Completion													
Commercial Paper																					
Revenue Bonds																					
Customer Reimbursements		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000												
Operating Funds																					
Total Sources		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000												
Project Schedule		Project Start Date		Project Completion Date		Site Information															
Design/Engineering						Various areas in the District's service area															
Land/Right of Way																					
Construction/Other		2021		Ongoing																	
Admin/Inspection																					
Legal																					
Furniture/Equipment																					
Total Project				Ongoing																	

Project Title								Contingency Improvements		Department																						
Description								Operating Budget Impact					5WI																			
To allow for various projects that may be identified throughout the year.								2021					2022					2023					2024					2025				
								Personnel Services																								
								Administrative																								
								Office Expenses																								
								Professional Services																								
								Operating and Maintenance																								
								Debt Service																								
								Furniture and Equipment																								
								Maintenance/OH Allocation																								
								Total																								
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total																							
				2021	2022	2023	2024	2025 to Completion																								
Design/Engineering																																
Land/Right of Way																																
Construction/Other		\$ -	\$ 70,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000											\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 570,000			
Admin/Inspection																																
Legal																																
Furniture/Equipment																																
Total Costs		\$ -	\$ 70,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 570,000													
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total																							
				2021	2022	2023	2024	2025 to Completion																								
Commercial Paper																																
Revenue Bonds																																
Non-Bond Capital Rsrv Funds		\$ -	\$ 52,415	\$ 82,285	\$ 82,285	\$ 82,285	\$ 82,285	\$ 82,285	\$ 82,285											\$ 82,285	\$ 82,285	\$ 82,285	\$ 82,285	\$ 82,285	\$ 82,285	\$ 82,285	\$ 82,285	\$ 82,285	\$ 463,840			
Growth Program Funds		-	17,585	17,715	17,715	17,715	17,715	17,715	17,715											17,715	17,715	17,715	17,715	17,715	17,715	17,715	17,715	17,715	106,160			
Total Sources		\$ -	\$ 70,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000											\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 570,000			
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-20		On-going																												
Admin/Inspection																																
Legal																																
Furniture/Equipment																																
Total Project				On-going																												

Upper Trinity Regional Water District
Regional Treated Water System
Estimated Annual Operating Expense from Investments in Capital Projects
FY 2021 through FY 2025

Project Acct	Project	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	5-Year Total
5WP	Southwest Pump Station, Phase 1	\$ 33,263	\$ 62,238	\$ 139,963	\$ 285,269	\$ 604,180	\$ 1,124,913
5RH	Lake Ralph Hall Project	2,214,169	2,353,234	2,764,804	5,234,618	5,881,232	18,448,057
59Y	RTWS General Treatment and Pumping Improvements	7,000	19,250	157,000	296,000	400,000	879,250
5GT	Elevated Water Storage Tank Construction Project	1,400	9,450	34,550	108,500	269,367	423,267
57F	Replacement / Upsizing of Section of Phase 1A Treated Water Pipeline	700	26,863	207,615	344,457	450,469	1,030,104
5PS	Parallel Pipeline Taylor RWTP to Stone Hill Pump Station	2,161,440	2,172,379	2,306,740	2,374,968	2,374,680	11,390,207
5HO	Tom Harpool Regional Water Treatment Plant Phased Expansion to 40.0 MGD	39,765	482,564	1,211,677	1,567,091	1,690,888	4,991,985
5HR	Harpool RWTP Raw Water North Storage	2,908	86,026	135,748	137,184	138,681	500,547
5HP	Pipeline from Harpool RWTP Raw Water North Storage to Harpool RWTP	3,117	50,621	102,687	109,087	117,780	383,292
5H1	Harpool RWTP North Transmission Main, Phase 1	7,870	21,833	238,371	366,708	461,184	1,095,966
5M3	Mustang Point of Delivery #3	2,312	2,149	2,149	2,149	2,149	10,908
54N	Harpool RWTP Northeast Transmission Pipeline	100	175	300	149,272	674,047	823,894
59X	SCADA System Improvements (PLC & LPU Upgrade and Rehabilitation Project)	-	(2,419)	(2,533)	(2,653)	(2,780)	(10,385)
59Q	SCADA System Improvements (Wonderware Platform Upgrade Project)	-	108,198	108,053	111,245	114,532	442,028
54M	Operational Data Management Project	-	(1,943)	(2,040)	(2,142)	(2,249)	(8,374)
5T4	Upsizing / Relocation FM 2181 24" Pipeline Project	7,897	72,747	135,284	136,426	150,822	503,176
	Total	\$ 4,481,941	\$ 5,463,365	\$ 7,540,368	\$ 11,218,179	\$ 13,324,982	\$ 42,028,835

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

Methodology:

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

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

Personnel expense estimates based on additional hiring of water or wastewater 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

In 1996, Lake Cities Municipal Utility Authority (LCMUA), a member of the District, transferred its existing wastewater treatment plant with 1.0 million gallons per day (mgd) capacity to the District. By 1998, the District had organized the Lakeview Regional Water Reclamation System and enlarged the treatment plant to 3.5 mgd to serve LCMUA, the City of Corinth, and the City of Highland Village. In 2003, the District expanded the Plant's treatment capacity to 5.0 mgd extending wholesale service to Double Oak, Bartonville, and Denton County Fresh Water Supply District #7. Additionally, the District completed construction in 2013 to upgrade the Plant's processing equipment and expanded its treatment capacity to 5.5 mgd.

Construction Improvement Program Funding

FY 2021 funding consists of existing Construction funds (including Series 2015 Revenue Bond proceeds) of \$1,000,000, Plant Permitting Reserve funds of \$40,000, and \$1,158,810 of Non-Bond Capital Reserve funds.

Current Projects

Every 3-5 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. Plant Permitting Reserve funds of \$40,000 (collected through rates) is provided for FY 2021 to begin renewal efforts.

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. Construction cash funds of \$1,000,000 is shown for FY 2021 to begin design / engineering for the expansion of the Lakeview Regional Water Reclamation Plant treatment capacity from 5.5 to 7.5 mgd.

Due to a confluence of many entities' pipelines and connections in the vicinity of IH-35E and Swisher Road (Corinth, Texas), the District is planning to reconfigure 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. Non-Bond Capital Reserve funds of \$952,625 is shown for FY 2021 to begin design / engineering and construction activities for this project.

Non-Bond Capital Reserve funding of \$156,185 is included for FY 2021 to upgrade SCADA equipment processors in the Lakeview Regional Water Reclamation System due to age and obsolescence, as well as to improve efficiency and reliability of plant operations.

Finally, the FY 2021 capital budget contains Non-Bond Capital Reserve funding of \$50,000 for Contingency Improvements to allow for various projects that may be identified throughout the fiscal year.

The FY 2021 adopted capital budget for the Lakeview Regional Water Reclamation System is \$2,198,810; an increase of \$1,110,520 from the previous year adopted capital budget of

\$1,088,290. This increase is primarily due to beginning work towards the expansion of the Lakeview Regional Water Reclamation Plant in FY 2021.

Future Projects

No other future capital projects are currently planned for the Lakeview Regional Water Reclamation System for FY 2022 through FY 2025.

Lakeview Regional Water Reclamation System
Construction Cash Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 2,269,734	\$ 1,901,917	\$ 1,946,863	\$ 1,905,363
Transfer to Operations	\$ (322,871)		\$ (41,500)	\$ (997,285)
BEGINNING CASH BALANCE Revised	\$ 1,946,863		\$ 1,905,363	\$ 908,078
REVENUES				
Deposit				
Texas Department of Transportation - Reimbursements for 11-57W and 11-51H Projects	79,311	-	8,810	172,340
Interfund Transfers				
Non-Bond Capital Reserve Fund	582	593,000	1,000	1,158,810
Plant Permitting Reserve Fund	-	-	-	40,000
Working Capital	322,871	-	41,500	997,285
Interest Income	50,610	47,475	18,500	2,715
TOTAL REVENUES	\$ 453,374	\$ 640,475	\$ 69,810	\$ 2,371,150
EXPENDITURES				
Construction Improvement Projects	374,062	1,088,290	61,000 *	2,198,810
Interfund Transfers				
Operations (Transfer of TxDOT Reim- bursements from above)	27,087	-	-	-
Non-Bond Capital Reserve Fund (Transfer of TxDOT Reimburse- ments from above)	52,225	-	8,810	172,340
TOTAL EXPENDITURES	\$ 453,374	\$ 1,088,290	\$ 69,810	\$ 2,371,150
ENDING CASH BALANCE 9/30	\$ 1,946,863	\$ 1,454,102	\$ 1,905,363	\$ 908,078

FY 2021 Ending Balance decrease of \$546,024 is largely due to postponing capital projects funded via Non-Bond Capital Reserve funds from FY 2020 to FY 2021 and FY 2022.


* Amount also contains expenditures: \$55,000 - Trunk Mains Fittings and Appurtenances Upgrade (539) and \$1,000 - Swisher Force Main Odor Control Improvements (5SF). These projects are projected to be complete by the end of FY 2020 and are not shown on the accompanying 5-Year list of capital improvement projects.

**Upper Trinity Regional Water District
Lakeview Regional Water Reclamation System
FY 2021 Adopted Capital Budget with projections through FY 2025
September 3, 2020**


Project		Prior	Estimated	Adopted						
Acct	Project	Expenditures	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total	
5LL	Permit Renewal	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 60,000	
5L2	Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements *	7,339	5,000	1,000,000	20,000,000	8,300,000	-	-	29,312,339	
53B	System Interceptor and Odor Control Improvements	-	-	952,625	1,546,790	-	-	-	2,499,415	
599	Security / SCADA Improvements *	74,066	-	156,185	-	-	-	-	230,251	
5LM	Contingency Improvements	-	-	50,000	50,000	50,000	50,000	50,000	250,000	
	Total	\$ 81,405	\$ 5,000	\$ 2,198,810	\$ 21,616,790	\$ 8,350,000	\$ 50,000	\$ 50,000	\$ 32,352,005	
Funding Sources:										
	Revenue Bonds	\$ -	\$ -	\$ -	\$ 16,000,000	\$ 8,300,000	\$ -	\$ -	\$ 24,300,000	
	Construction Funds (Includes Prior Revenue Bond Proceeds)	47,217	5,000	1,000,000	-	-	-	-	1,052,217	
	Plant Permitting Reserve Funds	-	-	40,000	20,000	-	-	-	60,000	
	Non-Bond Capital Reserve Funds	7,597	-	1,158,810	5,596,790	50,000	50,000	50,000	6,913,197	
	Operating Funds	26,591	-	-	-	-	-	-	26,591	
	Total	\$ 81,405	\$ 5,000	\$ 2,198,810	\$ 21,616,790	\$ 8,350,000	\$ 50,000	\$ 50,000	\$ 32,352,005	

* - Multiple Funding Sources

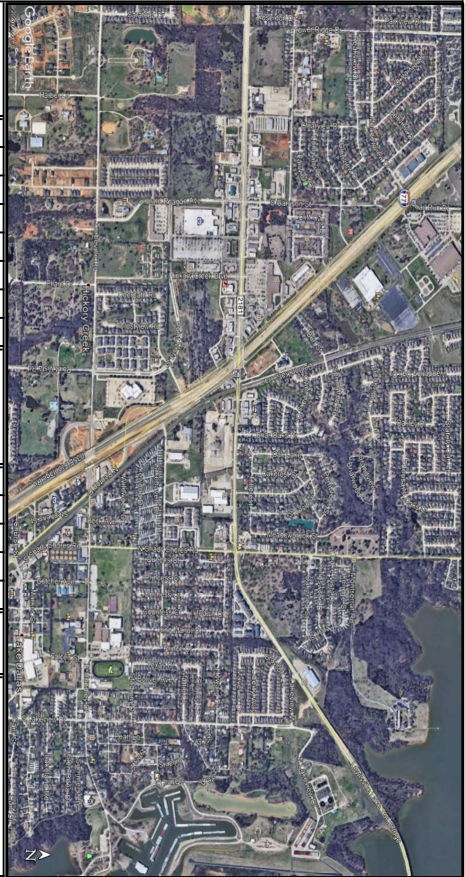
Project Title								Department												
Permit Renewal Description Begin renewal of the Texas Pollutant Discharge Elimination System permit as required by the Texas Commission on Environmental Quality, with subsequent renewals required every five years, and funded from rates via the Plant Permitting Reserve Fund.								Operating Budget Impact												
													2021	2022	2023	2024	2025			
								Personnel Services					\$	-	\$	-	\$	-	\$	-
								Administrative						-		-		-		-
								Office Expenses						-		-		-		-
								Professional Services						-		-		-		-
								Operating and Maintenance						-		-		-		-
								Transfer to Plant Permitting Rsrv						12,000		12,000		12,000		12,000
Maintenance/OH Allocation						1,440		1,440		1,440		1,440								
Total					\$	13,440	\$	13,440	\$	13,440	\$	13,440	\$	13,440						
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total											
				2021	2022	2023	2024	2025 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 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total											
				2021	2022	2023	2024	2025 to Completion												
Revenue Bonds																				
Construction Cash Funds																	\$ -			
O&M Reserve Funds																	-			
Plant Permitting Reserve Funds		\$	-	\$	-	\$	40,000	\$	20,000	\$	-	\$	-	\$	-	\$	60,000			
Non-Bond Capital Reserve Funds																				
Total Sources		\$	-	\$	-	\$	40,000	\$	20,000	\$	-	\$	-	\$	-	\$	60,000			
Project Schedule		Project Start Date		Project Completion Date			Site Information													
Design/Engineering		2021		2022			689 North Lakeview Drive Lake Dallas, Tx													
Land/Right of Way																				
Construction																				
Admin/Inspection		2021		2022																
Legal																				
Furniture/Equipment																				
Total Project				Every 5 Years																






