



NORTH
TEXAS
MUNICIPAL
WATER
DISTRICT

2025-2026 BUDGET IN BRIEF



WATER
SERVICES



WASTEWATER
SERVICES



SOLID WASTE
SERVICES



Floyd Branch Wastewater
Treatment Plant



Parkway Transfer Station

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BUDGET OVERVIEW

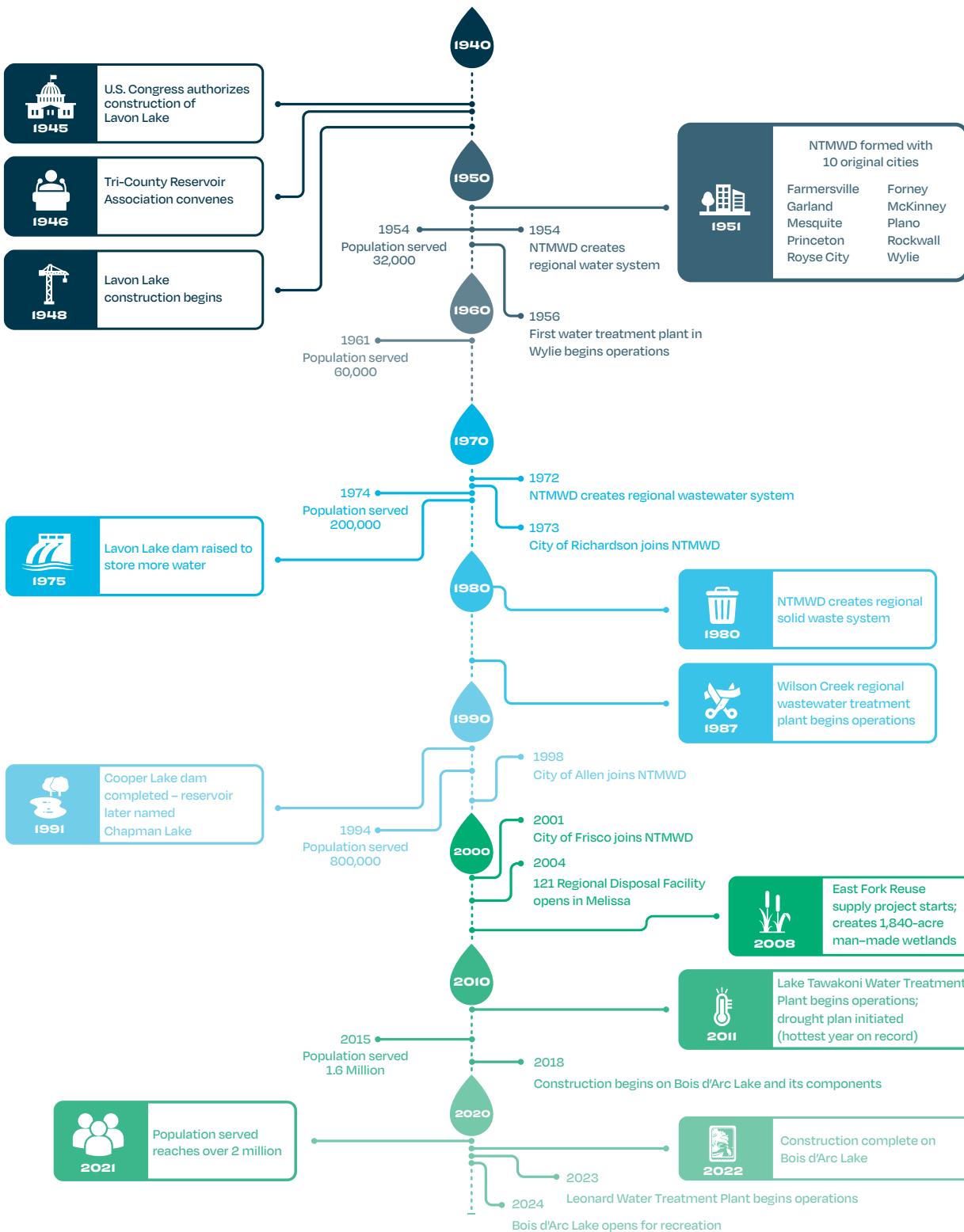
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NORTH
TEXAS
MUNICIPAL
WATER
DISTRICT

LEGACY OF SERVICE

Meeting Our Region's Needs Today and Tomorrow



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September 25, 2025

Board of Directors
North Texas Municipal Water District
P.O. Box 2408
Wylie, Texas 75098

RE: FY26 ALL SYSTEMS BUDGET

Dear Directors:

We are pleased to present the FY26 Annual All Systems Budget for the North Texas Municipal Water District. The Finance Department staff has diligently prepared this budget document based on submissions from the Department Managers and with the subsequent approval of the Executive Director.

For FY 2026, the rapid growth continues to drive our budget growth and our capital spending. As part of this year's Capital Improvement Program (CIP), we're investing about \$1.7 billion in our regional infrastructure, with a major focus on increasing use of our existing water supplies in Lake Texoma and Bois d'Arc Lake. The District has received approval for Texas Water Development Board (TWDB) funding for this year's major water projects, which is projected to save up to \$100 million for our Member Cities and Customers.

Those major water projects include \$605 million for two new pipelines that will transport additional water from Lake Texoma to our Leonard and Wylie Water Treatment Plants, where the salty Texoma water can be blended with water from our other reservoirs. The new Texoma pipelines will add 90 million gallons a day of pipeline capacity from Lake Texoma by 2030, helping us meet the need for additional water supplies in our growing service area, especially during peak summer demands.

We're also investing more than \$250 million in an expanded pump station and new pipeline that will deliver water from the Leonard Water Treatment Plant to places in our rapidly growing eastern service area.

In addition to the Regional Water System projects, we continue to enhance our wastewater systems to meet regional growth, including expenditures of \$254 million on both regional wastewater infrastructure and smaller sewer systems.

Regional Service Through Unity...Meeting Our Region's Needs Today and Tomorrow

We're also devoting nearly 15 percent of our capital budget (\$259 million) to maintaining critical infrastructure across our region, including targeted repairs of water and wastewater pipelines. These targeted repairs help reduce overall infrastructure costs by eliminating the need to replace entire pipelines.

As we continue to invest in the region through our CIP, we're facing higher construction costs, similar to other municipalities and essential service providers across the country. In addition to the rapid growth in our region, these rising construction costs are adding to the upward pressure on our wholesale rates.

To mitigate the impact of rising construction costs and to ensure we're making the best possible use of public funds, we continuously review and revise our CIP, including identifying alternatives that are less expensive to construct. We're also leveraging alternative project delivery methods, like the "Construction Manager at Risk" model, where the contractor guarantees a maximum project cost and assumes the risk for cost overruns.

Moving forward, we'll continue to look for new ways to mitigate rising project costs. We recognize that it is the utility ratepayers in our communities—residents and businesses across NTMWD's service area—who shoulder the cost of our investments in regional infrastructure. The investments we're making support public health, quality of life, and economic growth of future generations. They're critical to ensure the future success of North Texas.

RECOMMENDATION

The FY26 Annual All Systems Budget, as proposed, of \$902,390,685 provides a responsible plan for the financial operations and development of the North Texas Municipal Water District.

The Executive Director and Staff recommend approval of the FY25 Amended and FY26 Proposed Budget at the September 25, 2025 regular Board Meeting.

Should you have any questions or need additional information, please do not hesitate to contact my office or Jeanne Chipperfield, Assistant General Manager - CFO.

Respectfully Submitted,



JENNAFER P. COVINGTON

Executive Director

Budget Summary

The FY25 All Systems Amended Budget is \$825,552,320, which is \$5,276,450 or 0.6% greater than the FY25 Original Budget.

This increase in expenses is primarily the result of the following:

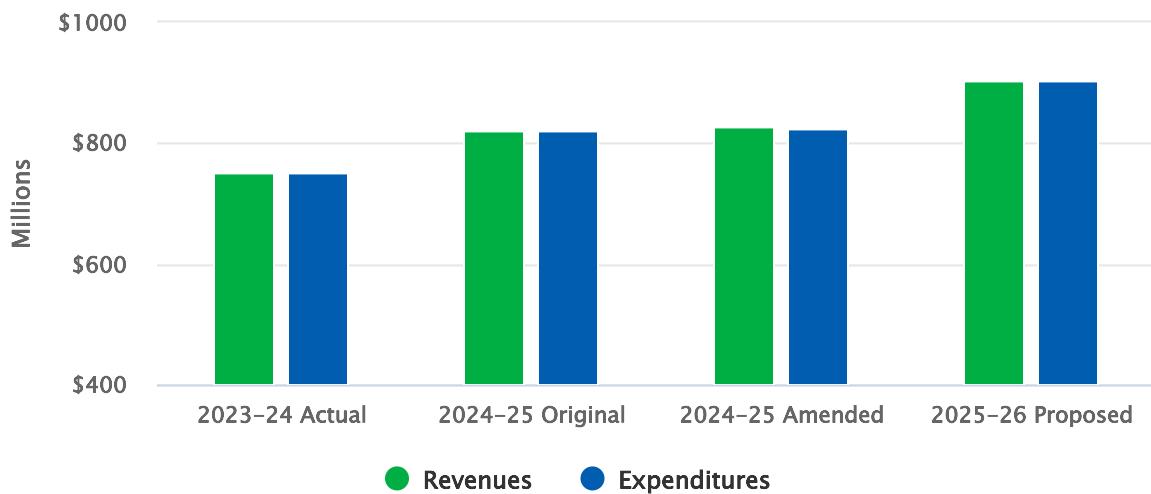
- Appropriations to allow for carry over from prior fiscal year purchases that were ordered and encumbered, but not received during the same period. Limited funds not used in the prior year were set aside for this purpose in accordance with NTMWD financial policies.
- Unbudgeted maintenance expenses in the RWS including the cleaning of the 84-inch line at Wylie Plant Complex Plant 3, installation of basin fencing at Plants 2, 3, and 4 within the Wylie Plant Complex and fencing improvements at the East Fork Wetlands
- An agreement executed by the District to deliver additional industrial wastewater treatment services at the Rowlett Creek RWWTP. All associated treatment costs are fully funded by a third party and will not impact other system participants.

Portions of the increase were offset by savings due to vacancies, chemicals due to lower prices and lower volumes of treatment, decreased pipeline maintenance needs and lower debt service due to projects sliding causing bond sales to be delayed. In the 2025 Water Year, 126.7 billion gallons of water were sold—setting a new record for the fourth consecutive year and surpassing the previous high of 126.2 billion gallons. The continued rise in both the number of users and total water consumption underscores the urgent need to secure future water supplies. Ongoing planning for growth, along with a strong commitment to conservation programs, remains essential to ensuring a reliable water supply for our region—now and in the years to come.

The overall FY26 Annual All Systems Budget of \$902,390,685 represents an increase of \$82,114,815 or 10.0%.

A comparison of the All Systems Budget for FY24 through FY26 is presented below:

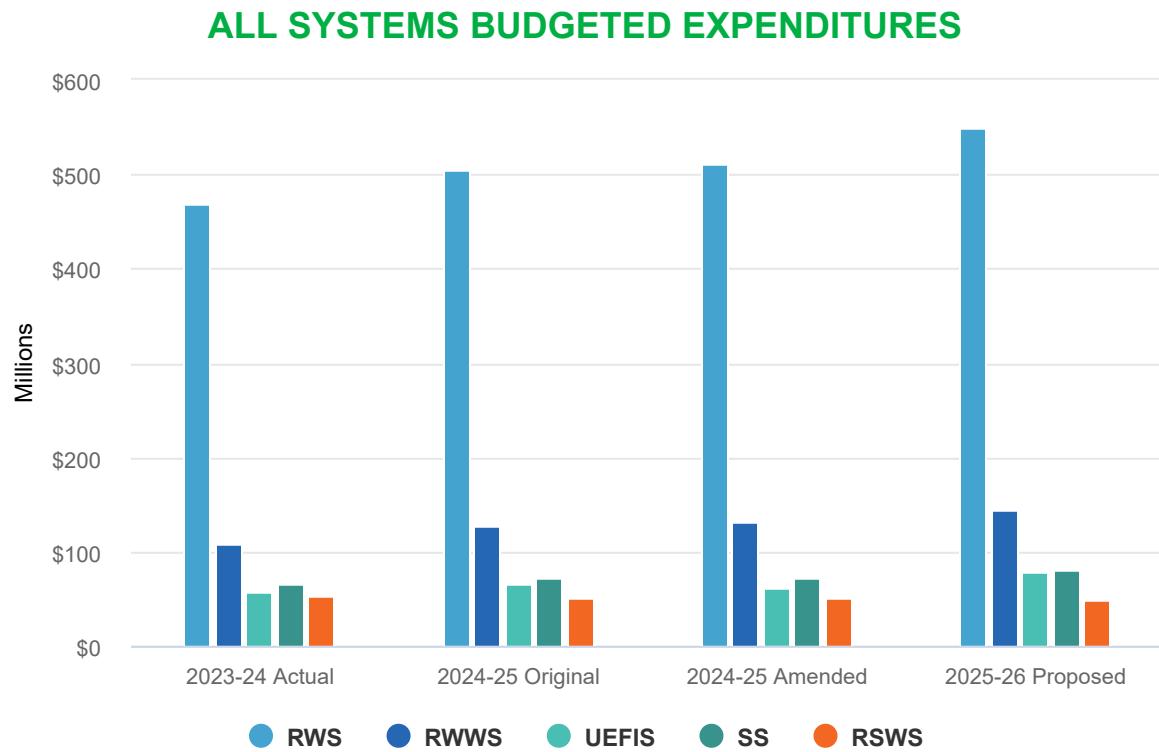
BUDGET SUMMARY



	2023-24 Actual	2024-25 Original	2024-25 Amended	2025-26 Proposed
Revenues	\$ 750,283,439	\$ 819,536,965	\$ 827,510,385	\$ 902,524,280
Expenditures	752,189,284	820,275,870	825,552,320	902,390,685
Excess / (Shortfall) prior to fund balance adjustment	\$ (1,905,845)	\$ (738,905)	\$ 1,958,065	\$ 133,595
Fund balance adjustment	(1,905,845)	(738,905)	1,958,065	133,595
Excess / (Shortfall) after fund balance adjustment	\$ -	\$ -	\$ -	\$ -

Review by System

Below is a breakdown of the Budgeted Expenditures by System for FY24 through FY26:



System	2023-24 Actual	2024-25 Original	2024-25 Amended	2025-26 Proposed
Regional Water System (RWS)	\$ 468,712,965	\$ 505,383,370	\$ 510,183,310	\$ 549,551,250
Regional Wastewater System (RWWS)	\$ 109,122,202	\$ 128,263,610	\$ 130,962,250	\$ 144,562,475
Upper East Fork Interceptor System (UEFIS)	\$ 56,232,636	\$ 65,443,240	\$ 62,523,435	\$ 78,508,300
Small Systems (SS)	\$ 65,931,077	\$ 71,078,880	\$ 71,131,585	\$ 80,002,930
Regional Solid Waste System (RSWS)	\$ 52,190,404	\$ 50,106,770	\$ 50,751,740	\$ 49,765,730
Total	\$ 752,189,284	\$ 820,275,870	\$ 825,552,320	\$ 902,390,685

