



NORTH  
TEXAS  
MUNICIPAL  
WATER  
DISTRICT

## 2020-2021 BUDGET IN BRIEF



WATER  
SERVICES



WASTEWATER  
SERVICES



SOLID WASTE  
SERVICES



Rowlett Creek Regional  
Wastewater Treatment Plant



Wylie Water Treatment  
Plant Complex



Trinity River Main Stem  
Pump Station



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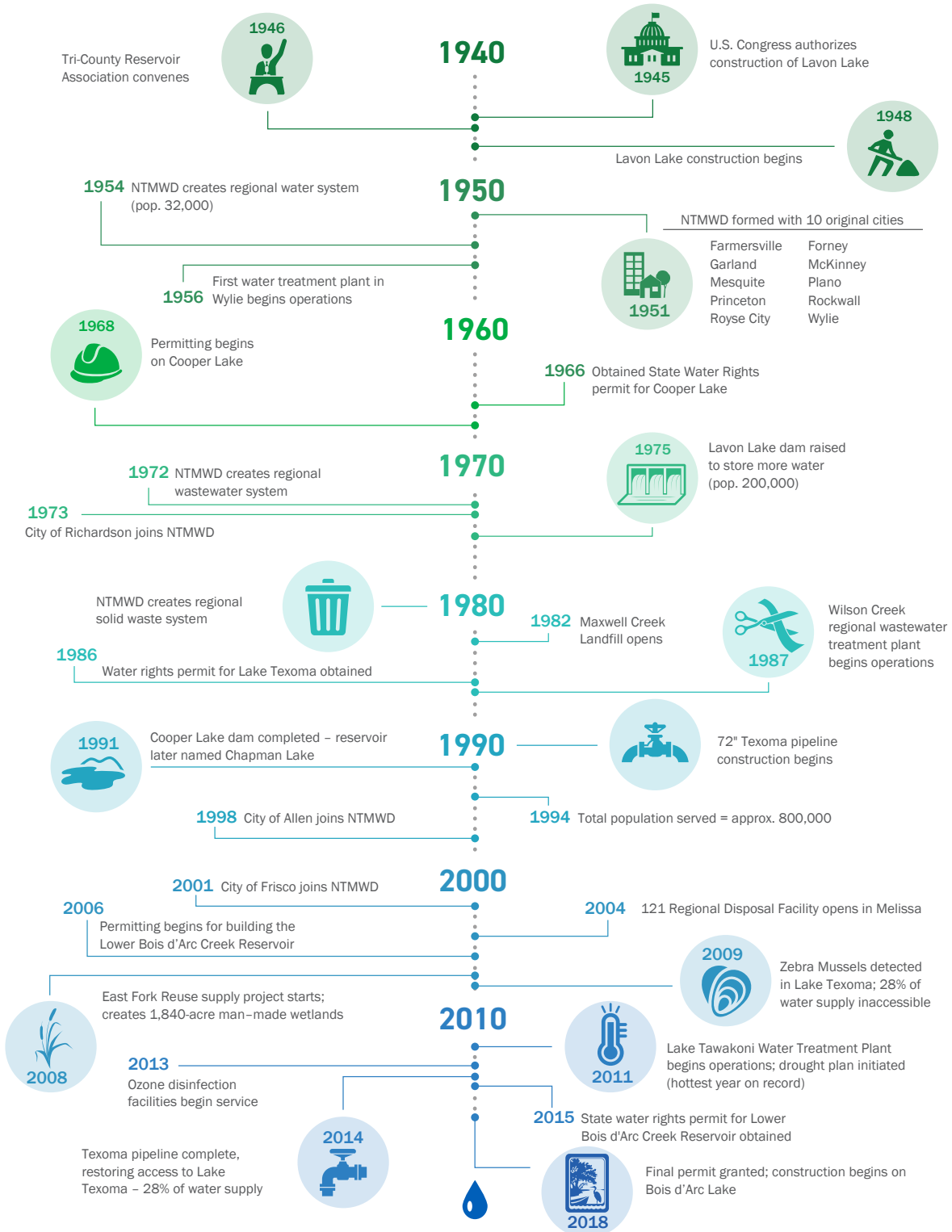
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# BUDGET OVERVIEW



# LEGACY OF SERVICE

Meeting Our Region's Needs Today and Tomorrow





*Regional. Reliable. Everyday.*

September 24, 2020

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

RE: FY21 ALL SYSTEMS BUDGET

Dear Directors:

Submitted herewith is the proposed FY21 Annual All Systems Budget for the North Texas Municipal Water District. This budget document has been prepared by the Finance Staff, as submitted by the System Managers, and has been reviewed and approved by the Interim Executive Director.

The District remains in a sound financial condition. The Board's goal of meeting the contractual obligation of the participating cities within state and federal laws while protecting the environment continues to be accomplished with reasonable cost in all systems. The Budget, as submitted, provides the required funding for operation and maintenance expenses, capital expenditures and debt service, and allows the District to continue delivering essential services throughout its service area.

Beginning in early 2020, the Covid-19 pandemic began to affect the North Texas region. As it became apparent that the pandemic would present serious economic challenges for our Member Cities and Customers, the District revised budget guidance in an effort to reduce spending in FY20 and FY21. The revised guidelines plan for a flat growth budget in FY21 with limited exceptions related to new or expanded facilities. In order to meet the revised guidelines, the following items were considered: only budgeting for items to meet our most essential service levels and growth projections, limiting travel and training unless it is a job requirement, only filling critical vacancies, repurposing vacant positions, partially funding new positions, no or minimal pay increases for existing staff, minimally funding escrow and contingency funds and other considerations where possible. Through FY20 budget savings, the District was able to propose funding a one-time payment to all employees in recognition of the hard work being done to continue reliable operations and essential services throughout the pandemic.

#### **RECOMMENDATION**

The FY21 Annual All Systems Budget, as proposed, of \$570,156,040 provides a responsible plan for the financial operations and development of the North Texas Municipal Water District. The Interim Executive Director and Staff recommend it, to the Board of Directors for approval at the September 24, 2020, regular Board Meeting. Should you have any questions or need additional information, please do not hesitate to contact my office or Erik Felthous, Assistant Deputy - Finance.

Respectfully Submitted,

*Rodney Rhoades*

Rodney Rhoades (Sep 10, 2020 12:08 CDT)

RODNEY RHOADES  
Interim Executive Director

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

## Budget Summary

The FY20 All Systems Amended Budget is expected to be \$549,656,895, which is \$2,804,905 or 0.51% less than the FY20 Original Budget.

This decrease is the result of the following:

- Savings in Wholesale Water Purchases and Electric Power in the RWS based on historical water treatment trends.
- Reductions in Special Maintenance for less lagoon cleanings.
- Savings in Salaries and Wages due to vacancies with limited increases to overtime.

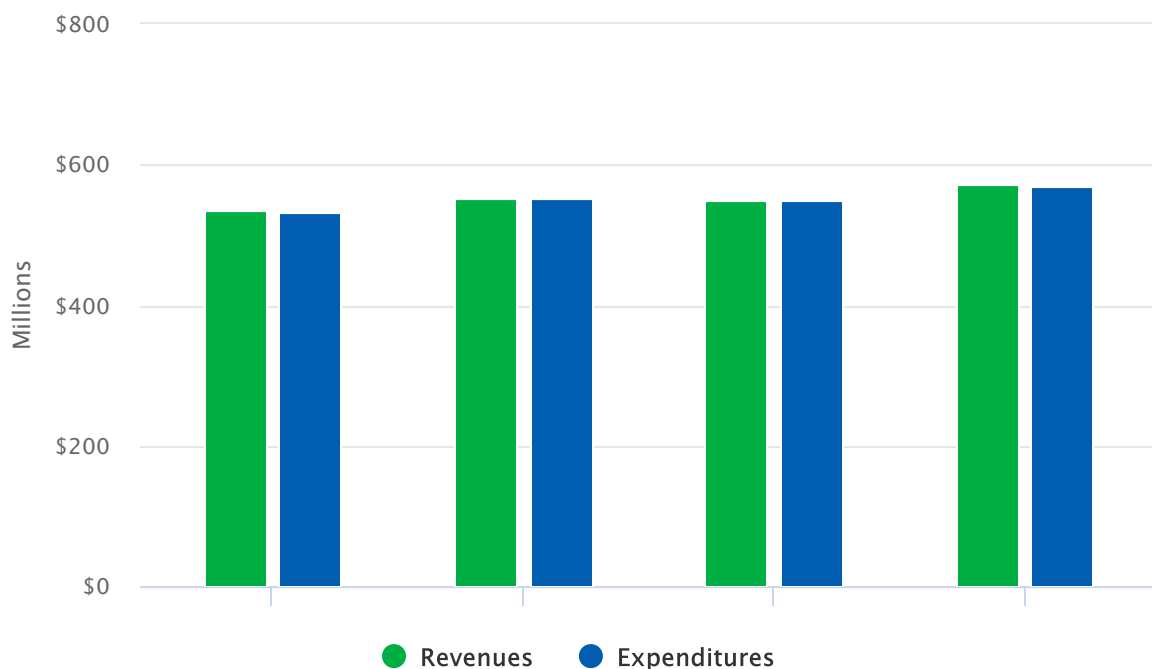
The savings were partially offset by the following:

- Increases in Chemicals in the RWS driven by higher use/costs for Ferric Sulfate, Liquid Oxygen, Fluoride and Sodium Chlorite with reductions in Caustic.

The overall FY21 Annual All Systems Budget of \$570,156,040 represents an increase of \$17,694,240 or 3.20%.

A comparison of the All Systems Budget for fiscal years 2019 through 2021 is presented below:

### BUDGET SUMMARY

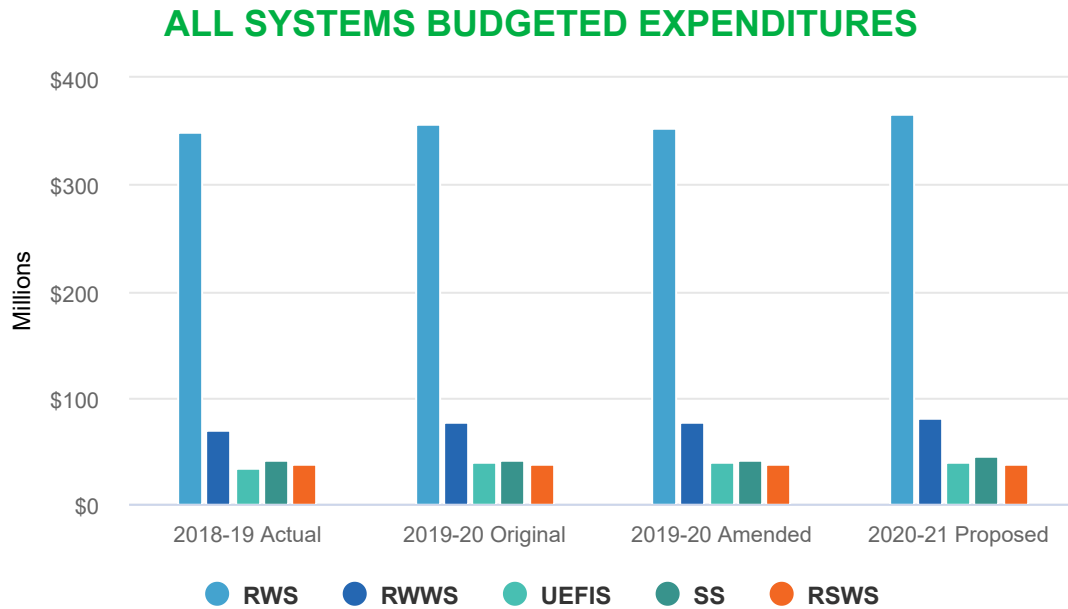


	2018-19 Actual	2019-20 Original	2019-20 Amended	2020-21 Proposed
REVENUES	\$534,942,864	\$551,726,930	\$549,704,375	\$572,122,840
EXPENDITURES	\$531,434,076	\$552,461,800	\$549,656,895	\$570,156,040
	\$3,508,788	\$(734,870)	\$47,480	\$1,966,800



## Review by System

Below is a breakdown of the Budgeted Expenditures by System for FY19 through FY21:



System	2018-19 Actual	2019-20 Original	2019-20 Amended	2020-21 Proposed
RWS	\$349,136,129	\$356,612,720	\$353,809,855	\$365,403,610
RWWS	69,891,273	76,742,265	76,933,115	80,523,835
UEFIS	34,429,904	38,859,130	38,932,755	39,961,760
SS	41,258,449	41,958,060	41,847,775	45,822,320
RSWS	36,718,321	38,289,625	38,133,395	38,444,515
<b>Total</b>	<b>\$531,434,076</b>	<b>\$552,461,800</b>	<b>\$549,656,895</b>	<b>\$570,156,040</b>

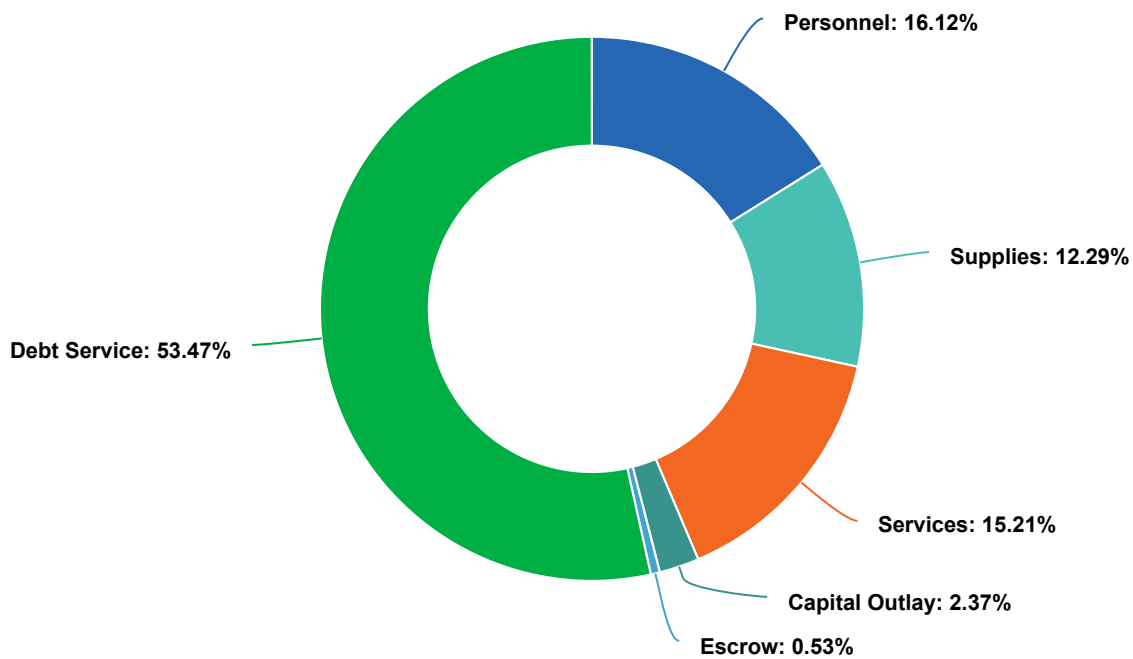
## Review by Category

The following is a summary of fiscal years 2019 through 2021 All Systems Budgets by Category:

