



Regional. Reliable. Everyday.

June 30, 2022

Mr. Jim Proce
City Manager
City of Anna
P.O. Box 776
Anna, Texas 75409

RE: PRELIMINARY CHARGES FOR FISCAL YEAR 2023

Dear Mr. Proce:

To assist the City of Anna in the preparation of its budget, the District is providing preliminary estimates of revenues, expenses, and city charges for FY 2023. These estimates are based on the most recent information available and are subject to change as the District continues to develop its FY 2023 annual budget. As the District progresses through the budget process, demand projections will be revised accordingly in an effort to reflect your estimated minimum annual demand for the upcoming year.

At this time, metered wastewater flow is estimated to be billed at a rate of \$2.1210 per 1,000 gallons for wastewater transported through the Upper East Fork Interceptor System and at a rate of \$3.1057 per 1,000 gallons for wastewater treated in the Regional Wastewater System.

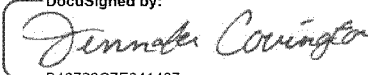
Please note current economic and market conditions are placing significant pressure on commodity prices, staffing costs and disrupting supply chains the District is reliant upon. The combination of world-wide events including the pandemic and the Russia/Ukraine conflict has exacerbated the significant supply issues and limited vendor options for chemicals to treat water and wastewater. To mitigate the unprecedented increase in chemicals, we conducted out-of-cycle rebids for many of the chemicals we need to meet the mission, which shifted the contract terms from a historically utilized fixed unit price contract to a contract that adjusts pricing quarterly based on appropriate indices. These new contracts allow the District to secure the essential supply of chemicals necessary for our services and water quality standards by sharing an acceptable level of market risk with our supply partners, until such time that the chemical market regains predictability, and we can shift back to an annual fixed pricing model.

As is occurring in organizations throughout the country, the District is challenged with a high turnover rate and the highest inflation numbers in 40 years. We have seen some stabilization in the District's turnover rate, however as of May 31st, 2022 it remains higher than average at 11.6%. It is imperative that the District offer competitive pay to attract and retain professional staff to plan, provide and manage the District's continually growing systems and services. The proposed FY 2023 budget also incorporates revisions to our capital improvement programs to address growth, maintenance of aging infrastructure, and peak flows. In the Regional Water System, the District is planning for new water sources to meet the needs of a fast-growing region. Additionally, construction costs and interest rates are on the rise adding to debt service expense.

Mr. Jim Proce
June 30, 2022
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At your convenience, you may visit our website at <http://www.ntmwd.com>, for additional Financial Transparency information and to view past committee meeting presentations. Should you have any questions or need additional information, please contact Jeanne Chipperfield, Deputy Director – Administrative Services, by e-mail at jchipperfield@ntmwd.com.

Sincerely,

DocuSigned by:

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JENNAFER P. COVINGTON
Executive Director

JPC/JC/EAF/DTF/kar

REGIONAL WASTEWATER SYSTEM

PRELIMINARY 6/30/2022
NORTH TEXAS MUNICIPAL WATER DISTRICT

Revenues and Expenses	2020-21	2021-22	2021-22	2022-23	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
Revenues						
Wastewater Sales:						
Members	\$ 76,970,969	\$ 85,452,095	\$ 84,523,770	\$ 94,259,435	\$ 8,807,340	10.31%
Customers	2,270,401	2,030,340	2,486,490	2,777,460	747,120	36.80%
Total Wastewater Sales	\$ 79,241,370	\$ 87,482,435	\$ 87,010,260	\$ 97,036,895	\$ 9,554,460	10.92%
Total Other Revenues	\$ 2,722,975	\$ 607,920	\$ 584,335	\$ 648,495	\$ 40,575	6.67%
Interest Income	\$ 13,460	\$ 10,390	\$ 17,015	\$ 17,015	\$ 6,625	63.76%
Total Revenues	\$ 81,977,804	\$ 88,100,745	\$ 87,611,610	\$ 97,702,405	\$ 9,601,660	10.90%
Expenses						
Personnel:						
Salaries	\$ 8,950,772	\$ 9,548,820	\$ 9,146,375	\$ 11,283,860	\$ 1,735,040	18.17%
Other	4,604,867	4,880,325	4,803,635	5,515,330	635,005	13.01%
Total Personnel	\$ 13,555,639	\$ 14,429,145	\$ 13,950,010	\$ 16,799,190	\$ 2,370,045	16.43%
Supplies:						
Fuel	\$ 410,012	\$ 452,405	\$ 456,405	\$ 723,450	\$ 271,045	59.91%
Chemicals	3,243,499	4,849,455	5,095,455	6,285,190	1,435,735	29.61%
Other	3,145,938	3,887,435	4,017,095	4,423,905	536,470	13.80%
Total Supplies	\$ 6,799,449	\$ 9,189,295	\$ 9,568,955	\$ 11,432,545	\$ 2,243,250	24.41%
Services:						
Consulting	\$ 375,645	\$ 597,430	\$ 602,570	\$ 422,500	\$ (174,930)	-29.28%
Insurance	254,186	537,685	490,725	564,970	27,285	5.07%
Landfill Service Fees	3,934,552	3,690,275	3,690,275	3,925,935	235,660	6.39%
Maintenance	1,397,167	2,106,245	1,665,488	1,842,665	(263,580)	-12.51%
Power	8,442,458	3,067,300	3,067,300	3,738,600	671,300	21.89%
Shared Services	8,090,048	9,238,160	9,079,360	11,168,560	1,930,400	20.90%
Other	2,610,020	3,018,165	2,898,092	3,390,020	371,855	12.32%
Total Services	\$ 25,104,076	\$ 22,255,260	\$ 21,493,810	\$ 25,053,250	\$ 2,797,990	12.57%
Capital Outlay	\$ 2,614,252	\$ 2,668,175	\$ 3,039,965	\$ 2,481,050	\$ (187,125)	-7.01%
Escrow	\$ -	\$ 443,000	\$ 1,178,350	\$ -	\$ (443,000)	-100.00%
Capital Improvement Fund	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Debt Service	\$ 33,904,387	\$ 39,115,870	\$ 38,380,520	\$ 41,936,370	\$ 2,820,500	7.21%
Total Expenses	\$ 81,977,804	\$ 88,100,745	\$ 87,611,610	\$ 97,702,405	\$ 9,601,660	10.90%
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