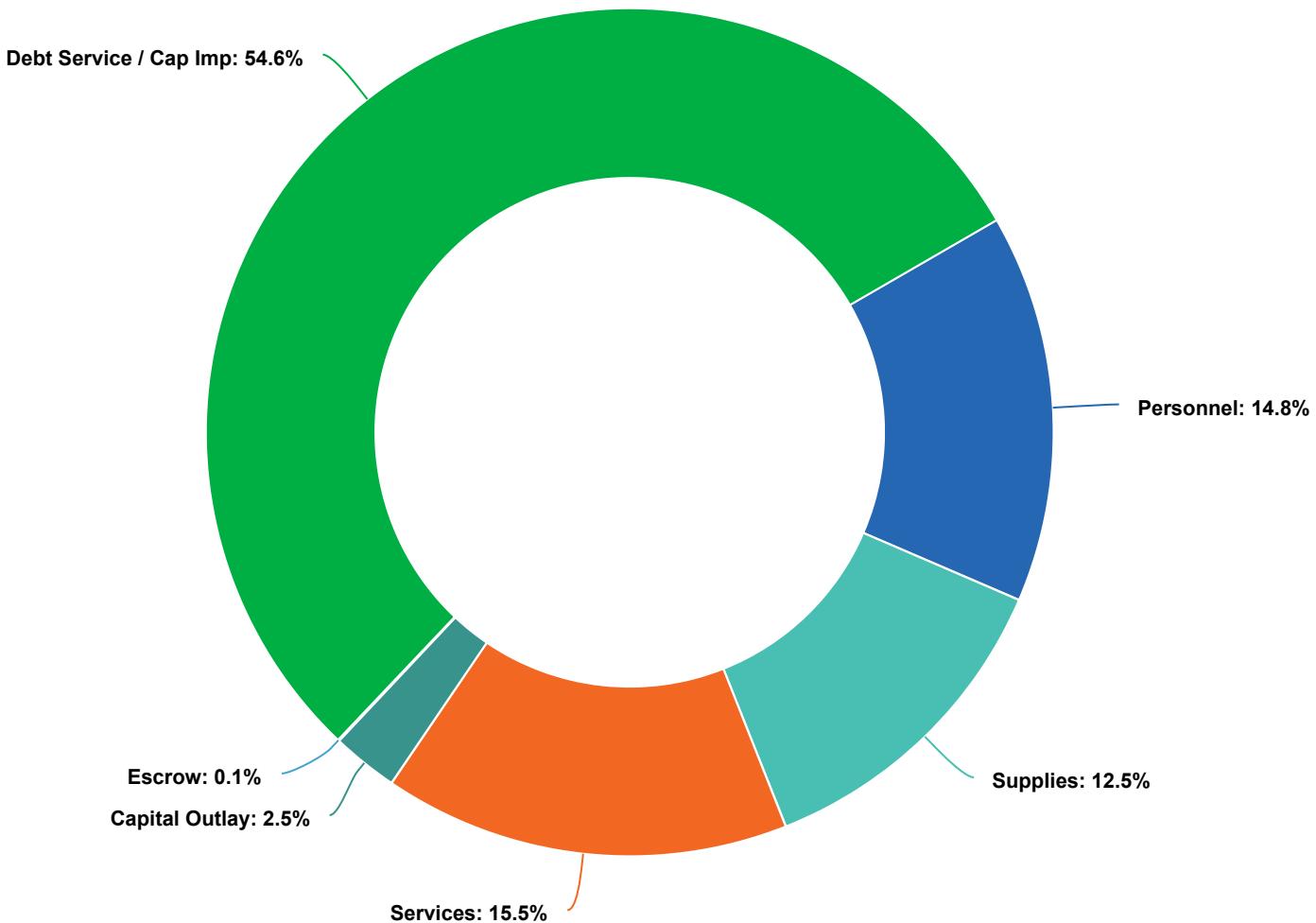
Review by Category

The following is a summary of FY24 through FY26 All Systems Budgets by Category:

ALL SYSTEMS BUDGET BY CATEGORY

Category	2023-24 Actual	2024-25 Original	2024-25 Amended	2025-26 Proposed
Personnel	\$ 118,426,067	\$ 131,019,410	\$ 127,942,720	\$ 133,708,945
Supplies	106,875,489	114,657,535	112,388,965	112,922,925
Services	114,669,155	118,994,865	123,496,053	139,964,730
Capital Outlay	14,502,203	18,862,000	28,603,523	22,748,615
Escrow	9,900,118	1,460,505	10,660,505	551,500
Debt Service / Cap Imp	387,816,251	435,281,555	422,460,555	492,493,970
Total	\$ 752,189,284	\$ 820,275,870	\$ 825,552,320	\$ 902,390,685

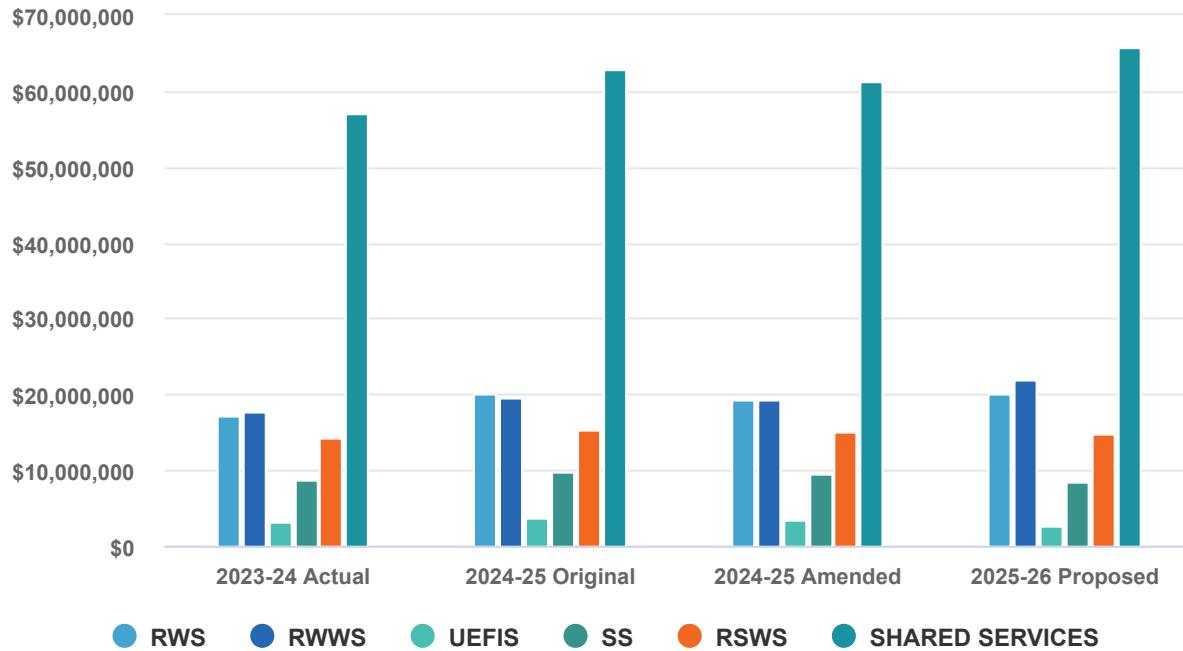
PROPOSED BUDGET EXPENSES BY CATEGORY



Personnel

The FY25 Amended All Systems Budget for Personnel is expected to be \$127,942,720, which is (\$3,076,690) or -2.3% less than the FY25 Original Budget. Savings from vacancies were partially offset by increased overtime costs.

PERSONNEL EXPENSES BY SYSTEM



Personnel	2023-24 Actual	2024-25 Original	2024-25 Amended	2025-26 Proposed
RWS	\$ 17,200,032	\$ 20,099,730	\$ 19,293,225	\$ 19,948,200
RWWS	17,708,288	19,563,905	19,351,090	21,888,200
UEFIS	3,245,727	3,580,450	3,509,955	2,756,880
SMALL SYSTEMS	8,765,923	9,755,810	9,549,655	8,537,395
RSWS	14,346,854	15,231,220	14,945,995	14,909,065
SHARED SERVICES	57,159,243	62,788,295	61,292,800	65,669,205
Total Personnel	\$ 118,426,067	\$ 131,019,410	\$ 127,942,720	\$ 133,708,945

The FY26 All Systems Budget for personnel is \$133,708,945, which is \$2,689,535 or 2.1% greater than the FY25 Original Budget. The increase in salaries and benefits is primarily the result of funding 15 net new positions as well as employee performance merits, higher FICA taxes (Social Security and Medicare) and planned increases in the District's pension contribution commensurate with growth in payroll.

The District faces several challenges when it comes to staffing:

- Maintaining appropriate staffing levels as the District's operations and service area grows
- Maintaining and building bench strength in key positions
- Ensuring compensation is competitive in the local labor market
- Keeping employees safe and healthy
- Providing career development opportunities for staff

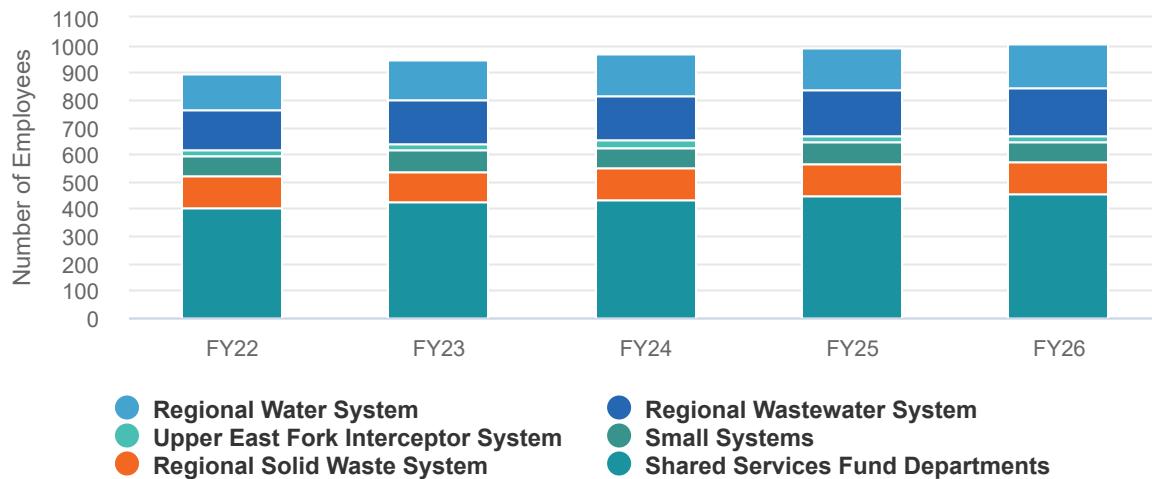
Meeting these challenges, as an organization, is a priority and the District includes multiple personnel initiatives as part of the Strategic Plan to ensure they are met.

In FY26, the District is recommending an average 4.5% merit increase based on employee performance, along with a 2.5% adjustment to the pay grade structure. Additionally, the District will add Veterans Day as a paid holiday and introduce Longevity Pay for eligible employees. These adjustments aim to ensure the District remains competitive in a tight labor market and continues to fairly compensate its workforce.

Each year managers complete a performance evaluation for each of their staff. The performance evaluation is intended to assist managers and employees by providing a tool to:

- Recognize good performance
- Identify areas for improvement
- Create incentives for increased efficiency and good conduct
- Provide a record to support classification changes, salary adjustments and disciplinary actions
- Improve communications between managers and employees

DISTRICT STAFFING SUMMARY



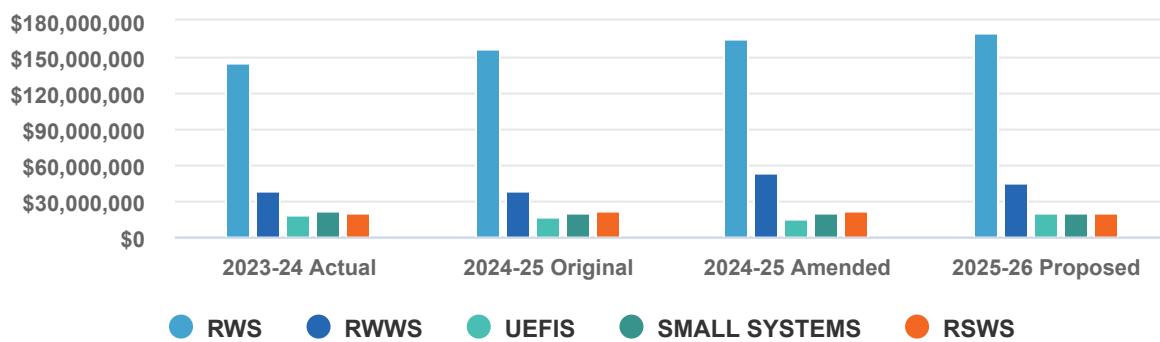
District Wide Staffing	FY22	FY23	FY24	FY25	FY26
Regional Water System	136	146	153	155	156
Regional Wastewater System	145	160	165	166	178
Upper East Fork Interceptor System	23	23	24	25	22
Small Systems	74	76	75	80	73
Regional Solid Waste System	113	116	116	118	119
Shared Services Fund Departments	406	422	436	444	455
Total Positions	897	943	969	988	1003

Total budgeted positions for FY26 are 1003, a 1.5% increase from the prior year. Department managers originally requested a total of 29 positions and after reviewing all of the requests a net of 15 new positions were added. The position additions are related to growth, new programs and efficiencies in the Operating Systems and the need for additional Shared Service positions to support the Operating Systems. Several positions were consolidated where they were previously split across multiple departments to improve operational efficiency and alignment. Regional Water increased by a net of one position, which includes the addition of two new Water Plant Operator III positions at the Wylie Water Treatment Plant and a Control Room Supervisor in the Water Conveyance System. A new Wastewater Administration (WW Admin) department was also created to centralize management functions. Positions were transferred into WW Admin from Regional Water (2), Upper East Fork Interceptor (3), and Small Systems (3). Wastewater Systems collectively added a net of 2 positions by adding two Wastewater Plant Operator II roles, a Lead Wastewater Plant Operator, and a Transport Driver—primarily in response to expansion at the Rowlett Creek Wastewater Treatment Plant. A reduction of two FTEs was necessary as the District will cease to operate the Lavon WWTP at the end of FY25. Regional Solid Waste added one new Heavy Equipment Operator position. Shared Services saw a net increase of 11 positions, which includes 9 additions across Safety, IT, Communications, Construction (2), Human Resources, Laboratory, Technical Services, and Facility Services. All staffing changes are detailed in the departmental staffing summaries included throughout the budget document.

Operations

The FY25 Amended All Systems Budget for Operations is \$275,149,045, which is \$21,174,140 or 8.3% greater than the FY25 Original Budget. Unbudgeted maintenance expenses in the RWS including the cleaning of the 84-inch line at the Wylie Plant Complex Plant 3, installation of basin fencing at Plants 2, 3, and 4 within the Wylie Plant Complex, and fencing improvements at the East Fork Wetlands. Appropriations are included to carry over Capital Outlay purchases from the prior fiscal year that were ordered and encumbered but not received within that period. In accordance with NTMWD financial policies, unused funds from the previous year were reserved for this purpose. An agreement was executed by the District to provide additional industrial wastewater treatment services at the Rowlett Creek RWWT, with all associated treatment costs fully funded by a third party. Savings from Debt Service in RWWs were reallocated to fund additional cash-funded construction and maintenance escrow accounts for upcoming major system maintenance projects.

OPERATING EXPENSES BY SYSTEM



Operating	2023-24 Actual	2024-25 Original	2024-25 Amended	2025-26 Proposed
RWS	\$ 145,339,735	\$ 156,406,710	\$ 165,328,077	\$ 169,282,706
RWWS	38,856,579	39,013,396	52,553,270	45,572,901
UEFIS	19,139,297	17,090,135	14,356,239	19,931,953
SMALL SYSTEMS	22,269,090	20,066,171	20,475,186	20,789,501
RSWS	20,342,265	21,398,492	22,436,273	20,610,708
Total Operating	\$ 245,946,966	\$ 253,974,905	\$ 275,149,045	\$ 276,187,770

The FY26 All Systems Budget for Operations is \$276,187,770, which is \$22,212,865 or 8.7% greater than the FY25 Original Budget.