Project Title						Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements						Department					
Description						Operating Budget Impact											
Funding provides for design / engineering and construction for the next expansion of the Lakeview Regional Water Reclamation Plant treatment capacity from 5.5 to 7.5 MGD.						2021		2022		2023		2024		2025			
						Personnel Services		\$	-	\$	-	\$	125,000	\$	275,000	\$	288,750
						Administrative		-	-	-	-	1,500	2,500	2,600			
						Office Expenses		-	-	-	-	3,500	5,000	5,200			
						Professional Services		-	-	-	-	1,500	3,850	3,966			
						Operating and Maintenance		-	-	-	-	38,560	78,980	82,139			
						Debt Service		-	-	559,521	1,405,432	1,691,821	1,691,821				
						Furniture and Equipment		-	-	-	-	12,000	12,000	12,000			
						Maintenance/OH Allocation		-	-	-	-	21,847	45,280	47,359			
Total						\$	-	\$	559,521	\$	1,609,339	\$	2,114,431	\$	2,133,835		
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total								
				2021	2022	2023	2024	2025 to Completion									
Design/Engineering		\$ 1,800	\$ -	\$ 890,000	\$ 1,470,000	\$ 228,800	\$ -	\$ -	\$ 2,590,600								
Land/Right of Way																	
Construction		-	-	-	16,390,000	7,180,000	-	-	23,570,000								
Admin/Inspection		5,539	5,000	110,000	2,140,000	891,200	-	-	3,151,739								
Furniture/Equipment																	
Other																	
Total Costs		\$ 7,339	\$ 5,000	\$ 1,000,000	\$ 20,000,000	\$ 8,300,000	\$ -	\$ -	\$ 29,312,339								
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total								
				2021	2022	2023	2024	2025 to Completion									
Revenue Bonds		\$ -	\$ -	\$ -	\$ 16,000,000	\$ 8,300,000	\$ -	\$ -	\$ 24,300,000								
Const. Cash Funds (Prior Bond Proceeds)		7,339	5,000	1,000,000	-	-	-	-	1,012,339								
Non-Bond Capital Reserve Funds		-	-	-	4,000,000	-	-	-	4,000,000								
Total Sources		\$ 7,339	\$ 5,000	\$ 1,000,000	\$ 20,000,000	\$ 8,300,000	\$ -	\$ -	\$ 29,312,339								
Project Schedule		Project Start Date		Project Completion Date		Site Information											
Design/Engineering		Sep-06		2023		North End of Lakeview Drive #1 Lake Dallas, Tx.											
Land/Right of Way																	
Construction		2023		2023													
Admin/Inspection		Mar-05		2023													
Furniture/Equipment																	
Other																	
Total Project				2023													






Project Title								Department			
System Interceptor and Odor Control Improvements								53B			
Description Funding provided for design / engineering and construction to correct piping issues and install odor control equipment in and along interceptors and force mains of the Lakeview Regional Water Reclamation System, which is used to transport wastewater flows from System participants to the Lakeview Plant.						Operating Budget Impact					
							2021	2022	2023	2024	2025
						Personnel Services	\$ -	\$ -	\$ 2,290	\$ 2,405	\$ 2,525
						Administrative	-	-	-	-	-
						Office Expenses	-	-	-	-	-
						Professional Services	-	-	-	-	-
						Operating and Maintenance	-	-	32,850	34,164	35,531
						Furniture and Equipment	-	-	-	-	-
						Maintenance/OH Allocation	-	-	4,217	4,388	4,567
Total						\$ -	\$ -	\$ 39,357	\$ 40,957	\$ 42,623	
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total		
				2021	2022	2023	2024	2025 to Completion			
Design/Engineering	\$ -	\$ -	\$ 350,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 400,000			
Land/Right of Way											
Construction	-	-	500,000	1,328,790	-	-	-	1,828,790			
Admin/Inspection	-	-	102,625	168,000	-	-	-	270,625			
Study											
Furniture/Equipment											
Other											
Total Costs	\$ -	\$ -	\$ 952,625	\$ 1,546,790	\$ -	\$ -	\$ -	\$ 2,499,415			
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total		
				2021	2022	2023	2024	2025 to Completion			
Revenue Bonds											
Construction Cash Funds											
Non-Bond Capital Reserve	\$ -	\$ -	\$ 952,625	\$ 1,546,790	\$ -	\$ -	\$ -	\$ 2,499,415			
Operating Funds											
Total Sources	\$ -	\$ -	\$ 952,625	\$ 1,546,790	\$ -	\$ -	\$ -	\$ 2,499,415			
Project Schedule		Project Start Date		Project Completion Date		Site Information					
Design/Engineering		2021		2022		Project includes all Lakeview force mains and interceptors, but is generally near the intersection of Swisher (FM 2181) and IH35E in Corinth and Hickory Creek and Lake Dallas, Texas					
Land/Right of Way											
Construction		2021		2022							
Admin/Inspection		2021		2022							
Study											
Furniture/Equipment											
Total Project				2022							

Project Title							Department			
Security / SCADA Improvements							599			
Description Funding provides for the upgrade of SCADA equipment processors in the Lakeview Regional Water Reclamation System due to age and obsolescence, as well as to improve efficiency and reliability of plant operations.					Operating Budget Impact					
						2021	2022	2023	2024	2025
					Personnel Services	\$ -	\$ (1,250)	\$ (1,300)	\$ (1,352)	\$ (1,406)
					Administrative	-	-	-	-	-
					Office Expenses	-	-	-	-	-
					Professional Services	-	(575)	(592)	(610)	(628)
					Operating and Maintenance	-	(1,580)	(1,643)	(1,709)	(1,777)
					Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation					-	(409)	(424)	(441)	(457)	
Total					\$ -	\$ (3,814)	\$ (3,960)	\$ (4,111)	\$ (4,268)	
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total	
				2021	2022	2023	2024	2025 to Completion		
Design/Engineering										
Land/Right of Way										
Construction										
Admin/Inspection		\$ 8,762	\$ -	\$ 17,470	\$ -	\$ -	\$ -	\$ -	\$ 26,232	
Furniture/Equipment		26,787	-	138,715	-	-	-	-	165,502	
Other - Software/Upgrades		38,517	-	-	-	-	-	-	38,517	
Total Costs		\$ 74,066	\$ -	\$ 156,185	\$ -	\$ -	\$ -	\$ -	\$ 230,251	
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total	
				2021	2022	2023	2024	2025 to Completion		
Const. Cash Funds (Prior Bond Proceeds)		\$ 39,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,878	
Non-Bond Capital Reserve		7,597	-	156,185	-	-	-	-	163,782	
Operating Funds		26,591	-	-	-	-	-	-	26,591	
O&M Reserve Funds										
Total Sources		\$ 74,066	\$ -	\$ 156,185	\$ -	\$ -	\$ -	\$ -	\$ 230,251	
Project Schedule		Project Start Date		Project Completion Date		Site Information				
Design/Engineering										
Land/Right of Way						689 North Lakeview Drive Lake Dallas, Tx.				
Construction										
Admin/Inspection		Jul-13		2021						
Furniture/Equipment		Aug-13		Jul-17						
Other - Software/Upgrades		Aug-13		May-17						
Total Project				2021						





Project Title								Contingency Improvements		Department					5LM			
Description To allow for various projects that may be identified throughout the year.						Operating Budget Impact												
						2021		2022		2023		2024		2025				
						Personnel Services												
						Administrative												
						Office Expenses												
						Professional Services												
						Operating and Maintenance												
						Furniture and Equipment												
						Maintenance/OH Allocation												
						Total												
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total									
				2021	2022	2023	2024	2025 to Completion										
Design/Engineering																		
Land/Right of Way																		
Construction/Other		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000									
Admin/Inspection																		
Legal																		
Furniture/Equipment																		
Total Costs		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000									
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total									
				2021	2022	2023	2024	2025 to Completion										
Construction Funds																		
Non-Bond Capital Rsrv Funds		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000									
Contribution Sources																		
Operating Funds																		
O&M Reserve Funds																		
Total Sources		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000									
Project Schedule		Project Start Date		Project Completion Date		Site Information												
Design/Engineering						Various areas within the District's service area												
Land/Right of Way																		
Construction/Other		2021		Ongoing														
Admin/Inspection																		
Legal																		
Furniture/Equipment																		
Total Project				Ongoing														

**Upper Trinity Regional Water District
Lakeview Regional Water Reclamation System
Estimated Annual Operating Expense from Investments in Capital Projects
FY 2021 through FY 2025**

Project Acct	Project	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	5-Year Total
5LL	Permit Renewal	\$ 13,440	\$ 13,440	\$ 13,440	\$ 13,440	\$ 13,440	\$ 67,200
5L2	Plant Expansion, Phase 3 (5.5 to 7.5 MGD)	-	559,521	1,609,339	2,114,431	2,133,835	6,417,126
53B	System Interceptor and Odor Control Improvements	-	-	39,357	40,957	42,623	122,937
599	Security / SCADA Improvements	-	(3,814)	(3,960)	(4,111)	(4,268)	(16,153)
	Total	\$ 13,440	\$ 569,147	\$ 1,658,176	\$ 2,164,717	\$ 2,185,630	\$ 6,591,110

* - 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, estimated debt service amounts prepared by the District's financial advisor, actual debt service for bonds / debt already issued, and for interfund loans / bonds issued to repay any interfund loans.

Personnel expense estimates based on additional hiring of water or 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

This system was created in 1995 after the District began a contract with Denton County Fresh Water Supply District #1A to supply treated wastewater for golf course irrigation. The system consists of a pipeline and a pump station and provides both treated effluent and raw water service.

Construction Improvement Program Funding

FY 2021 funding consists of existing Construction funds of \$3,000.

Current Projects

The FY 2021 capital budget includes funding from existing Construction funds of \$3,000 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.

Future Projects

No other future capital projects are currently planned for the Non-Potable Water System for FY 2022 through FY 2025.

**Non-Potable Water System
Construction Cash Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 401,090	\$ 397,710	\$ 402,330	\$ 402,510
Transfer to Operations				\$ (800)
BEGINNING CASH BALANCE Revised				\$ 401,710
REVENUES				
Interfund Transfer - Working Capital	-	-	-	800
Interest Income	1,613	1,750	3,180	2,200
TOTAL REVENUES	\$ 1,613	\$ 1,750	\$ 3,180	\$ 3,000
EXPENDITURES				
Construction Improvement Project	373	3,000	3,000	3,000
TOTAL EXPENDITURES	\$ 373	\$ 3,000	\$ 3,000	\$ 3,000
ENDING CASH BALANCE 9/30	\$ 402,330	\$ 396,460	\$ 402,510	\$ 401,710

Upper Trinity Regional Water District
Non-Potable Water System
FY 2021 Adopted Capital Budget with projections through FY 2025
September 3, 2020

Project Acct	Project	Prior Expenditures	Estimated FY 2020	Adopted FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
53N	Lake Lewisville / USACE Dam Coordination	\$ 373	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 18,373
	Total	\$ 373	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 18,373
Funding Source:									
	Construction Funds	\$ 373	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 18,373
	Total	\$ 373	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 18,373

Project Title								Department									
Lewisville Lake / USACE Dam Coordination								53N									
Description Continue coordinating with the U.S. Army Corps of Engineers (USACE) on utility relocations, including engineering / design and construction activities with regard to the District’s non-potable water pipeline in the vicinity of the Lewisville Lake Dam.						Operating Budget Impact											
						2021		2022		2023		2024		2025			
						Personnel Services											
						Administrative											
						Office Expenses											
						Professional Services											
						Operating and Maintenance											
Furniture and Equipment																	
Maintenance/OH Allocation																	
Total																	
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total								
				2021	2022	2023	2024	2025 to Completion									
Design/Engineering																	
Land/Right of Way																	
Construction																	
Admin/Inspection		\$ 373	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 18,373								
Legal																	
Furniture/Equipment																	
Total Costs		\$ 373	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 18,373								
Source of Funding		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total								
				2021	2022	2023	2024	2025 to Completion									
Revenue Bonds																	
Construction Funds		\$ 373	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 18,373								
Operating Funds																	
O&M Reserve Funds																	
Total Sources		\$ 373	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 18,373								
Project Schedule		Project Start Date		Project Completion Date		Site Information											
Design/Engineering						FM 544 near Windhaven Parkway Lewisville, Texas											
Land/Right of Way																	
Construction																	
Admin/Inspection		Sep-19		Ongoing													
Legal																	
Furniture/Equipment																	
Total Project				Ongoing													



Northeast Regional Water Reclamation System – Riverbend Plant

Due to population growth in northeast Denton County, the District constructed new water reclamation facilities in FY 2003 to serve six contracted entities on a wholesale basis. One of these plants, Riverbend, is a 2.0 mgd plant that serves: Denton County Fresh Water Supply Districts #8A, #10, #11A, Providence Village, and Mustang Special Utility District (which acquired former-member entity Lincoln Park in FY 2015, as well as 0.5265 mgd of DCFWSD #10's 0.5475 capacity at the Riverbend Plant in August 2018). In April 2019, the newly expanded portion of the Riverbend Plant's treatment capacity was put into operation, therefore yielding a total of 4.0 mgd of treatment capacity.

