



*Regional. Reliable. Everyday.*

June 30, 2022

Mr. Patrick Stallings  
City Manager  
City of Seagoville  
702 N. Highway 175  
Seagoville, Texas 75159

RE: PRELIMINARY CHARGES FOR FISCAL YEAR 2023

Dear Mr. Stallings:

To assist the City of Seagoville in the preparation of its budget, the District is providing preliminary estimates of revenues, expenses, and city charges for FY 2023. These estimates, including your Regional Water System minimum annual demand, 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.

- Regional Wastewater System \$ 1,522,831.00
- Lower East Fork Interceptor System \$ 433,919.00
- Wastewater Pretreatment Program \$ 59,534.00

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 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. This resulted in the District forecasting a 49% increase in the Regional Water System's chemical budget from approximately \$50 million to approximately \$74 million in FY 2023. Our current year budget is also affected by the increase in chemical prices. As a result, the District is currently not budgeting to provide a variable cost rebate in the FY 2022 amended budget.

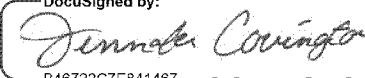
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The Regional Wastewater System's FY 2023 annual budget is estimated at \$97,702,405, which is \$9,601,660 or 10.9% greater than the FY 2022 original budget. This increase is primarily due to market conditions for fuel, chemicals and electric power. Debt service is also increasing for funding essential capital projects for the system. Another driver includes increased personnel costs for staffing of Sister Grove Regional Water Resource Recovery Facility.

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.

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:  
  
B46722C75814167  
JENNAFER P. COVINGTON  
Executive Director

JPC/JC/EAF/DTF/kar  
Enclosures

cc: Gail French, Finance Director

# 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
<b>Revenues</b>						
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%
<b>Total Revenues</b>	<b>\$ 81,977,804</b>	<b>\$ 88,100,745</b>	<b>\$ 87,611,610</b>	<b>\$ 97,702,405</b>	<b>\$ 9,601,660</b>	<b>10.90%</b>
<b>Expenses</b>						
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%
<b>Total Expenses</b>	<b>\$ 81,977,804</b>	<b>\$ 88,100,745</b>	<b>\$ 87,611,610</b>	<b>\$ 97,702,405</b>	<b>\$ 9,601,660</b>	<b>10.90%</b>
<b>Net Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>

# REGIONAL WASTEWATER SYSTEM

PRELIMINARY 6/30/2022  
NORTH TEXAS MUNICIPAL WATER DISTRICT

Member City Charges	2020-21		2021-22		2021-22		2022-23	
	Actual		Original Budget		Amended Budget		Proposed Budget	
Allen	\$ 6,694,614	\$	7,608,627		\$ 6,643,675		\$ 7,412,330	
Forney	2,804,697		4,032,122		2,800,721		3,124,757	
Frisco	3,956,209		4,607,307		4,992,484		5,570,102	
Heath	1,529,941		1,547,390		1,020,290		1,138,335	
McKinney	13,660,496		15,194,696		14,947,115		16,676,454	
Melissa	845,640		871,459		1,123,200		1,253,151	
Mesquite	10,361,189		10,487,888		12,331,394		13,758,102	
Plano	22,222,625		24,616,882		24,042,630		26,824,295	
Princeton	865,145		779,250		981,630		1,095,202	
Prosper	1,248,502		1,482,887		1,470,054		1,640,135	
Richardson	8,835,924		9,877,615		9,474,455		10,570,621	
Rockwall	2,653,994		2,942,421		3,292,220		3,673,120	
Seagoville	1,291,992		1,403,551		1,403,902		1,522,831	
<b>Total</b>	<b>\$ 76,970,969</b>	<b>\$</b>	<b>85,452,095</b>		<b>\$ 84,523,770</b>		<b>\$ 94,259,435</b>	
Cost per 1,000	<b>\$ 2.19</b>	<b>\$</b>	<b>2.37</b>		<b>\$ 2.37</b>		<b>\$ 2.58</b>	
<b>Flows (1,000):</b>								
Allen	3,063,892		3,205,428	8.904%	2,798,205	7.860%	2,878,134	7.864%
Forney	1,283,612		1,698,687	4.719%	1,179,617	3.314%	1,213,312	3.315%
Frisco	1,810,619		1,941,006	5.392%	2,102,751	5.907%	2,162,815	5.909%
Heath	700,201		651,898	1.811%	429,729	1.207%	442,004	1.208%
McKinney	6,251,934		6,401,353	17.782%	6,295,475	17.684%	6,475,301	17.692%
Melissa	387,020		367,136	1.020%	473,073	1.329%	486,586	1.329%
Mesquite	4,741,956		4,418,428	12.273%	5,193,777	14.589%	5,342,134	14.596%
Plano	10,170,523		10,370,813	28.808%	10,126,355	28.445%	10,415,607	28.458%
Princeton	395,947		328,289	0.912%	413,446	1.161%	425,256	1.162%
Prosper	571,396		624,723	1.735%	619,162	1.739%	636,848	1.740%
Richardson	4,043,895		4,161,327	11.559%	3,990,482	11.209%	4,104,467	11.214%
Rockwall	1,214,641		1,239,609	3.443%	1,386,628	3.895%	1,426,236	3.897%
Seagoville	591,300		591,300	1.643%	591,300	1.661%	591,300	1.616%
<b>Total</b>	<b>35,226,936</b>		<b>36,000,000</b>	100.00%	<b>35,600,000</b>	100.00%	<b>36,600,000</b>	100.00%

