



**FINANCE COMMITTEE MEETING**  
**September 10, 2025**



# Agenda

- I. CALL TO ORDER
- II. PUBLIC COMMENTS
- III. OPENING REMARKS
- IV. ACTION ITEMS
- V. DISCUSSION ITEMS
- VI. ADJOURNMENT



# Agenda

## IV. ACTION ITEMS

- A. Consider approval of Finance Committee meeting minutes – June 11, 2025
- B. Fiscal Year 2025-26 All Systems Annual Budget and the Amended Fiscal Year 2024-25 Annual Budget
- C. Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2025
- D. Upper East Fork Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2025
- E. Regional Water System Revenue Bonds, Series 2025A and 2025B

## V. DISCUSSION ITEMS

- A. Overview of North Texas Municipal Water District Financial Operations
- B. Opportunity for Committee members to provide feedback on Finance Committee meeting or request potential future agenda items



# Agenda

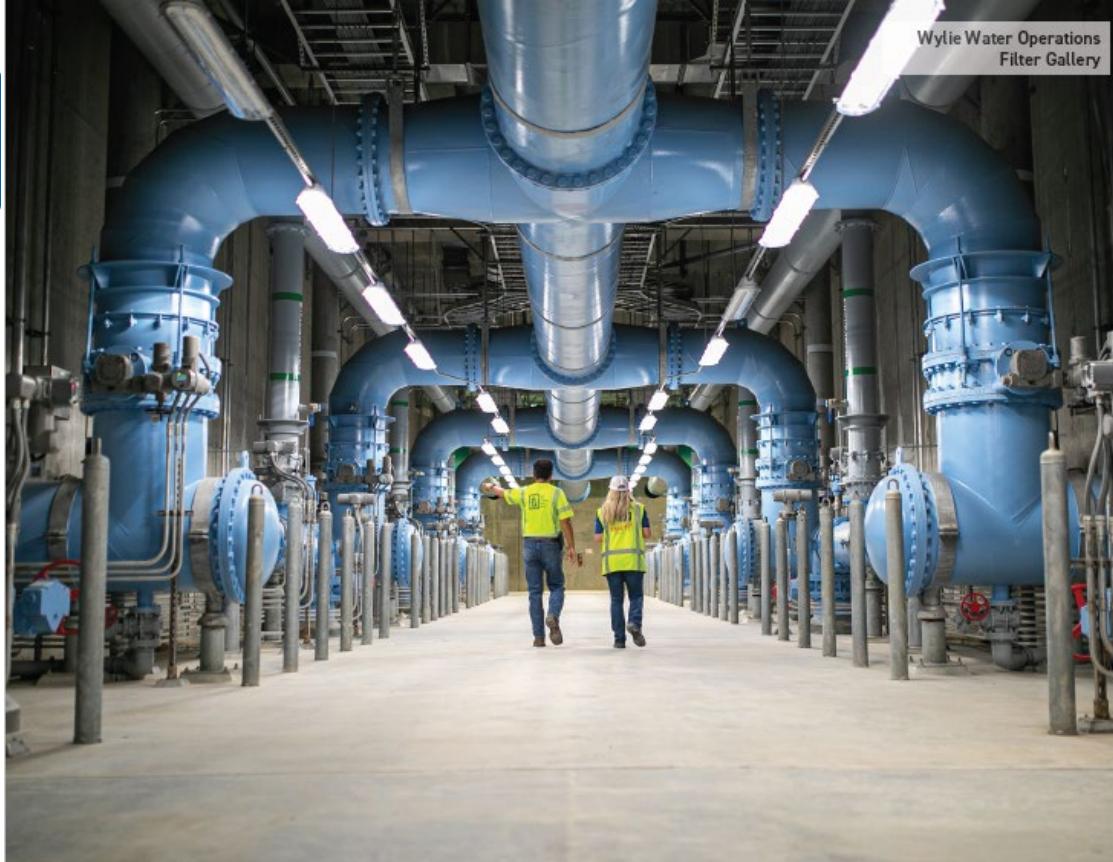
*Jeanne Chipperfield, AGM*

## IV. ACTION ITEMS

- A. Consider approval of Finance Committee meeting minutes – June 11, 2025
- B. Fiscal Year 2025-26 All Systems Annual Budget and the Amended Fiscal Year 2024-25 Annual Budget
- C. Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2025
- D. Upper East Fork Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2025
- E. Regional Water System SWIFT Revenue Bonds, Series 2025A and 2025B

## V. DISCUSSION ITEMS

- A. Overview of North Texas Municipal Water District Financial Operations
- B. Opportunity for Committee members to provide feedback on Finance Committee meeting or request potential future agenda items



- Fiscal Year 24-25 Amended Budget Summary
- Fiscal Year 25-26 Proposed Budget Summary
- Remaining Budget Schedule



# Budget Summary (\$M)

All Systems	FY25 Original Budget	FY25 Amended Budget	FY26 Preliminary Budget	Variance to Original
Total	\$820.3	\$825.6	\$902.4	\$82.1