Construction Improvement Program Funding

FY 2021 funding for this system's capital budget consists of Texas Water Development Board (TWDB) "D" funds of \$1.6 million, \$20,000 of Non-Bond Capital Reserve funds for the Relocation / TxDOT U.S. Hwy 380 Project, and \$597,784 from Contribution Sources.

Current Projects

The Riverbend Plant Expansion, Phase 3 project (from 2.0 to 4.0 mgd) now includes additional improvements to sludge processing, storage and disposal activities. The actual expanded wastewater treatment facilities were put into operation in April 2019. However, additional administration and maintenance structures are continuing to be constructed. FY 2021 funding consists of \$1.6 million of Texas Water Development Board (TWDB) "D" funds (bonds issued in FYs 2016 and 2017) and Contribution Sources from plant participants of \$552,784.

In conjunction with the additional improvements made to the Riverbend Plant, the District will be finishing improvements to the surrounding landscape and fencing in FY 2021. Previously contributed funds from the Riverbend Plant participants of \$35,000 is provided to complete these improvements.

Contingent funding of \$10,000 from Contribution Sources is shown for FY 2021 to coordinate and plan for future wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System.

Many active highway projects are under construction in the District's northeast service area. The FY 2021 capital budget provides funding for District staff to coordinate with Texas Department of Transportation (TxDOT) regarding the possible relocation of District Riverbend Plant wastewater pipelines in conjunction with their U.S. Highway 380 roadway project. Non-Bond Capital Reserve funding of \$20,000 is provided to complete this coordination.

The FY 2021 adopted capital budget for the Northeast Regional Water Reclamation System – Riverbend Plant is \$2,220,000; a decrease of \$1,675,530 from the previous year adopted capital budget of \$3,895,530. This decrease is due to completing a large portion of the work towards the expansion of the Riverbend Regional Water Reclamation Plant in FY 2020.

Future Projects

Permit Renewal – The next renewal of the Riverbend Plant’s Texas Pollutant Discharge Elimination System permit is scheduled for FYs 2024 and 2025 and is funded via Plant Permitting Reserve funds of \$40,000 and \$20,000, respectively. The renewal of this permit is required every five years by the Texas Commission on Environmental Quality.

West Influent Pump Station Improvements – Wastewater flows from the Riverbend Plant service area are projected to increase over the next 3-5 years. To adequately transfer additional flows, the District is planning to upgrade its west influent pump station facilities to process flows and prevent clogs, as well as to provide the ability to overcome heavy downpours and remain fully functional. Contribution Sources of \$2.0 million is reflected in FYs 2022 and 2023 to complete this project.

**Northeast Regional Water Reclamation System -
Riverbend Plant
Construction Cash Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 8,320,878	\$ 3,348,868	\$ 4,568,334	\$ 2,539,904
Transfer to Operations	\$ (3,752,544)		\$ (2,028,430)	\$ (2,188,500)
BEGINNING CASH BALANCE Revised	\$ 4,568,334		\$ 2,539,904	\$ 351,404
REVENUES				
Interfund Transfers				
Non-Bond Capital Reserve Fund	21,250	-	20,000	20,000
Plant Permitting Reserve Fund	50,000	16,745	16,745	-
Working Capital	3,752,544	-	2,028,430	2,188,500
Contribution Sources	-	685,000	1,000	10,000
Interest Income	164,723	2,445	45,000	1,500
TOTAL REVENUES	\$ 3,988,517	\$ 704,190	\$ 2,111,175	\$ 2,220,000
EXPENDITURES				
Construction Improvement Projects	3,988,517	3,895,530	2,111,175	2,220,000
TOTAL EXPENDITURES	\$ 3,988,517	\$ 3,895,530	\$ 2,111,175	\$ 2,220,000
ENDING CASH BALANCE 9/30	\$ 4,568,334	\$ 157,528	\$ 2,539,904	\$ 351,404




FY 2021 Ending Balance increase of \$193,876 is due to actual interest income for FY 2019 and FY 2020 yielding a higher amount than previously projected, due to adjusting the timeline for the completion of the Riverbend Plant Expansion, Phase 3 from FY 2020 to FY 2021.


Upper Trinity Regional Water District
Riverbend Plant
FY 2021 Adopted Capital Budget with projections through FY 2025
September 3, 2020




Project Acct	Project	Prior Expenditures	Estimated FY 2020	Adopted FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
5RL	Permit Re-Rating / Renewal	\$ 24,827	\$ 50,175	\$ -	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ 135,002
5R3	Plant Expansion, Phase 3 (from 2.0 to 4.0 MGD) * and **	39,195,762	2,000,000	2,155,000	-	-	-	-	43,350,762
5RG	Landscaping and Fencing Improvements	-	40,000	35,000	-	-	-	-	75,000
5IP	West Influent Pump Station Improvements	-	-	-	100,000	1,900,000	-	-	2,000,000
5RX	Customer Pipeline Extensions	-	1,000	10,000	10,000	10,000	10,000	10,000	51,000
5R8	Relocation / TxDOT US Hwy 380 Project *	7,931	20,000	20,000	-	-	-	-	47,931
	Total	\$ 39,228,520	\$ 2,111,175	\$ 2,220,000	\$ 110,000	\$ 1,910,000	\$ 50,000	\$ 30,000	\$ 45,659,695
Funding Sources:									
	TWDB "D" Funds (Riverbend Plant Expansion, Phs 3)	\$ 28,401,709	\$ 1,486,976	\$ 1,602,216	\$ -	\$ -	\$ -	\$ -	\$ 31,490,901
	Non-Bond Capital Reserve Funds	7,931	20,000	20,000	-	-	-	-	47,931
	Plant Permitting Reserve Funds	24,827	50,175	-	-	-	40,000	20,000	135,002
Contribution Sources									
	Plant Expansion, Phase 3 (from 2.0 to 4.0 MGD)	739,861	-	-	-	-	-	-	739,861
	Mustang Special Utility District	10,054,192	513,024	552,784	-	-	-	-	11,120,000
	West Influent Pump Station Improvements	-	-	-	100,000	1,900,000	-	-	2,000,000
	Landscaping and Fencing Improvements	-	40,000	35,000	-	-	-	-	75,000
	Customer Pipeline Extensions	-	1,000	10,000	10,000	10,000	10,000	10,000	51,000
	Total	\$ 39,228,520	\$ 2,111,175	\$ 2,220,000	\$ 110,000	\$ 1,910,000	\$ 50,000	\$ 30,000	\$ 45,659,695

* Multiple Funding Sources


** Includes prior expenses for the Sidestream Project (SBS)

Project Title								Department				
Plant Expansion, Phase 3 (from 2.0 to 4.0 MGD)								5R3				
Description Complete construction for the expansion of the Riverbend Regional Water Reclamation Plant from 2.0 to 4.0 MGD, including additional improvements to sludge processing, storage and disposal activities.						Operating Budget Impact						
							2021	2022	2023	2024	2025	
						Personnel Services	\$ 250,000	\$ 262,500	\$ 275,625	\$ 289,406	\$ 303,877	
						Admin./Office Expenses	2,500	2,600	2,704	2,812	2,925	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	38,950	40,508	42,128	43,813	45,566	
						Debt Service	1,264,270	1,264,270	1,639,629	1,957,606	2,094,296	
						Furniture and Equipment	-	2,500	2,575	2,652	2,732	
						Maintenance/OH Allocation	34,974	36,973	38,764	40,642	42,612	
Total						\$ 1,590,694	\$ 1,609,351	\$ 2,001,425	\$ 2,336,931	\$ 2,492,008		
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures				Project Total				
				2021	2022	2023	2024			2025 to Completion		
Design/Engineering		\$ 4,569,078	\$ 230,338	\$ 100,000	\$ -	\$ -	\$ -	\$ -		\$ 4,899,416		
Sidestream Treatment Project (SBS)		1,161,793	-	-	-	-	-	-		1,161,793		
Construction		30,002,241	1,467,037	1,795,000	-	-	-	-		33,264,278		
Admin/Inspection		3,398,020	242,625	260,000	-	-	-	-		3,900,645		
Bio-Mag Testing		64,630	-	-	-	-	-	-		64,630		
Furniture/Equipment (Lab Cabinets/Counters)		-	60,000	-	-	-	-	-		60,000		
Other												
Total Costs		\$ 39,195,762	\$ 2,000,000	\$ 2,155,000	\$ -	\$ -	\$ -	\$ -		\$ 43,350,762		
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations				Project Total				
				2021	2022	2023	2024			2025 to Completion		
TWDB "D" Funds		\$ 28,401,709	\$ 1,486,976	\$ 1,602,216	\$ -	\$ -	\$ -	\$ -		\$ 31,490,901		
Contribution Sources		10,794,053	513,024	552,784	-	-	-	-		11,859,861		
Building Activity Fee Reserve Funds												
Operating Funds												
Non-Bond Capital Reserve Funds												
Total Sources		\$ 39,195,762	\$ 2,000,000	\$ 2,155,000	\$ -	\$ -	\$ -	\$ -		\$ 43,350,762		
Project Schedule		Project Start Date		Project Completion Date		Site Information						
Design/Engineering		Jun-15		2021		1780 Navo Road Aubrey, Tx.						
Sidestream Treatment Project (SBS)		Oct-14		Jul-16								
Construction		Sep-16		2021								
Admin/Inspection		Mar-15		2021								
Bio-Mag Testing		Jan-17		Mar-17								
Furniture/Equipment (Lab Cabinets/Counters)		May-19		Sep-20								
Total Project				2021								

Project Title								Department				
Landscaping and Fencing Improvements								5RG				
Description Funding provides improvements to landscaping and fencing at the Riverbend Regional Water Reclamation Plant.						Operating Budget Impact						
						2021	2022	2023	2024	2025		
						Personnel Services Administrative Office Expenses Professional Services Operating and Maintenance Furniture and Equipment Maintenance/OH Allocation Total						
Project Costs	Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total				
			2021	2022	2023	2024	2025 to Completion					
Design/Engineering												
Land/Right of Way												
Construction / Landscaping	\$ -	35,650	31,200	\$ -	\$ -	\$ -	\$ -	\$ 66,850				
Admin/Inspection	-	4,350	3,800	-	-	-	-	8,150				
Legal												
Furniture/Equipment												
Total Costs	\$ -	\$ 40,000	\$ 35,000	\$ -	\$ -	\$ -	\$ -	75,000				
Source of Funds	Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total				
			2021	2022	2023	2024	2025 to Completion					
Revenue Bonds												
Commercial Paper												
Contribution Sources	\$ -	\$ 40,000	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000				
Non-Bond Capital Rsrv Funds												
Total Sources	\$ -	\$ 40,000	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000				
Project Schedule	Project Start Date		Project Completion Date		Site Information							
Design/Engineering					1780 Navo Road Aubrey, Tx.							
Land/Right of Way												
Construction / Landscaping	Jul-20		2021									
Admin/Inspection	Jul-20		2021									
Legal												
Furniture/Equipment												
Total Project			2021									

Project Title								Department															
Customer Pipeline Extensions								5RX															
Description Coordinate and plan for future wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System (Riverbend Plant).						Operating Budget Impact																	
						2021		2022		2023		2024		2025									
						Personnel Services																	
						Administrative																	
						Office Expenses																	
						Professional Services																	
						Operating and Maintenance																	
Furniture and Equipment																							
Maintenance/OH Allocation																							
Total																							
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total														
				2021	2022	2023	2024	2025 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 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total														
				2021	2022	2023	2024	2025 to Completion															
Revenue Bonds																							
Commercial Paper																							
Operating Funds																							
Contribution Sources		\$ -	\$ 1,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 51,000														
Operating 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						1780 Navo Road Aubrey, Tx. (and surrounding areas)																	
Land/Right of Way																							
Construction/Other		2020		Ongoing																			
Admin/Inspection																							
Legal																							
Furniture/Equipment																							
Total Project				Ongoing																			

Project Title								Department				
Relocation / TxDOT US Hwy 380 Project								5R8				
Description Continue preliminary design / engineering and coordination with the Texas Department of Transportation's U.S. Hwy 380 project for the relocation of the Riverbend Plant's wastewater pipelines and associated facilities, due to roadway improvements. Upon project completion, the District will be reimbursed by the Texas Department of Transportation for project costs.						Operating Budget Impact						
						2021	2022	2023	2024	2025		
						Personnel Services Administrative Office Expenses Professional Services Operating and Maintenance Furniture and Equipment Maintenance/OH Allocation Total						
Project Costs	Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total				
			2021	2022	2023	2024	2025 to Completion					
Design/Engineering	\$ 6,645	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 36,645				
Land/Right of Way												
Construction / Other												
Admin/Inspection	980	5,000	5,000	-	-	-	-	10,980				
Legal	306	-	-	-	-	-	-	306				
Furniture/Equipment												
Total Costs	\$ 7,931	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 47,931				
Source of Funds	Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total				
			2021	2022	2023	2024	2025 to Completion					
Commercial Paper												
Revenue Bonds												
Non-Bond Capital Rsrv Funds	\$ 7,931	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 47,931				
Contribution Sources												
TWDB Funds												
Total Sources	\$ 7,931	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 47,931				
Project Schedule	Project Start Date	Project Completion Date	Site Information									
Design/Engineering	Jul-19	2021	Project limits are from approximately Loop 288 to the Tollway (Denton County, Tx.)									
Land/Right of Way												
Construction / Other												
Admin/Inspection	Feb-19	2021										
Legal	Mar-19	Aug-19										
Furniture/Equipment												
Total Project		2021										





Upper Trinity Regional Water District
Northeast Regional Water Reclamation System - Riverbend Plant
Estimated Annual Operating Expense from Investments in Capital Projects
FY 2021 through FY 2025

Project Acct	Project	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	5-Year Total
5R3	Plant Expansion, Phase 3 (from 2.0 to 4.0 MGD)	\$ 1,590,694	\$ 1,609,351	\$ 2,001,425	\$ 2,336,931	\$ 2,492,008	\$ 10,030,409
	Total	\$ 1,590,694	\$ 1,609,351	\$ 2,001,425	\$ 2,336,931	\$ 2,492,008	\$ 10,030,409

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, estimated debt service amounts prepared by the District's financial advisor, actual debt service for bonds / debt already issued, and for interfund loans / bonds issued to repay any interfund loans.

