



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



Wylie Water Treatment Plant

NTMWD BOARD MEETING

August 25, 2022



The Pledge of Allegiance to the Flag of the United States of America

"I pledge allegiance to the Flag
of the United States of America,
and to the Republic for which it stands,
one Nation under God, indivisible,
with liberty and justice for all."



The Pledge of Allegiance to the Texas State Flag

"Honor the Texas flag;
I pledge allegiance to thee,
Texas, one state under God,
one and indivisible."



**NORTH
TEXAS
MUNICIPAL
WATER
DISTRICT**



DISCUSSION ITEMS

VIII. DISCUSSION ITEMS

- A. Review of ongoing regional drought conditions and consumption update
- B. Update on amended FY 21-22 and proposed FY 22-23 Annual All Systems Budgets



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



ONGOING REGIONAL DROUGHT DISCUSSION

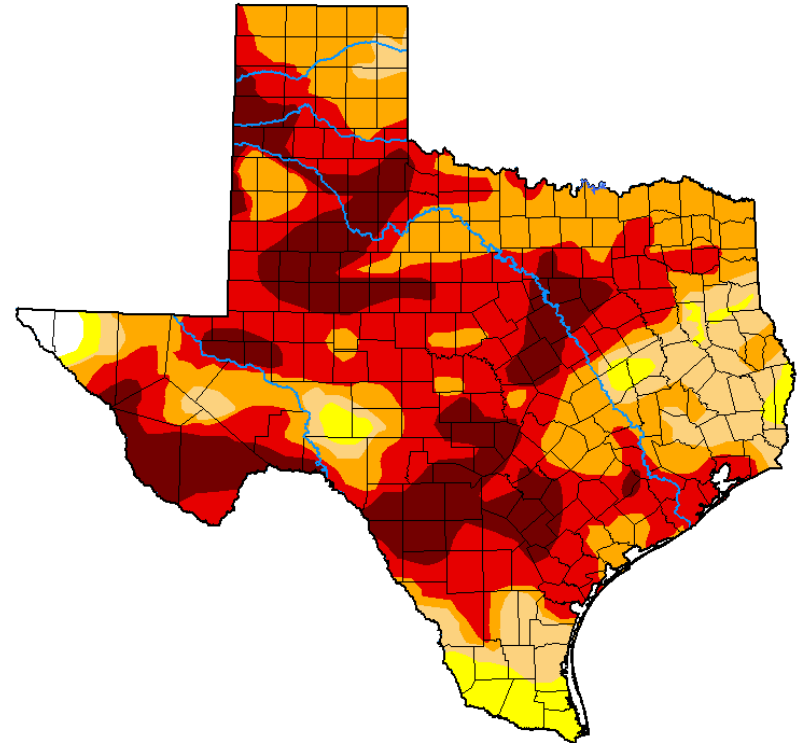
August 25, 2022

NTMWD Board of Directors



ONGOING REGIONAL DROUGHT DISCUSSION

- **Introduction & Situational Update**
- **Summer 2022 Water Demands**
- **NTMWD 2021-2022 Water Year**
- **Next Steps**