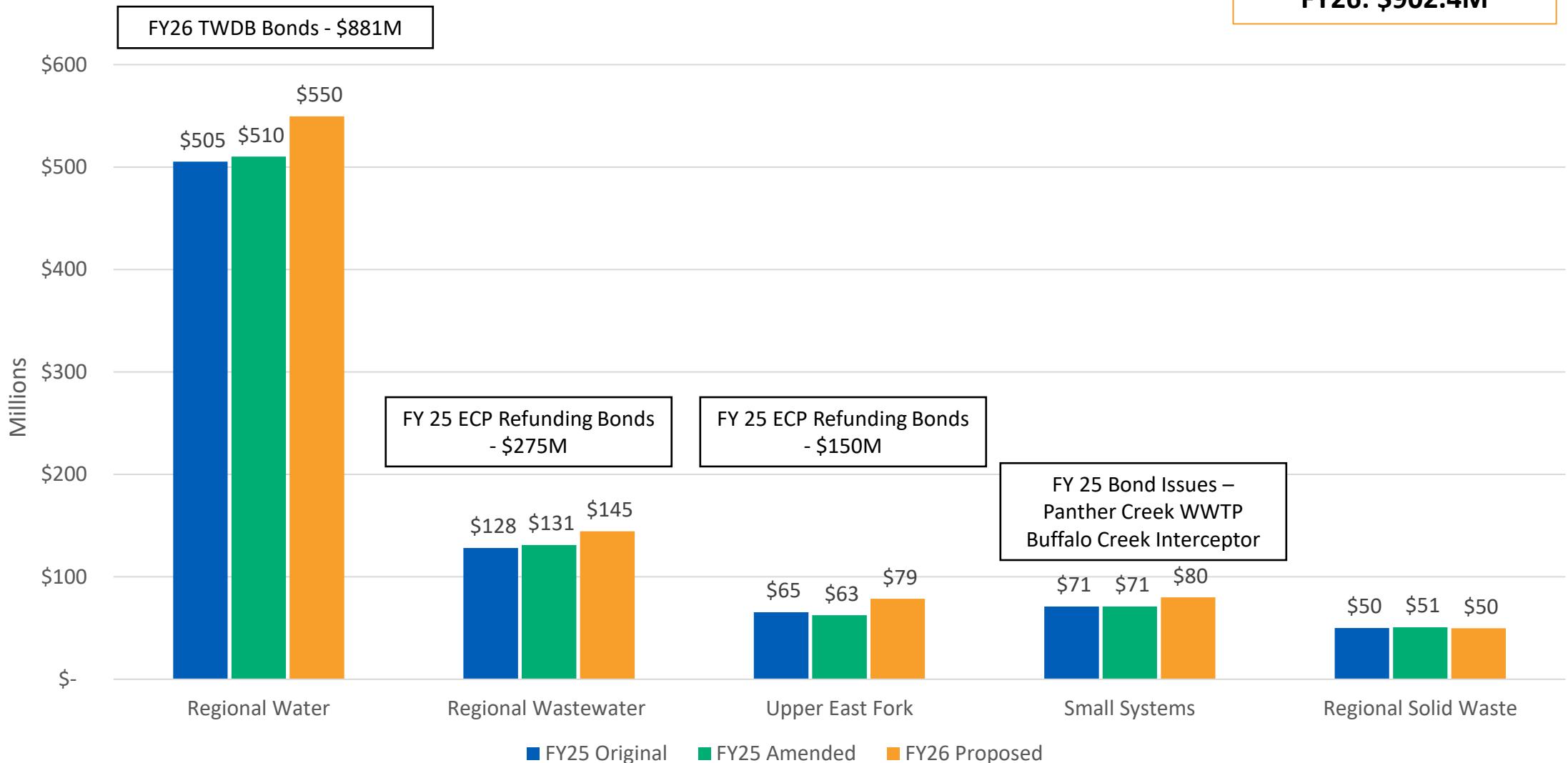
## Significant Drivers of Increases from FY25 to FY26

- **Personnel:** \$3M (15 net new positions – 2 positions reduced from July presentation due to no longer operating Lavon WWTP, increases for performance merits, retirement costs)
- **Supplies:** \$2M (Increases in pipeline supplies and chemical costs)
- **Services:** \$21M (Additional Electric Power, Equipment Maintenance, Special Maintenance in RWS, Wastewater Landfill Service Fees, ERP Implementation Costs)
- **Debt Service / Capital Improvement:** \$57M (FY26 Bond Issues in RWS, RWWS & RSWS, additional debt service related to FY25 ECP refundings in RWS, RWWS & UEFIS)