Personnel expense estimates based on additional hiring of water or 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

In 2002, the District began planning activities for a new 2.5 mgd water reclamation facility that would serve Prosper, Celina, Mustang Special Utility District and Denton County Water Supply District #10 in the Doe Branch drainage basin in northeast Denton County, Texas. The Doe Branch Plant capacity was later reduced to 2.0 mgd and began construction in FY 2014, with wastewater flows from any of the above entities sent over to the Riverbend Plant for treatment on an interim basis. The Doe Branch Plant became operational in November 2016 and with continued growth in its service area, the District is currently working on the expansion of this Plant (from 2.0 mgd to 4.0 mgd of treatment capacity) with completion projected by the end FY 2021.

Construction Improvement Program Funding

FY 2021 funding for this system's capital budget consists of a combination of Revenue Bonds and Plant participant Contribution Sources totaling \$16.5 million to complete the expansion of the Doe Branch Plant, Revenue Bond funds of \$500,000 to begin the Phase 1, Parallel Interceptor project, an interfund loan from the Regional Treated Water System's Non-Bond Capital Reserve for \$3.6 million to complete the Relocation / TxDOT U.S. Hwy 380 Project, and Contribution Sources totaling \$14,900 to fund the Metering Points Coordination and Customer Pipeline Extensions projects.

Current Projects

Due to continued customer growth in the Doe Branch service area, the FY 2021 capital budget includes \$7.7 million from Revenue Bonds (issued in FY 2019 to fund Celina's additional capacity portion of the new expanded treatment capacity of the Doe Branch Plant) and \$8.8 million from Contribution Sources from Mustang Special Utility District and Denton County Fresh Water Supply District #10. This expansion is currently scheduled to be completed by the end of FY 2021 and will increase the Doe Branch plant's treatment capacity from 2.0 to 4.0 mgd.

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. Revenue Bond funding of \$500,000 is shown for FY 2021 to begin initial design / engineering and purchases of rights-of-way for the construction of this parallel interceptor.

As customer wastewater flows increase, the need to improve the metering of these flows delivered by the Doe Branch plant participants has become apparent. Contribution Sources of \$4,900 is shown for FY 2021, to complete District staff coordination with Plant participants to correct and improve the metering of wastewater flows at their respective entry points into the Doe Branch Plant.

As stated previously, many active highway projects are under construction in the District's northeast service area. The FY 2021 capital budget provides funding for District staff to coordinate with Texas Department of Transportation (TxDOT) regarding the possible relocation of District Doe Branch Plant wastewater pipelines in conjunction with their U.S. Highway 380 roadway project. An interfund loan from the Regional Treated Water System's Non-Bond Capital Reserve of \$3.6 million will provide funding to complete this project.

In addition, funding is included for possible new wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System. The FY 2021 capital budget provides \$10,000, reimbursable by any requesting customer / member, to offset costs incurred by the District.

The FY 2021 adopted capital budget for the Northeast Regional Water Reclamation System – Doe Branch Plant is \$20,658,400; a decrease of \$5,545,690 from the previous year adopted capital budget of \$26,204,090. This decrease is primarily due to continuing with the expansion of the Doe Branch Regional Water Reclamation Plant.

Future Projects

Permit Renewal – The next renewal of the Doe Branch Plant’s Texas Pollutant Discharge Elimination System permit is scheduled for FYs 2024 and 2025 and is funded via Plant Permitting Reserve funds of \$40,000 and \$20,000, respectively. The renewal of this permit is required every five years by the Texas Commission on Environmental Quality.

Plant Expansion, Phase 3 (from 4.0 to 6.0 mgd) – Due to projected growth in the Doe Branch service area, the District is planning for the next expansion of the Doe Branch Plant to increase its treatment capacity from 4.0 to 6.0 / 8.0 mgd, with funding from the issuance of Revenue Bonds totaling \$40.0 million. Currently, funding of \$500,000, \$1.5 million, \$12.0 million, and \$26.0 million is shown for FYs 2022 through 2025, respectively.

**Northeast Regional Water Reclamation System -
Doe Branch Plant
Construction Cash Fund
FY 2020 - 2021 Adopted Budget**

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 482,697	\$ 27,159,856	\$ 28,402,225	\$ 18,667,225
Transfer to Operations			\$ (9,735,000)	\$ (16,997,500)
BEGINNING CASH BALANCE Revised			\$ 18,667,225	\$ 1,669,725
REVENUES				
Revenue Bonds / Contribution Sources				
Relocation / TxDOT US Hwy 380 Project	-	3,825,000	-	-
Revenue Bonds				
Doe Branch Plant Project, Phase 2				
City of Celina	14,846,716	-	-	-
Contribution Sources				
Doe Branch Plant Project, Phase 2				
DCFWS #10 (Artesia)	3,248,550	-	-	-
Mustang SUD	12,041,400	-	-	-
Contribution Sources - Other Projects				
Doe Branch Plant Participants				
Metering Points Coordination Project	-	5,000	100	4,900
Reimbursements - Customer Pipeline Extensions	-	10,000	2,000	10,000
Interfund Transfers				
Non-Bond Capital Reserve Fund	67,530	16,745	42,925	-
Regional Treated Water System				
Non-Bond Capital Reserve Fund				
Loan for the Relocation / TxDOT US Hwy 380 Project	-	-	908,790	3,637,500
Working Capital	-	-	9,735,000	16,997,500
Interest Income	493,406	37,900	265,000	8,500
TOTAL REVENUES	\$ 30,697,602	\$ 3,894,645	\$ 10,953,815	\$ 20,658,400
EXPENDITURES				
Construction Improvement Projects	1,678,074	26,204,090	10,953,815	20,658,400
Interfund Transfers				
Regional Treated Water System Reserve Funds				
Repayment of Loan to Non-Bond Capital Reserve Fund	1,100,000	-	-	-
TOTAL EXPENDITURES	\$ 2,778,074	\$ 26,204,090	\$ 10,953,815	\$ 20,658,400
ENDING CASH BALANCE 9/30	\$ 28,402,225	\$ 4,850,411	\$ 18,667,225	\$ 1,669,725

FY 2021 Ending Balance decrease of \$3,180,686 is largely due to the delay of work on the US Hwy 380 project from FY 2020 to FY 2021.

Upper Trinity Regional Water District
Doe Branch Plant
FY 2021 Adopted Capital Budget with projections through FY 2025
September 3, 2020

Project		Prior	Estimated	Adopted						
Acct	Project	Expenditures	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total	
5BL	Permit Re-Rating / Renewal	\$ 32,076	\$ 42,925	\$ -	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ 135,001	
58T	Plant Expansion, Phase 2 (from 2.0 to 4.0 MGD) *	2,233,998	10,000,000	16,506,000	-	-	-	-	28,739,998	
58U	Plant Expansion, Phase 3 (from 4.0 to 6.0 / 8.0 MGD)	-	-	-	500,000	1,500,000	12,000,000	26,000,000	40,000,000	
51A	Phase 1, Parallel Interceptor	-	-	500,000	4,930,000	4,570,000	-	-	10,000,000	
52A	Phase 2, Parallel Interceptor	-	-	-	-	-	-	750,000	750,000	
58M	Metering Points Coordination Project	97	100	4,900	-	-	-	-	5,097	
5B8	Relocation / TxDOT US Hwy 380 Project *	43,711	908,790	3,637,500	-	-	-	-	4,590,001	
58X	Customer Pipeline Extensions	-	2,000	10,000	10,000	10,000	10,000	10,000	52,000	
	Total	\$ 2,309,882	\$ 10,953,815	\$ 20,658,400	\$ 5,440,000	\$ 6,080,000	\$ 12,050,000	\$ 26,780,000	\$ 84,272,097	

Funding Sources:

Revenue Bonds

Plant Expansion, Phase 2 (from 2.0 to 4.0 MGD)	\$ 1,045,490	\$ 4,679,907	\$ 7,724,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,450,049
Plant Expansion, Phase 3 (from 4.0 to 6.0 / 8.0 MGD)	-	-	-	500,000	1,500,000	12,000,000	26,000,000	-	40,000,000
Phase 1, Parallel Interceptor	-	-	500,000	4,930,000	4,570,000	-	-	-	10,000,000
Phase 2, Parallel Interceptor	-	-	-	-	-	-	750,000	-	750,000
Relocation / TxDOT US Hwy 380 Project (20%)	-	-	-	918,000	-	-	-	-	918,000
Non-Bond Capital Reserve Funds (Outflow)	75,787	42,925	-	-	-	-	-	-	118,712
Non-Bond Capital Reserve Funds (Inflow) from TxDOT Reimb.	-	-	-	(43,711)	-	-	-	-	(43,711)
Plant Permitting Reserve Funds	-	-	-	-	-	40,000	20,000	-	60,000
RTWS Non-Bond Capital Reserve (Loan) (Outflow)									
Relocation / TxDOT US Hwy 380 Project	-	908,790	3,637,500	-	-	-	-	-	4,546,290
RTWS Non-Bond Capital Reserve (Loan) (Inflow)									
Relocation / TxDOT US Hwy 380 Project	-	-	-	(4,546,290)	-	-	-	-	(4,546,290)
Texas Department of Transportation Reimbursement (5B8) (80%)	-	-	-	3,672,001	-	-	-	-	3,672,001

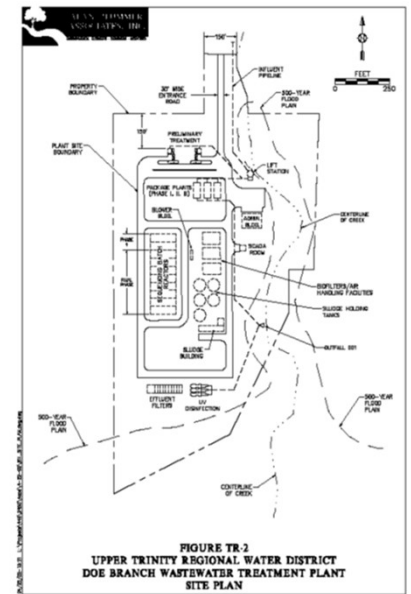
Contribution Sources

Plant Expansion, Phase 2 (from 2.0 to 4.0 MGD)


DCFWSO #10	252,514	1,130,323	1,865,712	-	-	-	-	-	3,248,549
Mustang SUD	935,994	4,189,770	6,915,636	-	-	-	-	-	12,041,400
Metering Points Coordination Project	97	100	4,900	-	-	-	-	-	5,097
Customer Pipeline Extensions	-	2,000	10,000	10,000	10,000	10,000	10,000	10,000	52,000
Total	\$ 2,309,882	\$ 10,953,815	\$ 20,658,400	\$ 5,440,000	\$ 6,080,000	\$ 12,050,000	\$ 26,780,000	\$ 84,272,097	