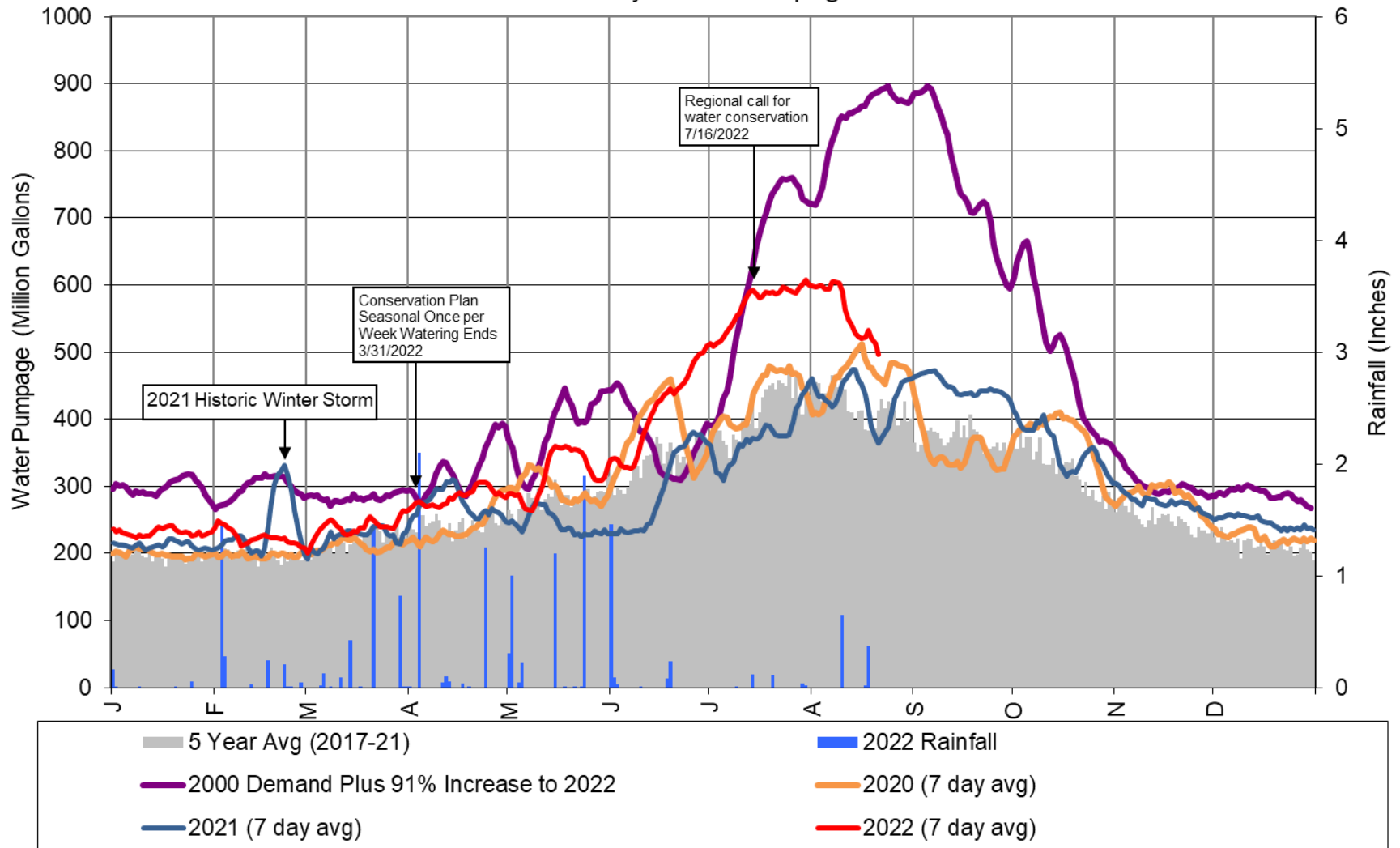




INTRODUCTION & SITUATIONAL UPDATE

- **No longer in a critical situation**
 - Demands have been lower in recent weeks due to favorable weather and conservation efforts by Member Cities and Customers
 - Coordination with Member City and Customer operations staff has been great in recent weeks and we hope to build on that moving forward
- **Appreciate the engagement from the NTMWD Board and Member City & Customer leadership:**
 - We haven't experienced significant drought conditions since 2015
 - This summer has provided an opportunity to strengthen our relationships and become better prepared for future response to drought
- **Weather outlook**
 - Drought conditions continue to persist for North Texas despite recent rains
 - Warmer and drier than average conditions anticipated to persist in coming months
 - Monitoring lake levels and rainfall this Fall and Spring, which are typically wetter months for our region

North Texas Municipal Water District Year 2000 with Projected Increases vs. 2022 Actual Usage Daily Water Pumpage





SUMMER 2022 WATER DEMANDS

- **Established new 24-hour record for water demands**
 - Demands have been lower in recent weeks due to favorable weather and conservation efforts by Member Cities and Customers
- **NTMWD treatment and conveyance systems were strained but delivered adequate supplies**
 - Applying lessons learned from this year and leveraging the Leonard Water Treatment Plant in 2023
- **Member City and Customer Operations**
 - Member City and Customer conservation efforts helped mitigate demands as did favorable weather conditions in mid to late August
 - Communication and coordination with Member Cities and Customers was critical, and we hope to build on that moving forward
 - Received positive feedback on efforts to engage and communicate



NTMWD WATER YEAR 2021-2022

NTMWD Water Year = August - July

- The period by which NTMWD assess total Member City & Customer water consumption for accounting and administrative purposes
- Monthly water consumption reports are provided to Member Cities & Customers

Member City & Customer Consumption Totals

	'21-'22 Aug-Jul Billion gallons	'20-'21 Aug-Jul Billion gallons	'19-'20 Aug-Jul Billion gallons
Members	93.8	84.0	86.5
Customers	23.5	19.4	19.8
Total	117.3	103.4	106.3

*Previous
record*



WATER YEAR 2021-2022 CONSUMPTION

- **Seven (7) Member Cities exceeded annual minimums this year**
 - First hot, dry summer in several years
 - Continued population growth is also a factor
 - Conservation efforts have had an impact over time
 - Reduced water flushing during Summer 2022
- **All Member Cities will have new annual minimums**
 - Seven will go up based on excess of this year
 - Six will ratchet down based on lower uses

Member City	% Annual Min. Aug-July	Exceeded Annual Minimum
Allen	106%	X
Farmersville	91%	
Forney	115%	X
Frisco	116%	X
Garland	82%	
McKinney	104%	X
Mesquite	79%	
Plano	84%	
Princeton	151%	X
Richardson	84%	
Rockwall	113%	X
Royse City	128%	X
Wylie	94%	



WATER YEAR 2021-2022 CONSUMPTION

Customer	% Annual Min. Aug-July
Ables Springs SUD	114%
Bear Creek SUD	137%
BHP WSC	111%
Caddo Basin SUD	117%
Cash SUD	112%
East Fork SUD	118%
Fairview	109%
Forney Lake WSC	138%
GTUA	136%
Josephine	151%

Customer	% Annual Min. Aug-July
Little Elm	116%
Lucas	112%
Melissa	123%
Murphy	108%
North Collin SUD	103%
Parker	109%
Prosper	131%
Seis Lagos UD	117%
Sunnyvale	107%