# Budget Comparison by System

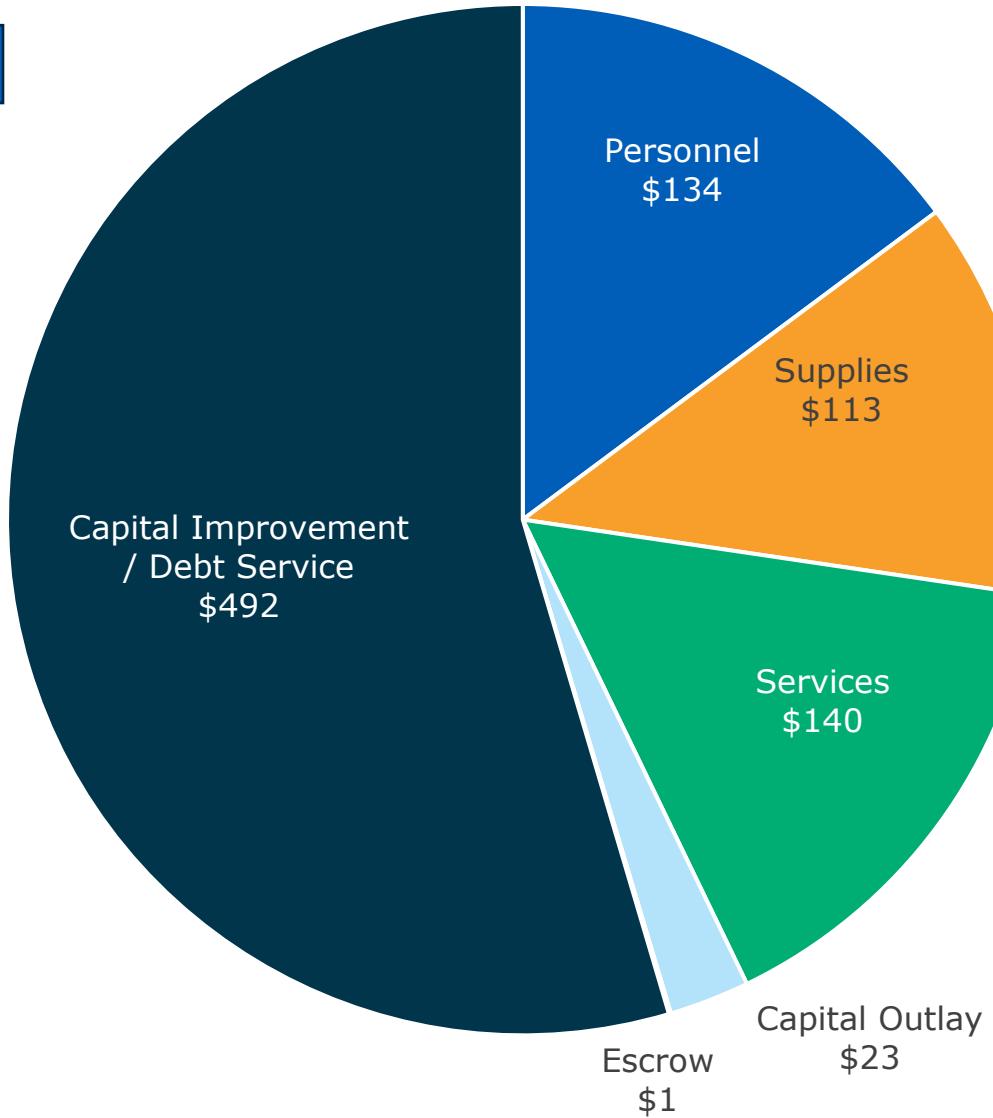
**Total Budget:**  
**FY25: \$820.3M**  
**FY26: \$902.4M**





# FY26 All Systems Budget by Category (\$M)

Total Budget: \$902.4M





# 2025-26 Annual Minimum Update

Members	FY25 Minimum Gallons	Excess Usage Gallons	Under Usage for Eligible Entities	Minimum Reductions	FY26 Annual Minimums
Allen	6,391,868	34,938	-	-	6,426,806
Farmersville	289,310	31,380	-	-	320,690
Forney	3,121,740	181,117	-	-	3,302,857
Frisco	15,361,025	-	357,227	(59,143)	15,301,882
Garland	12,717,976	-	798,966	(132,278)	12,585,698
McKinney	12,725,939	273,395	-	-	12,999,334
Mesquite	7,675,216	-	667,582	(110,525)	7,564,691
Plano	24,722,595	-	3,031,730	(501,934)	24,220,661
Princeton	1,738,012	378,004	-	-	2,116,016
Richardson	10,496,968	-	267,142	(44,228)	10,452,740
Rockwall	4,985,531	116,210	-	-	5,101,741
Royse City	1,018,122	103,333	-	-	1,121,455
Wylie	2,059,844	-	170,223	(28,182)	2,031,662
Customers New Contracts	6,602,806	280,586	240,343	(39,791)	6,843,601
Customers Old Contracts	20,067,491	1,347,782	-	-	21,415,273
Additional Customer Contracts	-	1,497	-	-	18,250
<b>Total</b>	<b>129,974,443</b>	<b>2,748,242</b>	<b>5,533,213</b>	<b>(916,081)</b>	<b>131,823,357</b>

Minimum Reductions redistributed – 1 additional customer is on the new contract template and was under its annual minimum in Water Year 2025



# Budget Resolution

- September 25<sup>th</sup> Board agenda will include a resolution to adopt the FY26 Proposed and FY25 Amended Budgets
- Same format as FY25 Budget resolution (copy attached)
  - A. Appropriations** by System and Character; addresses Salary Administration and Merit Pay distribution
  - B. Charges for Services** – Treated water rates and charges per entity; Bois d'Arc Lake fees; and solid waste fees



# FY26 Remaining Budget Schedule

- **September**
  - Board Meeting - consider approval of budget, including new positions
- **October**
  - New fiscal year begins
  - Board Meeting - review possible FY25 Variable Cost Rebate
- **November**
  - RWS Variable Cost Rebates, if available and approved, are sent to eligible Member Cities and Customers