UPPER EAST FORK INTERCEPTOR SYSTEM

PRELIMINARY 6/30/2022
NORTH TEXAS MUNICIPAL WATER DISTRICT

Revenues and Expenses	2020-21	2021-22	2021-22	2022-23	Variance \$	Variance %
	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
Revenues						
Wastewater Sales:						
Members	\$ 36,942,237	\$ 41,849,780	\$ 41,454,100	\$ 47,074,630	\$ 5,224,850	12.48%
Customers	1,480,554	1,348,470	1,651,570	1,896,890	548,420	40.67%
Total Wastewater Sales	\$ 38,422,791	\$ 43,198,250	\$ 43,105,670	\$ 48,971,520	\$ 5,773,270	13.36%
Total Other Revenues	\$ 426,085	\$ 519,230	\$ 503,520	\$ 539,485	\$ 20,255	3.90%
Interest Income	\$ 9,500	\$ 5,375	\$ 10,005	\$ 10,005	\$ 4,630	86.14%
Total Revenues	\$ 38,858,376	\$ 43,722,855	\$ 43,619,195	\$ 49,521,010	\$ 5,798,155	13.26%
Expenses						
Personnel:						
Salaries	\$ 1,547,428	\$ 1,868,930	\$ 1,785,695	\$ 2,044,355	\$ 175,425	9.39%
Other	675,948	843,180	825,660	931,035	87,855	10.42%
Total Personnel	\$ 2,223,376	\$ 2,712,110	\$ 2,611,355	\$ 2,975,390	\$ 263,280	9.71%
Supplies:						
Fuel	\$ 64,521	\$ 76,700	\$ 76,700	\$ 84,530	\$ 7,830	10.21%
Chemicals	3,040,646	3,679,500	3,679,500	4,335,100	655,600	17.82%
Other	509,560	762,280	759,220	777,810	15,530	2.04%
Total Supplies	\$ 3,614,727	\$ 4,518,480	\$ 4,515,420	\$ 5,197,440	\$ 678,960	15.03%
Services:						
Consulting	\$ 278,809	\$ 721,500	\$ 721,500	\$ 770,000	\$ 48,500	6.72%
Insurance	83,314	137,100	137,100	143,390	6,290	4.59%
Landfill Service Fees	4,078	5,020	5,020	5,280	260	5.18%
Maintenance	1,754,814	3,147,940	3,151,905	3,174,440	26,500	0.84%
Power	2,789,961	1,250,000	1,250,000	1,300,000	50,000	4.00%
Shared Services	3,228,842	3,947,680	3,937,680	4,976,610	1,028,930	26.06%
Other	244,503	329,405	335,595	342,890	13,485	4.09%
Total Services	\$ 8,384,320	\$ 9,538,645	\$ 9,538,800	\$ 10,712,610	\$ 1,173,965	12.31%
Capital Outlay	\$ 125,731	\$ 601,500	\$ 601,500	\$ 417,000	\$ (184,500)	-30.67%
Escrow	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Capital Improvement Fund	\$ -	\$ -	\$ -	\$ 618,000	\$ 618,000	0.00%
Debt Service	\$ 24,510,222	\$ 26,352,120	\$ 26,352,120	\$ 29,600,570	\$ 3,248,450	12.33%
Total Expenses	\$ 38,858,376	\$ 43,722,855	\$ 43,619,195	\$ 49,521,010	\$ 5,798,155	13.26%
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%