- **19 of 34 Customer contracts established a new minimum this year**
 - Many have seen tremendous growth in their populations and demands for water
 - Customers receive ~20% of water sold by NTMWD



NEXT STEPS

Coordination with Member Cities and Customers

- Build on the this year's efforts to strengthen relationships and continue regular communications with Member City and Customer staff
- Engage with Member Cities and Customers to update the Water Conservation Plan and Water Resource & Emergency Mgmt. Plan by 2024

Water Supply Monitoring

- Region continues to experience drought conditions despite recent rains
- La Nina conditions are expected to persist in coming months
- NTMWD will monitor lake levels closely and update water supply models in preparation for 2023



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QUESTIONS & FEEDBACK



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DISCUSSION ITEMS

VIII. DISCUSSION ITEMS

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Bois d'Arc Lake Overall Dam Site

- **Introduction/Overview**
- **Fiscal Year 21-22 Amended Budget Summary**
- **Fiscal Year 22-23 Proposed Budget Summary**



2022-2023
ANNUAL BUDGET



WATER
SERVICES



WASTEWATER
SERVICES



SOLID WASTE
SERVICES

Leonard Water
Treatment Plant

Sister Grove Regional Water
Resource Recovery Facility

121 Regional
Disposal Facility



INTRODUCTION / OVERVIEW

Good News/Milestones

- Standard & Poor's upgraded the Solid Waste System from AA to AA+
- Standard & Poor's upgraded Sabine Creek Regional WW System, Sabine Creek Interceptor System, Parker Creek Interceptor System, and Parker Creek Parallel Interceptor System from A- to A
- Received Government Finance Officers Association's Distinguished Budget Presentation Award for 3rd consecutive year
- Awarded Texas Comptroller's Debt Obligations Transparency Star

Efficiencies

- Water – Refinanced debt to save \$39M over next 10 years, Chemical Optimization at Wylie Complex and Conveyance System Quality Improvements
- Solid Waste –Alternate Liner System
- Wastewater – Solids Dewatering Optimization at Wilson Creek
- Extendable Commercial Paper Programs in RWS, RWWS and UEFIS



FY22 AMENDED BUDGET - UPDATE

Major Changes Since July Budget Work Session

Regional Water System

- Excess revenue billing increased \$1.3M as Water Year 2022 ended and actuals finalized
- Chemical costs re-estimated - increase from \$56M to \$64M
- Increase transfer from Rate Stabilization Fund (\$4M); defer transfer to Contingency (\$1.2M); debt service savings (\$2.4M) to maintain 90-day operating reserve
- Overall RWS reserves projected at 132 days at 9-30-22, previously 144 days



FY23 PROPOSED BUDGET - UPDATE

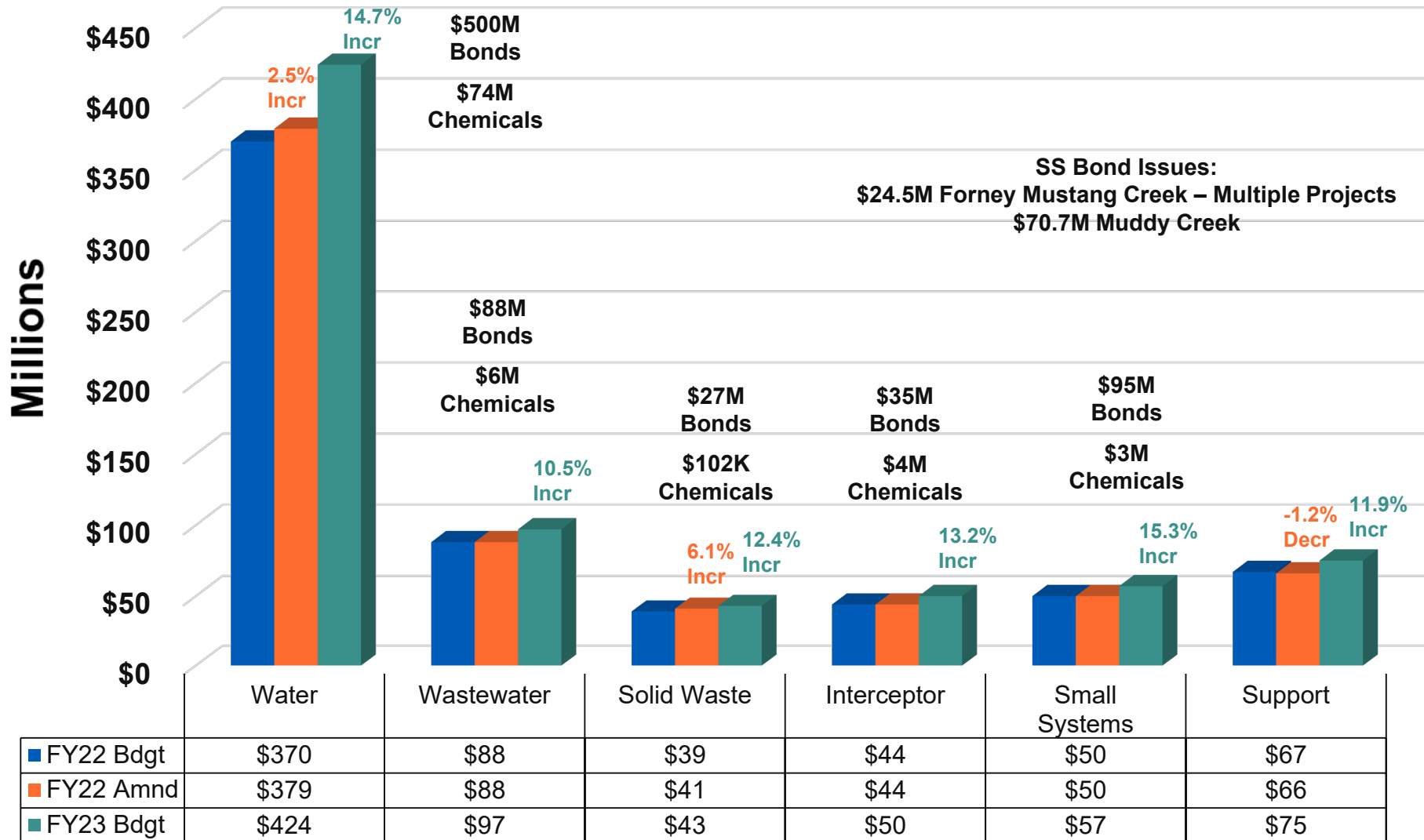
Major Changes since July Budget Work Session