### ALL SYSTEMS BUDGET BY CATEGORY

Category	2018-19 Actual	2019-20 Original	2019-20 Amended	2020-21 Proposed
Personnel	\$ 82,280,403	\$ 91,125,735	\$ 91,135,040	\$ 91,914,145
Supplies	56,890,011	60,759,810	65,086,380	70,098,080
Services	77,234,748	80,930,110	75,374,645	86,741,445
Capital Outlay	7,143,125	12,357,175	11,721,970	13,496,175
Escrow	5,372,160	4,281,045	4,363,045	3,042,750
Debt Service	302,513,630	303,007,925	301,975,815	304,863,445
<b>Total</b>	<b>\$ 531,434,076</b>	<b>\$ 552,461,800</b>	<b>\$ 549,656,895</b>	<b>\$ 570,156,040</b>

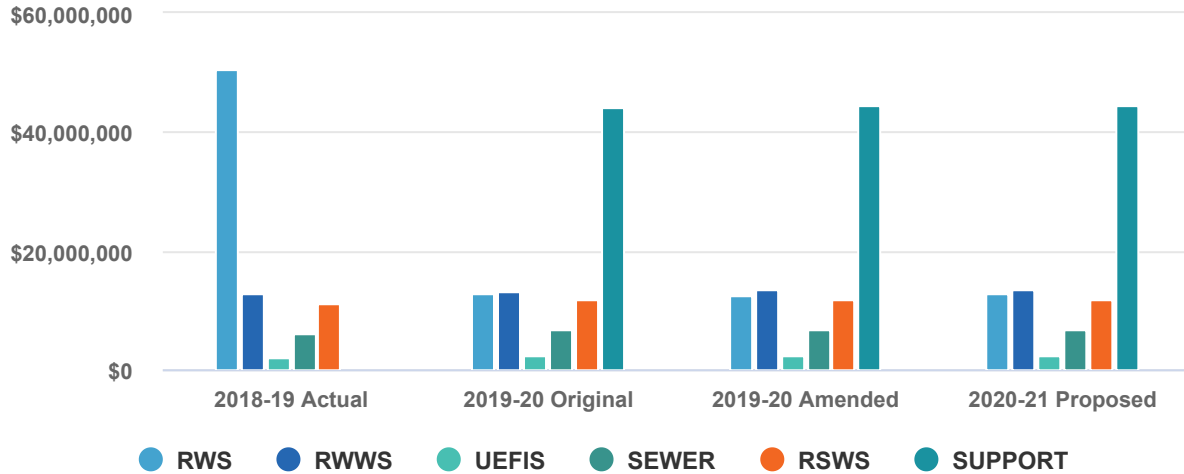
### EXPENSES BY CATEGORY



## Personnel

The FY20 Amended All Systems Budget for Personnel is expected to be \$91,135,040 which is \$9,305 or 0.01% more than the FY20 Original Budget.

### PERSONNEL EXPENSES BY SYSTEM



Personnel	2018-19 Actual	2019-20 Original	2019-20 Amended	2020-21 Proposed
RWS	\$ 50,535,966	\$ 12,885,735	\$ 12,336,935	\$ 12,925,335
RWWS	12,641,191	13,253,725	13,450,745	13,546,650
UEFIS	1,960,892	2,331,625	2,283,460	2,279,335
SEWER	6,074,874	6,869,975	6,856,585	6,817,070
RSWS	11,067,479	11,775,580	11,705,340	11,724,615
SUPPORT	-	44,009,095	44,501,975	44,621,140
Total Personnel	\$ 82,280,403	\$ 91,125,735	\$ 91,135,040	\$ 91,914,145

The FY21 All Systems Budget for Personnel is \$91,914,145 which is \$788,410 or 0.87% greater than the FY20 Original Budget. The increase in salaries and benefits is primarily the result of funding 2 additional positions and rising insurance costs. Performance based salary adjustments are typically budgeted at 3%, however based on the current COVID-19 environment this year's budget does not anticipate funding for salary increases.

The District faces a combination of challenges when it comes to staffing:

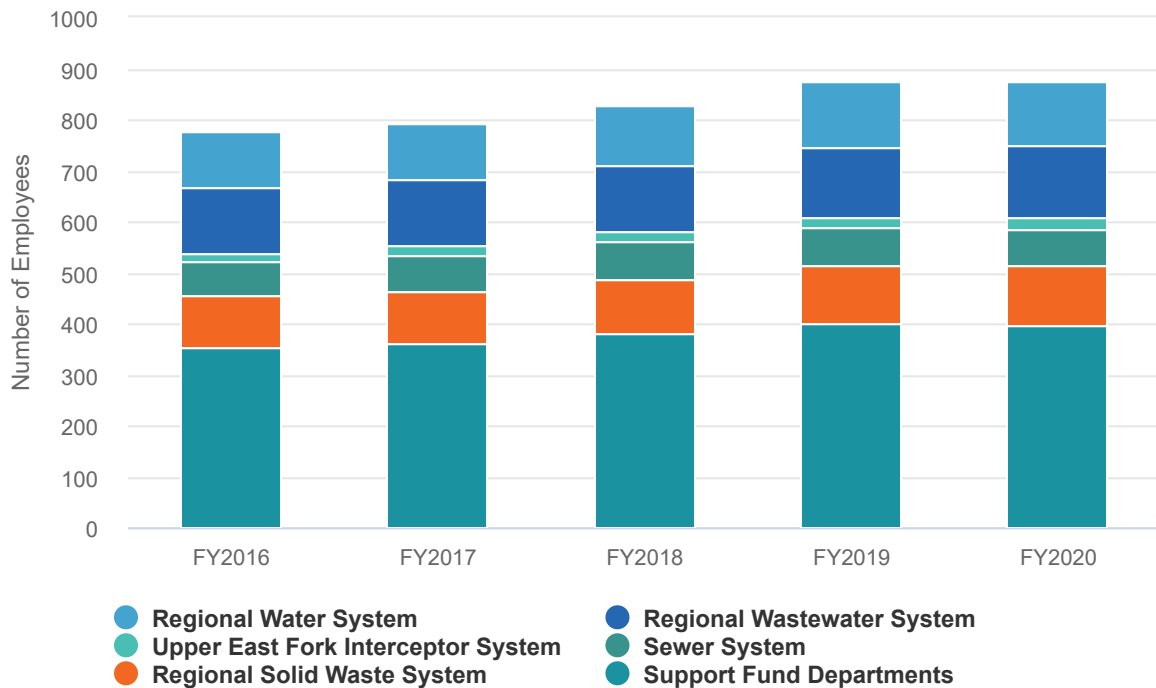
- Keeping Personnel costs down
  - Limiting headcount increases at a time when new or expanded facilities are coming online.
- Maintaining and building bench strength in key positions.
- Aging workforce - currently 100 employees are eligible for retirement today with 71 in Operations & Maintenance.
- Evaluating the organizational structure and potential reallocations of vacant positions as a result of retirements.

To tackle the staffing challenges, the District plans to offer a retirement incentive program to employees that have ten years of pensionable earnings with the District and are eligible for retirement as of December 31, 2020. The program will pay a severance of three months salary and will add five additional years of earnings into the pension calculation for employees who opt in. The program is expected to reduce costs through a mix of elimination/restructuring of existing positions, position freezes and lower salary/benefits when hiring replacement employees. Actual savings will be dependent on the number of employees who enter into the program. Of the 100 employees eligible for retirement, 64 meet the criteria for this program.

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

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

### DISTRICT STAFFING SUMMARY



District Wide Staffing	FY17	FY18	FY19	FY20	FY21
Regional Water System	109	110	115	127	127
Regional Wastewater System	128	129	131	137	140
Upper East Fork Interceptor System	19	19	19	22	22
Sewer System	65	72	73	75	74
Regional Solid Waste System	104	104	108	113	114
Support Fund Departments	351	359	380	399	398
Total Employees	776	793	826	873	875

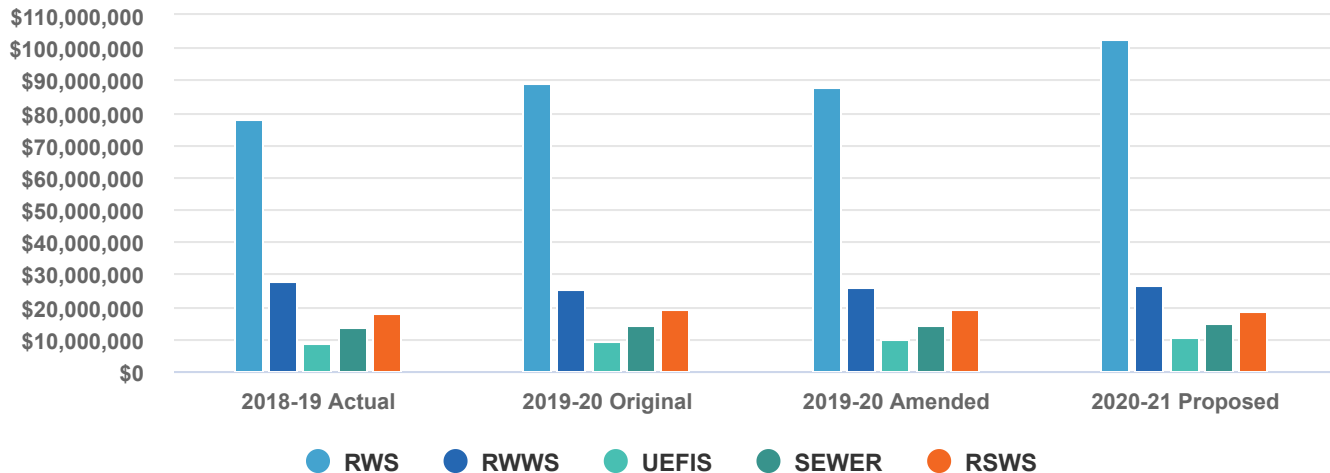
Total budgeted positions for FY21 are 875, a 0.3% increase from the prior year.



## Operations

The FY20 Amended All Systems Budget for Operations is \$156,546,040 which is (\$1,782,100) or -1.13% less than the FY20 Original Budget.

### OPERATING EXPENSES BY SYSTEM



Operating	2018-19 Actual	2019-20 Original	2019-20 Amended	2020-21 Proposed
RWS	\$ 78,152,119	\$ 89,267,570	\$ 87,627,623	\$ 102,408,545
RWWS	28,044,421	25,617,341	25,647,010	26,430,665
UEFIS	8,927,967	9,543,561	9,744,513	10,621,661
SEWER	13,468,880	14,458,125	14,227,830	15,081,985
RSWS	18,046,656	19,441,543	19,299,064	18,835,594
<b>Total Operating</b>	<b>\$ 146,640,043</b>	<b>\$ 158,328,140</b>	<b>\$ 156,546,040</b>	<b>\$ 173,378,450</b>

The FY21 All Systems Budget for Operations is \$173,378,450 which is \$15,050,310 or 9.51% greater than the FY20 Original Budget.

The following areas increased:

- Chemicals, primarily in the RWS, due to higher chemical costs, specifically ferric sulfate, caustic, lime and sodium chlorite. UEFIS also had increased chemicals to provide enhanced odor control.
- Special Maintenance increased in the RWS for cleaning and hauling residuals from the lagoons.
- Vehicle purchases in the RSWS for transport truck and wheel loader replacements at the Custer Road TS; compactor, dozer and water wagon replacements at the 121 RDF; and trailers for the Parkway TS top load conversion.
- Electric Power within the RWS and the RWWS.