## Lower East Fork Interceptor

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
<b>Revenues</b>						
Sewer Sales:						
Interceptor Facilities - Mesquite	\$ 1,450,933	\$ 1,507,942	\$ 1,507,363	\$ 1,557,496	\$ 49,554	3.29%
Interceptor Facilities - Seagoville	404,230	420,113	419,952	433,919	13,806	
Total Sewer Sales	\$ 1,855,163	\$ 1,928,055	\$ 1,927,315	\$ 1,991,415	\$ 63,360	3.29%
Total Other Revenues	\$ 68,213	\$ -	\$ -	\$ -	\$ -	0.00%
Interest Income	\$ 297	\$ 355	\$ 340	\$ 340	\$ (15)	-4.23%
<b>Total Revenues</b>	<b>\$ 1,923,673</b>	<b>\$ 1,928,410</b>	<b>\$ 1,927,655</b>	<b>\$ 1,991,755</b>	<b>\$ 63,345</b>	<b>3.28%</b>
<b>Expenses</b>						
Personnel:						
Salaries	\$ 46	\$ 4,510	\$ 3,975	\$ 4,910	\$ 400	8.87%
Other	3	1,050	830	1,165	115	10.95%
Total Personnel	\$ 49	\$ 5,560	\$ 4,805	\$ 6,075	\$ 515	9.26%
Supplies:						
Chemicals	\$ 36,687	\$ 68,700	\$ 68,875	\$ 68,945	\$ 245	0.36%
Other	12,739	50,025	52,525	52,025	2,000	4.00%
Total Supplies	\$ 49,427	\$ 118,725	\$ 121,400	\$ 120,970	\$ 2,245	1.89%
Services:						
Consulting	\$ 17,405	\$ 45,000	\$ 45,000	\$ 45,000	\$ -	0.00%
Insurance	3,093	3,960	3,960	4,325	365	9.22%
Landfill Service Fees	947	645	645	690	45	6.98%
Maintenance	285,230	140,215	137,540	140,865	650	0.46%
Power	53,546	45,000	45,000	45,000	-	0.00%
Shared Services	121,134	95,700	95,700	102,720	7,020	7.34%
Other	81,513	103,415	103,415	112,120	8,705	8.42%
Total Services	\$ 562,867	\$ 433,935	\$ 431,260	\$ 450,720	\$ 16,785	3.87%
Escrow	\$ 45,000	\$ 65,000	\$ 65,000	\$ 113,500	\$ 48,500	74.62%
Debt Service	\$ 1,266,330	\$ 1,305,190	\$ 1,305,190	\$ 1,300,490	\$ (4,700)	-0.36%
<b>Total Expenses</b>	<b>\$ 1,923,673</b>	<b>\$ 1,928,410</b>	<b>\$ 1,927,655</b>	<b>\$ 1,991,755</b>	<b>\$ 63,345</b>	<b>3.28%</b>
<b>Net Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>

Lower East Fork Interceptor

Member City Charges	2020-21		2021-22		2021-22		2022-23	
	Actual		Original Budget		Amended Budget		Proposed Budget	
Mesquite	\$ 1,450,933	\$ 1,507,942	\$ 1,507,363	\$ 1,557,496				
Seagoville	404,230	420,113	419,952	433,919				
<b>Total</b>	<b>\$ 1,855,163</b>	<b>\$ 1,928,055</b>	<b>\$ 1,927,315</b>	<b>\$ 1,991,415</b>				
<b>Annual Flow (1,000)</b>								
Mesquite	2,711,950	2,711,950	78.211%	2,711,950	78.211%	2,711,950	78.211%	
Seagoville	755,550	755,550	21.789%	755,550	21.789%	755,550	21.789%	
<b>Total</b>	<b>3,467,500</b>	<b>3,467,500</b>	<b>100.000%</b>	<b>3,467,500</b>	<b>100.000%</b>	<b>3,467,500</b>	<b>100.000%</b>	