Regional Water System

- New minimums increase revenue \$2M
- Adjust funding dedicated to reserve replenishment \$2M due to additional reserve use in FY22
- Overall RWS reserves at 135 days projected for 9-30-23; previously 137 days

EXPENDITURES BY SYSTEM (\$M)

Preliminary





FY23 REMAINING BUDGET SCHEDULE

August

- Provide Board Draft Budget Document and Draft Budget in Brief Document
- Board considers adoption of amendments to Administration and Finance Policy Manual at August meeting
- RWS excess billing invoices sent to RWS Members and customers.

September

- Provide FY22 Amended Budget and FY23 Proposed Budget update to Finance Committee at September meeting
- Board considers adoption of FY22 Amended Budget and FY23 Proposed Budget at September meeting

October

- FY23 Final billing letters sent to non-water Members and Customers 10/31




RATE ADJUSTMENT COMMUNICATION - EDUCATION & EMPATHY

- Continue education theme of:
 - “People”
 - Recruit/maintain skilled & professional staff
 - “Product”:
 - Increased costs of supplies & services
 - “Planning”:
 - CIP of regulatory, infrastructure and growth
- Empathy to the inflation of gas, groceries & cost of living on families

ECONOMY

D-FW worse off than U.S.

Area inflation keeps creeping up while nation's begins to decline



Rising energy costs, prices for everything drive continued stress

By MARIA HALKIAS and ARIA JONES
Staff Writers

Higher grocery, electricity and gasoline bills pushed inflation in the Dallas-Fort Worth area well above the national average with a yearly increase of 9.4% in July.

The U.S. inflation rate, while still way too high for struggling household budgets, at least ticked in the right direction: down. The U.S. rate declined in July to 8.5% vs. a 40-year peak of 9.1% the prior month, the Labor Department reported Wednesday.

The D-FW consumer price index, which is reported every other month, was 9.1% in May. Shoppers said a trip to the grocery store is more of a mental exercise these days.

Shelby Scurlark was loading up her vehicle after shopping with her two kids at a Kroger store at Mockingbird Lane and Greenville Avenue in Dallas. “They’re running around, and I’m trying to look at prices,” she said. While she used to know about what that trip would cost, now she’s having to look closely at brands and prices.

“Everything’s just going up,” she said. “It’s crazy.” Scurlark also says her rent, which started at \$1,600 a month two years ago, is now \$2,400.

And setting her thermostat at 77 degrees doesn’t seem to make a difference in her electric bill, which has shot up from under \$300 to between \$200 and \$300, she said.

Anyone in North Texas shopping for an electric utility provider will find affirmation

A break on airfares, but don’t get comfy

Dallas-Fort Worth’s inflation continues to be higher than the nation’s and increased to 9.4% in July even though U.S. inflation declined to 8.5%. All the changes in the consumer price index are from July 2021.

By KYLE ARNOLD
Staff Writer
kyle.arnold@dallasnews.com

Ticket prices for air travel headed off DFW International Airport and Dallas Love Field have already plummeted more than 28% from the summer travel peak, but analysts warn that airfares could spike again heading into the holidays.

Wednesday’s Consumer Price Index report showed that nationwide airfares dropped 7.8% in July from the month before. That’s still 27% higher than a year ago, but an improvement from what consumers were paying in the spring as they were matching up tickets for long-awaited summer trips, according to travel site Hopper.

In fact, prices for air travel are down 35% from the peak

See FARES Page 7A.