The following areas increased:

- Pipeline Supplies in Regional Water for recommended parts purchases under the Vertical Asset Management Program (VAMP), Small Systems for air release valve (ARV) replacements at the Plano Water Transmission Facilities, and Upper East Fork Interceptor for additional inventory
- Electric Power due to rising demand coupled with higher prices
- Equipment Maintenance in Regional Water and Regional Wastewater
- Special Maintenance in Regional Water to allow for additional cost in disposing of water treatment residuals
- Additional Landfill Service Fees in Wastewater based on increased tonnage and higher costs
- IT Software Services-Capital for the implementation of the new Enterprise Resource Planning (ERP) system
- Non-Vehicle Equipment purchases in Regional Water and Regional Solid Waste

The above increases were offset by the following:

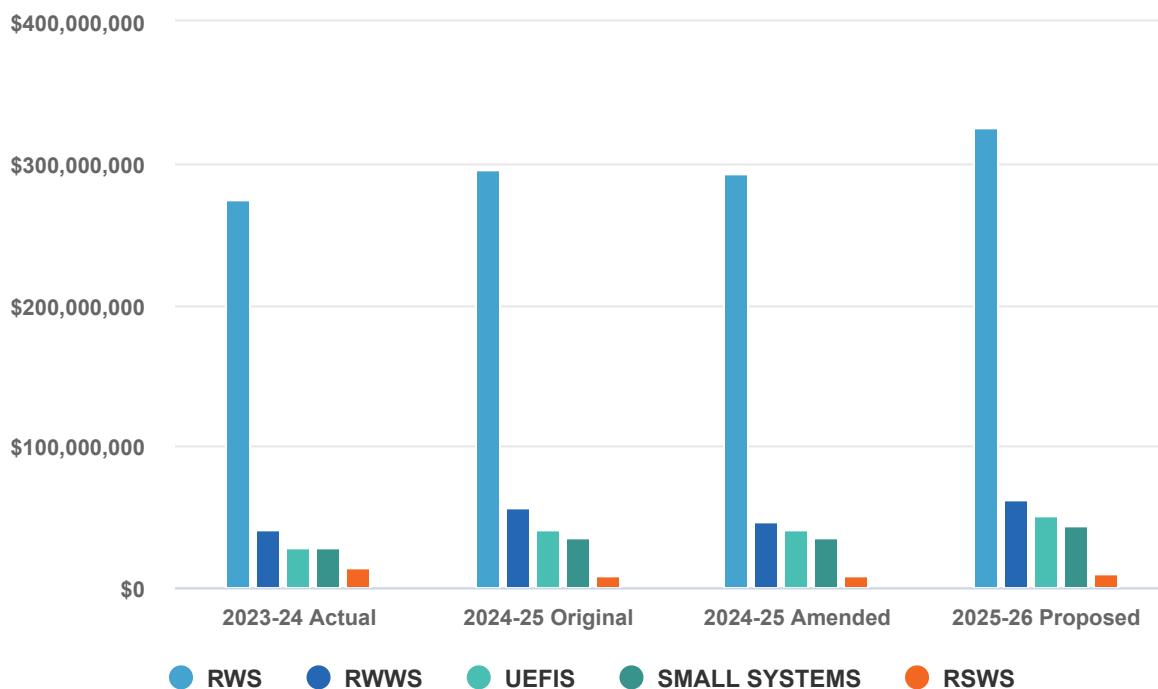
- Other Services lower in Regional Water as work was completed in FY25
- Machinery reductions in Regional Water, Small Systems and Regional Wastewater
- No cash funded Landfill Development Costs are included

Capital

The District's service area is recognized as one of the fastest-growing regions in the nation. This rapid growth, combined with the need to address aging infrastructure, underscores the importance of sustained investment in capital projects to ensure continued service delivery to Member Cities and Customers. In addition to short-term capital expenditures included in the operating budget, the District funds capital projects through transfers to capital improvement funds and the issuance of long-term debt. For FY26, 55% of the total All Systems Budget is allocated to these transfers and associated debt service payments. New capital projects encompass not only construction costs but also add to the operations and maintenance (O&M) budgets once they are placed into service. For planning purposes, the District estimates future O&M costs using a percentage of each project's capital cost—typically ranging from 1% to 6%, depending on the type of facility. Over time, these additional costs are expected to be offset by increased revenues generated through growing system demands.

The FY25 Amended All Systems Budget for Capital is \$422,460,555, which is (\$12,821,000) or -2.9% less than the FY25 Original Budget. This variance is the result of the deferral of planned ECP refundings by several months. The savings were reallocated to support additional cash-funded construction, to cash fund debt service reserves in the RWS and to fully fund maintenance escrow accounts for upcoming major maintenance projects in the RWWS.

CAPITAL EXPENSE BY SYSTEM



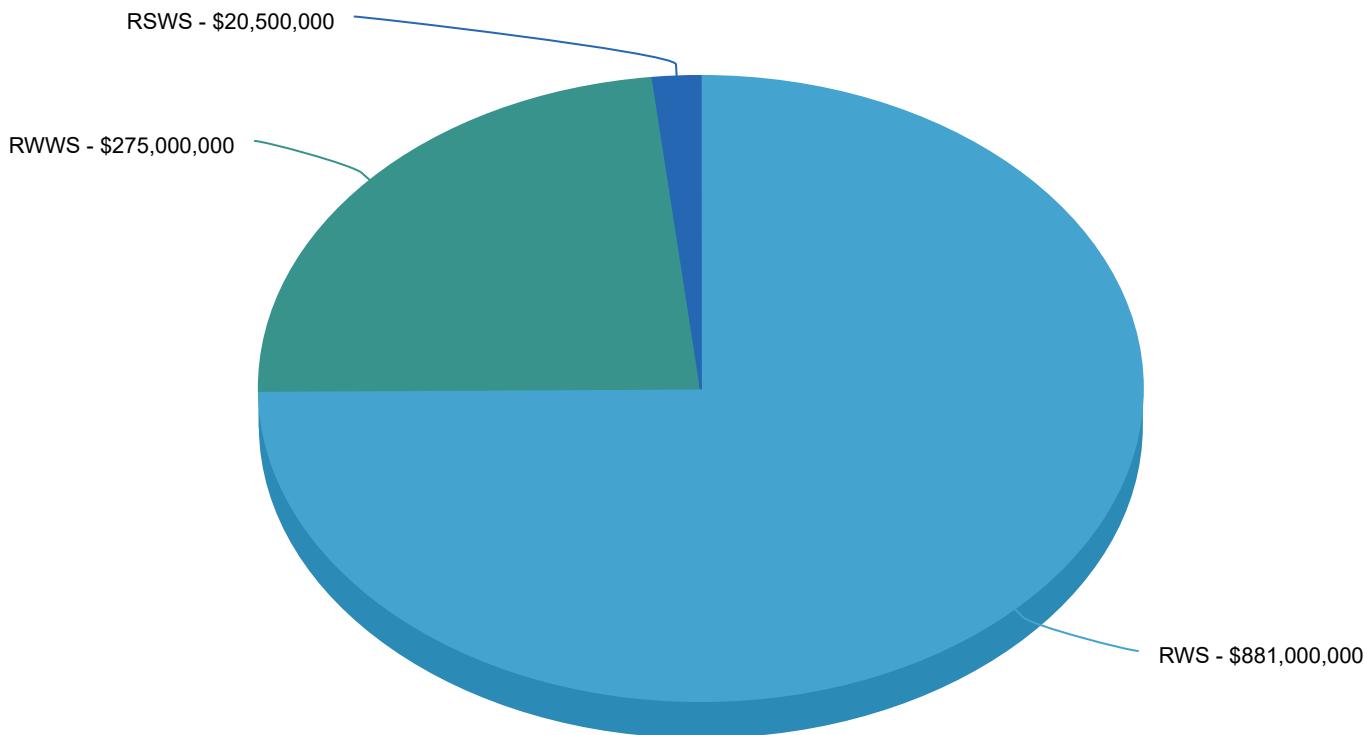
Capital	2023-24 Actual	2024-25 Original	2024-25 Amended	2025-26 Proposed
RWS	\$ 274,542,833	\$ 294,730,635	\$ 292,205,435	\$ 325,725,435
RWWS	41,642,331	56,417,080	46,121,280	62,275,280
UEFIS	28,540,056	40,524,745	40,524,745	50,984,945
SMALL SYSTEMS	28,679,643	35,017,605	35,017,605	44,069,220
RSWS	14,411,388	8,591,490	8,591,490	9,439,090
Total Capital	\$ 387,816,251	\$ 435,281,555	\$ 422,460,555	\$ 492,493,970

The FY26 All Systems Budget for Capital is \$492,493,970, which is \$57,212,415 or 13.1% greater than the FY25 Original Budget. The increase is primarily due to higher debt service payments. During FY25, bond issuances were executed for the Buffalo Creek Interceptor System, Panther Creek Wastewater Treatment Plant and RWWS. Also, refundings of Extendable Commercial Paper (ECP) were undertaken within the RWS, RWWS and UEFIS programs. For FY26, the District has planned capital projects totaling over \$1.7 billion. This marks the third consecutive year in which the District anticipates awarding more than \$1 billion in capital projects. Funding for these projects will be sourced from capital improvement funds, bond issues and ECP – a short-term financing instrument that functions similarly to a revolving line of credit and is expected to be repaid with long-term bonds in the future.

- In the RWS, two bond issuances totaling over \$880M through the Texas Water Development Board are planned for the construction of the Texoma Raw Water Pipeline No. 2, the Texoma Raw Water Pipeline to Leonard WTP Pipeline, and the Leonard WTP High Service Pump Station (South Portion). A total of \$1.3B in projects are expected to be authorized in the upcoming year.
- In the RWWS, a total of \$179M is anticipated to be authorized in the coming year and a partial refunding (approximately \$275M) of the ECP program is planned.
- In the UEFIS, a total of \$93M in projects are expected to be authorized.
- In the Small Systems, a total of \$75M is anticipated to be authorized in the coming year.
- In the RSWS, a bond sale of \$21M is planned to fund the construction of the Wylie Fleet Maintenance Service Center and the mass excavation of landfill sectors 6C and 6D.

A complete listing of the contracts to be funded by the planned bond issues is included in the Appendix of the full budget document.

BUDGETED BOND ISSUES



REGIONAL WATER SYSTEM

Revenues and Expenses	2023-24	2024-25	2024-25	2025-26	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
Revenues						
Water Sales:						
Member Sales	\$ 354,920,580	\$ 397,720,962	\$ 396,724,394	\$ 428,681,405	\$ 30,960,443	7.8%
Customer Sales	96,329,525	103,982,158	110,055,522	118,449,150	14,466,991	13.9%
Retail Customer Sales	23,902	17,440	16,000	21,000	3,560	20.4%
Raw Water Sales	14,728	2,050	30,085	15,600	13,550	661.0%
Total Water Sales	\$ 451,288,734	\$ 501,722,610	\$ 506,826,001	\$ 547,167,154	\$ 45,444,544	9.1%
Total Other Revenues	\$ 11,753,292	\$ 213,830	\$ 2,439,989	\$ 217,381	\$ 3,551	1.7%
Interest Income	\$ 3,765,094	\$ 2,708,025	\$ 2,875,385	\$ 2,300,310	-\$407,715	-15.1%
Total Revenues	\$466,807,119	\$504,644,465	\$512,141,375	\$549,684,845	\$45,040,380	8.9%
Expenses						
Personnel:						
Salaries	\$ 11,305,911	\$ 13,126,870	\$ 12,575,905	\$ 13,103,045	\$ (23,825)	-0.2%
Other	5,894,121	6,972,860	6,717,320	6,845,155	(127,705)	-1.8%
Total Personnel	\$ 17,200,032	\$ 20,099,730	\$ 19,293,225	\$ 19,948,200	\$ (151,530)	-0.8%
Supplies:						
Fuel	\$ 139,508	\$ 396,435	\$ 285,635	\$ 256,770	\$ (139,665)	-35.2%
Chemicals	61,648,372	65,671,905	64,742,405	64,272,675	(1,399,230)	-2.1%
Other	6,239,110	7,457,100	7,491,445	8,702,890	1,245,790	16.7%
Total Supplies	\$ 68,026,990	\$ 73,525,440	\$ 72,519,485	\$ 73,232,335	\$ (293,105)	-0.4%
Services:						
Consulting	\$ 4,515,015	\$ 5,408,400	\$ 5,639,100	\$ 6,254,555	\$ 846,155	15.6%
Insurance	2,720,750	3,583,275	3,304,350	3,743,720	160,445	4.5%
Maintenance	24,296,730	24,619,295	32,167,220	34,068,300	9,449,005	38.4%
Power	22,313,416	22,428,330	22,408,430	23,923,110	1,494,780	6.7%
Shared Services	39,365,824	39,613,925	39,637,620	-	(39,613,925)	-100.0%
Administration	-	-	-	9,330,305	9,330,305	0.0%
Engineering & Integrated Svcs	-	-	-	34,777,050	34,777,050	0.0%
Laboratory Services	2,558,580	3,780,445	3,782,425	3,540,950	(239,495)	-6.3%
Water Purchases	5,421,527	6,555,410	6,555,410	4,984,760	(1,570,650)	-24.0%
Other	3,050,898	5,251,485	4,721,095	4,687,805	(563,680)	-10.7%
Total Services	\$ 104,242,741	\$ 111,240,565	\$ 118,215,650	\$ 125,310,555	\$ 14,069,990	12.6%
Capital Outlay	\$ 2,459,270	\$ 5,787,000	\$ 7,949,515	\$ 5,334,725	\$ (452,275)	-7.8%
Escrow	241,098	-	-	-	-	0.0%
Capital Improvement Fund	56,000,000	37,300,000	53,000,000	38,100,000	800,000	2.1%
Contingency	2,000,000	-	-	-	-	0.0%
Debt Service	218,542,833	257,430,635	239,205,435	287,625,435	30,194,800	11.7%
Total Expenses	\$468,712,965	\$505,383,370	\$510,183,310	\$549,551,250	\$44,167,880	8.7%
Fund Bal. Adjustment	(1,905,845)	(738,905)	1,958,065	133,595	872,500	0.0%
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	-

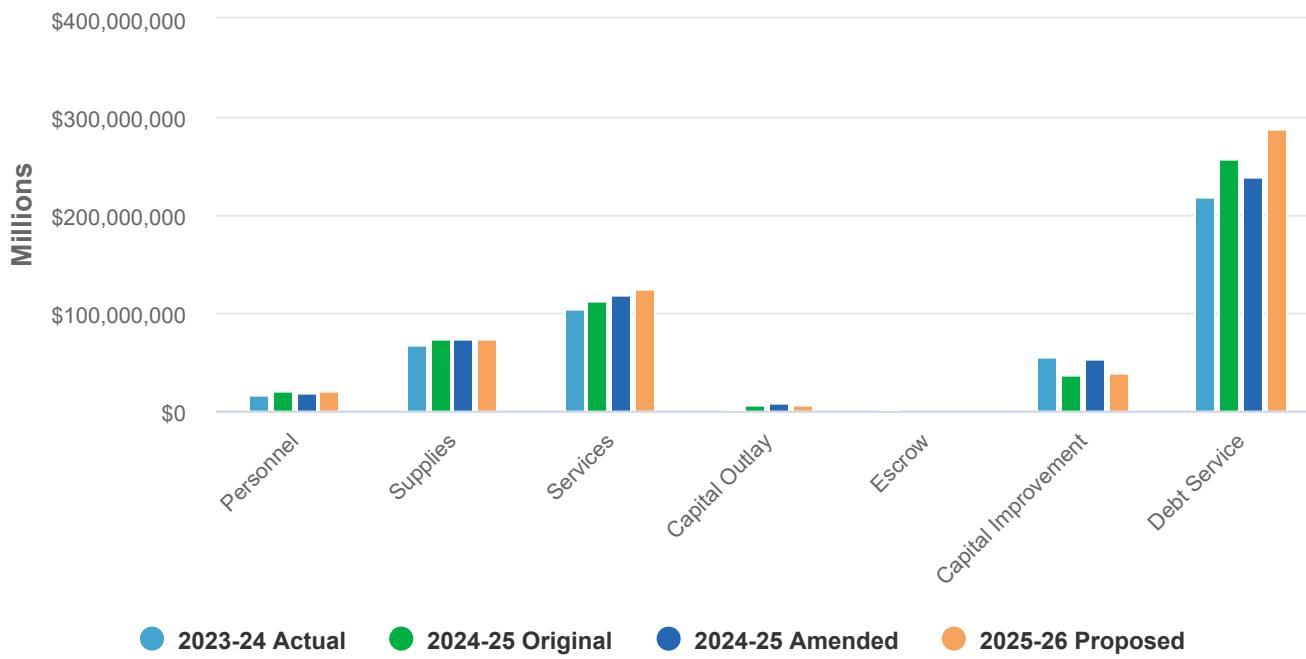
The FY25 Amended Budget for expenditures totals \$510,183,310, which is \$4,799,940 or 0.9% greater than the FY25 Original Budget of \$505,383,370. This increase results from special maintenance to clean an 84" line at Plant 3 due to a large caustic buildup. The system had savings related to bond issue timing but repurposed those funds for additional cash funded construction, cash funding the debt service reserve and advancing some future maintenance projects such as fencing/boardwalk repairs at the Wetlands.

