



*Regional. Reliable. Everyday.*

June 30, 2022

Mr. Chris Hillman  
City Manager  
City of Irving  
P.O. Box 152288  
Irving, Texas 75015-2288

RE: CHAPMAN PUMP STATION PRELIMINARY CHARGES FOR FISCAL YEAR 2023

Dear Mr. Hillman:

To assist the City of Irving 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. Once the July water consumption is recorded, the minimums for next year will be calculated.

- Chapman Pump Station O&M Expense \$ 390,000.00

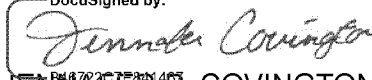
Please note current economic and market conditions are placing significant pressure on commodity prices, staffing costs and disrupting supply chains the District is reliant upon. The combination of world-wide events including the pandemic and the Russia/Ukraine conflict has exacerbated the significant supply issues. Another driver of the increase to the Chapman Pump Station O&M expense is an increase in the transfer pipeline reserve fund to reestablish the fund balance. The budget increase was determined through planning with the City of Irving.

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 31<sup>st</sup>, 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. Chris Hillman  
June 30, 2022  
Page 2

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](mailto:jchipperfield@ntmwd.com).

Sincerely,

DocuSigned by:  
  
JENNIFER P. COVINGTON  
Executive Director

JPC/JC/EAF/DTF/kar  
Enclosures

cc: David Cardenas, Utility Business Manager  
Steve Pettit, Assistant Director - Water Utilities  
Jimmy Sibert, Utility Engineering Manager

# REGIONAL WATER SYSTEM

PRELIMINARY 6/30/2022  
NORTH TEXAS MUNICIPAL WATER DISTRICT

## Expense Detail

Chapman Pump Station	2020-21	2021-22	2021-22	2022-23	Variance \$	Variance %
Expense Category	Actual	Original Budget	Amended Budget	Proposed Budget	To Original Budget	To Original Budget
<b>Supplies</b>						
520700 - Machine Oil & Lube	\$ 6,420	\$ 6,560	\$ 6,560	\$ 9,200	\$ 2,640	40.24%
521110 - Safety Supplies	-	500	500	500	-	0.00%
521400 - Electrical Supplies	1,430	9,500	9,500	54,500	45,000	473.68%
521500 - Mechanical Supplies	1,030	5,000	5,000	5,000	-	0.00%
521600 - Pipeline Supplies	40,774	59,180	59,180	63,740	4,560	7.71%
521700 - Building Supplies	28,794	2,000	3,690	2,000	-	0.00%
522000 - Equipment Supplies	-	2,000	2,000	5,000	3,000	150.00%
522200 - Road Maint Supplies	-	10,000	10,000	10,000	-	0.00%
525000 - Recovery - Supplies	(38,379)	(47,370)	(48,215)	(74,970)	(27,600)	58.26%
<b>Supplies Total</b>	<b>\$ 40,068</b>	<b>\$ 47,370</b>	<b>\$ 48,215</b>	<b>\$ 74,970</b>	<b>\$ 27,600</b>	<b>58.26%</b>
<b>Services</b>						
531000 - Telephone	\$ 932	\$ 1,445	\$ 1,445	\$ 1,445	\$ -	0.00%
531100 - Electric Power	1,717,915	2,325,000	2,325,000	2,500,000	175,000	7.53%
531101 - Recov-Sulp Springs Pwr	(104,969)	(100,000)	(100,000)	(100,000)	-	0.00%
531102 - Recov-Irving Power	(1,109,692)	(1,400,000)	(1,400,000)	(1,400,000)	-	0.00%
531300 - Engin/Consultant Svc	58,013	8,500	8,500	-	(8,500)	-100.00%
531400 - Legal Service	-	-	-	-	-	0.00%
532200 - Equipment Maint	165,870	8,000	8,000	3,000	(5,000)	-62.50%
532210 - Special Maintenance	-	5,000	5,000	7,500	2,500	50.00%
532800 - Grounds Maintenance	41,552	67,000	67,000	45,000	(22,000)	-32.84%
532850 - Building Maintenance	-	-	-	2,000	2,000	0.00%
532900 - Electrical Sys Maint	2,240	5,000	5,000	5,000	-	0.00%
533000 - Other Services	5,418	5,500	5,500	-	(5,500)	-100.00%
533030 - Contractual Safety Serv	-	5,500	5,500	4,000	(1,500)	-27.27%
Shared Services	(45,554)	65,355	65,355	65,355	-	0.00%
533300 - Maintenance Services	677,503	52,000	52,000	52,000	-	0.00%
533340 - Technical Services	56,966	108,120	108,120	108,120	-	0.00%
533360 - IT Services	-	-	-	-	-	0.00%
533900 - Permits, Ins, & Lic Fees	164	500	500	500	-	0.00%
535000 - Recovery - Contractual	(329,220)	(165,960)	(165,960)	(146,960)	19,000	-11.45%
<b>Services Total</b>	<b>\$ 1,137,140</b>	<b>\$ 990,960</b>	<b>\$ 990,960</b>	<b>\$ 1,146,960</b>	<b>\$ 156,000</b>	<b>15.74%</b>
<b>Capital Outlay</b>						
540500 - Machinery	26,714	-	-	-	-	0.00%
542000 - Other Capital Outlay	-	-	-	160,000	160,000	0.00%
545000 - Recovery - Cap Outlay	(13,357)	-	-	(80,000)	(80,000)	0.00%
<b>Capital Outlay Total</b>	<b>\$ 13,357</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>	<b>0.00%</b>
<b>Escrow</b>						
550660 - Rsv for Maintenance	\$ 100,000	\$ 100,000	\$ 100,000	\$ 176,140	\$ 76,140	76.14%
551000 - Recovery - Irving Escrow	(50,000)	(50,000)	(50,000)	(88,070)	(38,070)	76.14%
<b>Escrow Total</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 88,070</b>	<b>\$ 38,070</b>	<b>76.14%</b>
<b>Grand Total</b>	<b>\$ 1,240,565</b>	<b>\$ 1,088,330</b>	<b>\$ 1,089,175</b>	<b>\$ 1,390,000</b>	<b>\$ 301,670</b>	<b>27.72%</b>