Four prices rising faster locally than the U.S. average

Category	D-FW	U.S.
Electricity rates	47.3%	15.2%
Fruits and vegetables	12.7%	9.3%
Meat, poultry, fish and eggs	10.9%	10.0%
Nonalcoholic beverages	18.4%	13.6%

SOURCE: U.S. Department of Labor

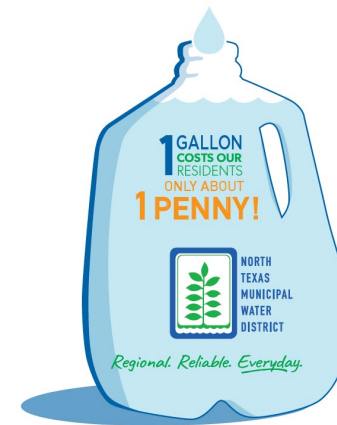
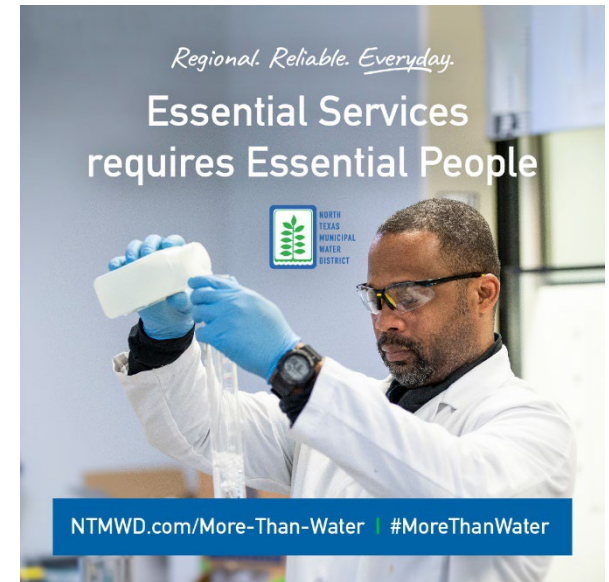
Staff Graphic

See RISING Page 7A.



TOOLS, TACTICS & TIMELINE

- **#MoreThanWater** campaign
- **Social media assets & publicity action plan**
- **FAQs for Member and Customer Cities**
- **District tools of webpage & publications**
- **Water conservation education & programs**
- **Timeline of August – September:**
 - City Manager's Breakfast
 - Communicators and PIOs
 - Production & Placement
 - Begin education & empathy launch
- **2023: Maintain consistent stories & messages**



It costs Member Cities and Customers about 1/3 of a penny for a gallon for treated, safe, superior drinking water.



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EXECUTIVE SESSION

Section 551.071, Consultation with Attorney

- Authorizes a government body to consult with its attorney in an Executive Session to seek advice on legal matters regarding pending or contemplated litigation or a settlement offer.
- A government body may not invoke this Section to convene a closed session and then discuss matters outside of that provision.
- General discussion of policy, unrelated to legal matters, is not permitted under the language merely because an attorney is present.
- Items discussed during consultation with the District's attorney are privileged and should remain confidential

Section 551.072, Deliberations about Real Property

- Authorizes a government body to deliberate in Executive Session on certain matters concerning real property.
- It provides as follows:
 - *A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.*
- Items discussed during Executive Session are privileged and should remain confidential.

Executive Session



Adjourn Executive Session





ADMINISTRATIVE MEMORANDUM NO. 5850 – RESOLUTION NO. 22-35

XII. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

GENERAL / ADMINISTRATIVE AGENDA ITEMS

- A. **Adoption of Resolution No. 22-35 authorizing Sabine Creek Regional Wastewater System Contract Revenue Bonds, Series 2022 - Administrative Memorandum No. 5850**
- Consider adoption of Resolution No. 22-35 authorizing the issuance, sale and delivery of NTMWD Sabine Creek Regional Wastewater System Contract Revenue Bonds, Series 2022 in the amount of approximately \$80,160,000; and approving and authorizing instruments and procedures relating thereto



ADMINISTRATIVE MEMORANDUM NO. 5851 – RESOLUTION NO. 22-36

GENERAL / ADMINISTRATIVE AGENDA ITEMS

- B. Amendment to NTMWD Administrative and Finance Policies Manual and Adoption of Resolution No. 22-36 approving the NTMWD Investment Policy and Investment Strategy - Administrative Memorandum No. 5851**
- Consider authorizing amendment to the NTMWD Administration and Finance Policies Manual as follows: (a) Section 1, General Investment Policy; (b) Section 4, Water Variable Cost Rebate Policy; (c) Section 6, Purchasing Policy; (d) Section 10, Handgun Policy; (e) Section 11, Fund Balance Policy; (f) Section 12, Debt Management Policy; (g) Section 13, Grant Management Policy; and (h) Exhibit A, NTMWD Investment Strategy Statement; and adopt Resolution No. 22-36, as it pertains to the General Investment Policy, “A Resolution approving NTMWD Investment Policy and Investment Strategy” which includes an annual review and approval of the Investment Policy and Strategies that are included in the NTMWD Administration and Finance Policies Manual