For the FY26 Annual Budget, the total RWS expenditures requested are \$549,551,250, which is \$44,167,880 or 8.7% greater than the FY25 Original Budget.

Major budget variances are explained below:

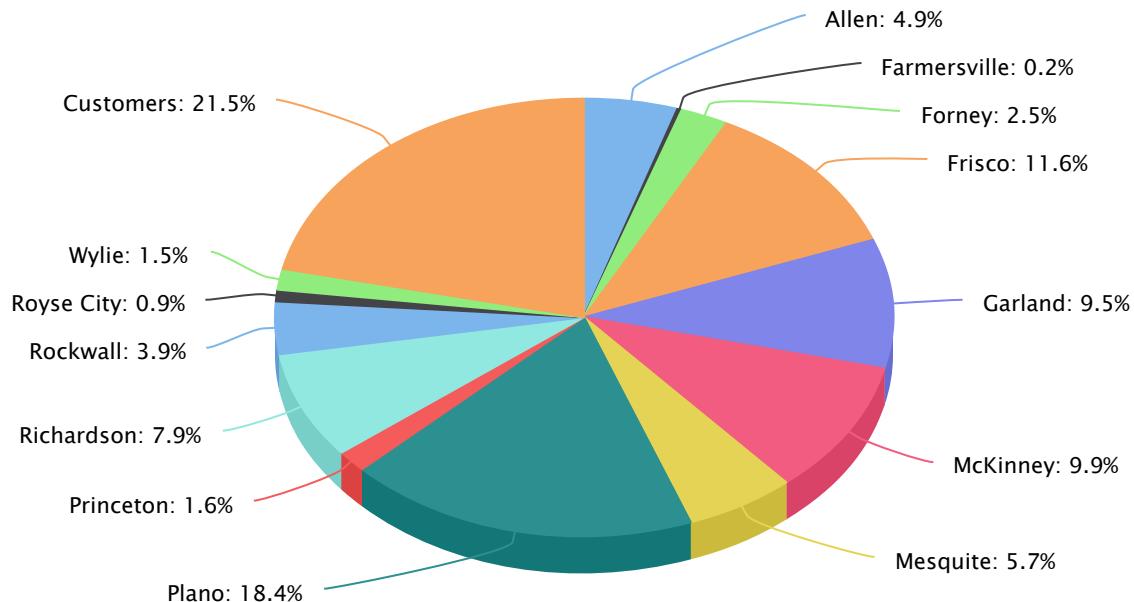
- Decrease in Personnel of (\$151,530) driven by the establishment of the Wastewater Administration Department. Three positions were transferred from the Regional Water System to the new Wastewater Administration department in the Regional Wastewater System. This centralization will improve efficiency in managing shared staffing costs and streamline the reporting of administrative expenses.
- Decrease of (\$293,105) in Supplies driven by lower chemical prices and optimization improvements.
- Increase of \$14,069,990 for Services as a result of Special Maintenance in order to handle water treatment residuals as well as Shared Services costs associated with the Enterprise Resource Planning (ERP) system implementation.
- Decrease of (\$452,275) in Capital Outlay due to one-time expenses in FY25 related to the High Service Pump Station (HSPS) Variable Frequency Drive (VFD) and HSPS Heating, Ventilation, and Air Conditioning (HVAC) replacements in the Water Conveyance System.
- Increased capital costs of \$30,994,800 are attributed to higher Debt Service expenses and transfers to the Capital Improvement Fund. This rise is primarily due to an Extendable Commercial Paper (ECP) refunding of \$610 million for projects awarded in recent years along with the planned award of \$881 million in new bonds for Leonard WTP expansion and Texoma Pipeline.

REGIONAL WATER SYSTEM EXPENDITURES



WATER ANNUAL MINIMUMS

Annual minimums are set each year based on contract required annual minimums or actual usage. Below is a chart of annual minimums for the upcoming year.

WATER ANNUAL MINIMUMS**FY26
ANNUAL MINIMUMS**

Member Cities	(1,000 gallons)
Allen	6,426,806
Farmersville	320,690
Forney	3,302,857
Frisco	15,301,882
Garland	12,585,698
McKinney	12,999,334
Mesquite	7,564,691
Plano	24,220,661
Princeton	2,116,016
Richardson	10,452,740
Rockwall	5,101,741
Royse City	1,121,455
Wylie	2,031,662
Total Member Cities	103,546,233
Customers	28,277,124
Grand Total	131,823,357

WATER RATE CALCULATION

The water rate is set each year by taking the total expenses and backing out other revenues to determine the annual requirement from water sales revenue. The annual requirement is divided by the annual minimums after taking into account the revenue from the Customer premium to arrive at a Member City Rate. The Customer Rate is set at 5 cents above the Member City Rate. Below is the calculation for the upcoming year:

Regional Water System Rate Calculation		
Total Expenses	\$	549,551,250
Total Other Revenues		(2,554,291)
Net Expenses	\$	546,996,959
Change in Operating Fund Balance (Rounding)		133,595
Revenues Needed from Water Sales	\$	547,130,554
Member City Revenue	\$	428,681,405
Customer Revenue including premium		118,449,150
Total Revenues from Water Sales	\$	547,130,554
Annual Minimums (1,000 gallons)		
Member Cities		103,546,233
Customers		28,277,124
		131,823,357
Member City Rate	\$	4.14
Customer Rate	\$	4.19

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REGIONAL WASTEWATER SYSTEM

REGIONAL WASTEWATER SYSTEM

NORTH TEXAS MUNICIPAL WATER DISTRICT

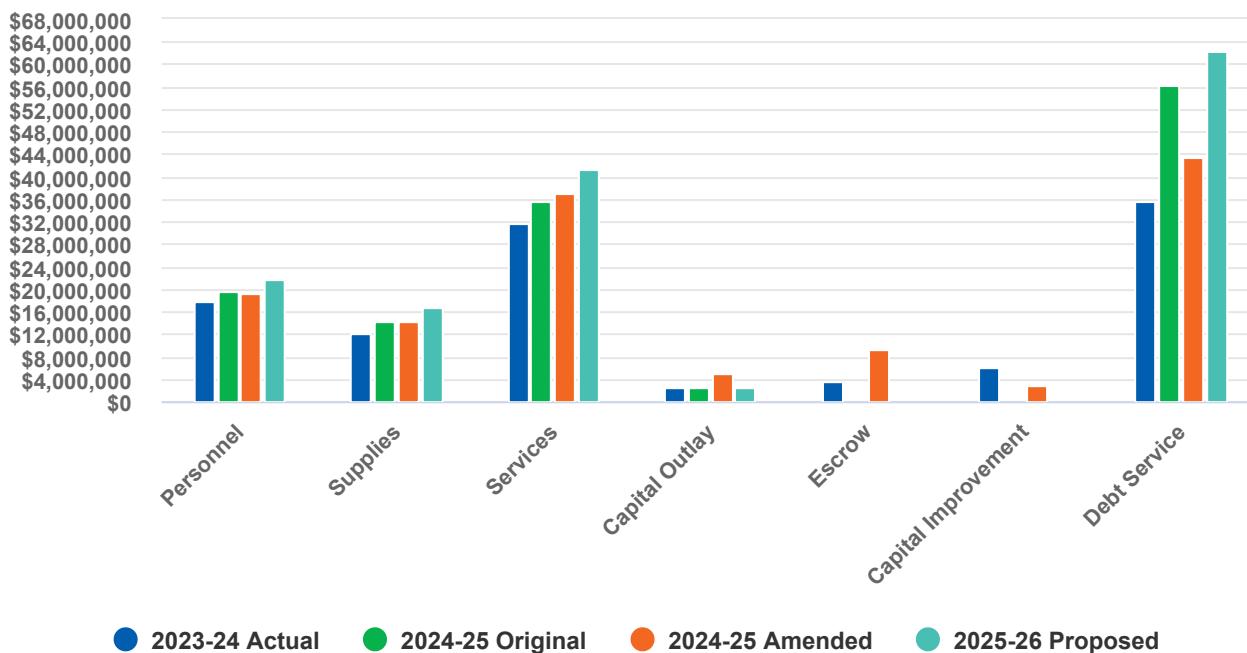
Revenues and Expenses	2023-24	2024-25	2024-25	2025-26	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
Revenues						
Wastewater Sales:						
Members	\$ 103,220,433	\$ 123,219,575	\$ 120,594,365	\$ 131,125,790	\$ 7,906,215	6.4%
Customers	3,716,274	3,863,090	4,193,080	4,212,870	349,780	9.1%
Total Wastewater Sales	\$ 106,936,707	\$ 127,082,665	\$ 124,787,445	\$ 135,338,660	\$ 8,255,995	6.5%
Total Other Revenues	\$ 1,332,089	\$ 563,180	\$ 5,423,885	\$ 8,623,080	\$ 8,059,900	1431.1%
Interest Income	\$ 853,406	\$ 617,765	\$ 750,920	\$ 600,735	\$ (17,030)	-2.8%
Total Revenues	\$109,122,202	\$128,263,610	\$130,962,250	\$144,562,475	\$ 16,298,865	12.7%
Expenses						
Personnel:						
Salaries	\$ 11,282,568	\$ 12,307,890	\$ 12,323,890	\$ 14,074,660	\$ 1,766,770	14.4%
Other	6,425,720	7,256,015	7,027,200	7,813,540	557,525	7.7%
Total Personnel	\$ 17,708,288	\$ 19,563,905	\$ 19,351,090	\$ 21,888,200	\$ 2,324,295	11.9%
Supplies:						
Fuel	\$ 576,858	\$ 647,130	\$ 553,630	\$ 648,455	\$ 1,325	0.2%
Chemicals	6,404,482	8,713,505	6,872,235	11,039,260	2,325,755	26.7%
Other	5,186,491	5,020,895	6,748,300	4,919,490	(101,405)	-2.0%
Total Supplies	\$ 12,167,832	\$ 14,381,530	\$ 14,174,165	\$ 16,607,205	\$ 2,225,675	15.5%
Services:						
Consulting	\$ 1,066,872	\$ 1,151,350	\$ 2,789,965	\$ 1,147,150	\$ (4,200)	-0.4%
Insurance	767,782	1,272,590	984,750	1,289,800	17,210	1.4%
Landfill Service Fees	4,532,159	4,817,380	4,475,980	5,657,010	839,630	17.4%
Maintenance	3,250,896	3,254,660	3,797,970	3,678,205	423,545	13.0%
Power	4,176,112	4,687,500	3,953,000	5,330,500	643,000	13.7%
Shared Services	13,165,496	14,957,490	14,932,980	-	(14,957,490)	-100.0%
Administration	-	-	-	5,075,250	5,075,250	0.0%
Engineering & Integrated Svcs	-	-	-	12,883,595	12,883,595	0.0%
Laboratory Services	1,301,775	1,905,535	1,906,525	2,461,450	555,915	29.2%
Other	3,309,351	3,384,790	4,244,465	3,653,530	268,740	7.9%
Total Services	\$ 31,570,442	\$ 35,431,295	\$ 37,085,635	\$ 41,176,490	\$ 5,745,195	16.2%
Capital Outlay	\$ 2,533,309	\$ 2,469,800	\$ 5,030,080	\$ 2,615,300	\$ 145,500	5.9%
Escrow	\$ 3,500,000	\$ -	\$ 9,200,000	\$ -	\$ -	0.0%
Capital Improvement Fund	\$ 6,000,000	\$ -	\$ 2,800,000	\$ -	\$ -	0.0%
Debt Service	\$ 35,642,331	\$ 56,417,080	\$ 43,321,280	\$ 62,275,280	\$ 5,858,200	10.4%
Total Expenses	\$109,122,202	\$128,263,610	\$130,962,250	\$144,562,475	\$ 16,298,865	12.7%
Net Revenues	\$ -	-				

The FY25 Amended Budget for expenditures and revenues totals \$130,962,250, which is \$2,698,640 or 2.1% greater than the FY25 Original Budget of \$128,263,610. The revised budget reflects an agreement executed by the District to deliver additional industrial wastewater treatment services at the Rowlett Creek RWWTP. All associated treatment costs are fully funded by a third party and will not impact other system participants. This agreement will carry over into FY26.

For the FY26 Annual Budget, the total RWWs expenditures are \$144,562,475 which is \$16,298,865 or 12.7% greater than the FY25 Original Budget. Major budget variances are explained below:

- Increase in Personnel of \$2,324,295 driven primarily by the establishment of the Wastewater Administration department which provides support across all wastewater systems. Of the 19 positions within the department, eight were transferred from departments outside of the RWWs. This centralization will improve efficiency in managing shared staffing costs and streamline the reporting of administrative expenses. Additionally, there are four new positions: one transport driver at Sister Grove RWRRF and at the Rowlett RWWTP, a Lead Wastewater Plant Operator and two Wastewater Plant Operator II positions.
- Increase in Supplies of \$2,225,675 primarily in Chemicals in anticipation that the Sister Grove RWRRF will operate for a full year and for the chemically enhanced primary treatment (CEPT) implementation and supplemental alkalinity adjustments at the Rowlett Creek RWWTP, which will be funded by a third party.
- Increase in Services of \$5,745,195 due to higher costs associated with Shared Services allocation related to the Enterprise Resource Planning (ERP) system implementation. Equipment Maintenance is higher at the Wilson Creek RWWTP for the primary sludge holding tank odor control ducting, Plant 2 dissolved oxygen (DO) control and tank inspections; and at South Mesquite RWWTP for a centrifuge service agreement needed for professional routine maintenance and rehabilitation of aging bar screens. Landfill Service Fees are greater due to a higher cost per ton. Electrical Power usage is higher at the Rowlett Creek RWWTP due to the additional need for the liquid oxygen systems, which will also be funded by a third party.
- Increase in Capital Outlay of \$145,500 to install HVAC equipment to convert the Blower at the Floyd Branch RWWTP into a climate-controlled environment and for a phosphate removal real time controller (RTC-P) to optimize ferric feed and usage at the Rowlett Creek RWWTP.
- Increase in Debt Service of \$5,858,200 because of a higher debt service payment due to ECP refunding.