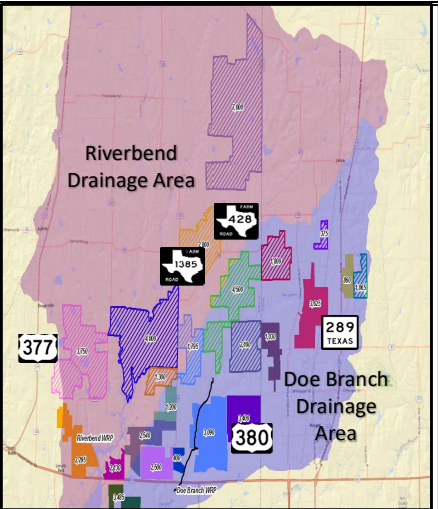
* Multiple Funding Sources


Project Title								Department				
Plant Expansion, Phase 2 (2.0 to 4.0 MGD)								58T				
Description Complete construction for the expansion of the Doe Branch Regional Water Reclamation Plant from 2.0 to 4.0 MGD.						Operating Budget Impact						
							2021	2022	2023	2024	2025	
						Personnel Services	\$ -	\$ 200,000	\$ 210,000	\$ 220,500	\$ 231,525	
						Administrative	-	1,850	1,924	2,001	2,081	
						Office Expenses	-	950	988	1,028	1,069	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	40,550	42,172	43,859	45,613	
						Debt Service	1,754,825	1,760,425	1,764,825	1,756,325	1,761,575	
						Furniture and Equipment	-	3,850	3,200	2,500	2,575	
						Maintenance/OH Allocation	-	29,664	30,994	32,386	33,944	
Total						\$ 1,754,825	\$ 2,037,289	\$ 2,054,103	\$ 2,058,599	\$ 2,078,382		
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total			
				2021	2022	2023	2024	2025 to Completion				
Design/Engineering		\$ 1,978,611	\$ 648,450	\$ 50,440	\$ -	\$ -	\$ -	\$ -	\$ 2,677,501			
Land/Right of Way												
Construction		-	8,265,000	14,505,000	-	-	-	-	22,770,000			
Project Mgmt & Overhead		243,872	1,086,550	1,950,560	-	-	-	-	3,280,982			
Legal		690	-	-	-	-	-	-	690			
Furniture/Equipment												
Other -Advertising		10,825	-	-	-	-	-	-	10,825			
Total Costs		\$ 2,233,998	\$ 10,000,000	\$ 16,506,000	\$ -	\$ -	\$ -	\$ -	\$ 28,739,998			
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total			
				2021	2022	2023	2024	2025 to Completion				
Revenue Bonds		\$ 1,045,490	\$ 4,679,906	\$ 7,724,652	\$ -	\$ -	\$ -	\$ -	\$ 13,450,048			
Commercial Paper												
Non-Bond Capital Rsrv Funds												
Contribution Sources		1,188,508	5,320,094	8,781,348	-	-	-	-	15,289,950			
Operating Funds												
Total Sources		\$ 2,233,998	\$ 10,000,000	\$ 16,506,000	\$ -	\$ -	\$ -	\$ -	\$ 28,739,998			
Project Schedule		Project Start Date		Project Completion Date		Site Information						
Design/Engineering		Jan-18		2021								
Land/Right of Way						27080 U.S. Highway 380 Little Elm, Tx						
Construction		Feb-20		2021								
Admin/Inspection		Jan-18		2021								
Legal		May-19		May-19								
Furniture/Equipment												
Other -Advertising		May-19		Jul-19								
Total Project				2021								



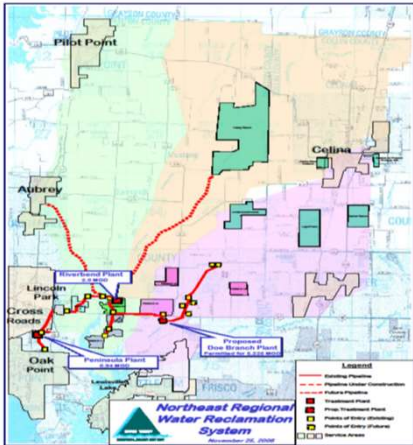
Project Title								Department			
Phase 1 Parallel Interceptor								51A			
Description Begin initial design / engineering for the construction of a parallel interceptor from approximately Fishtrap Road south to the Doe Branch Water Reclamation Plant for additional capacity to transport ever increasing wastewater flows from the Northeast service area.						Operating Budget Impact					
							2021	2022	2023	2024	2025
						Personnel Services	\$ -	\$ -	\$ -	\$ 25,000	\$ 26,250
						Administrative	-	-	-	-	-
						Office Expenses	-	-	-	-	-
						Professional Services	-	-	-	-	-
						Operating and Maintenance	-	-	-	68,950	71,708
						Debt Service (w/Cap-I)	-	210,000	630,000	840,000	840,000
						Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation	-	-	-	11,274	11,755						
Total						\$ -	\$ 210,000	\$ 630,000	\$ 945,224	\$ 949,713	
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total		
				2021	2022	2023	2024	2025 to Completion			
Design/Engineering		\$ -	\$ -	\$ 110,000	\$ 695,000	\$ 184,000	\$ -	\$ -	\$ 989,000		
Land/Right of Way		-	-	335,000	230,000	-	-	-	565,000		
Construction		-	-	-	3,470,000	3,896,000	-	-	7,366,000		
Admin/Inspection		-	-	55,000	535,000	490,000	-	-	1,080,000		
Legal											
Furniture/Equipment											
Other											
Total Costs		\$ -	\$ -	\$ 500,000	\$ 4,930,000	\$ 4,570,000	\$ -	\$ -	\$ 10,000,000		
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total		
				2021	2022	2023	2024	2025 to Completion			
Revenue Bonds		\$ -	\$ -	\$ 500,000	\$ 4,930,000	\$ 4,570,000	\$ -	\$ -	\$ 10,000,000		
Commercial Paper											
Non-Bond Capital Rsrv Funds											
Contribution Sources											
Total Sources		\$ -	\$ -	\$ 500,000	\$ 4,930,000	\$ 4,570,000	\$ -	\$ -	\$ 10,000,000		
Project Schedule		Project Start Date		Project Completion Date		Site Information					
Design/Engineering		2021		2023		Sewer Interceptor from Fishtrap south to the Doe Branch Regional Water Reclamation Plant 27080 U.S. Hwy 380 Little Elm, Tx					
Land/Right of Way		2021		2022							
Construction		2022		2023							
Admin/Inspection		2021		2023							
Utility Enhancements											
Furniture/Equipment											
Total Project				2023							

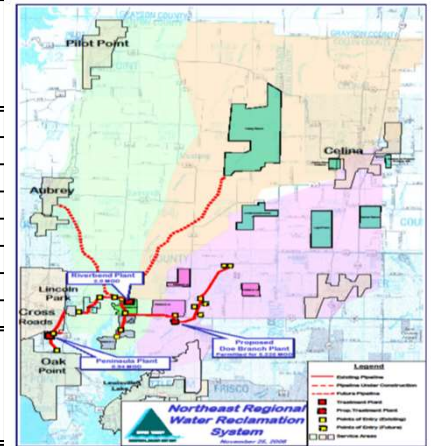


Project Title								Department																					
Metering Points Coordination Project								58M																					
Description Coordinate with Doe Branch Plant participants for the installation of metering devices at their respective points of entry.						Operating Budget Impact																							
						2021						2022		2023		2024		2025											
						Personnel Services																							
						Administrative																							
						Office Expenses																							
						Professional Services																							
						Operating and Maintenance																							
						Furniture and Equipment																							
						Maintenance/OH Allocation																							
						Total																							
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total																				
				2021	2022	2023	2024	2025 to Completion																					
Design/Engineering																													
Land/Right of Way																													
Construction																													
Admin/Inspection		\$ 97	\$ 100	\$ 4,900	\$ -	\$ -	\$ -	\$ -	\$ 5,097																				
Legal																													
Furniture/Equipment																													
Total Costs		\$ 97	\$ 100	\$ 4,900	\$ -	\$ -	\$ -	\$ -	\$ 5,097																				
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total																				
				2021	2022	2023	2024	2025 to Completion																					
Revenue Bonds																													
Commercial Paper																													
Operating Funds																													
Contribution Sources		\$ 97	\$ 100	\$ 4,900	\$ -	\$ -	\$ -	\$ -	\$ 5,097																				
Total Sources		\$ 97	\$ 100	\$ 4,900	\$ -	\$ -	\$ -	\$ -	\$ 5,097																				
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																													
Admin/Inspection		Jun-18		2021																									
Legal																													
Furniture/Equipment																													
Total Project				2021																									

Project Title								Department				
Relocation / TxDOT US Hwy 380 Project								5B8				
Description Continue 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 project costs.						Operating Budget Impact						
							2021	2022	2023	2024	2025	
						Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	
						Administrative	-	-	-	-	-	
						Office Expenses	-	-	-	-	-	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	-	-	-	-	
						Debt Service	-	66,722	64,260	64,260	64,260	
						Furniture and Equipment	-	-	-	-	-	
Maintenance/OH Allocation	-	-	-	-	-							
Total						\$ -	\$ 66,722	\$ 64,260	\$ 64,260	\$ 64,260		
Project Costs	Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total				
			2021	2022	2023	2024	2025 to Completion					
Design/Engineering	\$ 37,653	\$ 300,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 412,653				
Land/Right of Way	-	508,790	-	-	-	-	-	508,790				
Construction / Other	-	-	3,162,500	-	-	-	-	3,162,500				
Admin/Inspection	5,295	100,000	400,000	-	-	-	-	505,295				
Legal	763	-	-	-	-	-	-	763				
Furniture/Equipment												
Total Costs	\$ 43,711	\$ 908,790	\$ 3,637,500	\$ -	\$ -	\$ -	\$ -	\$ 4,590,001				
Source of Funds	Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total				
			2021	2022	2023	2024	2025 to Completion					
Revenue Bonds	\$ -	\$ -	\$ -	\$ 918,000	\$ -	\$ -	\$ -	\$ 918,000				
RTWS NBCR Loan (Outflow)	-	908,790	3,637,500	-	-	-	-	4,546,290				
RTWS NBCR Loan (Inflow)	-	-	-	(4,546,290)	-	-	-	(4,546,290)				
Non-Bond Capital Rsrv (Outflow)	43,711	-	-	-	-	-	-	43,711				
Non-Bond Capital Rsrv (Inflow)	-	-	-	(43,711)	-	-	-	(43,711)				
TxDOT Reimbursement	-	-	-	3,672,001	-	-	-	3,672,001				
Total Sources	\$ 43,711	\$ 908,790	\$ 3,637,500	\$ -	\$ -	\$ -	\$ -	\$ 4,590,001				
Project Schedule	Project Start Date		Project Completion Date		Site Information							
Design/Engineering	June-19		2021		Project limits are from approximately Loop 288 to the Tollway (Denton County, Tx.)							
Land/Right of Way	Sep-20		Sep-20									
Construction / Other	2021		2021									
Admin/Inspection	Jun-19		2021									
Legal												
Furniture/Equipment												
Total Project			2021									

Project Title								Department											
Customer Pipeline Extensions								58X											
Description Coordinate and plan for future wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System (Doe Branch Plant).						Operating Budget Impact													
						2021						2022		2023		2024		2025	
						Personnel Services													
						Administrative													
						Office Expenses													
						Professional Services													
						Operating and Maintenance													
Furniture and Equipment																			
Maintenance/OH Allocation																			
Total																			
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures					Project Total										
				2021	2022	2023	2024	2025 to Completion											
Design/Engineering																			
Land/Right of Way																			
Construction/Other		\$ -	\$ 2,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 72,000										
Admin/Inspection																			
Legal																			
Furniture/Equipment																			
Other																			
Total Costs		\$ -	\$ 2,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 72,000										
Source of Funds		Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations					Project Total										
				2021	2022	2023	2024	2025 to Completion											
Revenue Bonds																			
Non-Bond Capital Rsrv Funds																			
Contribution Sources		\$ -	\$ 2,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 72,000										
Operating Funds																			
O&M Reserve Funds																			
Total Sources		\$ -	\$ 2,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 72,000										
Project Schedule		Project Start Date		Project Completion Date		Site Information													
Design/Engineering						Various locations in the Northeast Regional Water Reclamation System service area.													
Land/Right of Way																			
Construction/Other		2020		Ongoing															
Admin/Inspection																			
Legal																			
Furniture/Equipment																			
Total Project				Ongoing															





Upper Trinity Regional Water District
Northeast Regional Water Reclamation System - Doe Branch Plant
Estimated Annual Operating Expense from Investments in Capital Projects
FY 2021 through FY 2025

Project Acct	Project	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	5-Year Total
58T	Water Reclamation Plant, Phase 2 (from 2.0 to 4.0 MGD)	\$ 1,754,825	\$ 2,037,289	\$ 2,054,103	\$ 2,058,599	\$ 2,078,382	\$ 9,983,198
51A	Phase 1A Parallel Interceptor	-	210,000	630,000	945,224	949,713	2,734,937
5B8	Relocation / TxDOT U.S. Hwy 380 Project	-	66,722	64,260	64,260	64,260	259,502
	Total	\$ 1,754,825	\$ 2,314,011	\$ 2,748,363	\$ 3,068,083	\$ 3,092,355	\$ 12,977,637

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, estimated debt service amounts prepared by the District's financial advisor, actual debt service for bonds / debt already issued, and for interfund loans / bonds issued to repay any interfund loans.