ADMINISTRATIVE MEMORANDUM NO. 5852 – RESOLUTION NO. 22-37

WATER AGENDA ITEMS

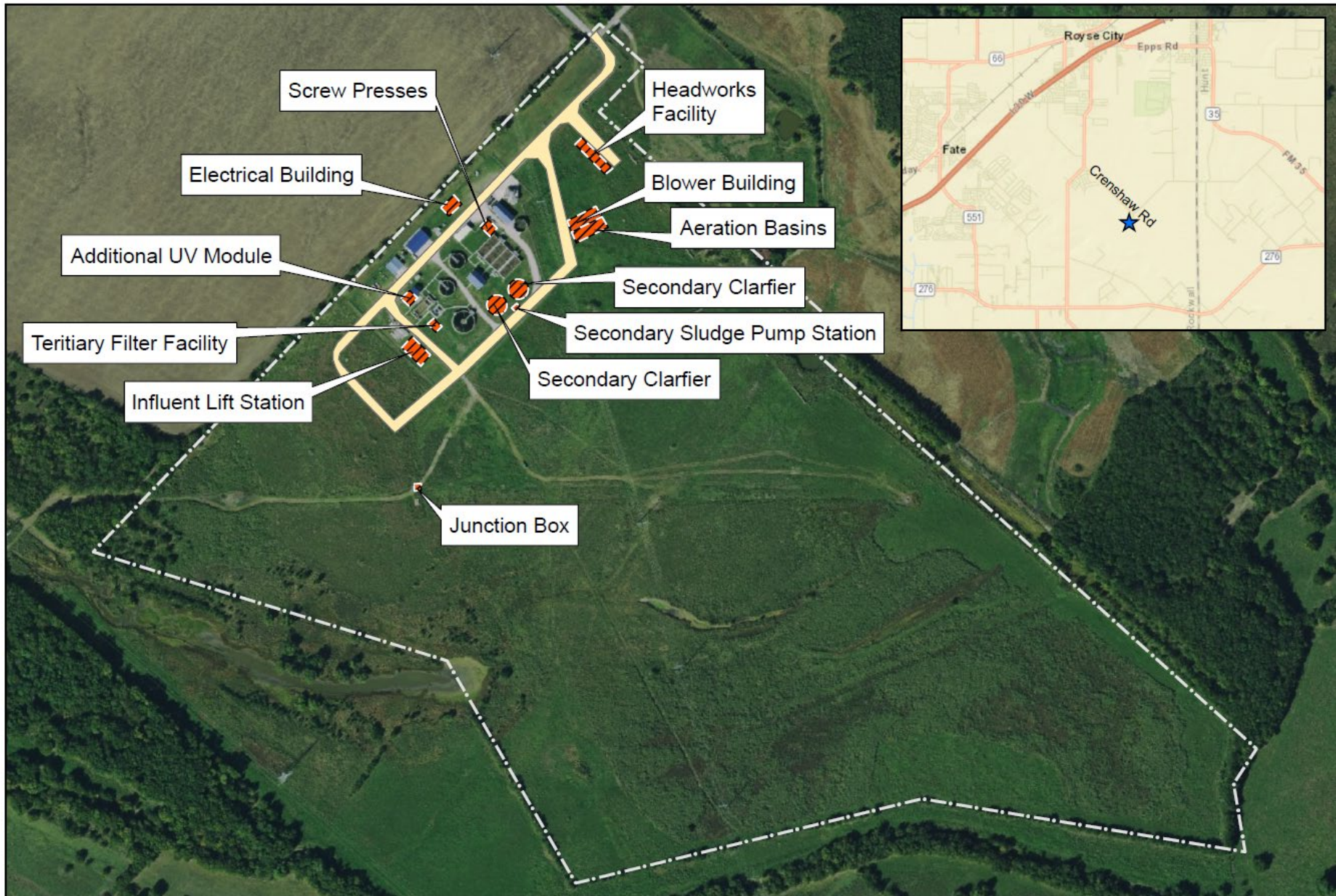
- C. **Adoption of Resolution No. 22-37 authorizing the execution of an Interlocal Cooperation Agreement (ILA) with the City of Richardson - Administrative Memorandum No. 5852**
- Consider adoption of Resolution No. 22-37 authorizing the Executive Director to execute an ILA with the City of Richardson regarding the joint construction of Richardson's Water Improvements and NTMWD's Project No. 101-0338-13, Meter Vault Standardization, Set Point Control Phase IV; and No. 101-0566-20, 36-inch Plano West Side Pipeline



ADMINISTRATIVE MEMORANDUM NO. 5853

WASTEWATER AGENDA ITEMS

- D. **Authorize award of construction contract, engineering construction services agreement and construction management and inspection services agreement for the Sabine Creek Wastewater Treatment Plant (WWTP) expansion project - Administrative Memorandum No. 5853**
- Consider authorizing award of construction contract to Eagle Contracting, LLC in the amount of \$69,831,000, award of construction management services to Plummer Associates, Inc. in the amount of \$ 3,939,953, and award of engineering construction services to AECOM Technical Services, Inc. in the amount of \$ 2,766,538 for Project No. 308-0576-20, Sabine Creek Wastewater Treatment Plant Expansion to 7 MGD (formerly Expansion to 6 MGD)



Sabine Creek WWT Expansion to 7 MGD
Project No. 308-0576-20
Administrative Memorandum No. 5853