The above increases were offset by the following:

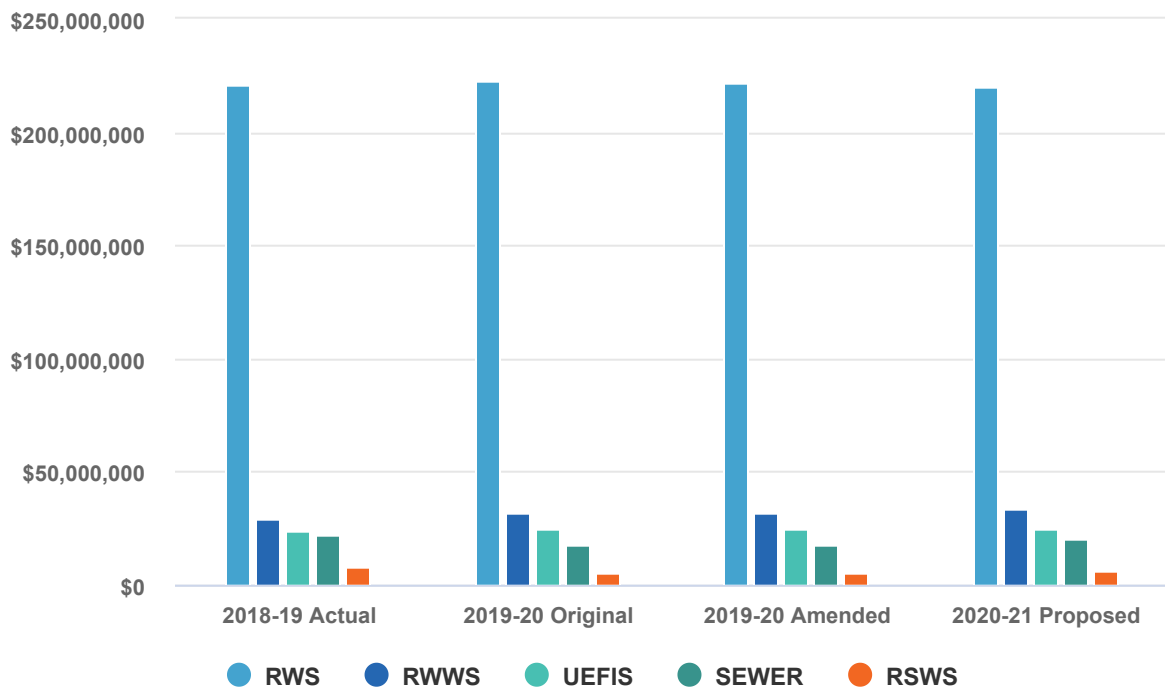
- Lower expected Wholesale Water Purchases based on recent trends.
- Eliminated Landfill Development Cost driven by no landfill cell development in FY21.
- Reduced Non-Vehicle Equipment within the RWWS and RSWS.
- Reductions in transfers to Preventative Maintenance Escrows in the RWWS and Sewer System.
- Lower expected landfill service fees due to a change in process that allows for better dewatering and reduces costs and trips to the landfill.

## Capital

The service area for the District is considered one of the fastest growing in the nation. This growth, along with aging infrastructure, make continued investment in capital projects a critical piece of continuing to provide services for Member Cities and Customers. In addition to short term Capital Outlay, included as part of the operating budget, the District funds a large portion of Capital Projects through transfers to Capital Improvement Funds as well as issuing long term debt. In FY21, 53% of the Total All Systems Budget is related to these transfers and debt service payments. It can be expected that adding new facilities to the District's infrastructure will bring the upfront capital cost as well as future ongoing O&M costs. For planning purposes the District uses a percentage of a project's capital cost to estimate future O&M costs, generally between 1-3% depending on the type of project being built. As new facilities are built, based on forecasted demand for the District's services, revenue will also increase a proportionate amount.

The FY20 Amended All Systems Budget for Capital is \$301,975,815 which is (\$1,032,110) or (-0.34%) less than the FY20 Original Budget.

### CAPITAL EXPENSE BY SYSTEM



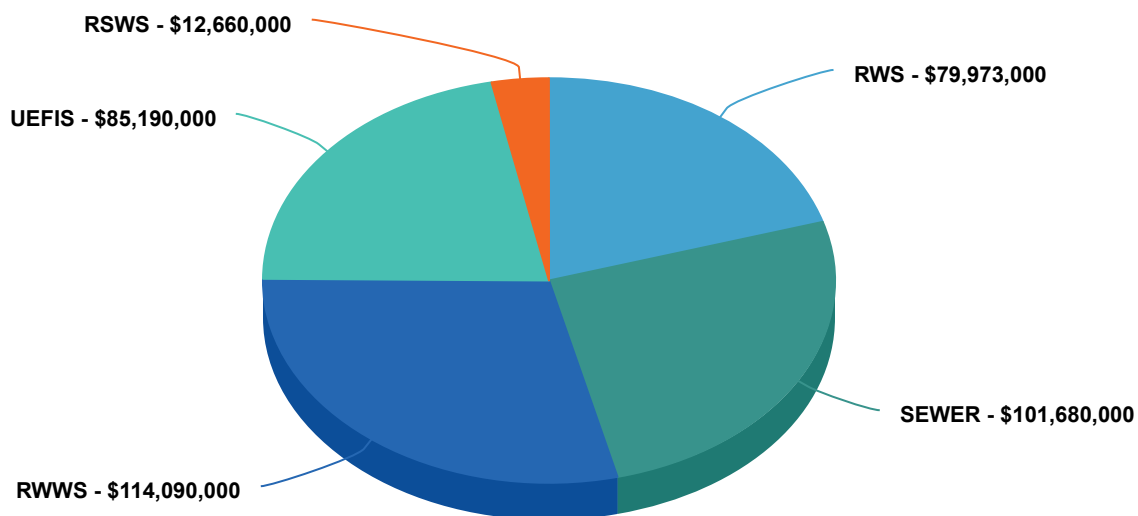
Capital	2018-19 Actual	2019-20 Original	2019-20 Amended	2020-21 Proposed
RWS	\$ 220,448,044	\$ 222,717,235	\$ 221,686,610	\$ 219,660,985
RWWS	29,205,660	31,969,880	31,971,340	33,952,900
UEFIS	23,541,045	24,870,490	24,868,380	24,554,700
SEWER	21,714,695	17,877,370	17,876,640	20,536,510
RSWS	7,604,185	5,572,950	5,572,845	6,158,350
<b>Total Capital</b>	<b>\$ 302,513,630</b>	<b>\$ 303,007,925</b>	<b>\$ 301,975,815</b>	<b>\$ 304,863,445</b>

The FY21 All Systems Budget for Capital is \$304,863,445 which is \$1,855,520 or 0.61% greater than the FY20 Original Budget. The increase is primarily due to additional required debt service payments from new debt. The increase is offset by lower transfers to the capital improvement fund in SS, RSWS and UEFIS. For FY21, bond issues of approximately \$394 million par (project cost plus issuance costs) are planned.

- In the RWS, bond sales of approximately \$80 million for the construction of additional clearwells at the Wylie WTP; control valve improvements for HSPS 2-2 and 2-3; the design of the water treatment plant site back-up power improvements; Apollo Pump Station electrical and mechanical system improvements; water transmission pipeline condition assessment; construction of the lock and dam structure at the Trinity River Main Stem Pump Station; and the conversion to biologically active filtration at the Wylie WTP.
- In the RWWS, bonds sales of \$114 million for Rowlett Creek Regional WWTP peak flow management phase IIA solids improvements; step feed improvements at Wilson Creek Regional WWTP; aeration basin improvements at Wilson Creek Regional WWTP; South Mesquite Regional WWTP peak flow management & expansion phase I; and the design of South Mesquite Regional WWTP peak flow management & expansion phase II.
- In the UEFIS, bond sales of \$85 million for the construction of the North McKinney Transfer Force Main; the construction of the Sloan Creek Force Main; the construction of North McKinney Transfer Lift Station; the construction of McKinney-Prosper Transfer Sewer phase I; the Preston Road Lift Station expansion property; and McKinney East Side extension property.
- In the Sewer System, bond sales of \$102 million for the design of the improvements and expansion to 5 MGD of the Sabine Creek Sub-Regional WWTP; design of the Muddy Creek WWTP expansion to 15 MGD and operations building improvements; construction of the Buffalo Creek Parallel Interceptor, phase I; construction of the Buffalo Creek Interceptor Tunnel; and the Forney Mustang Creek Lift Station phase II and Forney Force Main improvements.
- In the RSWS, bond sales of over \$12 million for the addition of the 121 RDF heavy equipment shop; property for the North Transfer Station; and construction for the closure of 121 RDF south slope.

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

### BUDGETED BOND ISSUES



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# REGIONAL WATER SYSTEM

Revenues and Expenses	2018-19	2019-20	2019-20	2020-21	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
<b>Revenues</b>						
Water Sales:						
Member Sales	\$ 276,603,470	\$ 292,468,946	\$ 287,470,114	\$ 297,693,696	\$ 5,224,750	1.79%
Customer Sales	59,206,211	62,166,175	64,279,206	66,047,428	3,881,253	6.24%
Retail Customer Sales	20,260	20,000	22,000	22,000	2,000	10.00%
Raw Water Sales	2,900	455	600	655	200	43.96%
Total Water Sales	\$ 335,832,841	\$ 354,655,576	\$ 351,771,920	\$ 363,763,779	\$ 9,108,203	2.57%
Total Other Revenues	\$ 16,019,657	\$ 459,244	\$ 1,733,590	\$ 687,216	\$ 227,972	49.64%
Interest Income	\$ 792,420	\$ 763,030	\$ 351,825	\$ 369,415	\$ (393,615)	-51.59%
Tfr from Rate Stabilization	-	-	-	2,550,000	2,550,000	0.00%
<b>Total Revenues</b>	<b>\$ 352,644,918</b>	<b>\$355,877,850</b>	<b>\$ 353,857,335</b>	<b>\$ 367,370,410</b>	<b>\$ 11,492,560</b>	<b>3.23%</b>
<b>Expenses</b>						
Personnel:						
Salaries	\$ 35,403,915	\$ 8,984,945	\$ 8,545,480	\$ 8,951,740	\$ (33,205)	-0.37%
Other	15,132,051	3,900,790	3,791,455	3,973,595	72,805	1.87%
Total Personnel	\$ 50,535,966	\$ 12,885,735	\$ 12,336,935	\$ 12,925,335	\$ 39,600	0.31%
Supplies:						
Fuel	\$ 482,719	\$ 73,730	\$ 73,730	\$ 90,300	\$ 16,570	22.47%
Chemicals	29,811,353	31,318,175	34,388,210	38,867,615	7,549,440	24.11%
Other	7,353,057	2,763,075	3,354,315	3,553,755	790,680	28.62%
Total Supplies	\$ 37,647,129	\$ 34,154,980	\$ 37,816,255	\$ 42,511,670	\$ 8,356,690	24.47%
Services:						
Consulting	\$ 6,114,647	\$ 3,838,250	\$ 3,838,250	\$ 3,617,000	\$ (221,250)	-5.76%
Insurance	945,570	520,555	692,885	1,028,680	508,125	97.61%
Maintenance	8,578,918	9,748,095	7,662,795	13,363,510	3,615,415	37.09%
Power	12,166,720	17,905,825	17,327,850	18,338,400	432,575	2.42%
Support	74,502	41,689,415	41,744,510	40,177,645	(1,511,770)	-3.63%
Water Purchases	5,389,177	7,577,685	5,305,450	6,140,215	(1,437,470)	-18.97%
Other	5,804,795	4,157,445	4,072,060	5,918,645	1,761,200	42.36%
Total Services	\$ 39,074,329	\$ 85,437,270	\$ 80,643,800	\$ 88,584,095	\$ 3,146,825	3.68%
Capital Outlay	\$ 1,380,661	\$ 1,367,500	\$ 1,276,255	\$ 1,671,525	\$ 304,025	22.23%
Escrow	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	0.00%
Capital Improvement Fund	\$ 50,910,000	\$ 35,170,000	\$ 34,140,000	\$ 36,200,000	\$ 1,030,000	2.93%
Debt Service	\$ 169,538,044	\$ 187,547,235	\$ 187,546,610	\$ 183,460,985	\$ (4,086,250)	-2.18%
<b>Total Expenses</b>	<b>\$ 349,136,129</b>	<b>\$356,612,720</b>	<b>\$ 353,809,855</b>	<b>\$ 365,403,610</b>	<b>\$ 8,790,890</b>	<b>2.47%</b>
<b>Net Revenues</b>	<b>\$ 3,508,788</b>	<b>\$ (734,870)</b>	<b>\$ 47,480</b>	<b>\$ 1,966,800</b>	<b>\$ 2,701,670</b>	

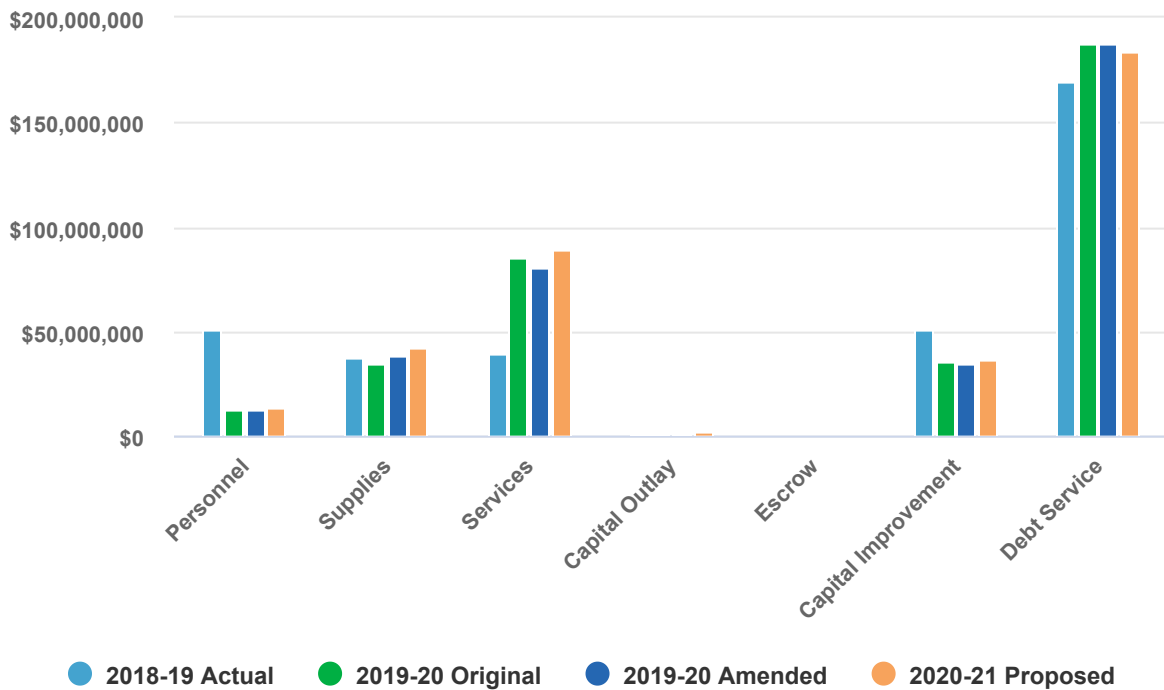
The FY20 Amended Budget for expenditures totals \$353,809,855, which is \$2,802,865 or 0.79% less than the FY20 Original Budget of \$356,612,720. This decrease is due to a lower number of lagoon cleanings, reduced Electric Power and Wholesale Water Purchases because of less demand, a lower expected Capital Improvement Fund transfer and savings in Personnel. These savings were partially offset by higher prices on Chemicals.