## Wastewater Pretreatment Program

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
<b>Revenues</b>						
Wastewater Sales:						
Pretreatment - Members	\$ 1,072,491	\$ 1,335,160	\$ 1,309,585	\$ 1,465,192	\$ 130,032	9.74%
Total Sewer Sales	\$ 1,072,491	\$ 1,335,160	\$ 1,309,585	\$ 1,465,192	\$ 130,032	9.74%
Total Other Revenues	\$ 6,716	\$ -	\$ -	\$ -	\$ -	0.00%
Interest Income	\$ 150	\$ 180	\$ 240	\$ 240	\$ 60	33.33%
<b>Total Revenues</b>	<b>\$ 1,079,358</b>	<b>\$ 1,335,340</b>	<b>\$ 1,309,825</b>	<b>\$ 1,465,432</b>	<b>\$ 130,092</b>	<b>9.74%</b>
<b>Expenses</b>						
Personnel:						
Salaries	\$ 518,468	\$ 564,940	\$ 546,915	\$ 627,085	\$ 62,145	11.00%
Other	236,555	309,960	302,470	285,085	(24,875)	-8.03%
Total Personnel	\$ 755,023	\$ 874,900	\$ 849,385	\$ 912,170	\$ 37,270	4.26%
Supplies:						
Fuel	\$ 2,643	\$ 6,840	\$ 6,840	\$ 6,500	\$ (340)	-4.97%
Other	47,269	57,975	57,975	72,572	14,597	25.18%
Total Supplies	\$ 49,911	\$ 64,815	\$ 64,815	\$ 79,072	\$ 14,257	22.00%
Services:						
Consulting	\$ -	\$ 70,000	\$ 70,000	\$ 40,000	\$ (30,000)	-42.86%
Insurance	2,739	3,060	3,060	3,060	-	0.00%
Maintenance	1,540	10,600	10,600	5,600	(5,000)	-47.17%
Shared Services	230,395	276,550	276,550	371,105	94,555	34.19%
Other	23,149	35,415	35,415	54,425	19,010	53.68%
Total Services	\$ 257,823	\$ 395,625	\$ 395,625	\$ 474,190	\$ 78,565	19.86%
Capital Outlay	\$ 16,600	\$ -	\$ -	\$ -	\$ -	0.00%
<b>Total Expenses</b>	<b>\$ 1,079,358</b>	<b>\$ 1,335,340</b>	<b>\$ 1,309,825</b>	<b>\$ 1,465,432</b>	<b>\$ 130,092</b>	<b>9.74%</b>
<b>Net Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>

Wastewater Pretreatment Program

Member City Charges	2020-21		2021-22		2021-22		2022-23	
	Actual		Original Budget		Amended Budget		Proposed Budget	
Allen	\$ 65,915	\$	81,330	\$	76,940	\$	79,378	
Forney	35,704		44,054		41,676		42,997	
Frisco	17,852		23,721		22,441		23,152	
McKinney	189,505		233,822		240,438		248,057	
Melissa	16,479		20,332		19,235		-	
Mesquite	233,449		288,042		264,482		261,287	
Plano	32,957		40,665		73,734		82,686	
Richardson	-		-		-		138,912	
Rockwall	82,394		101,662		96,175		99,223	
Seagoville	48,063		60,997		57,705		59,534	
Sunnyvale	32,957		40,665		38,470		39,689	
Terrell	212,850		271,098		256,467		264,594	
Wylie	104,365		128,772		121,822		125,683	
<b>Total</b>	<b>\$ 1,072,491</b>	<b>\$</b>	<b>1,335,160</b>	<b>\$</b>	<b>1,309,585</b>	<b>\$</b>	<b>1,465,192</b>	

User Months:

Allen	48	48	6.091%	48	5.875%	48	5.418%
Forney	26	26	3.299%	26	3.182%	26	2.935%
Frisco	13	14	1.777%	14	1.714%	14	1.580%
McKinney	138	138	17.513%	150	18.360%	150	16.930%
Melissa	12	12	1.523%	12	1.469%	-	0.000%
Mesquite	170	170	21.574%	165	20.196%	158	17.833%
Plano	24	24	3.046%	46	5.630%	50	5.643%
Richardson	-	-	0.000%	-	0.000%	84	9.481%
Rockwall	60	60	7.614%	60	7.344%	60	6.772%
Seagoville	35	36	4.569%	36	4.406%	36	4.063%
Sunnyvale	24	24	3.046%	24	2.938%	24	2.709%
Terrell	155	160	20.305%	160	19.584%	160	18.059%
Wylie	76	76	9.645%	76	9.302%	76	8.578%
<b>Total</b>	<b>781</b>	<b>788</b>	<b>100.000%</b>	<b>817</b>	<b>100.000%</b>	<b>886</b>	<b>100.000%</b>