## Committee Consideration

The Executive Director and NTMWD staff recommend the approval of the 2025-26 All Systems Annual Budget and the Amended 2024-25 Annual Budget



# Agenda

*Drew Farris, Finance Manager*

## IV. ACTION ITEMS

- A. Consider approval of Finance Committee meeting minutes – June 11, 2025
- B. Fiscal Year 2025-26 All Systems Annual Budget and the Amended Fiscal Year 2024-25 Annual Budget
- C. Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2025**
- D. Upper East Fork Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2025
- E. Regional Water System SWIFT Revenue Bonds, Series 2025A and 2025B

## V. DISCUSSION ITEMS

- A. Overview of North Texas Municipal Water District Financial Operations
- B. Opportunity for Committee members to provide feedback on Finance Committee meeting or request potential future agenda items



# Regional Wastewater System ECP Refunding and Improvement Bonds, Series 2025

## Overview

- Serves and funded by Allen, Forney, Frisco, Heath, McKinney, Melissa, Mesquite, Plano, Princeton, Prosper, Richardson, Rockwall, Seagoville.
- Projects were originally encumbered using Extendable Commercial Paper (ECP)
  - ECP is only issued as project expenses occur, limiting interest expense
  - A refunding must occur once the ECP program limit is fully encumbered, or sooner if needed to manage the timing and amount of debt service due
  - This sale is a partial refunding of the ECP program in the amount of \$275 million
- Current credit ratings
  - Long-Term debt ratings: (Aa2) Moody's; (AAA) S&P
  - Short-Term (ECP): (P-1) Moody's; (A-1) S&P
- ECP refunding bond issue budgeted in FY 2025 Annual Budget and FY 2026 Proposed Budget
- Open market bond sale on 9/25/25, expected to close 10/29/25



# Regional Wastewater System Refunding and Improvement Bonds, Series 2025

## Overview of Projects

Award Date	Project	Scope of Work	Amount \$ Million
10/2024	South Mesquite Regional WWTP Peak Flow Mgmt and Expansion	Design, Construction and Inspection	\$ 181.1
9/2022	Rowlett Creek Regional WWTP Administrative & Operations Building	ROW, Construction and Inspection	13.8
11/2021	Rowlett Creek Regional WWTP Peak Flow Mgmt and Improvements	Design, Construction and Inspection	6.0
6/2025	Sister Grove Regional WWRF Peak Design and Construction	Design, Construction and Inspection	74.1
			<b>\$ 275.0</b>



# Regional Wastewater System Refunding and Improvement Bonds, Series 2025

Sources of Funds	\$ Million
Par Amount of Bonds	\$281.7
Est. Premium	8.3
<b>Total Sources</b>	<b>\$290.0</b>

Uses of Funds	\$ Million
Project Costs & Refunding	\$275.0
Deposit to Debt Service Reserve Fund (DSRF)	14.1
Cost of Issuance	0.9
<b>Total Uses</b>	<b>\$290.0</b>

- 30 Year Term Bonds
- Level Debt Payments
- Estimated Interest Rate: 4.9%



## Committee Consideration

The Executive Director and NTMWD staff recommend the Board of Directors to authorize the approval of the Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2025 in the amount of \$275M plus funding for cost of issuance and the debt service reserve fund. (Total estimate of \$290.0M)



# Agenda

*Drew Farris, Finance Manager*

## IV. ACTION ITEMS

- A. Consider approval of Finance Committee meeting minutes – June 11, 2025
- B. Fiscal Year 2025-26 All Systems Annual Budget and the Amended Fiscal Year 2024-25 Annual Budget
- C. Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2025
- D. Upper East Fork Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2025
- E. Regional Water System SWIFT Revenue Bonds, Series 2025A and 2025B

## V. DISCUSSION ITEMS

- A. Overview of North Texas Municipal Water District Financial Operations
- B. Opportunity for Committee members to provide feedback on Finance Committee meeting or request potential future agenda items



# Upper East Fork Interceptor Refunding and Improvement Bonds, Series 2025

## Overview

- Serves and funded by Allen, Frisco, McKinney, Melissa, Plano, Princeton, Prosper, Richardson.
- Refunding \$53M of ECP appropriation; \$92M of new money for upcoming project awards
- Long-term credit ratings: (Aa1) Moody's, (AAA) S&P
- Short-term credit ratings (ECP): (P-1) Moody's, (A-1+) S&P
- ECP refunding bond issue budgeted in FY 2025 Annual Budget and FY 2026 Proposed Budget
- Open market bond sale on 9/25/25, expected to close 10/29/25



# Upper East Fork Interceptor Refunding and Improvement Bonds, Series 2025

## Overview of Project Awards

Award Date	Project	Scope of Work	Amount \$ Million
1/2025	121 Force Main Improvements	Construction and Inspection	\$ 11.6
9/2025	Princeton Lift Station Expansion	Construction and Inspection	3.0
2/2025	Lower Rowlett Lift Station	Construction	3.3
5/2025	Stover Creek Lift Station and Force Main	Design, Construction and Inspection	33.5
6/2025	McKinney Prosper Sewer Improvements	ROW and Design	3.1
9/2025	Tickey Creek Lift and Force Main	ROW and Engineering	40.0
	Other System Improvements	Design, Construction and Inspection	50.5
		<b>Total</b>	<b>\$ 145.0</b>