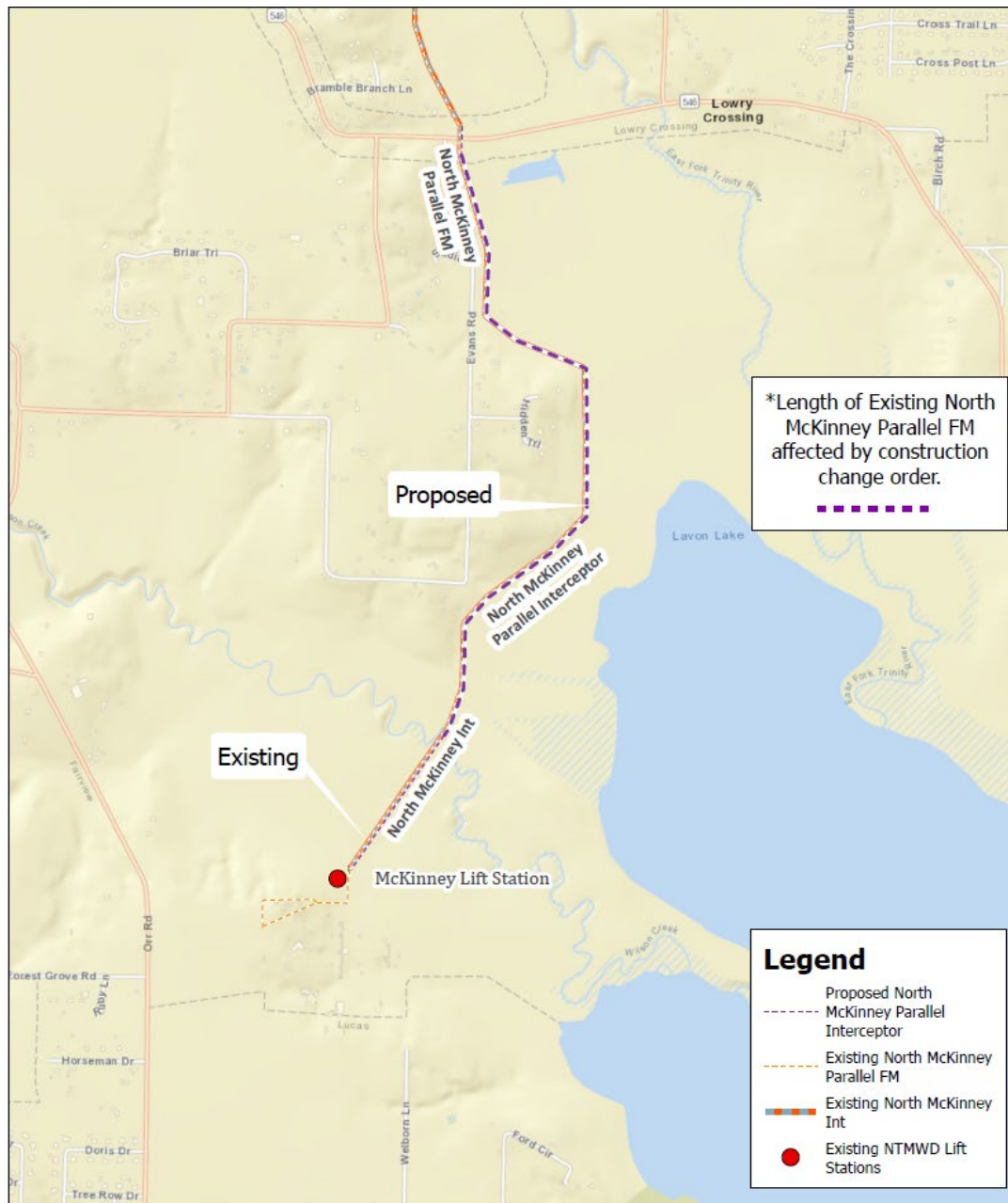




ADMINISTRATIVE MEMORANDUM NO. 5854

WASTEWATER AGENDA ITEMS

- E. **Authorize construction Change Order No. 1 for the North McKinney Parallel Interceptor project - Administrative Memorandum No. 5854**
- Consider authorizing construction Change Order No. 1 with McKee Utility Contractors, Inc. in the amount of \$869,643.16 for Project No. 501-0504-18 North McKinney Parallel Interceptor



**North McKinney Parallel Interceptor
Project No. 501-0504-18
Administrative Memorandum No. 5854**

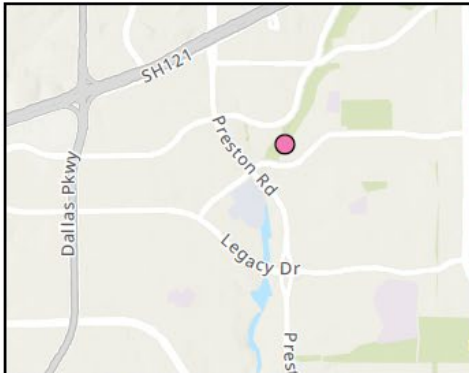




ADMINISTRATIVE MEMORANDUM NO. 5855 – RESOLUTION NO. 22-38

LAND ACQUISITION / RIGHT OF WAY AGENDA ITEMS

- F. **Adoption of Resolution No. 22-38 authorizing the execution of a land acquisition program for the Preston Road Lift Station expansion project - Administrative Memorandum No. 5855**
- Consider adoption of Resolution No. 22-38 authorizing the Executive Director to execute a land acquisition program with a budget of \$1,500,000; and authorizing the use of eminent domain to acquire property for Project No. 501-0559-20, Preston Road Lift Station Expansion