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

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

Peninsula Water Reclamation Plant

The Peninsula Plant, in the northeast region, currently has 0.94 mgd of capacity and serves the Mustang Special Utility District.

Construction Improvement Program Funding

FY 2021 funding consists of Contribution Sources of \$8,207,955 and \$196,500 (previously paid-in Building Activity Fees from Mustang Special Utility District) for the Peninsula Water Reclamation Plant Expansion, Phase 3 project, and \$40,000 of Plant Permitting Reserve funds to begin the renewal of the Texas Pollutant Discharge Elimination System permit.

Current Projects

Every 3-5 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. Plant Permitting Reserve funds of \$40,000 (collected through rates) is provided for FY 2021 to begin renewal efforts.

Due to continued growth in the Peninsula Plant service area, the District will complete initial design / engineering and begin construction to expand the treatment capacity of the Peninsula Plant from 0.94 to 2.0 mgd. The FY 2021 capital budget provides funding of \$8.4 million (explained above) to continue this project.

Future Projects

No other future capital projects are currently planned for the Peninsula Water Reclamation Plant for FY 2022 through FY 2025.

Peninsula Water Reclamation Plant
Construction Cash Fund
FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
BEGINNING CASH BALANCE 10/01	\$ 313,411	\$ 160,479	\$ 243,058	\$ 270,403
Transfer to Operations	\$ (70,353)		\$ (243,058)	
BEGINNING CASH BALANCE Revised	\$ 243,058		\$ -	
REVENUES				
Revenue Bonds / Contribution Sources	-	2,040,125	-	-
Contribution Sources	-	-	-	17,977,955
Interfund Transfers				
Non-Bond Capital Reserve Fund	96,077	-	2,200	-
Plant Permitting Reserve Fund	-	-	-	40,000
Working Capital	70,353	-	243,058	-
Northeast Regional Water Reclamation System				
Operations	30,000	-	-	-
Building Activity Fee Reserve Fund	-	1,116,500	1,116,500	-
Interest Income	1,817	1,360	10,845	19,690
TOTAL REVENUES	\$ 198,247	\$ 3,157,985	\$ 1,372,603	\$ 18,037,645
EXPENDITURES				
Construction Improvement Projects	48,247	3,256,625	1,102,200 *	8,444,455
Interfund Transfer - Project Development Fund	150,000	-	-	-
TOTAL EXPENDITURES	\$ 198,247	\$ 3,256,625	\$ 1,102,200	\$ 8,444,455
ENDING CASH BALANCE 9/30	\$ 243,058	\$ 61,839	\$ 270,403	\$ 9,863,593

FY 2021 Ending Balance increase of \$9,801,754 is due to reflecting contribution source from Mustang Special Utility District in FY 2021 to fund the expansion (Phase 3) of the Peninsula Water Reclamation Plant's treatment capacity (from 0.94 to 2.0 MGD).
--

* Amount reflects the following expenditure: \$2,200 - SCADA / Security System Improvements (5S6). This project was completed in FY 2020 and is not shown on the accompanying 5-Year list of capital improvement projects.

Upper Trinity Regional Water District
Peninsula Water Reclamation Plant
FY 2021 Adopted Capital Budget with projections through FY 2025
September 3, 2020



Project	Project	Prior Year	Estimated	Adopted						
Acct		Expenditures	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total	
5PL	Permit Renewal	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 60,000	
5N3	Plant Expansion, Phase 3 (from 0.94 to 2.0 MGD) *	2,557	1,100,000	8,404,455	9,770,000	-	-	-	19,277,012	
	Total	\$ 2,557	\$ 1,100,000	\$ 8,444,455	\$ 9,790,000	\$ -	\$ -	\$ -	19,337,012	
Funding Sources:										
	Construction Funds (Includes Prior Revenue Bond Proceeds)	\$ 2,557	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,557	
	Contribution Sources	-	-	8,207,955	9,770,000	-	-	-	17,977,955	
	Contribution Sources (Building Activity Fees)	-	950,000	196,500	-	-	-	-	1,146,500	
	Non-Bond Capital Reserve Funds	-	50,000	-	-	-	-	-	50,000	
	Plant Permitting Reserve Funds	-	-	40,000	20,000	-	-	-	60,000	
	Total	\$ 2,557	\$ 1,100,000	\$ 8,444,455	\$ 9,790,000	\$ -	\$ -	\$ -	19,337,012	

* Multiple Funding Sources

Project Title							Department							
Permit Renewal							5PL							
Description 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.					Operating Budget Impact									
										2021	2022	2023	2024	2025
					Personnel Services					\$ -	\$ -	\$ -	\$ -	\$ -
					Administrative					-	-	-	-	-
					Office Expenses					-	-	-	-	-
					Professional Services					-	-	-	-	-
					Operating and Maintenance					-	-	-	-	-
					Transfer to Plant Permitting Rsrv					5,000	5,000	12,000	12,000	12,000
Maintenance/OH Allocation					600	600	1,440	1,440	1,440					
Total					\$ 5,600	\$ 5,600	\$ 13,440	\$ 13,440	\$ 13,440					
Project Costs		Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures				Project Total						
				2021	2022	2023	2024		2025 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 2019	Estimated Appropriations FY 2020	Future Planned Appropriations				Project Total						
				2021	2022	2023	2024		2025 to Completion					
Revenue Bonds														
Non-Bond Capital Rsrv Funds														
Plant Permitting Rsrv Funds		\$ -	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 60,000					
Operating Funds														
O&M Reserve Funds														
Total Sources		\$ -	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 60,000					
Project Schedule		Project Start Date		Project Completion Date		Site Information								
Design/Engineering		2021		2022										
Land/Right of Way						1130 Naylor Road Oak Point, Tx								
Construction														
Admin/Inspection		2021		2022										
Legal														
Furniture/Equipment														
Total Project				Every 5 years										



Project Title							Department			
Plant Expansion, Phase 3 (from 0.94 to 2.0 MGD)							5N3			
Description Complete initial design / engineering and begin construction to expand the treatment capacity of the Peninsula Water Reclamation Plant from 0.94 to 2.0 MGD.					Operating Budget Impact					
						2021	2022	2023	2024	2025
					Personnel Services	\$ -	\$ -	\$ 125,000	\$ 130,000	\$ 136,500
					Administrative	-	-	2,200	2,288	2,380
					Office Expenses	-	-	1,500	1,560	1,622
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	68,705	70,766	74,304
					Debt Service	-	-	-	-	-
					Furniture and Equipment	-	-	23,689	24,554	25,777
Maintenance/OH Allocation					-	-	23,689	24,554	25,777	
Total					\$ -	\$ -	\$ 221,094	\$ 229,168	\$ 240,583	
Project Costs			Expenditures through FY 2019	Estimated Expenditures FY 2020	Future Planned Expenditures				Project Total	
					2021	2022	2023	2024		2025 to Completion
Design/Engineering			\$ -	\$ 980,000	\$ 900,000	\$ 20,800	\$ -	\$ -	\$ -	\$ 1,900,800
Land/Right of Way										
Construction			-	-	6,584,500	8,679,400	-	-	-	15,263,900
Admin/Inspection			2,557	120,000	919,955	1,069,800	-	-	-	2,112,312
Legal										
Furniture/Equipment										
Other										
Total Costs			\$ 2,557	\$ 1,100,000	\$ 8,404,455	\$ 9,770,000	\$ -	\$ -	\$ -	\$ 19,277,012
Source of Funds			Appropriations through FY 2019	Estimated Appropriations FY 2020	Future Planned Appropriations				Project Total	
					2021	2022	2023	2024		2025 to Completion
Revenue Bonds										
Construction Cash (Series 2016 Bonds)			\$ 2,557	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	102,557
Non-Bond Capital Reserve Funds			-	50,000	-	-	-	-	-	50,000
Contribution Sources			-	-	8,207,955	9,770,000	-	-	-	17,977,955
Contribution Sources (Bldg Activity Fees)			-	950,000	196,500	-	-	-	-	1,146,500
Total Sources			\$ 2,557	\$ 1,100,000	\$ 8,404,455	\$ 9,770,000	\$ -	\$ -	\$ -	\$ 19,277,012
Project Schedule			Project Start Date		Project Completion Date		Site Information			
Design/Engineering			Sep-19		2022					
Land/Right of Way							1130 Naylor Road Oak Point, TX (FM 720 and Hwy 380)			
Construction			2021		2022					
Admin/Inspection			Mar-16		2022					
Legal										
Furniture/Equipment										
Total Project					2022					





**Upper Trinity Regional Water District
Peninsula Water Reclamation Plant
Estimated Annual Operating Expense from Investments in Capital Projects
FY 2021 through FY 2025**

Project Acct	Project	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	5-Year Total
5PL	Permit Renewal	\$ 5,600	\$ 5,600	\$ 13,440	\$ 13,440	\$ 13,440	\$ 51,520
5N3	Plant Expansion, Phase 3 (from 0.94 to 2.0 MGD)	-	-	221,094	229,168	240,583	690,845
	Total	\$ 5,600	\$ 5,600	\$ 234,534	\$ 242,608	\$ 254,023	\$ 742,365

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, estimated debt service amounts prepared by the District's financial advisor, actual debt service for bonds / debt already issued, and for interfund loans / bonds issued to repay any interfund loans.

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

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

GROWTH PROGRAM FUND

The Growth Program Fund 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 2021 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

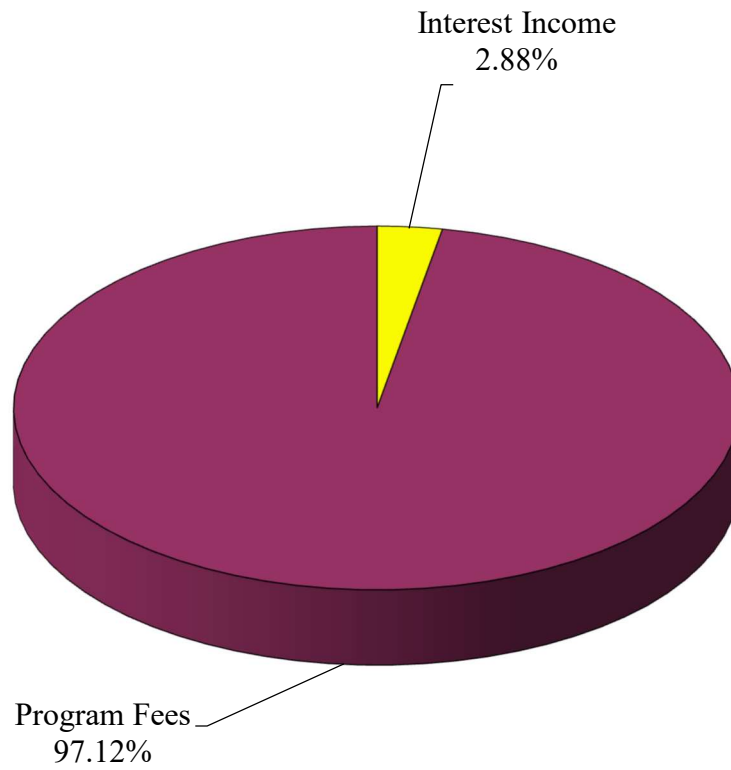
- Provide accurate accounting of land, rights-of-way, and other costs associated with District construction projects.

Growth Program

FY 2020 - 2021 Adopted Budget

		FY 2018-2019	FY 2019-2020	FY 2019-2020	FY 2020-2021
		Actuals	Budget	Estimates	Budget
Beginning Balance		\$ 55,725	\$ 57,475	\$ 57,333	\$ 57,978
Capital Revenue					
Program Fees:	2021				
	Est. Pop.				
Argyle	4,310	\$ 3,232	\$ 3,335	\$ 3,335	\$ 3,450
Black Rock WSC	1,350	3,105	3,105	3,105	3,105
Copper Canyon	1,450	1,144	1,145	1,145	1,160
Pilot Point	4,300	5,000	5,000	5,000	5,000
Ponder	2,400	5,000	5,000	5,000	5,000
Total Program Fees	13,810	\$ 17,481	\$ 17,585	\$ 17,585	\$ 17,715
Interest Revenue		1,607	2,100	645	525
Total Capital Revenue		\$ 19,088	\$ 19,685	\$ 18,230	\$ 18,240
Capital Expense					
Interfund Transfer:					
RTWS - CIP Projects		\$ 17,480	\$ 17,585	\$ 17,585	\$ 17,715
Total Capital Expense		\$ 17,480	\$ 17,585	\$ 17,585	\$ 17,715
Ending Balance		\$ 57,333	\$ 59,575	\$ 57,978	\$ 58,503

Capital Revenues



SUMMARY OF MAJOR CHANGES

- Program fees are budgeted at \$2.30/capita. For those entities that receive indirect service from the District's Water Project (Argyle and Copper Canyon), the fees are \$0.80/capita. A minimum fee of \$1,100 and a maximum fee of \$5,000, applies to all participants.
- Interest Income is representative of current market conditions.
- Transfer of Program Fees to the Regional Treated Water System capital project funding assistance.