# Upper East Fork Interceptor Refunding and Improvement Bond, Series 2025

Sources of Funds	\$ Million
Par Amount of Bonds	\$ 149.6
Est. Premium	4.3
<b>Total Sources</b>	<b>\$ 153.9</b>

Uses of Funds	\$ Million
Project Costs & Refunding	\$ 145.0
Deposit to Debt Service Reserve Fund (DSRF)	8.3
Cost of Issuance	0.6
<b>Total Uses</b>	<b>\$ 153.9</b>

- 30 Year Term Bonds
- Level Debt Payments
- Estimated Interest Rate: 4.9%



## Committee Consideration

The Executive Director and NTMWD staff recommend the Board of Directors to authorize the approval of the Upper East Fork Interceptor Contract Revenue Refunding and Improvement Bonds, Series 2025 in the amount of \$149.6M plus funding for cost of issuance and the debt service reserve fund. (total estimate of \$153.9M)



# Agenda

*Drew Farris, Finance Manager*

## IV. ACTION ITEMS

- A. Consider approval of Finance Committee meeting minutes – June 11, 2025
- B. Fiscal Year 2025-26 All Systems Annual Budget and the Amended Fiscal Year 2024-25 Annual Budget
- C. Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2025
- D. Upper East Fork Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2025
- E. **Regional Water System SWIFT Revenue Bonds, Series 2025A and 2025B**

## V. DISCUSSION ITEMS

- A. Overview of North Texas Municipal Water District Financial Operations
- B. Opportunity for Committee members to provide feedback on Finance Committee meeting or request potential future agenda items



## SWIFT Bond Funding - Project Overviews

- **\$605 million** investment in two new pipelines transporting additional water from Lake Texoma to Leonard, Wylie Water Treatment Plants
  - Adds pipeline capacity from Texoma by 2030 and helps meet peak summer demands
  - Makes further use of our existing supply by blending salty Texoma water with water from Lavon, Bois d'Arc Lakes
- **\$225 million** project for expanded pump station, new pipeline from Leonard
  - Will deliver water from Bois d'Arc Lake to eastern part of service area
- District approved for Texas Water Development Board funding for these projects, which could save up to **\$95 million** for our Member Cities and Customers, demonstrating our commitment to financial stewardship.





# Regional Water System Revenue Bonds, Series 2025A

## Overview – North System Raw Water Pipelines

- Serves the Regional Water System
- Texas Water Development Board (TWDB) State Water Implementation Fund for Texas (SWIFT)
- Bond issue budgeted in FY 2026 Annual Budget
- Finance Committee approved the application process in February 2025
- NTMWD to execute a Financing Agreement with TWDB on or around 09/06/2025
- Final rates provided by TWDB on or around 10/16/2025
- Delivery of funds expected to be on or around 11/20/2025

Award Date	Project	Scope of Work	Amount \$ Million
11/2025	Texoma Raw Water Pipeline No. 2	Construction and Inspection	\$ 453.3
11/2025	Texoma Raw Water Pipeline to Leonard WTP Pipeline	Construction and Inspection	151.3
			\$ 604.6



# Regional Water System Revenue Bonds, Series 2025A

## North System Raw Water Pipelines

Sources of Funds	\$ Million
Par Amount of Bonds	\$ 641.7
<b>Total Sources</b>	<b>\$ 641.7</b>

Uses of Funds	\$ Million
*Cost of Issuance	\$ 1.3
*Deposit to Debt Service Reserve	35.8
*Deposit to Project Fund	604.6
<b>Total Uses</b>	<b>\$ 641.7</b>

\* Preliminary and subject to change upon final rates

- 14% interest rate subsidy
- 30 - Year Term Bonds
- Estimated annual payment: \$38M
- Level Debt Payments
- Estimated Interest Rate: 4.22%
- Estimated savings: \$56M



# Regional Water System Revenue Bonds, Series 2025B

## Overview – Bois d' Arc Lake/Leonard WTP Phase III – HSPS-S

- Serves the Regional Water System
- Texas Water Development Board (TWDB) State Water Implementation Fund for Texas (SWIFT)
- Bond issue budgeted in FY 2026 Annual Budget
- Finance Committee approved the application process in February 2025
- NTMWD to execute a Financing Agreement with TWDB on or around 09/06/2025
- Final Rates provided by TWDB on or around 10/16/2025
- Delivery of Funds expected to be on or around 11/20/2025

Award Date	Project	Scope of Work	Amount \$ Million
11/2025	BDL/LWTP Phase III – High Service Pump Station – South	Construction and Inspection	\$ 225.1
			<b>\$ 225.1</b>



# Regional Water System Revenue Bonds, Series 2025B

## Bois d' Arc Lake/Leonard WTP Phase III – HSPS-S

Sources of Funds	\$ Million
Par Amount of Bonds	\$ 239.1
<b>Total Sources</b>	<b>\$ 239.1</b>

Uses of Funds	\$ Million
*Cost of Issuance	\$ 0.6
*Deposit to Debt Service Reserve	13.4
*Deposit to Project Fund	225.1
<b>Total Uses</b>	<b>\$ 239.1</b>

\* Preliminary and subject to change upon final rates

- 14% interest rate subsidy
- 30 - Year Term Bonds
- Estimated annual payment: \$14M
- Level Debt Payments
- Estimated Interest Rate: 4.22%
- Estimated savings: \$37M



## Committee Consideration

The Executive Director and NTMWD staff recommend the Board of Directors to authorize the approval of the Sale of the Regional Water System Series 2025A and 2025B to the Texas Water Development Board.