RWWS EXPENDITURES

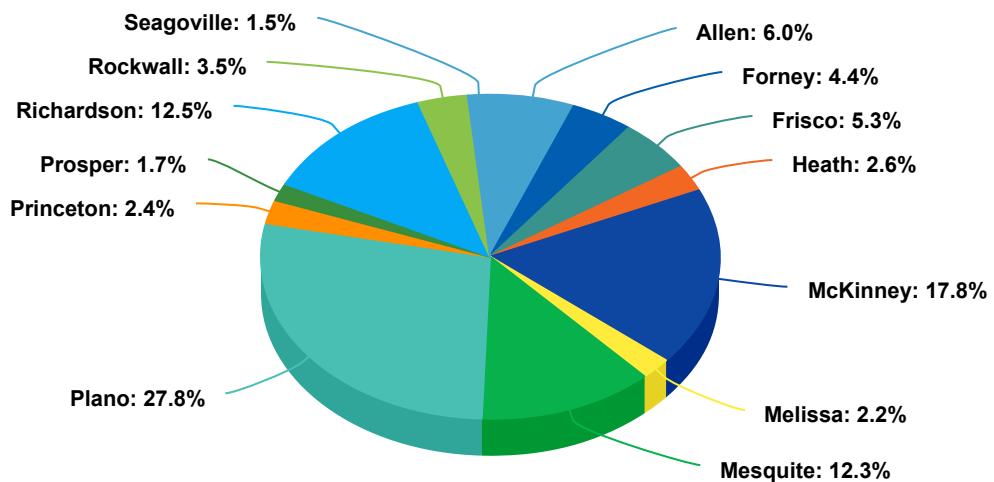


Cost Allocation for Member Cities

The Regional Wastewater System and its wastewater treatment plants have been acquired or constructed under a common bond pledge. Member Cities share the cost for wastewater treatment on the basis of proportional flow considering all five regional plants. Charges are based on current budgeted expenditures and are allocated to each city at the beginning of the year based on estimated flows. At the end of the year, the actual cost for each city is determined based on actual flows and final billings are adjusted accordingly.

Cost allocation by Member City based on flows for the FY26 Budget is presented below:

MEMBER CITY COST ALLOCATION



The total charges to be allocated to the Member Cities for FY26 are \$131,125,790 after deducting interest and other revenue in the estimated amount of \$13,436,685 from the proposed budget of \$144,562,475.

City	2023-24 Actual	2024-25 Original Budget	2024-25 Amended Budget	2025-26 Proposed Budget
Allen	\$6,470,326	\$7,927,218	\$7,193,002	\$7,818,025
Forney	4,326,965	4,956,974	5,306,475	5,767,571
Frisco	5,161,586	6,374,795	6,392,406	6,947,865
Heath	2,874,588	3,338,002	3,157,834	3,432,228
McKinney	18,856,602	21,974,086	21,432,347	23,294,679
Melissa	2,234,830	2,823,953	2,641,475	2,871,003
Mesquite	12,888,856	15,114,533	14,891,309	16,185,265
Plano	28,981,803	34,949,523	33,480,484	36,389,715
Princeton	2,122,941	2,437,933	2,838,591	3,085,246
Prosper	1,866,795	2,378,051	2,081,779	2,262,672
Richardson	12,238,887	14,277,399	15,138,891	16,454,361
Rockwall	3,737,485	4,697,926	4,220,704	4,587,456
Seagoville	1,458,769	1,969,182	1,819,068	2,029,704
Total	\$103,220,433	\$123,219,575	\$120,594,365	\$131,125,790
Flows (1,000)	41,839,562	37,000,000	39,200,000	38,200,000
Member Cost per 1,000	\$2.47	\$3.33	\$3.08	\$3.43

UPPER EAST FORK INTERCEPTOR SYSTEM

UPPER EAST FORK INTERCEPTOR SYSTEM

NORTH TEXAS MUNICIPAL WATER DISTRICT

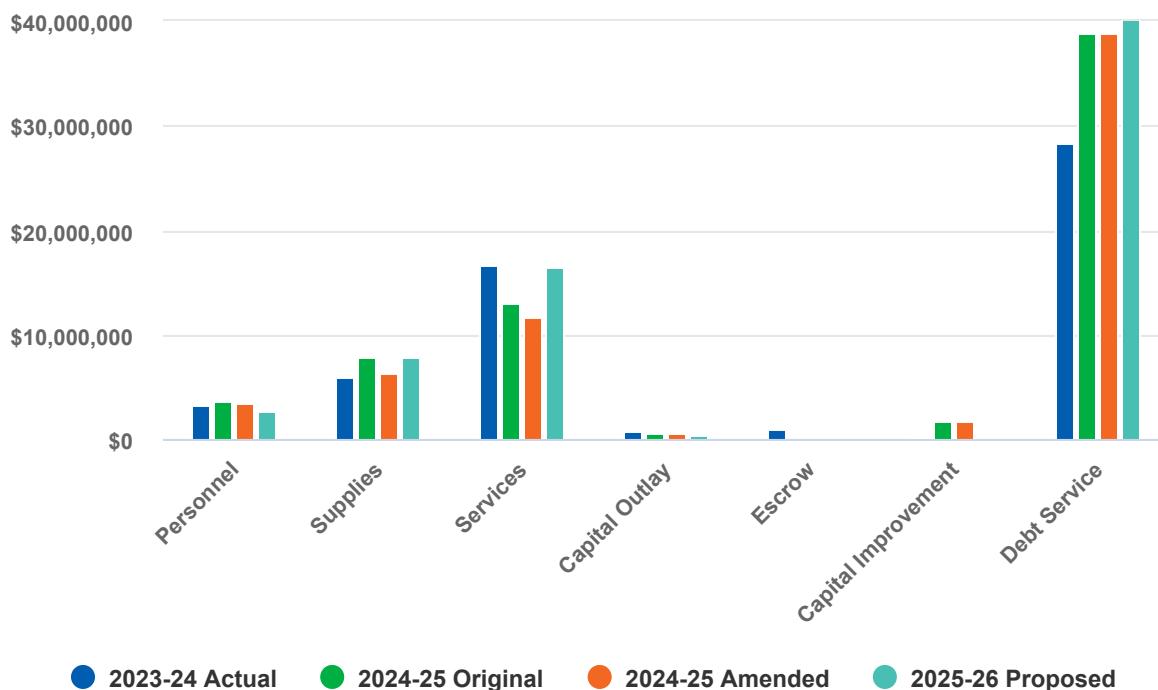
Revenues and Expenses	2023-24	2024-25	2024-25	2025-26	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
Revenues						
Wastewater Sales:						
Members	\$ 52,195,437	\$ 61,900,950	\$ 58,103,440	\$ 71,024,810	\$ 9,123,860	14.7%
Customers	2,610,228	2,654,230	2,880,330	3,144,330	490,100	18.5%
Total Wastewater Sales	\$ 54,805,665	\$ 64,555,180	\$ 60,983,770	\$ 74,169,140	\$ 9,613,960	14.9%
Total Other Revenues	\$ 1,105,455	\$ 624,190	\$ 1,167,050	\$ 4,041,070	\$ 3,416,880	547.4%
Interest Income	\$ 321,516	\$ 263,870	\$ 372,615	\$ 298,090	\$ 34,220	13.0%
Total Revenues	\$ 56,232,636	\$ 65,443,240	\$ 62,523,435	\$ 78,508,300	\$ 13,065,060	20.0%
Expenses						
Personnel:						
Salaries	\$ 2,120,082	\$ 2,339,735	\$ 2,313,245	\$ 1,746,175	\$ (593,560)	-25.4%
Other	1,125,646	1,240,715	1,196,710	1,010,705	(230,010)	-18.5%
Total Personnel	\$ 3,245,727	\$ 3,580,450	\$ 3,509,955	\$ 2,756,880	\$ (823,570)	-23.0%
Supplies:						
Fuel	\$ 115,671	\$ 117,545	\$ 102,245	\$ 127,535	\$ 9,990	8.5%
Chemicals	4,862,423	6,862,515	5,609,815	6,695,300	(167,215)	-2.4%
Other	990,643	813,620	613,120	1,086,820	273,200	33.6%
Total Supplies	\$ 5,968,737	\$ 7,793,680	\$ 6,325,180	\$ 7,909,655	\$ 115,975	1.5%
Services:						
Consulting	\$ 1,026,325	\$ 1,668,500	\$ 1,678,100	\$ 1,633,500	\$ (35,000)	-2.1%
Insurance	150,661	204,180	191,925	213,835	9,655	4.7%
Landfill Service Fees	6,665	6,195	1,995	8,685	2,490	40.2%
Maintenance	5,922,087	3,911,010	2,666,310	5,011,560	1,100,550	28.1%
Power	1,674,998	1,425,000	1,495,100	1,615,000	190,000	13.3%
Shared Services	7,032,390	5,398,400	5,379,245	-	(5,398,400)	-100.0%
Administration	-	-	-	1,042,030	1,042,030	0.0%
Engineering & Integrated Svcs	-	-	-	5,616,660	5,616,660	0.0%
Laboratory Services	2,500	-	-	-	-	0.0%
Other	857,051	326,080	260,480	1,311,050	984,970	302.1%
Total Services	\$ 16,672,677	\$ 12,939,365	\$ 11,673,155	\$ 16,452,320	\$ 3,512,955	27.1%
Capital Outlay	\$ 855,439	\$ 605,000	\$ 490,400	\$ 404,500	\$ (200,500)	-33.1%
Escrow	\$ 950,000	\$ -	\$ -	\$ -	\$ -	0.0%
Capital Improvement Fund	\$ 133,330	\$ 1,723,700	\$ 1,723,700	\$ -	\$ (1,723,700)	-100.0%
Debt Service	\$ 28,406,726	\$ 38,801,045	\$ 38,801,045	\$ 50,984,945	\$ 12,183,900	31.4%
Total Expenses	\$ 56,232,636	\$ 65,443,240	\$ 62,523,435	\$ 78,508,300	\$ 13,065,060	20.0%
Net Revenues	\$ -	-				

The FY25 Amended Budget for expenditures and revenues totals \$62,523,435, which is \$2,919,805 or 4.5% less than the FY25 Original Budget of \$65,443,240. These variances are primarily due to lower trending chemical and pipeline maintenance needs.

For the FY26 Annual Budget, the total UEFIS expenditures are \$78,508,300, which is \$13,065,060 or 20.0% greater than the FY25 Original Budget. Major budget variances are explained below:

- Decrease in Personnel of (\$823,570) due to the transfer of three positions to the WW Admin department.
- Increase in Services of \$3,512,955 driven by higher costs associated with Shared Services allocation related to the ERP system implementation. Additionally, Pipeline Maintenance rose due to the need for bypass pumping on difficult-to-inspect pipelines. The reduction in Personnel costs was offset by the Administration WW allocation expense of \$977,105 recorded under Services.
- Decrease in Capital Outlay of (\$200,500) due to a lower need for replacement vehicles, pumps and motors. Moreover, variable frequency drives (VFD) direct replacement purchases were moved from Non-Vehicle Equipment to Electrical Supplies.
- Increase in Debt Service of \$10,460,200 due to higher debt service payment for ECP refunding.

UEFIS EXPENDITURES

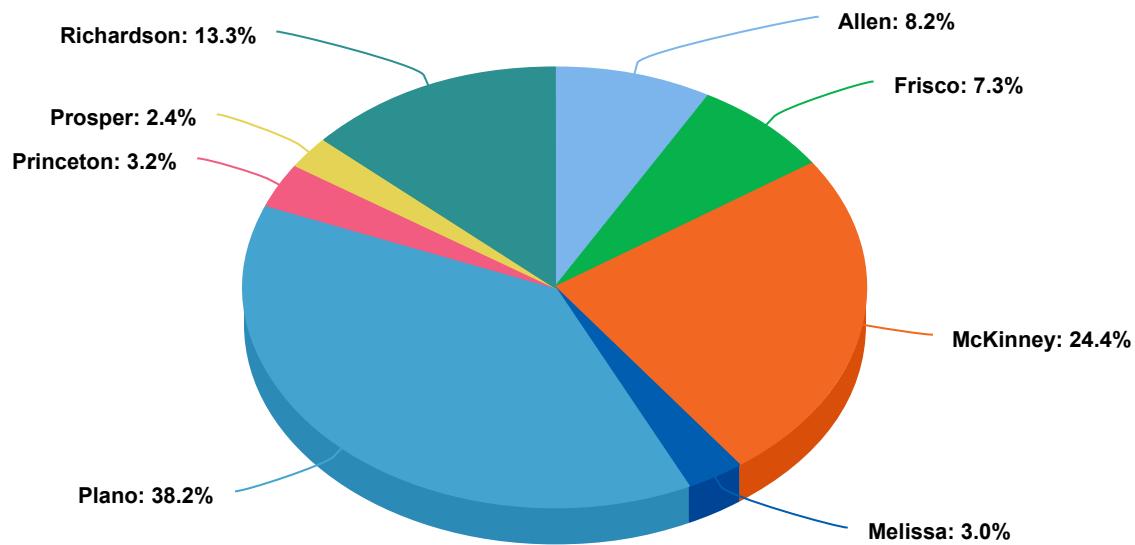


Cost Allocation for Member Cities

UEFIS has been constructed under a common bond pledge and the participating cities share the cost for wastewater transportation on the basis of proportional flows. Charges are based on current budgeted expenditures and are allocated to each city at the beginning of the year based on estimated flows. At the end of the year, the actual cost for each city is determined based on actual flows and final billing adjustments are applied accordingly.

Cost allocation by Member City based on flows for the FY26 Budget is presented below:

MEMBER CITY COST ALLOCATION



The total charges to be allocated to the Member Cities for FY26 are \$71,024,810 after deducting interest and other revenue in the estimated amount of \$7,483,490 from the proposed budget of \$78,508,300.

City	2023-24 Actual	2024-25 Original Budget	2024-25 Amended Budget	2025-26 Proposed Budget
Allen	\$4,485,363	\$5,436,200	\$4,763,943	\$5,823,375
Frisco	3,578,102	4,371,604	4,233,706	5,175,222
McKinney	13,071,721	15,069,035	14,194,697	17,351,394
Melissa	1,549,213	1,936,565	1,749,455	2,138,510
Plano	20,090,702	23,967,119	22,174,208	27,105,433
Princeton	1,471,650	1,671,846	1,880,006	2,298,092
Prosper	1,294,081	1,630,782	1,378,767	1,685,385
Richardson	6,654,605	7,817,799	7,728,658	9,447,399
Total	\$52,195,437	\$61,900,950	\$58,103,440	\$71,024,810
Flows (1,000)	30,520,005	27,104,708	28,517,045	27,778,428
Member Cost per 1,000	\$1.71	\$2.28	\$2.04	\$2.56