Growth Fund Project Summary

Project/ Description	Year End FY 2020	FY 2021 Expenses	FY 2021 Reimbursements	Projected Year End FY 2021
Regional Treated Water System – CIP Projects	\$ 17,585	\$ 17,715	\$ (0.00)	\$35,300

PROJECT DEVELOPMENT FUND

The purpose of the Project Development Fund is to account for appropriations from operating funds related to the feasibility of future capital projects for expansion of, and improvements to, District facilities. Also, it provides funding assistance for “start-up” facilities. Once projects are approved to begin, the Project Development Fund is reimbursed from the capital funds designated specifically for the project. This is a revolving fund which began with funding contributed by early members and continues with contributions from District systems.

MISSION

The mission is to adequately and efficiently conduct studies that will provide District management with sufficient decision-making information on the feasibility of projects that will be beneficial to the District and its members.

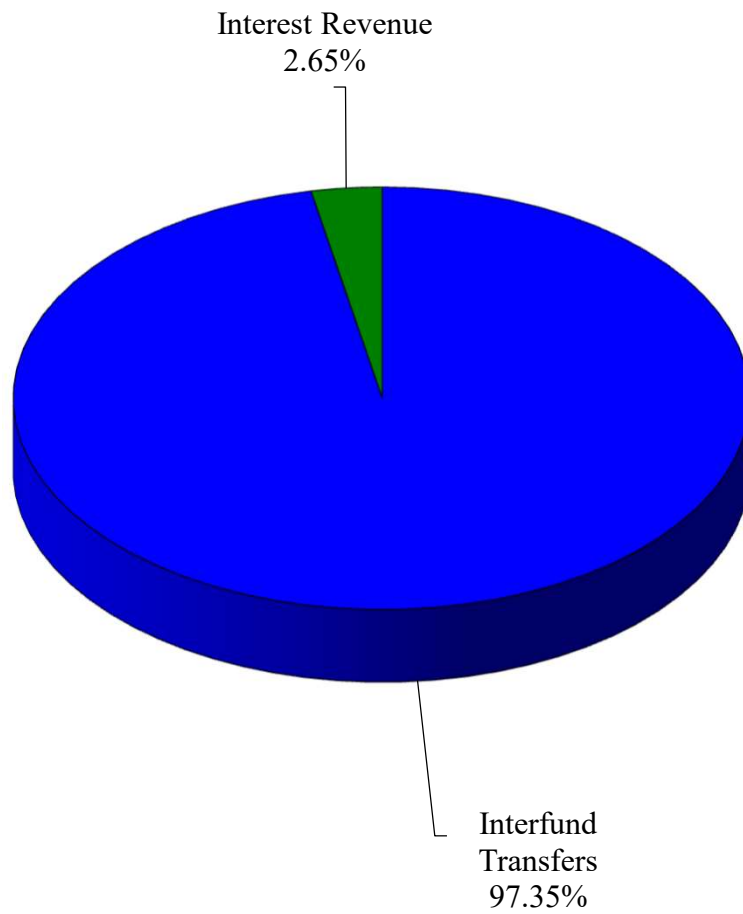
GOALS AND OBJECTIVE

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

Project Development Fund FY 2020 - 2021 Adopted Budget

	FY 2018-2019 Actuals	FY 2019-2020 Budget	FY 2019-2020 Estimates	FY 2020-2021 Budget
Beginning Balance	\$ 356,639	\$ 552,534	\$ 552,588	\$ 595,393
Capital Revenue				
Interfund Transfers:				
NERWRS CIP Study				
Riverbend and Doe Branch Water Rec. Plants	\$ 29,828	\$ 30,355	\$ 30,355	\$ 30,050
Peninsula Water Reclamation Plant	7,457	7,580	7,580	7,510
Total	\$ 37,285	\$ 37,935	\$ 37,935	\$ 37,560
Loan for Peninsula Plant, Phase 3 Expansion				
Peninsula Water Reclamation Plant	\$ 150,000	\$ -	\$ -	\$ -
Total Interfund Transfers	\$ 187,285	\$ 37,935	\$ 37,935	\$ 37,560
Interest Revenue	\$ 8,664	\$ 9,900	\$ 4,870	\$ 1,200
Total Capital Revenue	\$ 195,949	\$ 47,835	\$ 42,805	\$ 38,760
Total Capital Expense	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 552,588	\$ 600,369	\$ 595,393	\$ 634,153

Capital Revenues



SUMMARY OF MAJOR CHANGES

- Interest Income is representative of current market conditions.
- Transfer-in of the final principal and interest payment from the Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants), and the Peninsula Water Reclamation Plant, for allocated amounts owed to Project Development Fund for the Northeast Regional Water Reclamation System CIP study. The interest rate for this reimbursement was decreased from 2.69% to 1.50% due to the Txpools rate being lower than the minimum interest rate for District interfund loans of 1.50%.

UPPER TRINITY REGIONAL WATER DISTRICT

MEMBER/CUSTOMER POPULATIONS

	2015	2016	2017	2018	2019	2020
Argyle WSC	6,675	6,831	6,968	7,113	7,695	8,130
Argyle	3,690	3,820	3,920	4,040	4,170	4,310
Aubrey	2,780	3,100	3,110	3,200	4,530	5,380
Bartonville	1,640	1,650	1,670	1,680	1,710	1,740
Blackrock WSC	1,287	1,287	1,310	1,350	1,350	1,350
Celina	7,320	8,650	10,310	14,364	18,860	20,397
Copper Canyon	1,370	1,380	1,390	1,430	1,430	1,450
Corinth	20,900	20,900	20,800	21,030	21,260	22,160
Cross Timbers WSC	6,845	7,254	7,255	7,266	7,456	7,614
Denton	123,200	125,980	128,160	130,990	134,460	138,250
Denton County*	29,677	30,931	52,164	53,751	50,441	46,248
DCFWSO #1A	10,881	10,881	12,106	12,977	13,042	14,720
DCFWSO #7	10,000	10,673	11,324	12,000	12,000	12,000
DCFWSO #8A	3,918	4,650	5,264	5,794	6,219	6,197
Providence Village (DCFWSO#9)	5,750	6,170	6,310	6,550	6,630	6,700
DCFWSO #10	7,142	6,634	11,783	3,729	4,290	5,282
DCFWSO #11A	5,757	6,684	7,831	8,739	9,272	9,660
Double Oak	2,920	2,950	2,970	2,960	2,970	2,990
Flower Mound	66,820	70,180	71,850	73,130	76,030	78,080
Highland Village	17,000	17,000	17,000	17,000	17,000	17,000
Irving	228,610	231,040	234,710	237,490	240,420	242,410
Justin	3,260	4,320	4,320	4,455	4,455	5,292
Krum	4,790	5,760	5,760	5,760	5,760	5,760
Lake Cities MUA	14,917	15,150	15,500	15,426	15,512	15,767
Lewisville	99,480	100,400	103,640	104,780	105,640	107,120
Lincoln Park	487	-	-	-	-	-
Mustang SUD	19,737	20,022	21,846	32,441	38,075	44,718
Northlake	-	-	-	4,500	4,500	8,898
Oak Point	3,040	3,180	3,210	3,440	3,680	3,930
Pilot Point	3,890	4,050	4,130	4,120	4,260	4,300
Ponder	1,520	1,560	1,780	2,330	2,390	2,400
Prosper	15,970	17,790	20,160	22,650	25,630	28,380
Sanger	7,415	7,800	8,000	7,991	8,800	9,080
TOTAL	738,688	758,677	806,551	834,475	859,937	887,713

*Includes only unincorporated areas within the County

Sources:

North Central Texas Council of Governments (NCTCOG)

UTRWD Annual Survey

UPPER TRINITY REGIONAL WATER DISTRICT

OPERATING INDICATORS BY SYSTEM

<u>SYSTEM</u>	Fiscal Year					
	2015	2016	2017	2018	2019	2020
Regional Treated Water System						
Wholesale Customers Contracted (See Note)	20	20	19	19	19	19
Total Towns, Cities and Others Served (See Note)	30	30	29	29	29	29
Total Customer Delivery Points	28	28	31	27	27	27
Total Yearly Billed Flows (millions of gallons)	8,956	9,485	9,960	11,241	10,419	12,042
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)	1,664	1,703	1,434	1,440	1,748	1,705
Northeast Regional Water Reclamation System						
Wholesale Customers Contracted (See Note)	8	9	9	9	9	9
Total Towns, Cities and Others Served (See Note)	9	9	9	9	10	10
Customer Points of Entry	12	14	15	15	15	15
Total Yearly Billed Flows (millions of gallons)	655	768	899	1,123	1,484	1,757
Peninsula Water Reclamation Plant						
Wholesale Customers Contracted (See Note)	2	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)	124	139	140	178	230	271

Note: Some contracting parties provide service to more than one town or city

Source: UTRWD Business Department

UPPER TRINITY REGIONAL WATER DISTRICT

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	2.50	-	-	-	-	-	-	-	-
City of Aubrey	0.10	0.12	-	-	-	-	-	-	-	-
Cross Timbers Water Supply Corp.	2.50	3.12	-	-	-	-	-	-	-	-
Town of Bartonville	-	-	0.0378	0.71	-	-	-	-	-	-
City of Celina	5.25	6.56	-	-	0.665	12.20	-	-	-	-
City of Corinth	7.50	9.36	1.6080	30.18	-	-	-	-	-	-
City of Denton	-	-	(1)	-	-	-	-	-	-	-
Denton County Fresh Water Supply Dist. #1A	3.00	3.75	-	-	-	-	-	-	All	100.00
Denton County Fresh Water Supply Dist. #7	4.00	4.99	0.8440	15.84	-	-	-	-	-	-
Denton County Fresh Water Supply Dist. #8A	1.87	2.33	-	-	0.454	8.32	-	-	-	-
Denton County Fresh Water Supply Dist. #10	1.02	1.27	-	-	0.250	4.59	-	-	-	-
Denton County Fresh Water Supply Dist. #11A	3.30	4.12	-	-	0.716	13.13	-	-	-	-
Town of Double Oak	-	-	0.0080	0.15	-	-	-	-	-	-
Town of Flower Mound	30.00	37.46	-	-	-	-	-	-	-	-
City of Highland Village	3.00	3.75	1.6500	30.96	-	-	-	-	-	-
City of Justin	1.25	1.56	-	-	-	-	-	-	-	-
City of Krum	0.40	0.50	-	-	-	-	-	-	-	-
Lake Cities Municipal Utility Authority	3.80	4.74	1.1810	22.16	-	-	-	-	-	-
Mustang Special Utility District	5.00	6.24	-	-	1.817	33.33	0.940	100.00	-	-
Town of Northlake	3.20	4.00	-	-	-	-	-	-	-	-
Town of Providence Village	2.40	3.00	-	-	0.550	10.09	-	-	-	-
Town of Prosper	-	-	-	-	1.000	18.34	-	-	-	-
City of Sanger	0.50	0.62	-	-	-	-	-	-	-	-
Total Subscriptions	80.09	100.00	5.329	100.00	5.452	100.00	0.940	100.00	All	100.00