# Agenda

## IV. ACTION ITEMS

- A. Consider approval of Finance Committee meeting minutes – June 11, 2025
- B. Fiscal Year 2025-26 All Systems Annual Budget and the Amended Fiscal Year 2024-25 Annual Budget
- C. Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2025
- D. Upper East Fork Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2025
- E. Regional Water System SWIFT Revenue Bonds, Series 2025A and 2025B

## V. DISCUSSION ITEMS

- A. Overview of North Texas Municipal Water District Financial Operations
- B. Opportunity for Committee members to provide feedback on Finance Committee meeting or request potential future agenda items



# Key Responsibilities

## Finance

Drew Farris  
Finance Manager

Budget Management and  
Strategic Financial Planning

Cash and Investment  
Portfolio Management

Banking

Debt Management

## Accounting

Holly Matthews  
Controller

Financial Reporting

Accounts Payable

Accounts Receivable

Project/Cost Accounting

Payroll

## Procurement

Nicole Mucha  
Procurement Manager

Purchase of Goods/Services  
>\$25,000

Construction Bidding

Vendor and Contract  
Management

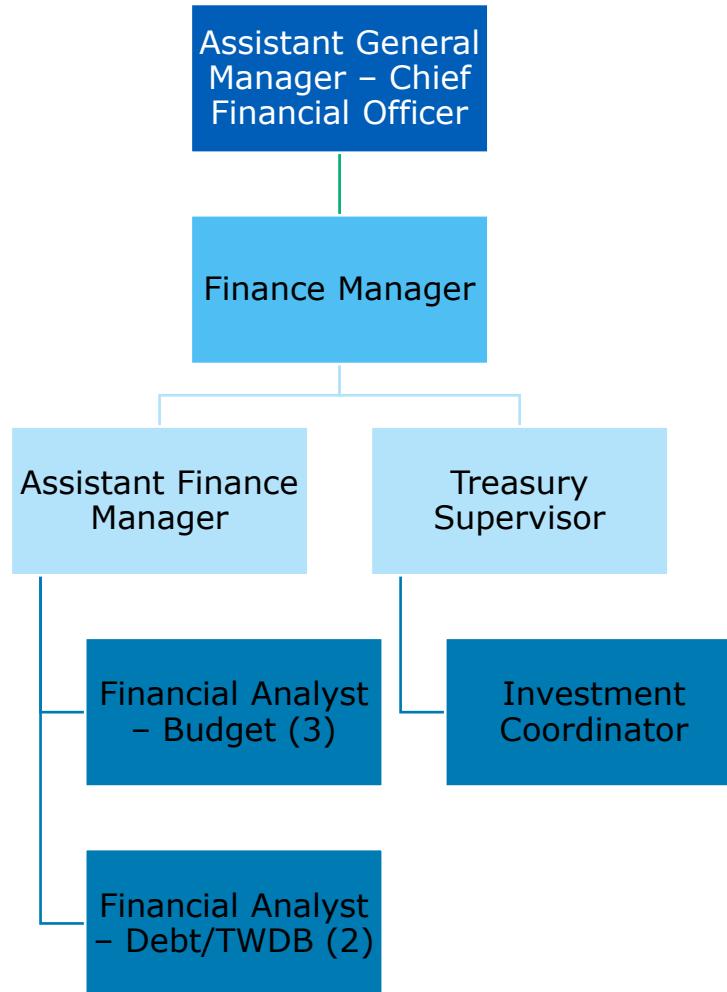
P-Card Program Oversight

Compliance with State  
Procurement Statutes



# Finance Department – Org Structure

*Drew Farris,  
Finance Manager*





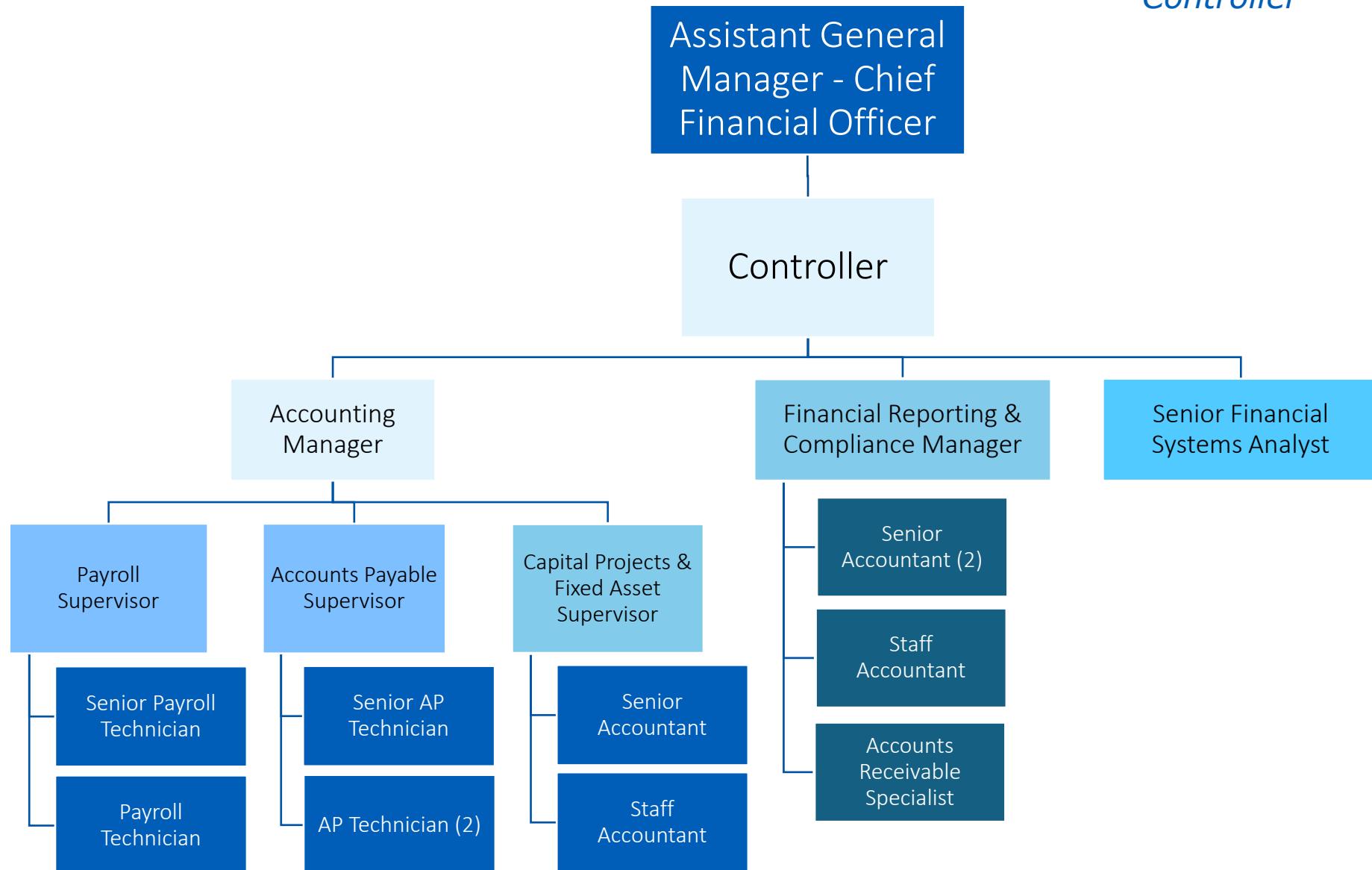
## Finance Department FY25 YTD

- Strategic Financial Planning and modeling for 24 Systems (23 Operating Systems, Shared Services)
- Management of
  - \$820M Total FY25 Budget
  - \$435M Total FY25 Capital Budget