Legend

- Preston Rd Lift Station
- Proposed Property Acquisition
- Temporary Construction Easement
- Permanent Easement



**Preston Road Lift Station Expansion
Land Acquisition Program
Project No. 501-0559-20
Administrative Memorandum No. 5855**

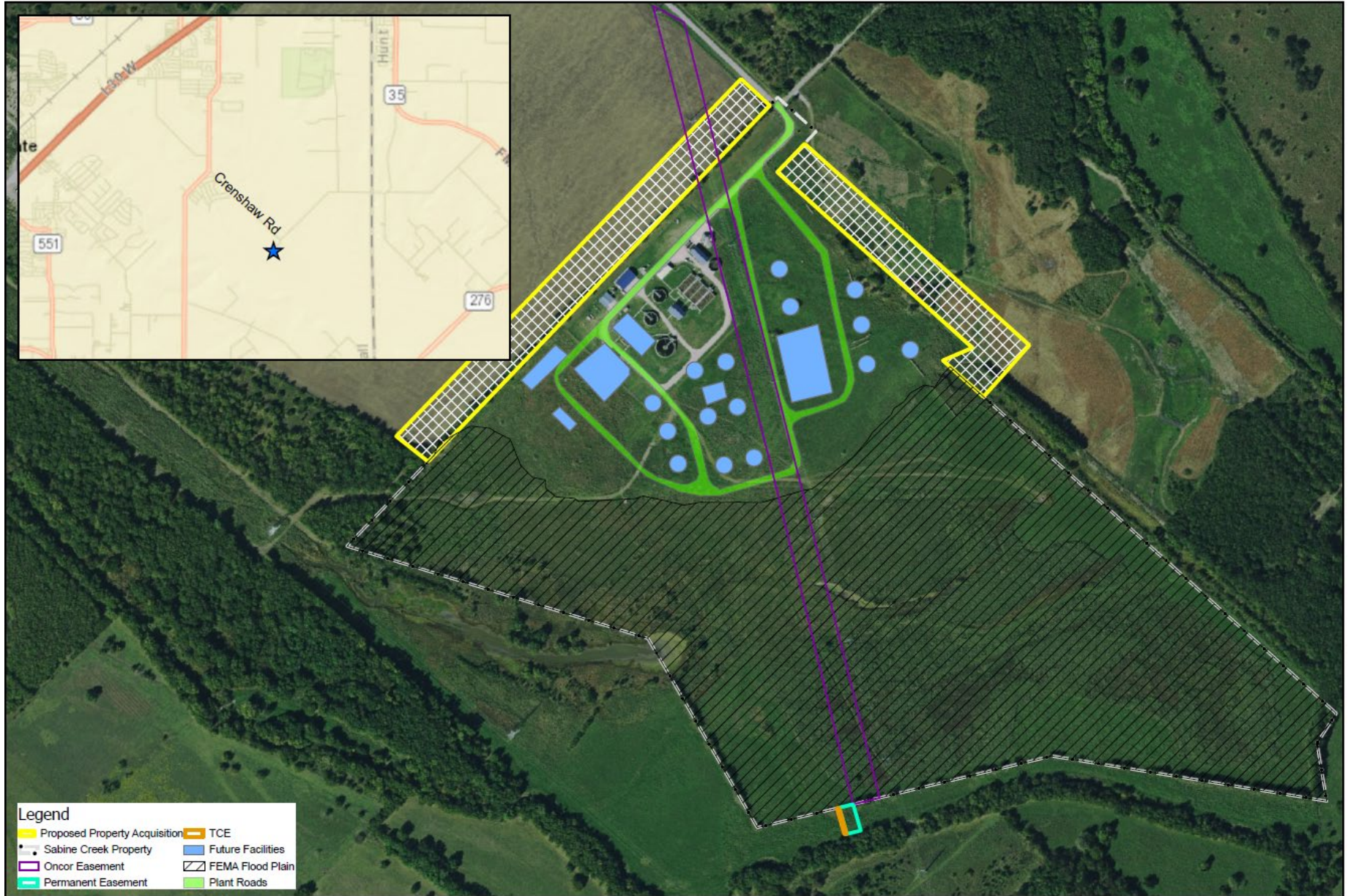




ADMINISTRATIVE MEMORANDUM NO. 5856 – RESOLUTION NO. 22-39

LAND ACQUISITION / RIGHT OF WAY AGENDA ITEMS

- G. **Adoption of Resolution No. 22-39 authorizing the execution of a property and right-of-way acquisition program for the Sabine Creek Wastewater Treatment Plant expansion project - Administrative Memorandum No. 5856**
- Consider adoption of Resolution No. 22-39 authorizing the Executive Director to execute a property and right-of-way acquisition program with a budget of \$1,400,000; and authorizing the use of eminent domain to acquire property and right-of-way for Project No. 308-0576-20, Sabine Creek Wastewater Treatment Plant (WWTP) Expansion



Sabine Creek WWTP Expansion to 7 MGD
Project No. 501-0576-22
Administrative Memorandum No. 5856





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CLOSING ITEMS AND ADJOURNMENT

XIII. CLOSING ITEMS

- A. Opportunity for Board members to provide feedback or request potential future agenda items.

XIV. ADJOURNMENT



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