For the FY21 Annual Budget, the total RWS expenditures requested are \$365,403,610, which is \$8,790,890 or 2.47% greater than the FY20 Original Budget.

Major budget variances are explained below:

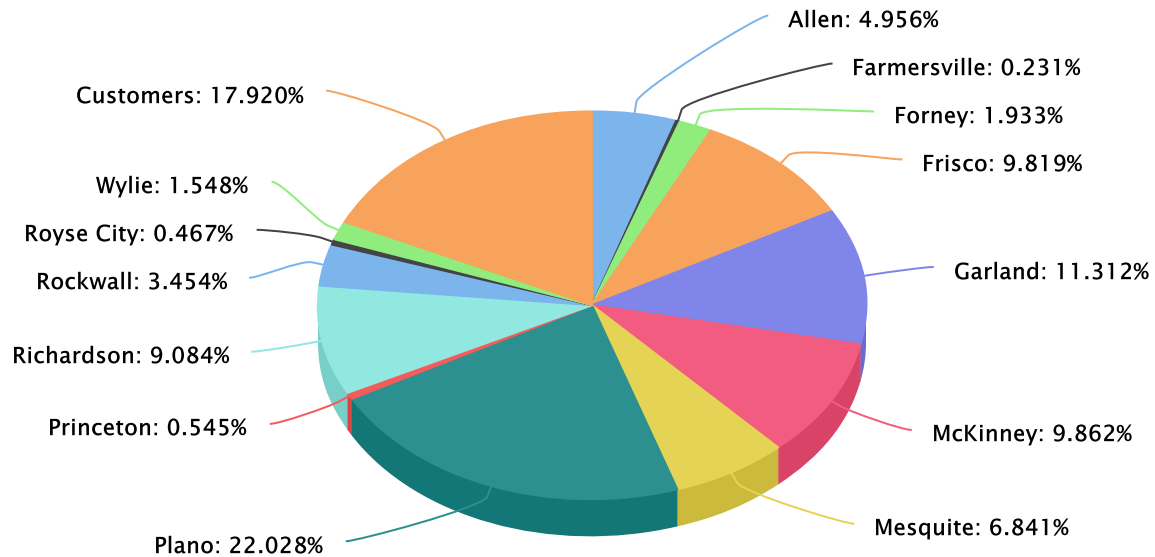
- Supplies increased \$8,356,690 driven by increased chemical contract costs. Additional supply increases are due to equipping the new Bois d'Arc Lake Office and Maintenance Shop, Leonard Water Treatment Plant and new Operations Building. In addition, there are added costs in supplies that are needed in order to effectively implement the Lavon Lake Spill Response Plan.
- Services increased \$3,146,825 as a result of additional Special Maintenance for lagoon cleaning and Bois d'Arc Lake Fannin County Agreements. These increases are partially offset by a reduction in Support Services allocations for FY21.
- Capital Outlay is higher by \$304,025. Other Capital Outlay increased as a result of stormwater best management practices (BMP) construction, specifically stormwater management features including rain gardens, pervious pavement, rainwater harvesting and more. This is funded through a grant from TCEQ.
- Lower debt service cost is offset by higher Capital Improvement Fund transfers resulting in a net decrease of (\$3,056,250).

## 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****FY21  
ANNUAL MINIMUMS**

Member Cities	(1,000 gallons)
Allen	6,011,208
Farmersville	280,467
Forney	2,345,109
Frisco	11,910,250
Garland	13,721,955
McKinney	11,963,029
Mesquite	8,297,666
Plano	26,719,809
Princeton	660,682
Richardson	11,019,311
Rockwall	4,190,133
Royse City	565,932
Wylie	1,877,558
<b>Total Member Cities</b>	<b>99,563,109</b>
Customers	21,736,654
<b>Grand Total</b>	<b>121,299,763</b>



**Regional Water System Rate Calculation**

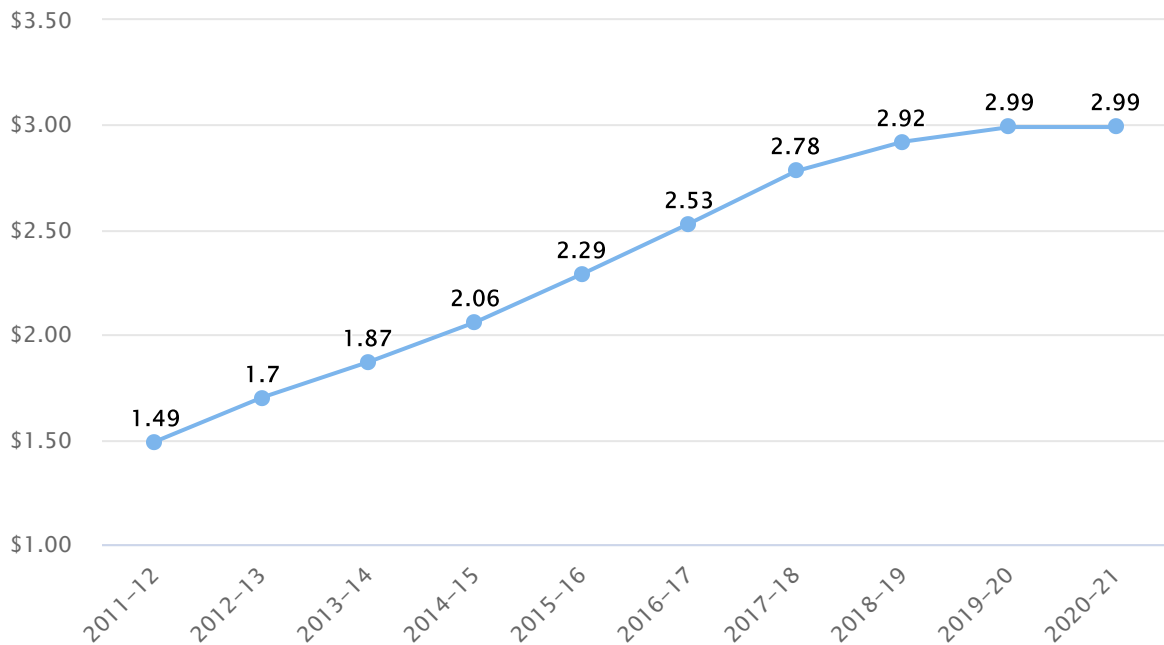
Total Expenses	\$	365,403,610
Total Other Revenues	\$	3,629,286
Net Expenses	\$	361,774,324
Maintain 90 Day Minimum - Operating Fund	\$	1,966,800
Revenues Needed from Water Sales	\$	363,741,124
Member City Revenue	\$	297,693,696
Customer Revenue	\$	66,047,428
Total Revenues from Water Sales	\$	363,741,124

**Annual Minimums (1,000 gallons)**

Member Cities		99,563,109
Customers		21,736,654
		121,299,763
Member City Rate	\$	2.99
Customer Surcharge		0.05
Customer Rate	\$	3.04

**MEMBER CITY WATER RATES**

per 1,000 gallons



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# REGIONAL WASTEWATER SYSTEM

# REGIONAL WASTEWATER SYSTEM

NORTH TEXAS MUNICIPAL WATER DISTRICT

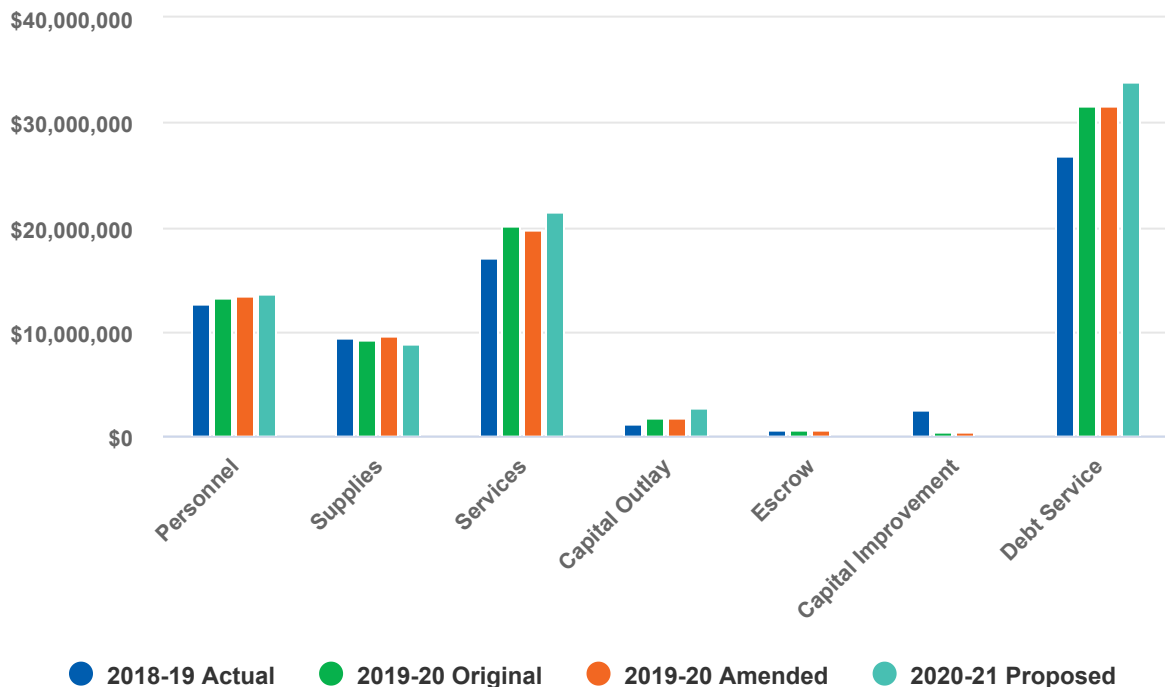
Revenues and Expenses	2018-19	2019-20	2019-20	2020-21	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
<b>Revenues</b>						
Wastewater Sales:						
Members	\$ 66,197,391	\$ 73,686,695	\$ 73,966,455	\$ 77,982,235	\$ 4,295,540	5.83%
Customers	2,763,145	2,372,880	1,849,010	1,893,060	(479,820)	-20.22%
Total Wastewater Sales	\$ 68,960,536	\$ 76,059,575	\$ 75,815,465	\$ 79,875,295	\$ 3,815,720	5.02%
Total Other Revenues	\$ 737,662	\$ 543,960	\$ 1,008,260	\$ 543,605	\$ (355)	-0.07%
Interest Income	\$ 193,075	\$ 138,730	\$ 109,390	\$ 104,935	\$ (33,795)	-24.36%
<b>Total Revenues</b>	<b>\$ 69,891,273</b>	<b>\$ 76,742,265</b>	<b>\$ 76,933,115</b>	<b>\$ 80,523,835</b>	<b>\$ 3,781,570</b>	<b>4.93%</b>
<b>Expenses</b>						
Personnel:						
Salaries	\$ 8,691,276	\$ 9,015,040	\$ 9,180,535	\$ 9,143,260	\$ 128,220	1.42%
Other	3,949,915	4,238,685	4,270,210	4,403,390	164,705	3.89%
Total Personnel	\$ 12,641,191	\$ 13,253,725	\$ 13,450,745	\$ 13,546,650	\$ 292,925	2.21%
Supplies:						
Fuel	\$ 494,656	\$ 535,645	\$ 425,645	\$ 542,735	\$ 7,090	1.32%
Chemicals	4,733,359	5,172,055	5,362,485	4,548,165	(623,890)	-12.06%
Other	4,066,023	3,478,110	3,700,155	3,711,555	233,445	6.71%
Total Supplies	\$ 9,294,038	\$ 9,185,810	\$ 9,488,285	\$ 8,802,455	\$ (383,355)	-4.17%
Services:						
Consulting	\$ 757,286	\$ 464,930	\$ 426,130	\$ 595,360	\$ 130,430	28.05%
Insurance	196,842	229,105	242,505	233,335	4,230	1.85%
Landfill Service Fees	4,238,814	4,483,015	4,079,525	3,873,995	(609,020)	-13.59%
Maintenance	1,189,058	1,695,510	1,613,960	2,225,955	530,445	31.29%
Power	2,793,273	3,284,100	3,284,100	3,880,000	595,900	18.15%
Support	5,372,088	7,750,650	7,611,960	8,711,840	961,190	12.40%
Other	2,422,797	2,154,240	2,486,700	1,935,295	(218,945)	-10.16%
Total Services	\$ 16,970,160	\$ 20,061,550	\$ 19,744,880	\$ 21,455,780	\$ 1,394,230	6.95%
Capital Outlay	\$ 1,147,473	\$ 1,721,300	\$ 1,727,865	\$ 2,766,050	\$ 1,044,750	60.70%
Escrow	\$ 632,750	\$ 550,000	\$ 550,000	\$ -	\$ (550,000)	-100.00%
Capital Improvement Fund	\$ 2,454,015	\$ 300,000	\$ 300,000	\$ -	\$ (300,000)	-100.00%
Debt Service	\$ 26,751,645	\$ 31,669,880	\$ 31,671,340	\$ 33,952,900	\$ 2,283,020	7.21%
<b>Total Expenses</b>	<b>\$ 69,891,273</b>	<b>\$ 76,742,265</b>	<b>\$ 76,933,115</b>	<b>\$ 80,523,835</b>	<b>\$ 3,781,570</b>	<b>4.93%</b>
<b>Net Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>



The FY20 Amended Budget for expenditures and revenues totals \$76,933,115, which is greater than the FY20 Original Budget of \$76,742,265. The primary driver for this increase was for an emergency repair of a 48-inch pipe at the South Mesquite RWWTP. The increase was approved by the Board and funds were transferred from maintenance reserves to cover the cost. For the FY21 Annual Budget, the total RWWS expenditures are \$80,523,835 which is \$3,781,570 or 4.93% greater than the FY20 Original Budget. Major budget variances are explained below:

- Increase in Debt Service of \$1,983,020 for the financing of \$114 million in bonds and offset by a lower Capital Improvement Fund transfer.
- Increase in Services of \$1,394,230 due to the allocation of Support Fund expenses, increased Electric Power for the additional 17.5 MGD peak flow treatment capacity at Rowlett Creek RWWTP and higher Equipment Maintenance costs at Rowlett Creek RWWTP for a belt press rebuild. The increases were offset by a decrease in Landfill Service Fees due to a process change that allows for better dewatering and reduces trips to the landfill and costs at Wilson Creek RWWTP.
- Increase in Capital Outlay of \$1,044,750 related to Vehicle Equipment replacements for Wilson Creek, Rowlett Creek and South Mesquite RWWTPs. In addition, Machinery costs are higher to purchase a screw press necessary for solids and sludge processing at Floyd Branch RWWTP.
- Increase in Personnel of \$292,925 due to the higher insurance costs and the hiring of a Wastewater Plant Supervisor II for the Sister Grove Regional Water Resource Recovery Facility. The FY21 budget funds no market / merit based adjustments for existing staff.
- Decrease in Escrow of (\$550,000) related to reduced amounts being sent to the Reserve for Maintenance and Preventative Maintenance Escrows.
- Decrease in Supplies of (\$383,355) driven by lower Chemicals costs due to process improvements at Wilson Creek RWWTP, partially offset by increased Electrical Supplies due to the 8 MGD expansion and peak flow capacity at the same plant.