  - \$2.6B Cash and Investment Portfolio
  - \$5.3B Outstanding Debt (67 Issues)
  - 3 Extendable Commercial Paper (ECP) Programs - \$1.2B



# Accounting Department - Org Structure

*Holly Matthews,  
Controller*





# Accounting Department FY25 YTD\* Highlights

- Project Accounting
  - 145 Open CIP Projects (20 Closed; 8 Placed in Service)
- 8,200 Requisitions processed
- 2,400 Vendors (↑9% from prior year)
- 8,400 Payments
- 24,600+ Invoices processed (↑8% from prior year)
- 17,770 P-Card Transactions



# Strategic Initiative

## Transform and modernize financial management systems

### Implementation Timeline

Stage	2025						2026													
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Strategy	4/1 - 5/11																			
Plan		5/12 - 7/11																		
Arch & Configure						7/14 - 1/16														
Test					*We are here					1/19 - 8/14										
Deploy													8/17 - 9/18							
Post Production														9/21 - 12/11						

### Project Accomplishments

- Completed Strategy Stage
- Completed Plan Phase
- Project Kickoff
- 81 integrations in process across all workstreams

### Workday Efficiencies

- Invoice OCR (Optical Character Recognition) ingestion
- Automating recurring customer billing
- Intelligent customer payment matching

### Vision Statement

A fully integrated ERP (Enterprise Resource Planning) system will empower our workforce by delivering modernized business processes that safeguard data integrity, optimize decision making, and support future growth and initiatives.