SMALL SYSTEMS

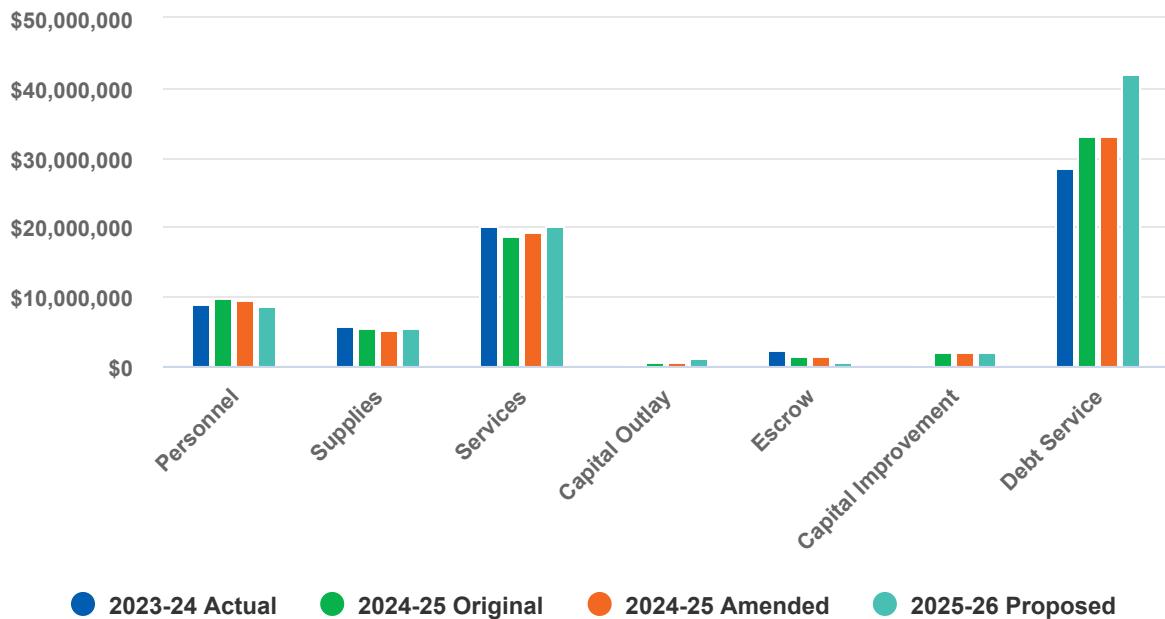
Revenues and Expenses	2023-24	2024-25	2024-25	2025-26	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
Revenues						
Wastewater Facilities	\$ 45,684,400	\$ 52,420,415	\$ 51,620,915	\$ 59,580,005	\$ 7,159,590	13.7%
Interceptor Facilities	12,797,245	13,693,080	12,581,525	16,231,755	2,538,675	18.5%
Pretreatment	1,627,253	1,838,995	1,803,465	2,034,525	195,530	10.6%
Water Facilities	2,951,090	985,770	946,360	1,199,520	213,750	21.7%
Total Sales	\$ 63,059,989	\$ 68,938,260	\$ 66,952,265	\$ 79,045,805	\$ 10,107,545	14.7%
Total Other Revenues	\$ 2,450,494	\$ 1,873,875	\$ 3,715,595	\$ 599,840	\$ (1,274,035)	-68.0%
Interest Income	420,594	266,745	463,725	357,285	90,540	0
Total Revenues	\$ 65,931,077	\$ 71,078,880	\$ 71,131,585	\$ 80,002,930	\$ 8,924,050	12.6%
Expenses						
Personnel:						
Salaries	\$ 5,588,858	\$ 6,168,760	\$ 6,087,260	\$ 5,572,615	\$ (596,145)	-9.7%
Other	3,177,065	3,587,050	3,462,395	2,964,780	(622,270)	-17.3%
Total Personnel	\$ 8,765,923	\$ 9,755,810	\$ 9,549,655	\$ 8,537,395	\$ (1,218,415)	-12.5%
Supplies:						
Fuel	\$ 72,572	\$ 84,525	\$ 67,525	\$ 69,575	\$ (14,950)	-17.7%
Chemicals	2,974,498	3,001,255	2,635,255	2,663,625	(337,630)	-11.2%
Other	2,717,596	2,512,360	2,579,110	2,834,485	322,125	12.8%
Total Supplies	\$ 5,764,666	\$ 5,598,140	\$ 5,281,890	\$ 5,567,685	\$ (30,455)	-0.5%
Services:						
Consulting	\$ 3,326,941	\$ 1,244,745	\$ 2,050,235	\$ 999,750	\$ (244,995)	-19.7%
Insurance	285,585	391,040	380,445	407,125	16,085	4.1%
Landfill Service Fees	1,323,931	1,225,175	1,228,075	1,584,995	359,820	29.4%
Maintenance	1,955,773	3,260,285	3,338,460	2,458,435	(801,850)	-24.6%
Power	2,819,673	2,553,800	2,488,800	2,869,830	316,030	12.4%
Shared Services	7,116,289	6,615,045	6,611,430	-	(6,615,045)	-100.0%
Administration	-	-	-	2,065,780	2,065,780	0.0%
Engineering & Integrated Svcs	-	-	-	5,967,990	5,967,990	0.0%
Laboratory Services	1,123,255	1,314,080	1,314,765	1,065,935	(248,145)	-18.9%
Other	2,201,600	1,947,450	1,955,590	2,810,780	863,330	44.3%
Total Services	\$ 20,153,047	\$ 18,551,620	\$ 19,367,800	\$ 20,230,620	\$ 1,679,000	9.1%
Capital Outlay	\$ 358,777	\$ 695,200	\$ 454,130	\$ 1,046,510	\$ 351,310	50.5%
Escrow	\$ 1,745,465	\$ 1,460,505	\$ 1,460,505	\$ 551,500	\$ (909,005)	-62.2%
Capital Imp. Fund	\$ 335,000	\$ 1,910,000	\$ 1,910,000	\$ 2,050,000	\$ 140,000	7.3%
Contingency	\$ 463,556	\$ -	\$ -	\$ -	\$ -	0.0%
Debt Service	\$ 28,344,643	\$ 33,107,605	\$ 33,107,605	\$ 42,019,220	\$ 8,911,615	26.9%
Total Expenses	\$ 65,931,077	\$ 71,078,880	\$ 71,131,585	\$ 80,002,930	\$ 8,924,050	12.6%
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%

The FY25 Amended Budget for expenditures totals \$71,131,585, which is \$52,705 or 0.1% greater than the FY25 Original Budget of \$71,078,880.

For the FY26 Proposed Budget, the total expenditures for Small Systems facilities requested are \$80,002,930, which is \$8,924,050 or 12.6% greater than the FY25 Original Budget. Major budget variances are explained below:

- Decrease in Personnel of (\$1,218,415) due to the transfer of three positions from Small Systems Wastewater Treatment Plants to the new WW Administration Department. Additionally, Lavon WWTP will not be operated by the District going forward so positions have been reorganized to maintain appropriate staffing levels. Furthermore, Wastewater Pretreatment positions previously split across multiple departments have been consolidated and moved to the Environmental Services division within Shared Services.
- Decrease in Supplies of (\$30,455) due to higher Pipeline Supplies at the Plano Water Transmission Facilities for various air release valve (ARV) replacements. Building Supplies also increased for improvements at the Sabine Creek WWTP including metal siding on the press building to protect equipment from freezing and for sludge storage tank odor control to address odor complaints. Overall decrease in Chemicals caused by the decommissioning of the North Rockwall WWTP. The Computer Supplies variance is due to the restructuring of computer-related expense accounts. Previously, all purchases were recorded under Computer Supplies. To improve expense tracking and reporting, new accounts for IT Software and IT Hardware have been created, while the Computer Supplies account remains active for general-purpose items
- Increase in Services of \$1,679,000 due to higher costs associated with Shared Services allocation related to the ERP system implementation. The reduction in Personnel costs was offset by the Administration WW allocation recorded under Services, which reflects the departments' share of centralized functional costs.
- Increase in Capital Outlay of \$351,310 for a replacement crane truck in the Small Plants System and to purchase a telehandler forklift for the Stewart Creek WWTP. Additionally, IT Hardware & Equipment-Capital costs are budgeted because various plants' computers are scheduled to be replaced as part of the 4-year cycle hardware refresh program.
- Increase in Debt Service/Capital Improvement of \$9,051,615 is the net result of the following:
 - Transfers to Capital Improvement Fund in the Lower East Fork and Parker Creek Interceptors to pay for planned capital projects
 - Increased FY26 debt service payments for previously issued debt for Panther Creek WWTP, Sabine Creek WWTP, Muddy Creek WWTP, Buffalo Creek Interceptor, and Mustang Creek Interceptor

SMALL SYSTEM EXPENDITURES



Revenues and Expenditures

Below is a summary, by facility, of the Small Systems FY25 Original and Amended Budgets and the Proposed FY26 Budget.

	2023-24 Actual	2024-25 Original	2024-25 Amended	2025-26 Proposed
Water Facilities:				
Plano Water Transmission Facilities	\$ 1,814,068	\$ 30,430	\$ 30,425	\$ 674,285
Kaufman 4-1 Water Distribution Facilities	143,883	112,790	112,065	131,020
Rockwall-Heath Water Storage Facilities*	147,991	5,100	5,105	-
Terrell Water Transmission Facilities	743,932	731,815	731,820	731,120
Rockwall Water Pump Station Facilities	175,527	114,670	114,670	5,760
Total	\$ 3,025,401	\$ 994,805	\$ 994,085	\$ 1,542,185
Wastewater Facilities:				
South Rockwall WWTP	\$ 2,327,702	\$ 2,126,060	\$ 2,487,210	\$ 2,279,035
North Rockwall WWTP**	992,556	1,070,680	965,320	-
Panther Creek WWTP	11,306,945	15,666,050	15,548,635	19,417,930
Sabine Creek WWTP	7,534,753	8,218,200	8,475,580	11,929,360
Stewart Creek WWTP	11,742,469	12,628,535	12,271,015	12,130,770
Muddy Creek WWTP	11,384,460	12,207,130	11,979,985	13,528,715
Seis Lagos WWTP	445,932	473,170	489,525	495,730
Farmersville WWTP ***	827,260	-	-	-
Lavon WWTP ****	679,090	698,865	801,250	-
Total	\$ 47,241,168	\$ 53,088,690	\$ 53,018,520	\$ 59,781,540
Interceptor Facilities:				
Forney Interceptor	\$ 863,537	\$ 765,020	\$ 803,205	\$ 612,325
Lower East Fork Interceptor	3,028,430	2,561,130	3,105,000	2,461,175
Muddy Creek Interceptor	107,226	158,165	110,320	206,680
Parker Creek Interceptor	426,023	404,445	386,275	461,230
Sabine Creek Interceptor	187,777	67,180	57,865	81,715
Buffalo Creek Interceptor	5,318,294	7,106,120	6,731,340	8,798,370
McKinney Interceptor *****	19,510	49,800	27,485	-
Mustang Creek Interceptor	3,806,248	3,773,155	3,824,345	3,616,810
Parker Creek Parallel Interceptor	264,449	260,245	254,240	394,025
Total	\$ 14,021,494	\$ 15,145,260	\$ 15,300,075	\$ 16,632,330
Other:				
Wastewater Pretreatment Program	\$ 1,643,015	\$ 1,850,125	\$ 1,818,905	\$ 2,046,875
Total	\$ 1,643,015	\$ 1,850,125	\$ 1,818,905	\$ 2,046,875
TOTAL	\$ 65,931,077	\$ 71,078,880	\$ 71,131,585	\$ 80,002,930

* Rockwall-Heath WSF not maintained by the District starting in FY26

** North Rockwall WWTP decommissioned and will not operate after October 1, 2025

*** NTMWD does not operate the Farmersville WWTP beginning in FY25

**** Lavon WWTP will not be operated by the District starting in FY26

***** McKinney Interceptor System will be incorporated into the UEFIS starting in FY26

REGIONAL SOLID WASTE SYSTEM

REGIONAL SOLID WASTE SYSTEM

NORTH TEXAS MUNICIPAL WATER DISTRICT

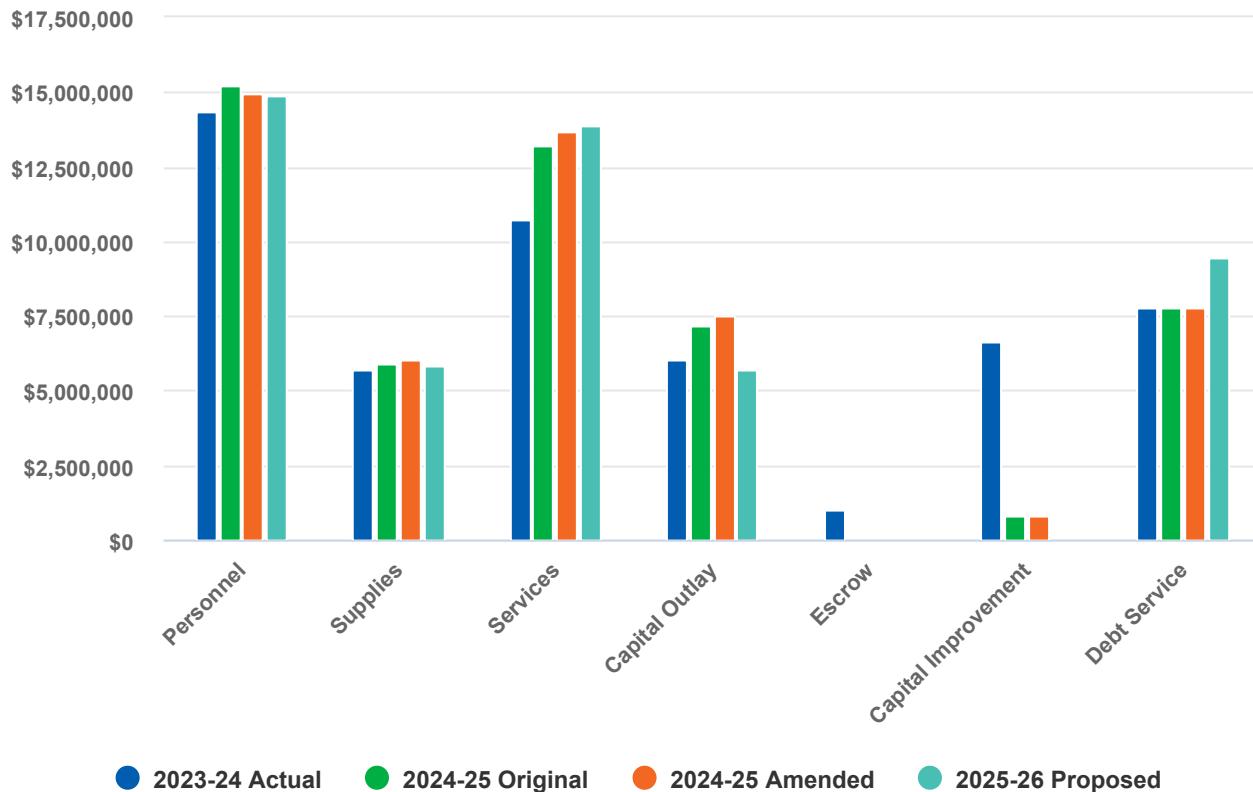
Revenues and Expenses	2023-24	2024-25	2024-25	2025-26	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
Revenues						
Solid Waste Sales:						
Member Sales	\$ 26,278,438	\$ 26,858,880	\$ 27,444,840	\$ 28,613,600	\$ 1,754,720	6.5%
Customer Sales	12,490,024	10,433,715	13,009,205	11,043,055	609,340	5.8%
Composting - Solid Waste	657,035	720,000	620,000	680,000	(40,000)	-5.6%
Landfill Sludge Disp Svc Fee	3,865,274	4,228,750	3,949,845	5,277,365	1,048,615	24.8%
Total Solid Waste Sales	\$ 43,290,772	\$ 42,241,345	\$ 45,023,890	\$ 45,614,020	\$ 3,372,675	8.0%
Total Other Revenues	\$ 8,641,336	\$ 7,711,980	\$ 5,592,180	\$ 4,043,175	\$ (3,668,805)	-47.6%
Interest Income	\$ 258,296	\$ 153,445	\$ 135,670	\$ 108,535	\$ (44,910)	-29.3%
Total Revenues	\$ 52,190,404	\$ 50,106,770	\$ 50,751,740	\$ 49,765,730	\$ (341,040)	-0.7%
Expenses						
Personnel:						
Salaries	\$ 9,245,067	\$ 9,661,165	\$ 9,510,970	\$ 9,943,575	\$ 282,410	2.9%
Other	5,101,787	5,570,055	5,435,025	4,965,490	(604,565)	-10.9%
Total Personnel	\$ 14,346,854	\$ 15,231,220	\$ 14,945,995	\$ 14,909,065	\$ (322,155)	-2.1%
Supplies:						
Fuel	\$ 2,343,747	\$ 2,254,265	\$ 2,187,865	\$ 2,279,785	\$ 25,520	1.1%
Chemicals	174,402	284,000	267,300	295,000	11,000	3.9%
Other	3,159,807	3,388,040	3,557,840	3,259,405	(128,635)	-3.8%
Total Supplies	\$ 5,677,956	\$ 5,926,305	\$ 6,013,005	\$ 5,834,190	\$ (92,115)	-1.6%
Services:						
Consulting	\$ 494,578	\$ 981,600	\$ 1,157,500	\$ 767,300	\$ (214,300)	-21.8%
Insurance	405,715	461,855	457,675	478,895	17,040	3.7%
Maintenance	1,242,553	1,372,250	1,411,950	1,354,250	(18,000)	-1.3%
Power	263,844	218,400	318,400	354,200	135,800	62.2%
Shared Services	4,090,639	6,198,770	6,209,475	-	(6,198,770)	-100.0%
Administration	-	-	-	3,140,425	3,140,425	0.0%
Engineering & Integrated Svcs	-	-	-	3,473,150	3,473,150	0.0%
Laboratory Services	4,860	9,990	9,995	7,025	(2,965)	-29.7%
Other	4,231,806	3,972,890	4,132,810	4,284,740	311,850	7.8%
Total Services	\$ 10,733,994	\$ 13,215,755	\$ 13,697,805	\$ 13,859,985	\$ 644,230	4.9%
Capital Outlay	\$ 6,020,212	\$ 7,142,000	\$ 7,503,445	\$ 5,723,400	\$ (1,418,600)	-19.9%
Escrow	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	0.0%
Capital Improvement Fund	\$ 6,637,918	\$ 820,000	\$ 820,000	\$ -	\$ (820,000)	-100.0%
Debt Service	\$ 7,773,470	\$ 7,771,490	\$ 7,771,490	\$ 9,439,090	\$ 1,667,600	21.5%
Total Expenses	\$ 52,190,404	\$ 50,106,770	\$ 50,751,740	\$ 49,765,730	\$ (341,040)	-0.7%
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	-

The FY25 Amended Budget for expenditures and revenues totals \$50,751,740, which is \$644,970 or 1.3% greater than the FY25 Original Budget of \$50,106,770. The Amended Budget reflects the addition of appropriations to allow for carry over from FY24 purchases that were ordered and encumbered, but not received during the prior year. Limited funds not used in prior year were set aside for this purpose in accordance with our financial policies. Other Revenues are higher due to increased revenue from 3rd party customers.