### RWWS EXPENDITURES

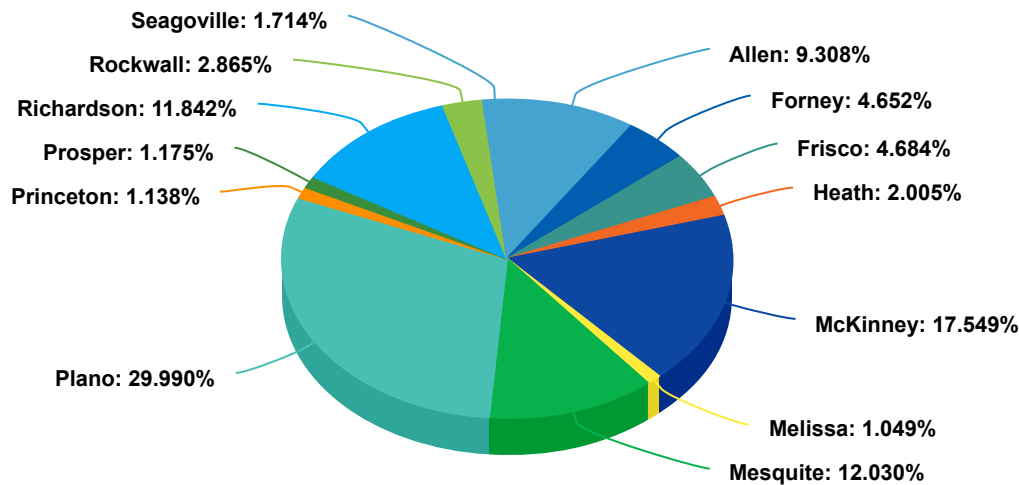


## Cost Allocation for Member Cities

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 four 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 FY21 Budget is presented below:

### 2020-21 MEMBER CITY COST ALLOCATION



The total charges to be allocated to the Member Cities for FY21 are \$77,982,235 after deducting interest and other revenue in the estimated amount of \$2,541,600 from the proposed budget of \$80,523,835.

City	2018-19 Actual	2019-20 Original Budget	2019-20 Amended Budget	2020-21 Proposed Budget
Allen	\$ 6,178,199	\$ 6,976,934	\$ 6,881,970	\$ 7,258,636
Forney	2,270,044	2,802,545	3,439,727	3,627,994
Frisco	2,888,857	2,941,548	3,462,818	3,652,347
Heath	1,221,338	1,298,989	1,482,264	1,563,392
McKinney	11,617,626	12,927,099	12,975,157	13,685,319
Melissa	322,162	809,897	786,975	817,677
Mesquite	9,811,158	10,541,292	8,894,362	9,381,175
Plano	19,125,826	20,928,550	22,173,621	23,387,239
Princeton	648,156	703,214	841,070	887,106
Prosper	978,421	1,178,022	868,477	916,011
Richardson	8,143,330	9,079,480	8,755,240	9,234,435
Rockwall	1,939,088	2,175,293	2,118,410	2,234,356
Seagoville	1,053,187	1,323,832	1,286,364	1,336,548
<b>Total</b>	<b>\$ 66,197,391</b>	<b>\$ 73,686,695</b>	<b>\$ 73,966,455</b>	<b>\$ 77,982,235</b>
<b>Flows (1,000)</b>	<b>37,165,767</b>	<b>32,912,750</b>	<b>34,000,000</b>	<b>34,500,000</b>
<b>Member Cost per 1,000</b>	<b>\$ 1.78</b>	<b>\$ 2.24</b>	<b>\$ 2.18</b>	<b>\$ 2.26</b>

# UPPER EAST FORK INTERCEPTOR SYSTEM

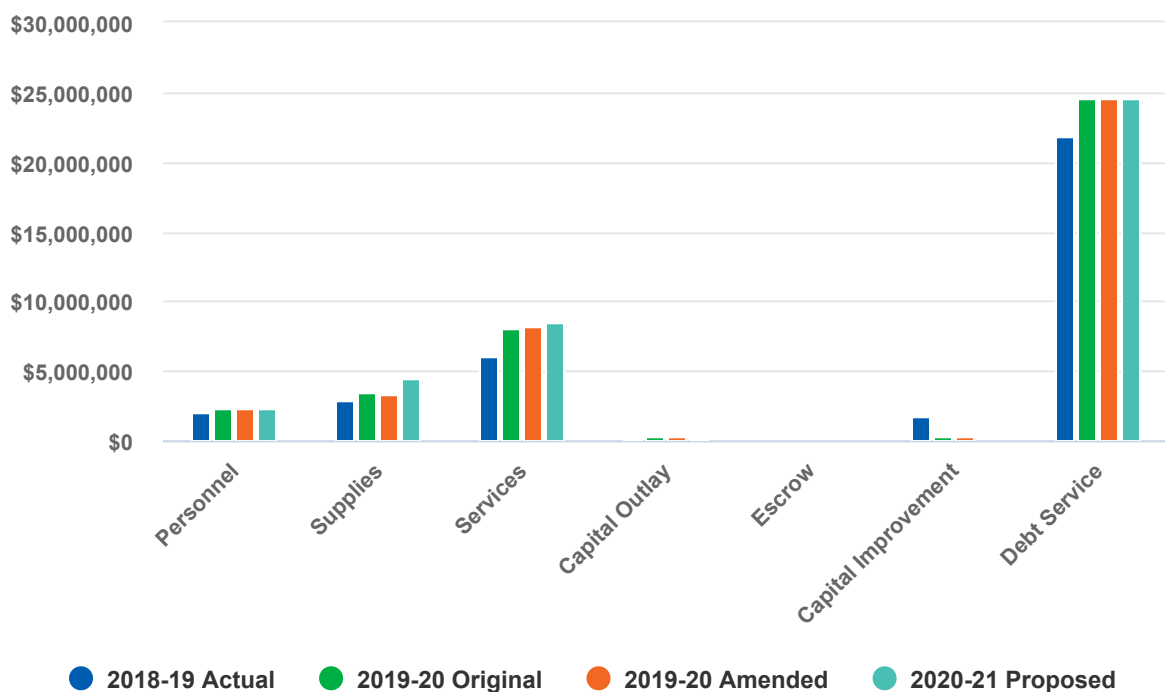
# UPPER EAST FORK INTERCEPTOR SYSTEM NORTH TEXAS MUNICIPAL WATER DISTRICT

Revenues and Expenses	2018-19	2019-20	2019-20	2020-21	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
<b>Revenues</b>						
Wastewater Sales:						
Members	\$ 32,117,762	\$ 36,722,070	\$ 37,028,760	\$ 38,177,855	\$ 1,455,785	3.96%
Customers	1,888,724	1,651,020	1,286,150	1,244,920	(406,100)	-24.60%
Total Wastewater Sales	\$ 34,006,486	\$ 38,373,090	\$ 38,314,910	\$ 39,422,775	\$ 1,049,685	2.74%
Total Other Revenues	\$ 329,596	\$ 415,565	\$ 556,505	\$ 485,750	\$ 70,185	16.89%
Interest Income	\$ 93,822	\$ 70,475	\$ 61,340	\$ 53,235	\$ (17,240)	-24.46%
<b>Total Revenues</b>	<b>\$ 34,429,904</b>	<b>\$ 38,859,130</b>	<b>\$ 38,932,755</b>	<b>\$ 39,961,760</b>	<b>\$ 1,102,630</b>	<b>2.84%</b>
<b>Expenses</b>						
Personnel:						
Salaries	\$ 1,326,763	\$ 1,621,575	\$ 1,606,340	\$ 1,603,495	\$ (18,080)	-1.11%
Other	634,129	710,050	677,120	675,840	(34,210)	-4.82%
Total Personnel	\$ 1,960,892	\$ 2,331,625	\$ 2,283,460	\$ 2,279,335	\$ (52,290)	-2.24%
Supplies:						
Fuel	\$ 57,341	\$ 76,210	\$ 56,210	\$ 76,210	\$ -	0.00%
Chemicals	2,044,017	2,581,045	2,581,045	3,679,500	1,098,455	42.56%
Other	712,970	716,700	672,290	728,435	11,735	1.64%
Total Supplies	\$ 2,814,328	\$ 3,373,955	\$ 3,309,545	\$ 4,484,145	\$ 1,110,190	32.90%
Services:						
Consulting	\$ 640,214	\$ 471,500	\$ 456,500	\$ 321,500	\$ (150,000)	-31.81%
Insurance	51,548	65,345	85,090	87,765	22,420	34.31%
Landfill Service Fees	755	5,000	3,000	5,000	-	0.00%
Maintenance	1,919,439	2,843,070	2,991,070	2,984,040	140,970	4.96%
Power	1,197,210	1,480,000	1,480,000	1,480,000	-	0.00%
Support	1,554,537	2,775,760	2,643,410	3,311,145	535,385	19.29%
Other	598,476	343,405	475,200	284,130	(59,275)	-17.26%
Total Services	\$ 5,962,180	\$ 7,984,080	\$ 8,134,270	\$ 8,473,580	\$ 489,500	6.13%
Capital Outlay	\$ 93,429	\$ 240,950	\$ 279,070	\$ 170,000	\$ (70,950)	-29.45%
Escrow	\$ 58,030	\$ 58,030	\$ 58,030	\$ -	\$ (58,030)	-100.00%
Capital Improvement Fund	\$ 1,766,825	\$ 350,000	\$ 350,000	\$ -	\$ (350,000)	-100.00%
Debt Service	\$ 21,774,220	\$ 24,520,490	\$ 24,518,380	\$ 24,554,700	\$ 34,210	0.14%
<b>Total Expenses</b>	<b>\$ 34,429,904</b>	<b>\$ 38,859,130</b>	<b>\$ 38,932,755</b>	<b>\$ 39,961,760</b>	<b>\$ 1,102,630</b>	<b>2.84%</b>
<b>Net Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>

The FY20 Amended Budget for expenditures and revenues totals \$38,932,755, which is greater than the FY20 Original Budget of \$38,859,130. The reason for the Amended Budget increase is related to emergency valve replacements at the Upper Rowlett Lift Station as well as influent pipe repairs at the Upper Cottonwood Lift Station. These expenditures were approved by the Board and funds from maintenance reserves were transferred to cover the costs. For the FY21 Annual Budget, the total UEFIS expenditures are \$39,961,760, which is \$1,102,630 or 2.84% greater than the FY20 Original Budget. Major budget variances are explained below:

- Increase in Supplies of \$1,110,190 due primarily to additional chemicals to improve performance and efficiency based on the UEFIS Odor and Corrosion Control Master Plan and for the proactive management of odor control systems.
- Increase in Services of \$489,500 due to the allocation of Support Fund expenses.
- Decrease in Debt Service of (\$315,790) as a result of no Capital Improvement Fund transfers.
- Decrease in Personnel of (\$52,290). The FY21 budget funds no market / merit based adjustments for existing staff.

### UEFIS EXPENDITURES

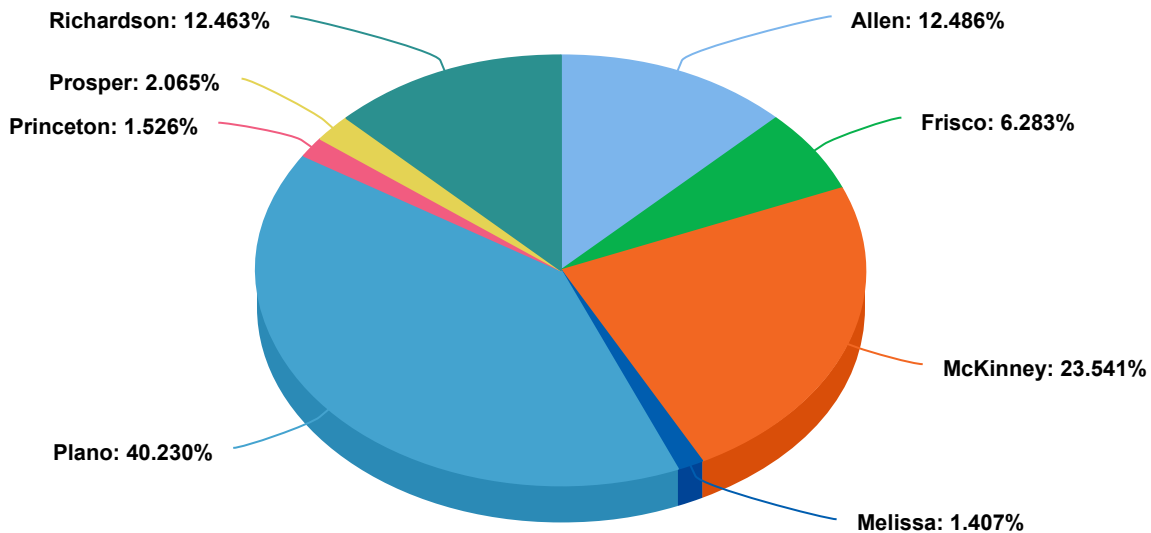


## Cost Allocation for Member Cities

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 FY21 Budget is presented below:

### 2020-21 MEMBER CITY COST ALLOCATION



The total charges to be allocated to the Member Cities for FY21 are \$39,398,510 after deducting interest and other revenue in the estimated amount of \$1,837,715 from the proposed budget of \$41,236,225.