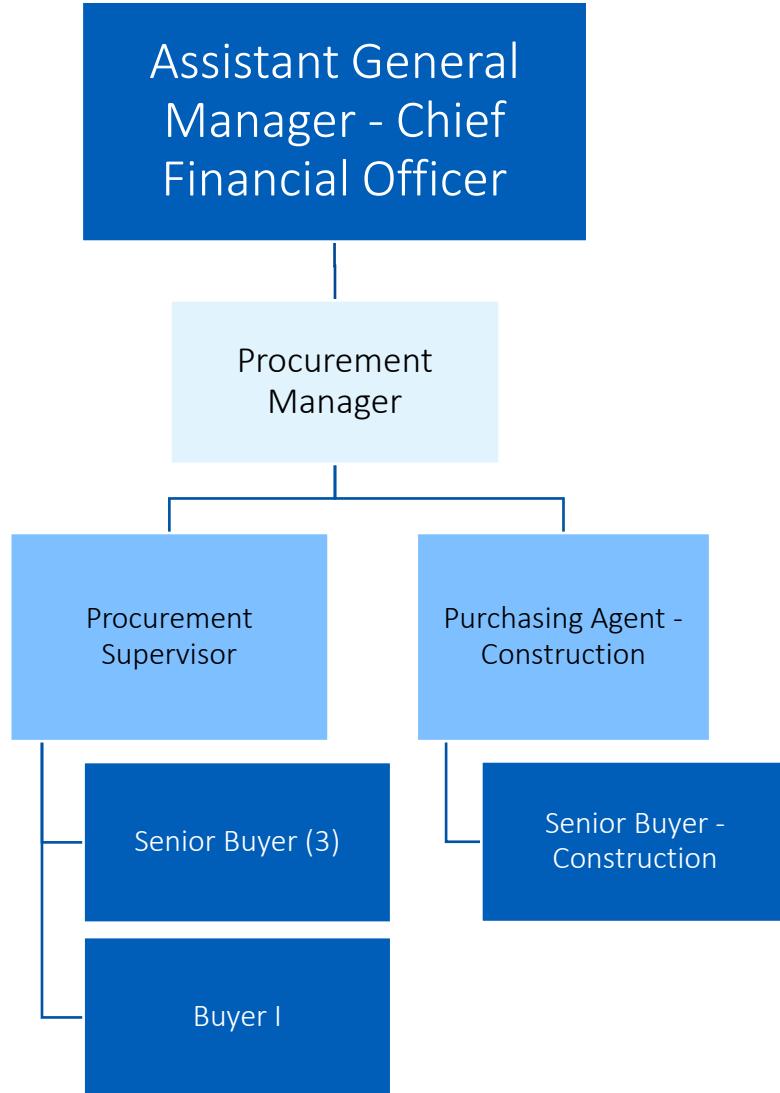
### Tag Line

Integrate. Elevate. Empower.



# Procurement Department – Org Structure

*Nicole Mucha,  
Procurement Manager*





# Procurement Department – FY25 YTD Highlights

- 222 Procurement Processes conducted for Operations
  - 45 Competitively Procured Contracts
- 31 CIP Procurement Processes conducted for Engineering
- 369 Active Contracts
  - 8% increase over FY24
  - Managing renewals, expirations, insurance, change orders
- Bonfire eProcurement
  - 91 solicitations posted – Operations and Construction
  - 11,296 vendors registered

## **Cost Avoidance:**

**Operations contracts awarded year to date**  
**\$2.2M**

**CIP contracts awarded year to date** **\$47.7M**

**Cost Avoidance** is calculated by taking the total amount of all bids received and dividing by the number of bids received, and subtracting from the awarded amount; this shows the value generated from the competitive solicitation process



# Procurement Department – FY25 Accomplishments

- **Completed Strategic Initiative: Analyze Purchase Card Spending to Maximize Savings Opportunities**
  - Rolled out District-wide training
  - Monthly spend audits
- **CIP Bidding Centralization**
  - Expanded support beyond Invitations to Bid to include facilitation of Competitive Sealed Proposals, Construction Manager at Risk, Owner's Advisor, and Engineering Consultant Selections
- **Strategic Initiative: Transform and modernize financial management systems**
  - Line-item unit pricing, quantity, commodity code data
  - Contract information within the financial system
  - Streamlined business processes



# Industry Recognition

- **Certificate of Achievement for Excellence in Financial Reporting** from the Government Finance Officers Association (GFOA) - 34 consecutive years
- **Distinguished Budget Presentation Award** from the Government Finance Officers Association (GFOA) - 6 consecutive years
- **Certificate of Investment Policy** from the Government Treasurer's Organization of Texas (GTOT) - Currently applying for 3<sup>rd</sup> consecutive cycle
- **Achievement of Excellence in Procurement Award** from the National Procurement Institute (NPI) - 4th Time





# Agenda

## IV. ACTION ITEMS

- A. Consider approval of Finance Committee meeting minutes – June 11, 2025
- B. Fiscal Year 2025-26 All Systems Annual Budget and the Amended Fiscal Year 2024-25 Annual Budget
- C. Regional Wastewater System Revenue Refunding and Improvement Bonds, Series 2025
- D. Upper East Fork Interceptor System Contract Revenue Refunding and Improvement Bonds, Series 2025
- E. Regional Water System Revenue Bonds, Series 2025A and 2025B

## V. DISCUSSION ITEMS

- A. Overview of North Texas Municipal Water District Financial Operations
- B. Opportunity for Committee members to provide feedback on Finance Committee meeting or request potential future agenda items



# Agenda

- I. CALL TO ORDER
- II. PUBLIC COMMENTS
- III. OPENING REMARKS
- IV. ACTION
- V. DISCUSSION
- VI. ADJOURNMENT