For the FY26 Annual Budget, the total RSWS expenditures are \$49,765,730, which is \$341,040 or 0.7% less than the FY25 Original Budget. Major budget variances are explained below:

- Decrease in Personnel of \$(322,155) due to a reduction in insurance and retirement costs which offset merit increases for existing staff.
- Decrease in Supplies of \$(92,115) driven by a decrease in Computer Supplies related to the restructuring of computer-related expense accounts. Previously, all purchases were recorded under Computer Supplies. To improve expense tracking and reporting, new accounts for IT Software and IT Hardware have been created, while the Computer Supplies account remains active for general-purpose items.
- Increase in Services of \$644,230 due to an increase in Shared Services costs associated with the Enterprise Resource Planning (ERP) system implementation. In addition, Electric Power is up due to the Heavy Equipment and Fleet Maintenance Shop expansion and additional HVAC units. Contract Labor and Other Services also are seeing an uptick in costs associated with increase in contract labor rates, cleanout of the 24" leachate line, deployment of falcons for bird control, additional tire recycling costs, and portable landfill litter fencing.
- Decrease in Capital Outlay of \$(1,418,600) driven by no cash funded landfill development scheduled for FY26.
- Increase in Debt Service/Capital Improvement Transfers of \$847,600 which relates to a \$21M bond issuance in FY26 for the Wylie Service Center and 121 RDF Mass Excavation Project.

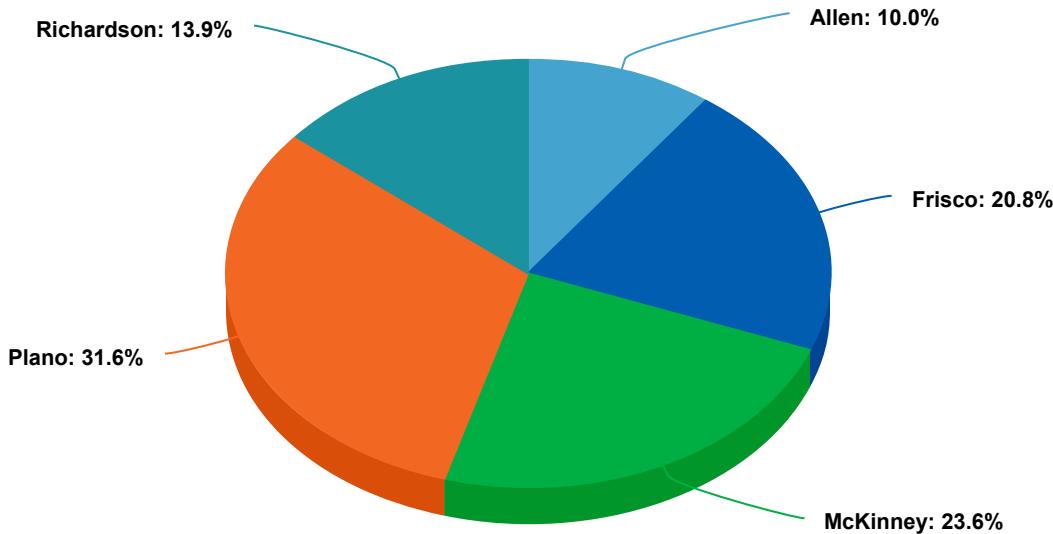
RSWS EXPENDITURES



Cost Allocation - Tonnage

Member City representatives provide estimated annual tonnage to amend the current year and future year projections. Finance compiles the actual tonnage data from monthly reports provided by RSWS management. Member Cities estimate that 717,857 tons of waste will be processed in FY25 and 736,524 tons in FY26.

MEMBER CITY COST ALLOCATION



Cost Allocation for Member Cities

The Regional Solid Waste System has been developed under a common bond pledge and the Member Cities share the cost of solid waste transfer and disposal services on the basis of contributed tonnage. O&M charges are allocated to each city based on estimated tonnage. Debt service charges are allocated to each city based on the greater of the city's 5-year average tonnage or 25% of the highest year tonnage. At the end of the year, the actual cost for each city is determined based on actual tonnage and final billing adjustments are applied accordingly.

The total charges to be allocated to the Member Cities for FY26 are \$28,613,600 after deducting customer landfill fees, composting revenues, gas collection royalties, sludge disposal fees, interest and other revenue in the estimated amount of \$21,152,130 from the proposed budget of \$49,765,730.

Cities	2023-24	2024-25	2024-25	2025-26
	Actuals	Original Budget	Amended Budget	Proposed Budget
Allen	\$2,563,818	\$2,781,892	\$2,780,548	\$2,864,336
Frisco	5,236,599	5,569,445	5,649,602	5,960,720
McKinney	6,042,952	6,007,791	6,458,048	6,759,311
Plano	8,510,084	8,644,524	8,640,347	9,039,737
Richardson	3,924,984	3,855,228	3,916,295	3,989,496
Total	\$26,278,438	\$26,858,880	\$27,444,840	\$28,613,600
Tonnage	713,166	702,191	717,857	736,524
Cost per ton	\$36.85	\$38.25	\$38.23	\$38.85

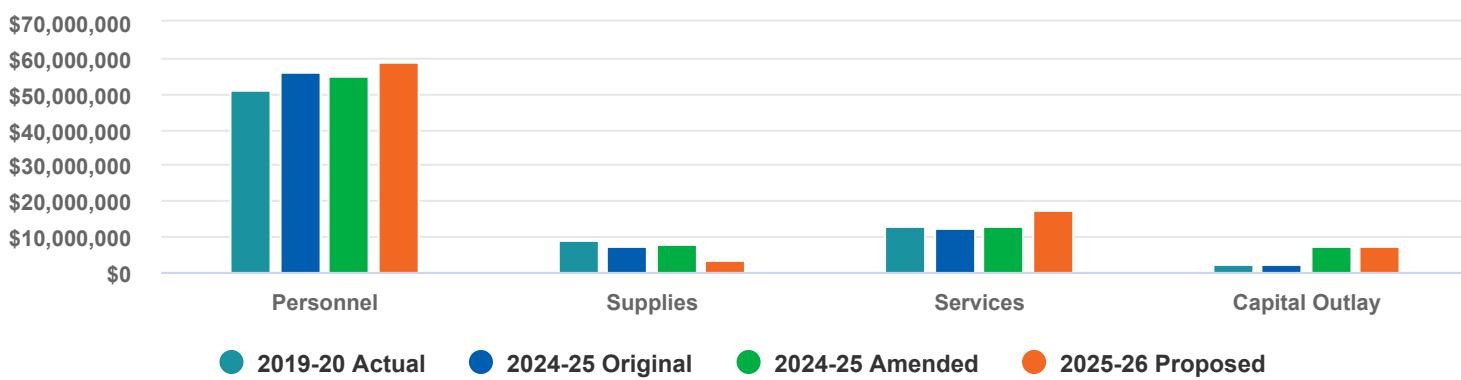
SHARED SERVICE FUNDS

SHARED SERVICE FUNDS

NORTH TEXAS MUNICIPAL WATER DISTRICT

Revenues and Expenses	2023-24	2024-25	2024-25	2025-26	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
Revenues						
Shared Service Revenue	\$ 82,482,412	\$ 83,883,605	\$ 90,458,750	\$ 94,870,860	\$ 10,987,255	13.1%
Interest Income	\$ 199,262	\$ 138,965	\$ 138,330	\$ 110,665	\$ (28,300)	-20.4%
Total Revenues	\$ 82,681,674	\$ 84,022,570	\$ 90,597,080	\$ 94,981,525	\$ 10,958,955	13.0%
Expenses						
Personnel:						
Salaries	\$ 37,106,504	\$ 40,675,750	\$ 39,999,700	\$ 42,946,370	\$ 2,270,620	5.6%
Other	20,052,738	22,112,545	21,293,100	22,722,835	610,290	2.8%
Total Personnel	\$ 57,159,243	\$ 62,788,295	\$ 61,292,800	\$ 65,669,205	\$ 2,880,910	4.6%
Supplies:						
Fuel	\$ 614,717	\$ 550,760	\$ 597,310	\$ 610,660	\$ 59,900	10.9%
Chemicals	32	20,495	12,995	20,495	-	0.0%
Other	8,654,560	6,861,185	7,464,935	3,140,700	(3,720,485)	-54.2%
Total Supplies	\$ 9,269,308	\$ 7,432,440	\$ 8,075,240	\$ 3,771,855	\$ (3,660,585)	-49.3%
Services:						
Consulting	\$ 2,868,864	\$ 2,521,520	\$ 2,570,705	\$ 2,979,805	\$ 458,285	18.2%
Insurance	668,008	852,650	827,990	887,580	34,930	4.1%
Maintenance	4,386,129	1,824,465	2,753,265	1,737,665	(86,800)	-4.8%
Power	167,266	143,800	133,800	143,800	-	0.0%
Other	5,344,200	7,258,260	6,972,345	12,082,180	4,823,920	66.5%
Total Services	\$ 13,434,467	\$ 12,600,695	\$ 13,258,105	\$ 17,831,030	\$ 5,230,335	41.5%
Capital Outlay	\$ 2,275,196	\$ 2,163,000	\$ 7,175,953	\$ 7,624,180	\$ 5,461,180	252.5%
Total Expenses	\$ 82,138,214	\$ 84,984,430	\$ 89,802,098	\$ 94,896,270	\$ 9,911,840	11.7%
Net Revenues	\$ 543,459	\$ (961,860)	\$ 794,983	\$ 85,255	\$ 1,047,115	-108.9%

SHARED SERVICES FUND EXPENDITURES BY CATEGORY



The FY25 Amended Budget for expenditures totals \$89,802,098 which is \$4,817,668 or 5.7% greater than the Original Budget of \$84,984,430. The increase is related to paying for a portion of the Enterprise Resource Planning (ERP) software using available contingency funding. Future costs will be budgeted within the Shared Service Fund and allocated out to the Operating Systems. The ERP project will have higher initial costs related to implementation over the next couple of years and then lower ongoing costs after implementation is completed.

Shared Service Funds expenditures for FY26 are \$94,896,270 which is \$9,911,840 or 11.7% greater than the FY25 Budget. Major budget variances are explained below:

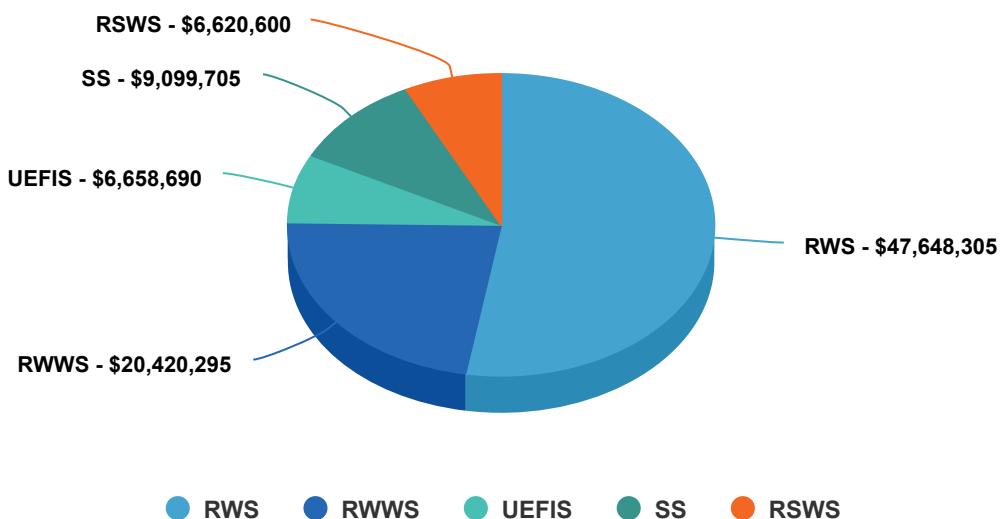
- Increase of \$2,880,910 for Personnel due to merit-based wage adjustments, corresponding increases in retirement contributions and the addition of nine new positions. There was also some consolidation of positions that were previously split across multiple departments. This change was made for efficiency purposes.
- Increase of \$5,230,335 in Services is associated with splitting the Computer Supplies account. To improve expense tracking and reporting, new accounts for IT Software and IT Hardware have been created, while the Computer Supplies account remains active for general-purpose items. There were also increased expenses for contract labor related to the ERP implementation.
- Decrease in Supplies of (\$3,660,585) primarily related to the restructuring of computer-related expenses mentioned above.
- Increase of \$5,461,180 in Capital Outlay driven by the restructuring of computer-related expenses with the addition of IT Hardware & Equipment - Capital and IT Software Svc - Capital accounts which include ERP costs and computer replacements. The increase was further driven by higher Vehicle Equipment costs resulting from vehicle replacements and purchases for new staff.

Cost Allocation

The Shared Service Funds are internal service funds and all expenses must be allocated to the Operating Systems. Costs are allocated indirectly. An example of indirect costs would be the costs of preparing the annual budget. Those services are performed in the Finance Department for all Systems and must be allocated using a metric such as the system's budget size compared to all budgets. Each year, as part of the budgeting process, the District reviews its indirect cost allocations to ensure that appropriate Shared Service funds expenses are allocated to the appropriate Operating System. The review is multi-faceted and includes department specific metrics as well as manager input to determine the allocation amounts and percentages. Beginning in FY26 these costs are shown as being split between Laboratory Services, Administration and Engineering & Integrated Services to provide a clearer picture of the services provided.