	2018-19	2019-20	2019-20	2020-21
City	Actual	Original Budget	Amended Budget	Proposed Budget
Allen	\$ 4,162,783	\$ 4,844,234	\$ 4,620,979	\$ 4,766,881
Frisco	1,946,497	2,042,380	2,325,149	2,398,564
McKinney	7,827,837	8,975,560	8,712,320	8,987,403
Melissa	217,084	562,329	528,423	536,983
Plano	12,886,770	14,531,138	14,888,737	15,358,833
Princeton	436,705	488,256	564,747	582,579
Prosper	659,249	825,546	775,770	788,337
Richardson	3,980,836	4,452,627	4,612,635	4,758,275
<b>Total</b>	<b>\$ 32,117,762</b>	<b>\$ 36,722,070</b>	<b>\$ 37,028,760</b>	<b>\$ 38,177,855</b>
<b>Flows (1,000)</b>	<b>26,762,292</b>	<b>23,623,365</b>	<b>25,349,072</b>	<b>25,719,095</b>
<b>Member Cost per 1,000</b>	<b>\$ 1.20</b>	<b>\$ 1.55</b>	<b>\$ 1.46</b>	<b>\$ 1.48</b>



# SEWER SYSTEM

## SEWER SYSTEM

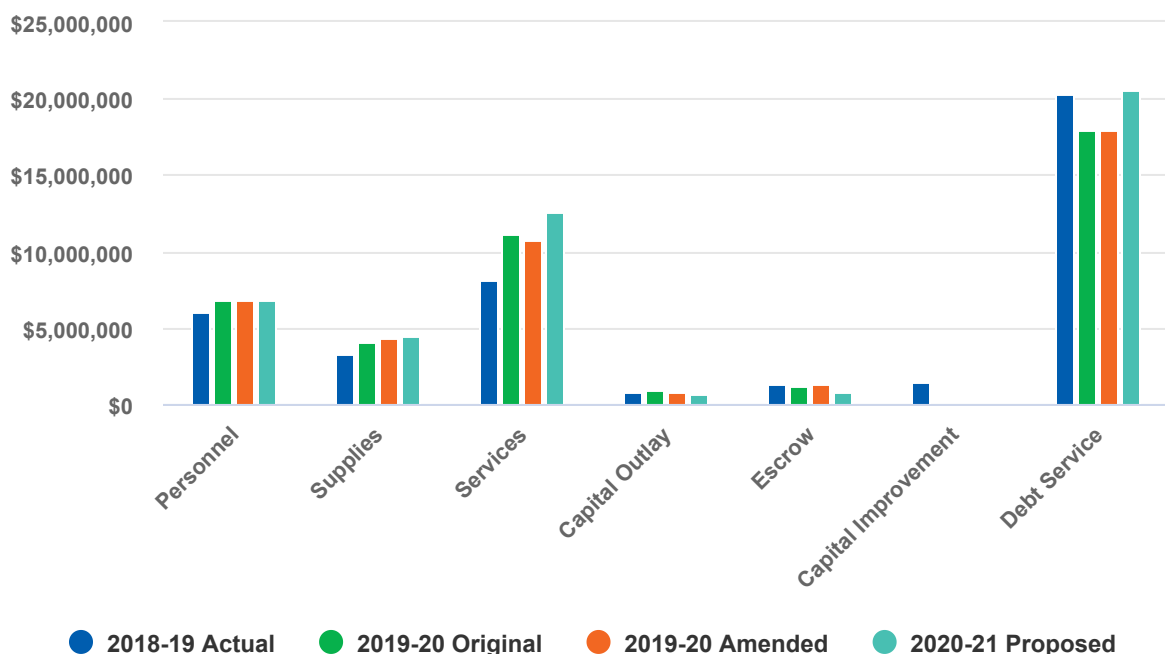
NORTH TEXAS MUNICIPAL WATER DISTRICT

Revenues and Expenses	2018-19	2019-20	2019-20	2020-21	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
<b>Revenues</b>						
Sewer Sales:						
Sewer Facilities	\$ 29,893,827	\$ 30,441,830	\$ 30,498,555	\$ 32,500,610	\$ 2,058,780	6.76%
Interceptor Facilities	8,254,873	8,015,850	8,041,610	9,195,580	1,179,730	14.72%
Pretreatment	910,939	1,189,445	1,183,305	1,195,080	5,635	0.47%
Water Facilities	1,538,542	1,581,775	1,583,590	1,615,510	33,735	2.13%
Total Sewer Sales	\$ 40,598,181	\$ 41,228,900	\$ 41,307,060	\$ 44,506,780	\$ 3,277,880	7.95%
Total Other Revenues	\$ 507,698	\$ 565,670	\$ 465,670	\$ 1,240,670	\$ 675,000	119.33%
Interest Income	\$ 152,570	\$ 163,490	\$ 75,045	\$ 74,870	\$ (88,620)	-54.21%
<b>Total Revenues</b>	<b>\$ 41,258,449</b>	<b>\$ 41,958,060</b>	<b>\$ 41,847,775</b>	<b>\$ 45,822,320</b>	<b>\$ 3,864,260</b>	<b>9.21%</b>
<b>Expenses</b>						
Personnel:						
Salaries	\$ 4,144,090	\$ 4,760,050	\$ 4,729,700	\$ 4,678,440	\$ (81,610)	-1.71%
Other	1,930,785	2,109,925	2,126,885	2,138,630	28,705	1.36%
Total Personnel	\$ 6,074,874	\$ 6,869,975	\$ 6,856,585	\$ 6,817,070	\$ (52,905)	-0.77%
Supplies:						
Fuel	\$ 50,329	\$ 53,720	\$ 52,720	\$ 54,125	\$ 405	0.75%
Chemicals	1,562,284	2,299,510	2,403,910	2,418,280	118,770	5.17%
Other	1,641,211	1,731,220	1,851,085	1,971,220	240,000	13.86%
Total Supplies	\$ 3,253,824	\$ 4,084,450	\$ 4,307,715	\$ 4,443,625	\$ 359,175	8.79%
Services:						
Consulting	\$ 315,617	\$ 509,850	\$ 533,825	\$ 440,000	\$ (69,850)	-13.70%
Insurance	51,249	63,095	65,640	69,220	6,125	9.71%
Landfill Service Fees	869,865	1,102,040	1,059,740	1,033,665	(68,375)	-6.20%
Maintenance	612,251	1,244,080	957,945	2,042,390	798,310	64.17%
Power	1,753,966	2,052,915	2,064,615	2,093,775	40,860	1.99%
Support	2,683,982	3,615,185	3,747,190	4,474,760	859,575	23.78%
Other	1,822,065	2,480,560	2,269,175	2,444,555	(36,005)	-1.45%
Total Services	\$ 8,108,996	\$ 11,067,725	\$ 10,698,130	\$ 12,598,365	\$ 1,530,640	13.83%
Capital Outlay	\$ 774,620	\$ 855,525	\$ 823,690	\$ 695,000	\$ (160,525)	-18.76%
Escrow	\$ 1,331,440	\$ 1,178,015	\$ 1,260,015	\$ 731,750	\$ (446,265)	-37.88%
Capital Improvement Fund	\$ 1,397,000	\$ -	\$ -	\$ -	\$ -	0.00%
Debt Service	\$ 20,317,695	\$ 17,877,370	\$ 17,876,640	\$ 20,536,510	\$ 2,659,140	14.87%
Special Projects	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)	-100.00%
<b>Total Expenses</b>	<b>\$ 41,258,449</b>	<b>\$ 41,958,060</b>	<b>\$ 41,847,775</b>	<b>\$ 45,822,320</b>	<b>\$ 3,864,260</b>	<b>9.21%</b>
<b>Net Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>

The FY20 Amended Budget for expenditures totals \$41,847,775, which is \$110,285 or 0.26% less than the FY20 Original Budget of \$41,958,060. For the FY21 Proposed Budget, the total expenditures for Sewer System facilities requested are \$45,822,320, which is \$3,864,260 or 9.21% greater than the FY20 Original Budget. Major budget variances are explained below:

- Increase in Debt Service of \$2,659,140 is the net result of the following:
  - Bond issue for the construction of Buffalo Creek Parallel Interceptor and Buffalo Creek Interceptor Tunnel in Buffalo Creek Interceptor System.
  - Bond issue for the Forney Mustang Creek Lift Station Phase II and Forney Force Main Improvements.
  - Bond issue for the design of peak flow storage basin and operations building improvements at the Muddy Creek WWTP.
  - Increased FY21 debt service payments for the Panther Creek WWTP, Mustang Creek Interceptor and Buffalo Creek Interceptor.
- Increase in Services of \$1,505,640 due to the increased Pipeline Maintenance in multiple interceptor systems for inspections; however, this will be funded by the Preventative Maintenance Escrow account. Permits are higher for several permit renewals and the Support Fund allocation is increasing.
- Increase in Supplies of \$359,175 driven by the purchase of Electrical Supplies for the installation of a new SCADA monitoring system that will replace the current auto dialer system at multiple WWTPs. Mechanical Supplies increased for Stewart Creek WWTP to perform unforeseen repairs that were uncovered during the recent construction project. Chemicals increased due to higher costs and greater forecasted usage rates due to new system processes and odor/corrosion control.
- Decrease in Escrow of (\$446,265) related to reduced amounts being transferred to the Reserve for Maintenance and Preventative Maintenance Escrows.
- Decrease in Capital Outlay of (\$160,525) related to minimal Other Capital Outlay purchases.
- Decrease in Personnel of (\$52,905) due to the repurposing of vacant positions. The FY21 budget funds no market / merit based adjustments for existing staff.

### SEWER SYSTEM EXPENDITURES



## Revenues and Expenditures

Below is a summary, by facility, of the Sewer System FY20 Original and Amended Budgets and the Proposed FY21 Budget.

	2018-19 Actual	2019-20 Original	2019-20 Amended	2020-21 Proposed
<b>Water Facilities:</b>				
Little Elm Water Transmission Facilities	\$ 387,228	\$ 397,005	\$ 397,005	\$ 403,290
Plano Water Transmission Facilities	-	4,160	4,160	3,670
Kaufman 4-1 Water Distribution Facilities	86,292	69,755	69,745	87,065
Rockwall-Heath Water Storage Facilities	223,896	226,565	226,565	229,375
Terrell Water Transmission Facilities	709,394	719,545	719,545	722,995
Rockwall Water Pump Station Facilities	166,306	168,555	168,555	171,100
<b>Total</b>	<b>\$ 1,573,117</b>	<b>\$ 1,585,585</b>	<b>\$ 1,585,575</b>	<b>\$ 1,617,495</b>
<b>Sewer Facilities:</b>				
Wylie WWTP	\$ 30,742	\$ 34,975	\$ 35,140	\$ 40,385
South Rockwall WWTP	1,316,100	1,809,325	1,815,580	1,763,110
North Rockwall WWTP	604,359	606,765	652,865	623,205
Panther Creek WWTP	8,859,095	7,945,045	7,940,375	9,225,175
Sabine Creek WWTP	2,509,514	2,674,905	2,682,560	2,815,450
Stewart Creek WWTP	9,359,935	9,341,650	9,273,260	9,690,650
Muddy Creek WWTP	6,935,568	7,430,605	7,420,250	7,538,395
Seis Lagos WWTP	196,526	216,140	218,190	251,295
Royse City WWTP	15,790	26,675	26,840	25,030
Farmersville WWTP	399,287	480,815	489,035	529,610
Frisco Cottonwood Creek WWTP	338	-	-	-
Lavon WWTP	251,985	363,105	367,155	420,825
<b>Total</b>	<b>\$ 30,479,240</b>	<b>\$ 30,930,005</b>	<b>\$ 30,921,250</b>	<b>\$ 32,923,130</b>
<b>Interceptor Facilities:</b>				
Forney Interceptor	\$ 445,655	\$ 519,430	\$ 521,160	\$ 517,820
Lower East Fork Interceptor	1,758,754	1,860,195	1,860,100	1,858,310
Muddy Creek Interceptor	466,696	476,780	476,765	862,630
Parker Creek Interceptor	446,964	469,585	469,575	960,335
Sabine Creek Interceptor	310,139	306,425	308,275	301,845
Buffalo Creek Interceptor	2,881,331	2,586,110	2,584,800	3,099,530
McKinney Interceptor	195,176	400,675	305,595	52,650
Mustang Creek Interceptor	1,667,992	1,516,375	1,516,335	2,314,180
Parker Creek Parallel Interceptor	115,370	112,300	112,300	116,575
<b>Total</b>	<b>\$ 8,288,077</b>	<b>\$ 8,247,875</b>	<b>\$ 8,154,905</b>	<b>\$ 10,083,875</b>
<b>Other:</b>				
Wastewater Pretreatment Program	\$ 918,016	\$ 1,194,595	\$ 1,186,045	\$ 1,197,820
<b>Total</b>	<b>\$ 918,016</b>	<b>\$ 1,194,595</b>	<b>\$ 1,186,045</b>	<b>\$ 1,197,820</b>
<b>TOTAL</b>	<b>\$ 41,258,449</b>	<b>\$ 41,958,060</b>	<b>\$ 41,847,775</b>	<b>\$ 45,822,320</b>