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

Source: UTRWD Business Department

UPPER TRINITY REGIONAL WATER DISTRICT

CAPITAL ASSET (IN SERVICE) STATISTICS BY SYSTEM

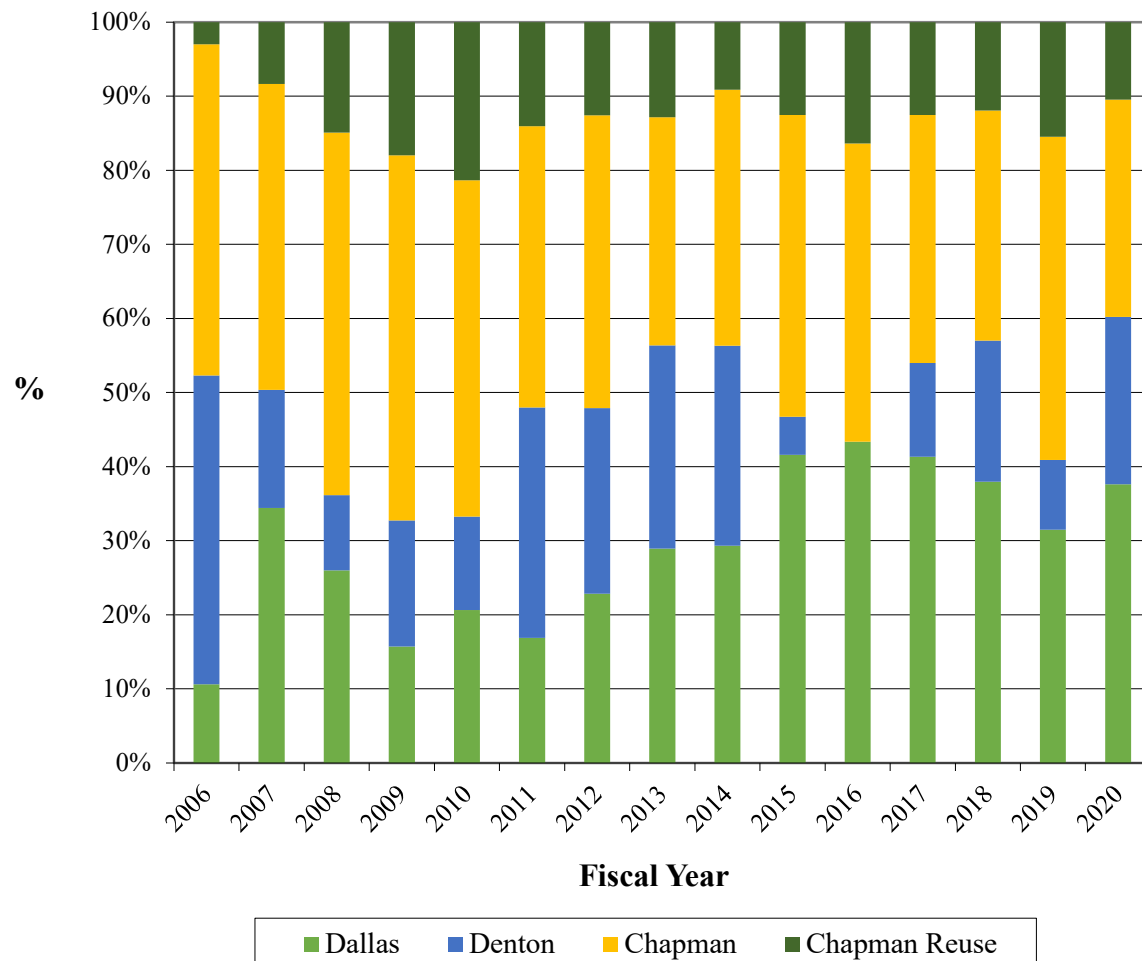
<u>SYSTEM</u>	<u>Fiscal Year</u>					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Regional Treated Water System</u>						
<u>Taylor Regional Treated Water Plant</u>						
Raw Water Intake Capacity	200 mgd	200 mgd	200 mgd	200 mgd	200 mgd	200 mgd
Water Treatment Plant Capacity	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"	30.18	45.29	45.93	37.10	37.07	37.07
24" to 36"	40.27	42.95	43.34	43.34	43.77	43.77
42" to 72"	19.50	20.34	22.74	22.74	22.65	22.65
Treated Water Storage Tanks:						
Treatment Plant	4	4	4	4	4	4
Other	6	6	6	6	6	6
<u>Tom Harpool Water Treatment Plant</u>						
Raw Water Intake Capacity	45 mgd	45 mgd	45 mgd	45 mgd	45 mgd	45 mgd
Water Treatment Plant Capacity	20 mgd	20 mgd	20 mgd	20 mgd	20 mgd	24.5 mgd
Treated Water Pumping Capacity (est.)	16 mgd	16 mgd	16 mgd	16 mgd	16 mgd	28 mgd
<u>Lakeview Regional Water Reclamation System</u>						
Water Reclamation Plant Capacity	5.5 mgd	5.5 mgd	5.5 mgd	5.5 mgd	5.5 mgd	5.5 mgd
Interceptor Pipeline (miles):						
8" to 10"	1.25	1.25	1.25	1.25	1.25	1.25
12" to 14"	1.10	1.10	1.10	1.10	1.10	1.10
18" to 20"	7.55	7.55	7.60	7.60	7.60	7.60
24" to 27"	4.72	4.72	4.76	4.76	4.76	4.76
Wastewater Lift Stations	5	5	5	5	5	5
<u>Northeast Regional Water Reclamation System</u>						
Riverbend Water Reclamation Plant Capacity	2.0 mgd	2.0 mgd	2.0 mgd	2.0 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
Interceptor Pipeline (miles):						
8" to 21"	4.63	4.63	6.09	6.09	6.54	6.54
24" to 36"	6.06	6.06	6.06	6.06	6.54	6.54
Wastewater Lift Stations	1	1	1	1	1	1
<u>Peninsula Water Reclamation Plant</u>						
Water Reclamation Plant Capacity	0.94 mgd	0.94 mgd	0.94 mgd	0.94 mgd	0.94 mgd	0.94 mgd
Interceptor Pipeline (miles):						
24" to 36"	0.01	0.01	0.01	0.01	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
2006	869,843	3,411,981	3,665,161	242,682
2007	2,103,229	974,414	2,523,320	508,351
2008	1,827,869	715,987	3,444,425	1,049,195
2009	1,058,500	1,148,490	3,327,848	1,212,826
2010	1,329,068	812,700	2,928,090	1,374,011
2011	1,606,414	2,962,945	3,621,610	1,336,021
2012	1,989,791	2,185,143	3,450,510	1,095,823
2013	2,449,347	2,319,774	2,605,160	1,087,245
2014	2,486,465	2,290,683	2,930,600	772,568
2015	3,803,797	473,021	3,726,550	1,145,329
2016	4,126,720	-	3,832,100	1,558,496
2017	4,248,537	1,300,385	3,439,020	1,288,114
2018	4,412,500	2,214,086	3,611,900	1,388,286
2019	3,409,870	1,020,913	4,733,150	1,676,447
2020	4,653,429	2,795,362	3,628,180	1,294,559



UPPER TRINITY REGIONAL WATER DISTRICT
FUNDED DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

<u>Function/Program</u>	Fiscal Year					
	2016	2017	2018	2019	2020	2021
Administration	16	15	15	14	14	15
Business/Finance	13	13	13	14	14	15
Operations	42	47	47	49	54	55
Maintenance	16	17	17	18	19	22
Engineering/Construction	11	11	13	15	16	18
Contract Positions*	1	1	2	5	5	2
Total	99	104	107	115	122	127

Source: UTRWD Business Department

Awards and Honors

Business

Government Finance Officers Association (GFOA)

Certificate of Achievement for Excellence in Financial Reporting, 2000 – 2019

Distinguished Budget Presentation Award, 2010 – 2020

Special Capital Recognition, FY 2015, FY 2019, FY 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

Water Environment Association of Texas (WEAT)

Municipal Wastewater Treatment Plant of the Year Award, 2008

National Association of Clean Water Agencies (NACWA) Platinum Peak Performance Award, 1999-2019 (Platinum 21 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, 2008-2019 (Platinum 12 years)

Northeast Regional Water Reclamation System – Doe Branch Plant

NACWA Gold Peak Performance Award, 2016-2019

Peninsula Water Reclamation Plant

Water Environment Association of Texas (WEAT)

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

NACWA Platinum Peak Performance Award, 2003-2019 (Platinum 16 years)

Water / Water Conservation:

NACWA Excellence in Management – Platinum Award, 2020

NACWA Excellence in Management – Silver Award, 2019

NACWA National Environment Achievement Award, 2014

Keep Texas Beautiful 1st Place Government Award, 2013

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

Upper Trinity Regional Water District Glossary of Terms

A

Account – A record of a business transaction of money received or paid.

Account Balance – The different in dollars between total debits and the total credits in an account.

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.

Amortization – Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

Arbitrage – The gain that may be realized by borrowing funds at tax-exempt rates and investing those funds at taxable rates.

Assets – Resources owned or held by the District which have monetary value.

Audit – An examination of the books and records of the District to determine financial status and results of operations (excess or loss).

Average Daily Demand – A water system's average daily use based on total annual water sales (total annual gallons or cubic feet divided by 365).

B

Backflow – The backing up of water through a conduit or channel in the direction opposite to normal flow.

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.

Biochemical Oxygen Demand (BOD) – The quantity of oxygen used in the biochemical oxidation of organic matter in a specified time, at a specific temperature, and under specific conditions; the BOD analysis is a standard test used in assessing wastewater strength.

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.

Bond Resolution – A document that contains terms and conditions relating to the issuance and sale of Bonds and sets forth the District's legal obligations to bondholders.

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.

Budget Transfer – Redistribute revenue and/or expenditure budgets between accounts within same fund.

Budgetary Control – The control of management in accordance with the approved budget to keep expenditures within the limitations of available appropriations and revenues.

C

Callable Agency Steps – A bond, usually issued by government agencies, with a coupon that increases (“steps-up”), usually at regular intervals, while the bond is outstanding.

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.

Carry-Over – 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.

Cash Management – The management of cash flows in such a way that interest and penalties paid are minimized and interest earned is maximized. Funds received are deposited on the day of receipt and invested as soon as the funds are available. The District maximizes the return on all funds available for investment without sacrifice of safety or necessary liquidity.

Certificates of Deposit – Short or medium term, interest-bearing, FDIC (Federal Deposit Insurance Corporation) insured debt instruments offered by banks and savings and loans, that offer higher rates of return than most comparable investments, in exchange for tying up invested money for the duration of the certificate's maturity.

Chlorine – A chemical applied to water for purposes of disinfecting.

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.

Compensated Absences – Time off, with pay, made available to employees primarily for vacation, sick, and administrative leave.

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.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living or doing business (i.e. economic inflation).

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.

Denton County Soil and Water Conservation District (DCSWC) – a subdivision of the State, created to help promote and coordinate conservation and nonpoint source water pollution abatement programs throughout the State

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.

Deficiency – A general term indicating the amount by which anything falls short of some requirement of expectation.

Deficit – The excess of expenditures over revenues during an accounting period.

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.

Demand Costs – Costs associated with providing facilities to meet demands placed on the system by customers.

Denton County Transportation Authority (DCTA) – is a coordinated county transportation authority that is committed to provide safe, customer focused, and efficient mobility solutions for Denton County.

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.

Drought Adjustment Clause – A clause adopted by the Board of Directors that enables the District to recover the actual costs of raw water purchased at marginal cost that exceeds budgeted amounts to be used.

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.

EPA – Environmental Protection Agency – The federal government agency responsible for promulgation and enforcement of environmental regulations and investigation and prosecution of infractions of non-compliance.

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 Policy – The District's policies with respect to revenues, spending, and debt management and their relationship to services, programs and capital investment.

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.

High Test Hypochlorite (HTH) – granular calcium.

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 intercepts the wastewater from smaller and or local sewers to one of the District’s wastewater treatment plants.

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.

Investment Income – Income derived by investing certain fund balance in interest-yielding securities in compliance with the provisions of the District’s Investment Policy.

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

L.A.N.D.S. – Acronym for Learning Across New Dimensions in Science, a program sponsored through the Texas Wildlife Association, that promotes an awareness of wildlife and wildlife related issues among Texas youth.

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.

Load Factor – Monthly flow average divided by monthly maximum (subscription).

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.

Minimum Flow – The flow which members and customers must use as part of their contract with the District.

Modified Accrual Basis – The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred except on long-term debt which is recognized when due.

Money Market Account – A deposit account offered by a bank, which invests in government and corporate securities and pays the depositor interest based on current interest rates in the money markets.

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.

National Pollutant Discharge Elimination System (NPDES) – A permit issued by the EPA that governs effluent discharges into various rivers and waterways.

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.

Notes Payable – Long or short-term obligations that are payable according to a contract or agreement in which the timeframe is executed.



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.

Overtime – Hours worked in excess of 40 hours per work week or hours worked in excess of those scheduled in a shift.

P

Pass-Through Charges – A transportation (variable) rate associated with raw water passing through pipelines or reservoirs that are not owned by the District, (i.e. Lake Chapman).

Peak Flow – The maximum momentary quantity placed on a water/wastewater plant and/or pumping station.

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.

Public Utilities Commission (PUC) – Created in 1975, the Public Utility Commission of Texas (PUC or Commission) regulates the rates and services of telephone utilities statewide, electric utilities in unincorporated areas, radio-telephone statewide, and water and sewer utilities in unincorporated areas. The PUC was not given authority to regulate municipally owned utilities or political subdivisions such as municipal utility districts or public utility districts.

Pump Station – Structure containing pumps and accessory piping, valves and other mechanical and electrical equipment for pumping water, wastewater or other liquids.

Q

R

Rate of Flow – The rate of flow of water, silt or other mobile substance, which emerges from an opening, pump, or turbine or passes along a conduit or channel, usually expressed as cubic feet per second, gallons per minute or million gallons per day.

Rating Agency – A private corporation that assigns a credit worthiness rating to new bond issues upon their review of financial statements and disclosures provided by the issuer.

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.

Seasonal Rates – Rates based on the cost of service variations with respect to system seasonal requirements. For example, higher rates may be charged during the summer months when a system peak occurs, as opposed to winter months.

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.

Special Facilities Bonds – Revenue obligations of the District which are secured by and payable solely from sources provided by the benefitting entity.

Strategic Goal – The long range plans and direction of the District.

Surface Water – Natural sources of water, such as rivers and lakes.

T

Take or Pay – Agreement between a member/customer and the District in which the member/customer will still pay a certain amount even if that amount of water is not taken.

Texas Commission on Environment Quality (TCEQ) – Previously known as the Texas National Resources Conservation Commission and is the environmental agency for the State.

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.

Transportation Rate – The rate charged to cover the variable costs associated with carrying flows thru the main pipeline to the Lakeview Regional Water Reclamation Plant.

Treasury Security – A United States government debt issued by the United States Department of the Treasury through the Bureau of Public Debt and are debt financing instruments of the U.S. Federal government; often referred to simply as Treasuries.

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.

Turnout – A delivery structure which includes metering and valve facilities through which District water is delivered from the pipeline to a delivery system.

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 O&M 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