The following chart represents where the Shared Service Funds expenses are expected to be allocated this year:

PROPOSED ALLOCATED EXPENSES



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APPENDIX

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2025-26
BUDGET RESOLUTION

NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 25-46

A RESOLUTION APPROVING APPROPRIATIONS FOR THE 2025-26 ALL SYSTEMS ANNUAL BUDGET, AMENDING THE 2024-25 ANNUAL BUDGET AND PROVIDING RATES AND CHARGES FOR SYSTEM SERVICES OF THE NORTH TEXAS MUNICIPAL WATER DISTRICT

WHEREAS, State Law and contracts between the North Texas Municipal Water District and the municipalities served require the adoption of an Annual Budget appropriating funds for the operation, maintenance and debt service requirements for each of the District Systems; and

WHEREAS, it is necessary to establish rates and charges to meet the financial requirements for each of the District Systems in accordance with contractual agreements; and

WHEREAS, the Executive Director/General Manager has prepared the Annual Budget and has determined that the charges for services as proposed will meet the overall financial requirements for each of the District Systems.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MUNICIPAL WATER DISTRICT THAT THE 2025-26 ALL SYSTEMS ANNUAL BUDGET BE APPROVED AS SUBMITTED BY THE EXECUTIVE DIRECTOR FOR THE FISCAL YEAR OCTOBER 1, 2025 THROUGH SEPTEMBER 30, 2026. FURTHER, THE RATES AND CHARGES FOR SERVICES ARE HEREBY APPROVED IN ACCORDANCE WITH THE FOLLOWING APPROPRIATIONS, CHARGES AND SPECIAL DETAILS.

SECTION A - APPROPRIATIONS

1. The major budgetary control shall be the expenditure summary sheet of each System in the 2025-26 Annual All Systems Budget document; and the Executive Director, or their designee, shall have the authority to transfer funds between System accounts. Such transfers shall be documented in an amended Annual All Systems Budget approved by the Board of Directors. If needed, the Board of Directors may approve by separate resolution expenditures exceeding those shown in the expenditure summary sheet of each System taking into account available transfers.

<u>By System:</u>	2024-25 Amended Budget	2025-26 Proposed Budget
Regional Water System	\$ 510,183,310	\$ 549,551,250
Regional Wastewater System	130,962,250	144,562,475
Upper East Fork Interceptor System	65,443,240	78,508,300
Regional Solid Waste System	50,751,740	49,765,730
Plano Water Transmission Facilities	30,430	674,285
Kaufman Four-One Water Distribution Facilities	112,790	131,020
Rockwall-Heath Water Storage Facilities	5,105	-
Terrell Water Transmission Facilities	731,820	731,120
Rockwall Water Pump Station Facilities	114,670	5,760
South Rockwall (Buffalo Creek) Wastewater Treatment Plant	2,487,210	2,279,035
North Rockwall (Squabble Creek) Wastewater Treatment Plant	1,070,680	-
Panther Creek Wastewater Treatment Plant	15,666,050	19,417,930
Sabine Creek Wastewater Treatment Plant	8,475,580	11,929,360
Stewart Creek Wastewater Treatment Plant	12,628,535	12,130,770
Muddy Creek Wastewater Treatment Plant	12,207,130	13,528,715
Seis Lagos Wastewater Treatment Plant	489,525	495,730
Lavon (Bear Creek) Wastewater Treatment Plant	801,250	-
Forney Interceptor	803,205	612,325
Lower East Fork Interceptor	3,105,000	2,461,175
Muddy Creek Interceptor	158,165	206,680
Parker Creek Interceptor	404,445	461,230

	2024-25 Amended Budget	2025-26 Proposed Budget
<u>By System (continued):</u>		
Sabine Creek Interceptor	\$ 67,180	\$ 81,715
Buffalo Creek Interceptor	7,106,120	8,798,370
McKinney Creek Interceptor	49,800	-
Mustang Creek Interceptor	3,824,345	3,616,810
Parker Creek Parallel Interceptor	260,245	394,025
Wastewater Pretreatment Program	1,850,125	2,046,875
Total	<u>\$ 829,789,945</u>	<u>\$ 902,390,685</u>

	Amended Budget	Proposed Budget
<u>By Character:</u>		
Personnel	\$ 128,208,605	\$ 133,708,945
Supplies	114,360,005	112,922,925
Services	125,135,128	139,964,730
Capital Outlay	28,965,148	22,748,615
Escrow	10,660,505	551,500
Capital Improvement	60,253,700	40,150,000
Debt Service	362,206,855	452,343,970
Total	<u>\$ 829,789,945</u>	<u>\$ 902,390,685</u>

2. The Amended Budget, as set forth in the 2025-26 All Systems Annual Budget Document, shall be approved as the authorized Amended Budget for the 2024-25 Fiscal Year and the Proposed Budget, as set forth in the 2025-26 All Systems Annual Budget Document, shall be approved as the authorized Budget for the 2025-26 Fiscal Year.
3. The Salary Schedule as set forth in the 2025-26 All Systems Annual Budget Document shall be applicable to all District employees and salaries shall be paid during the 2025-26 Fiscal Year in biweekly payments (every two weeks).
4. The Executive Director / General Manager's annual total compensation shall be set by the Board of Directors.
5. The annual total compensation for the Assistant General Managers and the General Counsel shall be set by the Executive Director/General Manager and shall not exceed 80% of the annual total compensation for the ED/GM.
6. Merit increases for all District employees who are eligible to receive a performance-based annual increase will be an average of 4.5% of their current salary, paid during the 2025-26 Fiscal Year through normal bi-weekly payroll. Employees who have reached the maximum pay for their salary grade and are eligible for a performance-based merit increase will be considered for a one-time lump payment equivalent to an average of 4.5% of their current salary.

SECTION B - CHARGES FOR SERVICE

1. The following minimum annual demands and water rates shall be applicable during the 2025-26 Fiscal Year.

WHOLESALE TREATED WATER RATES

Entity	Minimum Annual Demand 1,000 gallons	Water Rate per 1,000 gallons	Minimum Annual Charge	Excess Water Rate per 1,000 gallons
Members:				
Allen	6,426,806	\$ 4.14	\$ 26,606,977	\$ 0.70
Farmersville	320,690	4.14	1,327,657	0.70
Forney	3,302,857	4.14	13,673,828	0.70
Frisco	15,301,882	4.14	63,349,791	0.70
Garland	12,585,698	4.14	52,104,790	0.70
McKinney	12,999,334	4.14	53,817,243	0.70
Mesquite	7,564,691	4.14	31,317,821	0.70
Plano	24,220,661	4.14	100,273,537	0.70

WHOLESALE TREATED WATER RATES (continued)

<u>Entity</u>	Minimum	Water	Excess Water	
	Annual Demand 1,000 gallons	Rate per 1,000 gallons	Minimum Annual Charge	Rate per 1,000 gallons
Princeton	2,116,016	\$ 4.14	\$ 8,760,306	\$ 0.70
Richardson	10,452,740	4.14	43,274,344	0.70
Rockwall	5,101,741	4.14	21,121,208	0.70
Royse City	1,121,455	4.14	4,642,824	0.70
Wylie	2,031,662	4.14	8,411,081	0.70
Total Members	103,546,233		\$ 428,681,405	
 Customers:				
Ables Springs SUD	122,352	\$ 4.19	\$ 512,655	c
Bear Creek SUD	692,860	4.19	2,903,083	c
BHP WSC	178,732	4.19	748,887	c
Bonham	640,000	4.14	2,649,600	a, b
Caddo Basin SUD	553,266	4.19	2,318,185	0.75
Cash SUD	381,527	4.19	1,598,598	c
College Mound SUD	68,194	4.19	285,733	c
Copeville SUD	208,289	4.19	872,731	0.75
Crandall	18,250	4.19	76,468	c
East Fork SUD	815,818	4.19	3,418,277	0.75
Fairview	1,094,807	4.19	4,587,241	c
Fate	1,178,007	4.19	4,935,849	c
Forney Lake WSC	725,695	4.19	3,040,662	c
Gastonia Scurry SUD	110,490	4.19	462,953	c
GTUA	2,380,037	4.19	9,972,355	c
Josephine	343,186	4.19	1,437,949	c
Kaufman	481,796	4.19	2,018,725	c
Kaufman Four-One	593,832	4.19	2,488,156	0.75
Little Elm	1,995,934	4.19	8,362,963	0.75
Lucas	753,732	4.19	3,158,137	0.75
Melissa	350,960	4.19	1,470,522	0.75
Milligan WSC	160,854	4.19	673,978	c
Mt. Zion WSC	141,086	4.19	591,150	c
Murphy	1,661,494	4.19	6,961,660	0.75
Nevada SUD	173,716	4.19	727,870	c
North Collin SUD	511,603	4.19	2,143,617	c
Parker	682,782	4.19	2,860,857	0.75
Prosper	3,551,729	4.19	14,881,745	c
Rose Hill SUD	136,044	4.19	570,024	c
Rowlett	3,166,161	4.19	13,266,215	c
Sachse	1,337,775	4.19	5,605,277	0.75
Seis Lagos Utility District	168,359	4.19	705,424	0.75
Sunnyvale	870,861	4.19	3,648,908	b
Terrell	1,577,322	4.19	6,608,979	b
Wylie N.E. SUD	449,574	4.19	1,883,715	c
Total Customers	28,277,124		\$ 118,449,149	
Total	131,823,357		\$ 547,130,554	

a Pays Member Rate.

b Excess Water Rate Subject to Contract Minimums.

c Water consumed over Minimum Annual Demand shall be charged at a rate of \$4.19 / 1,000 gallons.

RETAIL TREATED WATER RATES - RESIDENTIAL

Minimum - First 2,000 Gallons	\$15.00
From 2,000 to 10,000 Gallons	\$8.38 per 1,000 Gallons
From 10,000 to 20,000 Gallons	\$10.26 per 1,000 Gallons
Above 20,000 Gallons	\$12.82 per 1,000 Gallons
Reconnect Fees	\$30.00

RETAIL TREATED WATER RATES - COMMERCIAL

From 0 to 10,000 Gallons	\$8.20 per 1,000 Gallons
Above 10,000 Gallons	\$10.26 per 1,000 Gallons
Reconnect Fees	\$30.00

NON-POTABLE WATER RATE

East Fork Raw Water Project	\$.71 per 1,000 Gallons
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2. The following charges, taken from the adopted Bois d'Arc Lake Shore Management Plan, shall be applicable during the 2025-26 Fiscal Year.

BOIS D'ARC LAKE FEES

SHORELINE LEASE AND USE AGREEMENT

Activity / Facility	Application Fee	Annual Fee
Dock	Application First Year: \$750	\$325 for years 2 through 5 of a 5-year agreement
Vegetation Modification	\$500	N/A
Other (access paths, non-bioengineered structures for erosion control, land-based facilities, etc.)	\$500	N/A
Modification Fee	50-100% of the original application fee	N/A
Renewal Fee	50-100% of the original application fee	N/A
Appeal or Revocation Agreement	\$250	N/A
Appeal or Denial of Agreement Conditions	\$100	N/A
Standing timber removal below 534 MSL contour (not to exceed 0.5 acres)	\$250	N/A

BOIS D'ARC LAKE FEES (continued)

SHORELINE LEASE AND USE AGREEMENT

SPECIAL EVENT / TEMPORARY USE AGREEMENT

25+ persons or vessels involved in an event	\$150	N/A
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NATURAL RESOURCE MANAGEMENT NOTIFICATION

Hazard tree removal	\$0	N/A
Planting/restoring native vegetation	\$0	N/A
Invasive/noxious weed removal/control	\$0	N/A

LEGAL NON-CONFORMING USE AUTHORIZATION

Non-conforming use	\$0	N/A
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MOBILITY ASSISTANT VEHICLE AGREEMENT

Allows for 6-foot-wide path and use of approved motorized vehicle	\$25	N/A
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BOIS D'ARC LAKE PENALTIES FOR VIOLATIONS

Violation	Category	Fine First Notice	Fine Second/Third Notice
Unauthorized Burning	Major	\$200	N/A
Storage or placement of fuel, oil, treated landscape timbers, pesticides, or other hazardous materials on docks or NTMWD-owned property	Major	N/A	\$200
Unauthorized use of pesticides/fertilizers on leased property	Major	\$200	N/A
Unauthorized placement or storage of personal property on NTMWD-owned property and/or water	Major	N/A	\$200
Unauthorized use of private overwater facility (e.g., human habitation on boat dock, storing nonauthorized vessels or watercraft at an approved boat dock, subletting boat dock)	Major	\$200	\$200
Unauthorized dock structure or dock modification	Major	\$200	\$200
Unauthorized vegetation modification (e.g., removing vegetation outside of an authorized area, changing landform, planting unauthorized plants)	Major	\$200	\$200
Deviation from approved dock construction plans (e.g., construction materials, anchoring methods, etc.)	Major	N/A	\$200
Unauthorized access path construction	Major	\$200	\$200
Emerging erosion issues (signs may include shoreline recession, increased water turbidity and discoloration in the surrounding area, bare soil, exposed plant roots and unstable banks)	Major	\$200	\$200
Unauthorized use of a mobility assistance vehicle	Major	N/A	\$200

BOIS D'ARC LAKE PENALTIES FOR VIOLATIONS (continued)

Violation	Category	Fine First Notice	Fine Second/Third Notice
Failure to delineate the NTMWD boundary line	Moderate	N/A	\$200
Failure to restore the leased area after completion of a permitted activity or after the lessee damages the area	Moderate	N/A	\$200/week
Failure of new adjacent landowner to apply for shoreline use agreement for existing uses within 30 days or to restore the use area within 60 days from the date of ownership transfer	Moderate	N/A	\$200/week
Failure to display agreement tags on authorized facilities	Minor	N/A	\$50/week
Failure to have a copy of the agreement with the mobility assistance vehicle during use on NTMWD-owned property	Minor	N/A	\$50
Failure to pay agreement fees	Minor	N/A	\$50/week
Failure to renew an agreement	Minor	N/A	\$50/week
Failure to complete construction within allowed time limit	Minor	N/A	\$50/week
Non-compliance with applicable laws, ordinances, and regulations	N/A	Depends on law/ regulation	Depends on law/ regulation

3. The following non-member city customer charges at District landfills and transfer stations shall be applicable during the 2025-26 Fiscal Year.

121 REGIONAL DISPOSAL FACILITY CHARGES

- I. All Vehicles - \$52.00 per Ton, One Ton Minimum
- II. Additional charge above the basic vehicle charge:
 - For loads containing roofing shingles - \$150.00
 - For tires based on wheel size:
 - \$5.00 per tire up to 24.5" diameter
 - No farm tractor, motor grader, loader or scraper tires accepted
 - For vehicles exiting the landfill after 5:30p.m. (M-F) and 3:30p.m. (Sat) - \$100
- III. The Executive Director may prepare a schedule of charges to be used when weights are not practical to obtain
- IV. There shall be a charge to District operated wastewater plants for disposal of federal and state approved sludge materials equivalent to \$34.74 per actual ton
- V. Pull-off Fee (non-refundable) - \$25.00 (plus sales tax, if applicable)
- VI. The Executive Director may prepare a schedule of charges, subject to approval of the Board of Directors, for special projects

CUSTER ROAD, PARKWAY AND LOOKOUT DRIVE TRANSFER STATION CHARGES

- I. All Vehicles - \$75.00 per Ton (plus sales tax), One Ton Minimum
- II. Member City residents delivering construction and demolition debris waste (0.5 tons and less) - \$25.00 (plus sales tax)
- III. Additional charge above the basic vehicle charge for loads containing roofing shingles - \$150.00 (plus sales tax)
- IV. The Executive Director may prepare a schedule of charges to be used when weights are not practical to obtain
- V. Pull-off Fee (non-refundable) - \$25.00 (plus sales tax, if applicable)

4. Charges shall be levied on the basis of monthly increments to provide the necessary funds to meet the appropriations for the Regional Wastewater System, Regional Solid Waste System, Upper East Fork Interceptor System and each of the Funds in the Small Systems in accordance with the appropriate contracts for service. Actual charges shall be determined after the end of the fiscal year and the appropriate debit or credit allowed.

5. Special debt service shall be allocated to the City of Sulphur Springs in the amount of \$600 in the Water System.

THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON SEPTEMBER 25, 2025, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD.

KEITH STEPHENS, SECRETARY

DAVID HOLLIFIELD, PRESIDENT