# REGIONAL SOLID WASTE SYSTEM

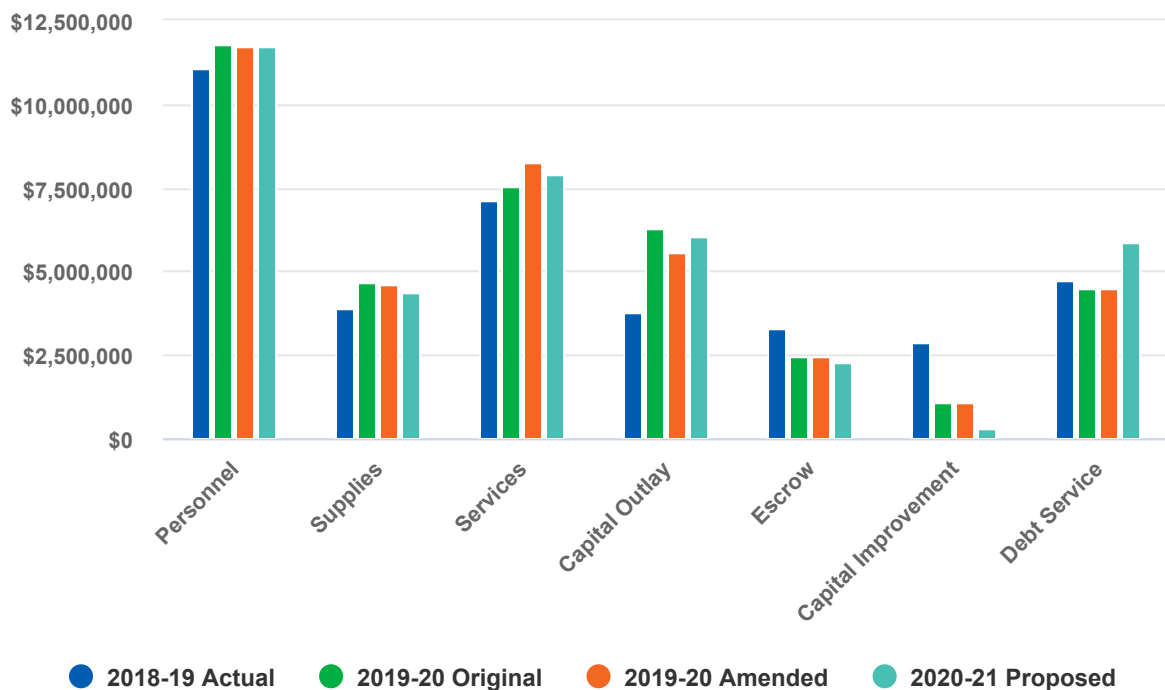
Revenues and Expenses	2018-19	2019-20	2019-20	2020-21	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
<b>Revenues</b>						
Solid Waste Sales:						
Member Sales	\$ 24,229,604	\$ 26,676,750	\$ 26,349,340	\$ 26,551,360	\$ (125,390)	-0.47%
Customers Sales	6,085,792	5,758,425	5,562,240	5,562,240	(196,185)	-3.41%
Composting - Solid Waste	622,752	565,840	597,840	630,720	64,880	11.47%
Landfill Sludge Disp Svc Fee	3,935,672	3,350,880	3,630,445	3,541,165	190,285	5.68%
Total Solid Waste Sales	\$ 34,873,819	\$ 36,351,895	\$ 36,139,865	\$ 36,285,485	\$ (66,410)	-0.18%
Total Other Revenues	\$ 1,740,195	\$ 1,840,070	\$ 1,929,450	\$ 2,110,940	\$ 270,870	14.72%
Interest Income	\$ 104,307	\$ 97,660	\$ 64,080	\$ 48,090	\$ (49,570)	-50.76%
<b>Total Revenues</b>	<b>\$ 36,718,321</b>	<b>\$ 38,289,625</b>	<b>\$ 38,133,395</b>	<b>\$ 38,444,515</b>	<b>\$ 154,890</b>	<b>0.40%</b>
<b>Expenses</b>						
Personnel:						
Salaries	\$ 7,477,774	\$ 8,148,825	\$ 8,054,385	\$ 8,078,655	\$ (70,170)	-0.86%
Other	3,589,706	3,626,755	3,650,955	3,645,960	19,205	0.53%
Total Personnel	\$ 11,067,479	\$ 11,775,580	\$ 11,705,340	\$ 11,724,615	\$ (50,965)	-0.43%
Supplies:						
Fuel	\$ 1,904,617	\$ 2,073,250	\$ 1,891,580	\$ 1,721,490	\$ (351,760)	-16.97%
Chemicals	91,446	189,400	169,400	157,400	(32,000)	-16.90%
Other	1,884,628	2,418,095	2,533,405	2,478,025	59,930	2.48%
Total Supplies	\$ 3,880,691	\$ 4,680,745	\$ 4,594,385	\$ 4,356,915	\$ (323,830)	-6.92%
Services:						
Consulting	\$ 679,140	\$ 787,080	\$ 904,275	\$ 679,675	\$ (107,405)	-13.65%
Insurance	236,285	223,875	225,340	268,660	44,785	20.00%
Maintenance	1,106,987	1,250,345	1,662,070	1,292,980	42,635	3.41%
Power	131,202	167,100	147,100	162,200	(4,900)	-2.93%
Support	1,267,912	1,969,475	2,020,000	2,280,425	310,950	15.79%
Other	3,697,556	3,083,575	3,275,630	3,194,095	110,520	3.58%
Total Services	\$ 7,119,083	\$ 7,481,450	\$ 8,234,415	\$ 7,878,035	\$ 396,585	5.30%
Capital Outlay	\$ 3,746,942	\$ 6,293,900	\$ 5,566,410	\$ 6,065,600	\$ (228,300)	-3.63%
Escrow	\$ 3,299,940	\$ 2,445,000	\$ 2,445,000	\$ 2,261,000	\$ (184,000)	-7.53%
Capital Improvement Fund	\$ 2,867,060	\$ 1,084,000	\$ 1,084,000	\$ 297,900	\$ (786,100)	-72.52%
Debt Service	\$ 4,737,125	\$ 4,488,950	\$ 4,488,845	\$ 5,860,450	\$ 1,371,500	30.55%
Special Projects	\$ -	\$ 40,000	\$ 15,000	\$ -	\$ (40,000)	-100.00%
<b>Total Expenses</b>	<b>\$ 36,718,321</b>	<b>\$ 38,289,625</b>	<b>\$ 38,133,395</b>	<b>\$ 38,444,515</b>	<b>\$ 154,890</b>	<b>0.40%</b>
<b>Net Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>



The FY20 Amended Budget for expenditures and revenues totals \$38,133,395, which is \$156,230 or 0.41% less than the FY20 Original Budget of \$38,289,625. For the FY21 Annual Budget, the total RSWS expenditures are \$38,444,515, which is \$154,890 or 0.40% greater than the FY20 Original Budget. Major budget variances are explained below:

- Increase in Debt Service of \$585,400 related to increase in debt transfers to I&S as a result of the scheduled \$12.7 million revenue bond sale in FY21. This is offset by a decrease in transfers to the Capital Improvement Fund.
- Increase in Services of \$356,585 due to allocation of Support Fund expenses, Equipment Maintenance increases for repairs to tampers at all 3 transfer stations and an increase in the price and demand of Composting Services at 121 RDF.
- Decrease in Capital Outlay of \$(228,300) as a result of decrease in landfill development costs due to no new cell construction this year. This is offset by the replacement of several vehicles.
- Decrease in Supplies of \$(323,830) based on reduction in fuel bidding prices and lower chemical costs for the truck wash at the 121 RDF.

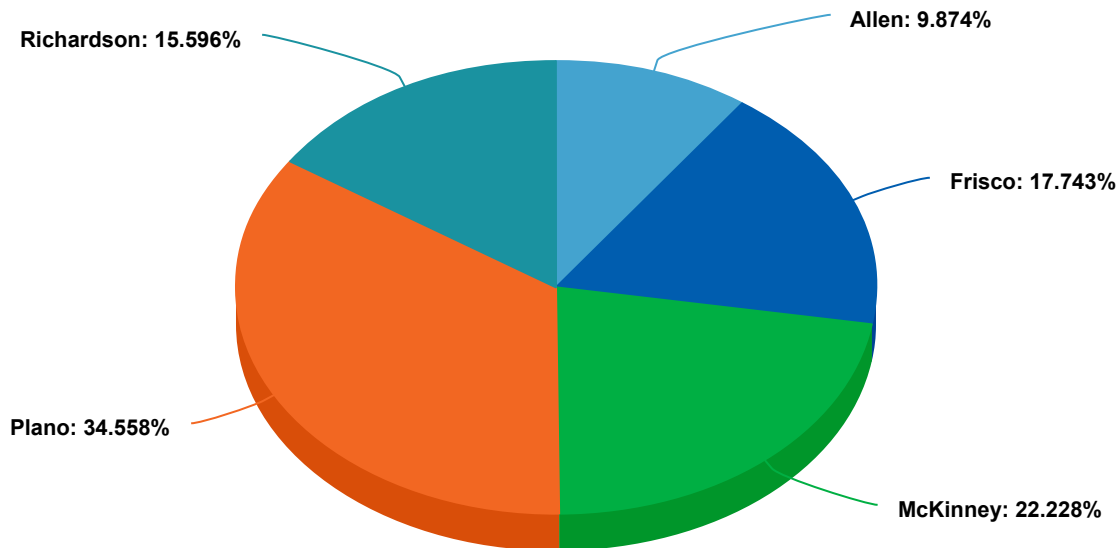
### RSWS EXPENDITURES



## 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 679,734 tons of waste will be processed in FY20 and 694,145 tons in FY21.

### 2020-21 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.

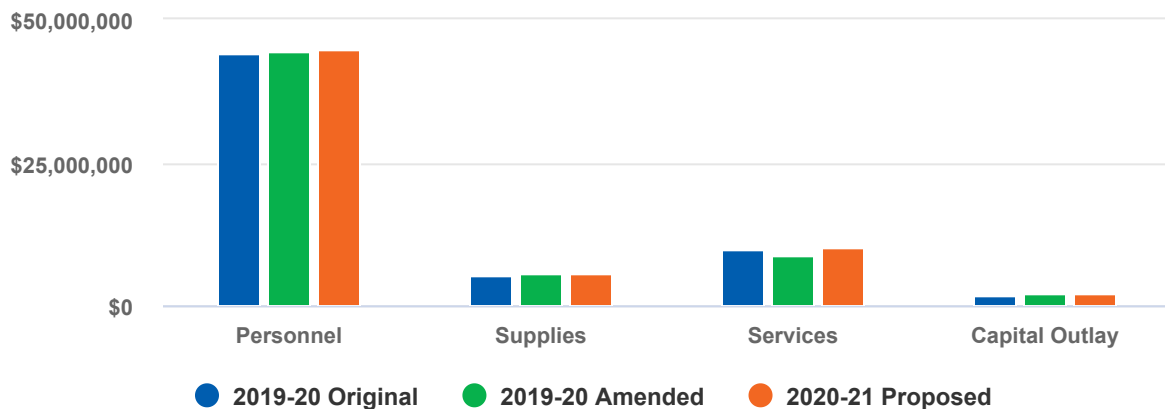
The total charges to be allocated to the Member Cities for FY21 are \$26,551,360 after deducting interest and other revenue in the estimated amount of \$11,893,155 from the proposed budget of \$38,444,515.

	2018-19		2019-20		2019-20		2020-21	
Cities	Actuals		Original Budget		Amended Budget		Proposed Budget	
Allen	\$	2,393,168	\$	2,712,236	\$	2,604,915	\$	2,621,801
Frisco		4,175,333		4,766,610		4,590,650		4,711,002
McKinney		5,386,993		6,162,661		5,835,174		5,901,777
Plano		8,444,388		9,040,023		9,161,529		9,175,710
Richardson		3,829,721		3,995,220		4,157,072		4,141,070
<b>Total</b>	<b>\$</b>	<b>24,229,604</b>	<b>\$</b>	<b>26,676,750</b>	<b>\$</b>	<b>26,349,340</b>	<b>\$</b>	<b>26,551,360</b>
<b>Tonnage</b>		<b>660,542</b>		<b>697,430</b>		<b>679,734</b>		<b>694,145</b>
<b>Cost per ton</b>	<b>\$</b>	<b>36.68</b>	<b>\$</b>	<b>38.25</b>	<b>\$</b>	<b>38.76</b>	<b>\$</b>	<b>38.25</b>

# SUPPORT FUND

Revenues and Expenses	2018-19	2019-20	2019-20	2020-21	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
<b>Revenues</b>						
Total Other Revenues	\$ -	\$ 60,926,985	\$ 60,893,570	\$ 62,378,815	\$ 1,451,830	2.38%
Interest Income	\$ -	\$ -	\$ 12,455	\$ 12,455	\$ 12,455	0.00%
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 60,926,985</b>	<b>\$ 60,906,025</b>	<b>\$ 62,391,270</b>	<b>\$ 1,464,285</b>	<b>2.40%</b>
<b>Expenses</b>						
Personnel:						
Salaries	\$ -	\$ 30,923,285	\$ 31,134,210	\$ 30,978,270	\$ 54,985	0.18%
Other	-	13,085,810	13,367,765	13,642,870	557,060	4.26%
Total Personnel	\$ -	\$ 44,009,095	\$ 44,501,975	\$ 44,621,140	\$ 612,045	1.39%
Supplies:						
Fuel	\$ -	\$ 491,065	\$ 401,065	\$ 485,455	\$ (5,610)	-1.14%
Chemicals	-	26,995	16,995	26,995	-	0.00%
Other	-	4,761,810	5,152,135	4,986,820	225,010	4.73%
Total Supplies	\$ -	\$ 5,279,870	\$ 5,570,195	\$ 5,499,270	\$ 219,400	4.16%
Services:						
Consulting	\$ -	\$ 2,724,485	\$ 2,698,645	\$ 2,927,700	\$ 203,215	7.46%
Insurance	-	618,175	445,845	463,375	(154,800)	-25.04%
Maintenance	-	2,105,365	1,704,440	2,314,150	208,785	9.92%
Power	-	115,800	115,800	115,800	-	0.00%
Support	-	8,000	8,000	-	(8,000)	-100.00%
Other	-	4,188,195	3,812,445	4,321,835	133,640	3.19%
Total Services	\$ -	\$ 9,760,020	\$ 8,785,175	\$ 10,142,860	\$ 382,840	3.92%
Capital Outlay	\$ -	\$ 1,878,000	\$ 2,048,680	\$ 2,128,000	\$ 250,000	13.31%
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ 60,926,985</b>	<b>\$ 60,906,025</b>	<b>\$ 62,391,270</b>	<b>\$ 1,464,285</b>	<b>2.40%</b>
<b>Net Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>

## SUPPORT EXPENDITURES



Support Fund expenditures for FY21 are \$62,391,270, which is \$1,464,285 or 2.40% greater than the FY20 Budget. Major budget variances are explained below:

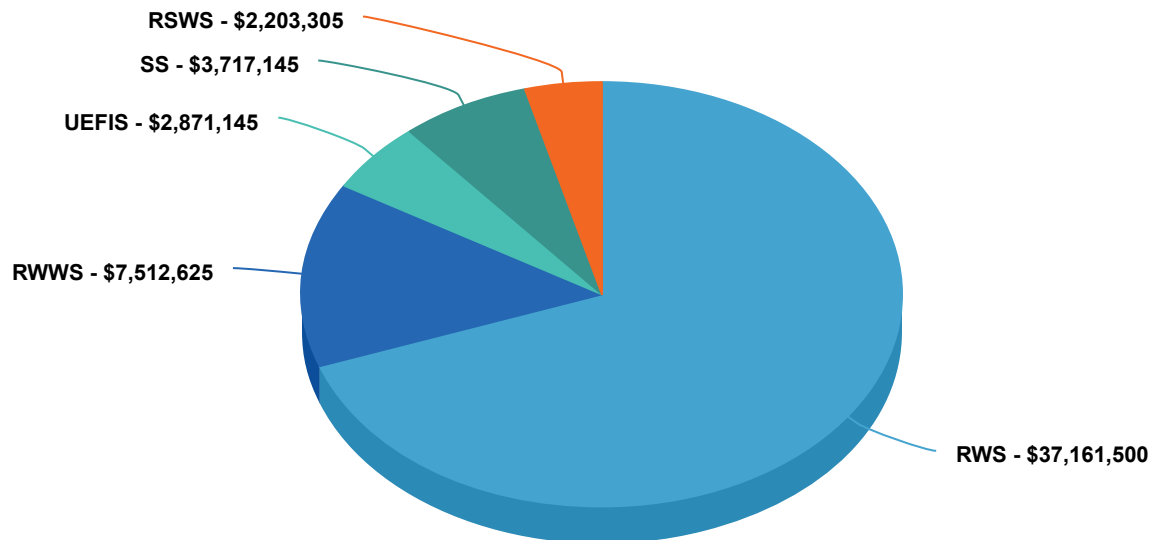
- An Increase in Personnel expenses of \$612,045 related to insurance costs. This year's budget funds no new positions for Support and no market / merit based adjustments for existing staff.
- Services Increased \$382,840 which is primarily driven by additional Building Maintenance to replace the A/C in the lab, Employee Programs for staff assessments, Plant Security Services for a uniformed police officer at the Administration/Engineering/IT/Lab buildings and Legal costs related to source water protection.
- Capital Outlay Increased \$250,000 due to vehicle purchases but these costs are partially offset by lower Office and Non-Vehicle Equipment.
- Supplies Increased \$219,400 for additional Computer Supplies for equipment to record Board Meetings, Pipeline Supplies to support the new air relief valve (ARV) Program, and Safety Supplies for gas meters and safety harnesses.

### Cost Allocation

The Support Fund is an internal service fund and all expenses must be allocated to the Operating Systems. The cost allocations are both Direct and Indirect. For the Direct Costs each operating system budgets for expected direct expenses based on historicals and trends. Each year, as part of the budgeting process, the District reviews its indirect cost allocations to ensure that appropriate support fund 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. Throughout the year, the Accounting department reviews budgeted to actual expenses within the Support Fund and determines if any adjustments are needed.

The following chart represents where the Support Fund expenses are expected to be allocated this year:

### ALLOCATED SUPPORT EXPENSES



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# APPENDIX

**2020-21  
BUDGET RESOLUTION**

## NORTH TEXAS MUNICIPAL WATER DISTRICT

### RESOLUTION NO. 20 -

#### A RESOLUTION APPROVING APPROPRIATIONS FOR THE 2020-21 ALL SYSTEMS ANNUAL BUDGET, AMENDING THE 2019-20 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 Interim 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 2020-21 ALL SYSTEMS ANNUAL BUDGET BE APPROVED AS SUBMITTED BY THE INTERIM EXECUTIVE DIRECTOR FOR THE FISCAL YEAR OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021. 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 Function in the 2020-21 Annual All Systems Budget document and the Interim Executive Director shall have the authority to transfer funds between accounts but shall require the express approval of the Board of Directors by budget amendment to exceed funding for any Fund. Following are system control details:

	2019-2020 Amended Budget	2020-2021 Budget
<u>By System:</u>		
Regional Water System	\$353,809,855	\$365,403,610
Regional Wastewater System	76,933,115	80,523,835
Upper East Fork Interceptor System	38,932,755	39,961,760
Sewer System	41,847,775	45,822,320
Regional Solid Waste System	38,133,395	38,444,515
Total	<u>\$549,656,895</u>	<u>\$570,156,040</u>

	2019-2020 Amended Budget	2020-2021 Budget
<u>By Character:</u>		
Personnel	\$91,135,040	\$91,914,145
Supplies	65,086,380	70,098,080
Services	75,374,645	86,741,445
Capital Outlay	11,721,970	13,496,175
Escrow	4,363,045	3,042,750
Capital Improvement	35,874,000	36,497,900
Debt Service	266,101,815	268,365,545
Total	<u>\$549,656,895</u>	<u>\$570,156,040</u>

2. The Amended Budget, as set forth in the 2020-21 All Systems Annual Budget Document, shall be approved as the authorized Amended Budget for the 2019-20 Fiscal Year and the Proposed Budget, as set forth in the 2020-21 All Systems Annual Budget Document, shall be approved as the authorized Budget for the 2020-21 Fiscal Year.

3. The Salary Plan as set forth in the 2020-21 All Systems Annual Budget Document shall be applicable to all District employees, including the Interim Executive Director and the Deputy Directors, and salaries shall be paid during the 2020-21 Fiscal Year in biweekly payments (every two weeks).

4. The salary for the Interim Executive Director and the Deputy Directors shall be payable in increments of the regular payroll of the District in annual amounts for the Interim Executive Director of \$\_\_\_\_\_, the Deputy Director (Operations & Maintenance) of \$\_\_\_\_\_, the Deputy Director (Engineering & CIP) of \$\_\_\_\_\_, and for the Deputy Director (Administrative Services) of \$\_\_\_\_\_.

5. The District shall fund the Deferred Compensation accounts for the Interim Executive Director and the Deputy Directors in annual amounts for the Interim Executive Director of \$\_\_\_\_\_, the Deputy Director (Operations & Maintenance) of \$\_\_\_\_\_, the Deputy Director (Engineering & CIP) of \$\_\_\_\_\_, and for the Deputy Director (Administrative Services) of \$\_\_\_\_\_.

#### SECTION B - CHARGES FOR SERVICE

1. The following minimum annual demands and water rates shall be applicable during the 2020-21 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	6,011,208	\$ 2.99	\$ 17,973,511.92	\$0.49
Farmersville	280,467	\$ 2.99	\$ 838,596.33	\$0.49
Forney	2,345,109	\$ 2.99	\$ 7,011,875.91	\$0.49
Frisco	11,910,250	\$ 2.99	\$ 35,611,647.50	\$0.49
Garland	13,721,955	\$ 2.99	\$ 41,028,645.45	\$0.49
McKinney	11,963,029	\$ 2.99	\$ 35,769,456.71	\$0.49

Entity	Minimum Annual Demand 1,000 gallons	Water Rate per 1,000 gallons	Minimum Annual Charge	Excess Water Rate per 1,000 gallons
Mesquite	8,297,666	\$ 2.99	\$ 24,810,021.34	\$0.49
Plano	26,719,809	\$ 2.99	\$ 79,892,228.91	\$0.49
Princeton	660,682	\$ 2.99	\$ 1,975,439.18	\$0.49
Richardson	11,019,311	\$ 2.99	\$ 32,947,739.89	\$0.49
Rockwall	4,190,133	\$ 2.99	\$ 12,528,497.67	\$0.49
Royse City	565,932	\$ 2.99	\$ 1,692,136.68	\$0.49
Wylie	1,877,558	\$ 2.99	\$ 5,613,898.42	\$0.49
Total Members	99,563,109		\$ 297,693,695.91	
Customers:				
Ables Springs SUD	92,442	\$ 3.04	\$ 281,023.68	\$0.54 a
Bear Creek SUD	255,565	\$ 3.04	\$ 776,917.60	\$0.54
BHP WSC	153,853	\$ 3.04	\$ 467,713.12	d
Bonham	640,000	\$ 2.99 b	\$ 1,913,600.00	c
Caddo Basin SUD	419,626	\$ 3.04	\$ 1,275,663.04	\$0.54
Cash SUD	305,643	\$ 3.04	\$ 929,154.72	d
College Mound SUD	78,066	\$ 3.04	\$ 237,320.64	\$0.54
Copeville SUD	126,348	\$ 3.04	\$ 384,097.92	c
East Fork SUD	585,063	\$ 3.04	\$ 1,778,591.52	\$0.54
Fairview	887,811	\$ 3.04	\$ 2,698,945.44	\$0.54
Fate	279,932	\$ 3.04	\$ 850,993.28	\$0.54
Fate No. 2	529,453	\$ 3.04	\$ 1,609,537.12	\$0.54
Forney Lake WSC	410,978	\$ 3.04	\$ 1,249,373.12	d
Gastonia Scurry SUD	110,490	\$ 3.04	\$ 335,889.60	d
GTUA	903,869	\$ 3.04	\$ 2,747,761.76	\$0.54
Josephine	122,278	\$ 3.04	\$ 371,725.12	\$0.54
Kaufman	459,989	\$ 3.04	\$ 1,398,366.56	d
Kaufman Four-One	555,695	\$ 3.04	\$ 1,689,312.80	\$0.54
Little Elm	1,509,605	\$ 3.04	\$ 4,589,199.20	c
Lucas	628,590	\$ 3.04	\$ 1,910,913.60	\$0.54
Melissa	285,850	\$ 3.04	\$ 868,984.00	\$0.54
Milligan WSC	149,894	\$ 3.04	\$ 455,677.76	c
Mt. Zion WSC	159,302	\$ 3.04	\$ 484,278.08	\$0.54
Murphy	1,538,414	\$ 3.04	\$ 4,676,778.56	\$0.54
Nevada SUD	47,179	\$ 3.04	\$ 143,424.16	\$0.54
Nevada SUD No. 2	70,985	\$ 3.04	\$ 215,794.40	\$0.54
North Collin SUD	346,239	\$ 3.04	\$ 1,052,566.56	d
Parker	582,746	\$ 3.04	\$ 1,771,547.84	\$0.54
Prosper	2,226,923	\$ 3.04	\$ 6,769,845.92	d
Rose Hill SUD	143,271	\$ 3.04	\$ 435,543.84	c
Rowlett	3,192,039	\$ 3.04	\$ 9,703,798.56	c
Sachse	1,332,153	\$ 3.04	\$ 4,049,745.12	\$0.54
Seis Lagos MUD	141,612	\$ 3.04	\$ 430,500.48	\$0.54
Sunnyvale	732,206	\$ 3.04	\$ 2,225,906.24	c
Terrell	1,400,000	\$ 3.04	\$ 4,256,000.00	c
Wylie N.E. SUD	307,630	\$ 3.04	\$ 935,195.20	d

Entity	Minimum Annual Demand 1,000 gallons	Water Rate per 1,000 gallons	Minimum Annual Charge	Excess Water Rate per 1,000 gallons
Wylie N.E. SUD No. 2	24,915	\$ 3.04	\$ 75,741.60	d
Total Customers	21,736,654		\$ 66,047,428.16	
Total	121,299,763		\$ 363,741,124.07	

a Water consumed over 365,000,000 gallons shall be charged at a rate of \$3.04 / 1,000 gallons.

b Pays Member Rate.

c Excess Water Rate Subject to Contract Minimums.

d Water consumed over Minimum Annual Demand shall be charged at a rate of \$3.04 / 1,000 gallons.

#### RETAIL TREATED WATER RATES - RESIDENTIAL

Minimum - First 2,000 Gallons	\$15.00
From 2,000 to 10,000 Gallons	\$6.08 per 1,000 Gallons
From 10,000 to 20,000 Gallons	\$7.96 per 1,000 Gallons
Above 20,000 Gallons	\$9.94 per 1,000 Gallons
Reconnect Fees	\$30.00

#### RETAIL TREATED WATER RATES - COMMERCIAL

From 0 to 10,000 Gallons	\$6.36 per 1,000 Gallons
Above 10,000 Gallons	\$7.96 per 1,000 Gallons
Reconnect Fees	\$30.00

#### NON-POTABLE WATER RATE

East Fork Raw Water Project	\$ .77 per 1,000 Gallons
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2. The following non-member city customer charges at District landfills and transfer stations shall be applicable during the 2020-21 Fiscal Year.

#### 121 REGIONAL DISPOSAL FACILITY CHARGES

- I. All Vehicles - \$40.00 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
    - \$20.00 per farm tractor or motor grader tire
    - No loader or scraper tires accepted
- III. The Interim 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 \$24.86 per actual ton.

V. Pull-off Fee (non-refundable) - \$25.00

VI. The Interim 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 - \$55.00 per Ton, One Ton Minimum

II. Additional charge above the basic vehicle charge for loads containing roofing shingles - \$150.00

III. The Interim Executive Director may prepare a schedule of charges to be used when weights are not practical to obtain.

IV. Pull-off Fee (non-refundable) - \$25.00

3. 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 Sewer 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.

4. 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 24, 2020, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD.

\_\_\_\_\_  
PHIL DYER, SECRETARY

\_\_\_\_\_  
LARRY PARKS, PRESIDENT