



Regional. Reliable. Everyday.

July 29, 2022

Mr. Ben White
City Manager
City of Farmersville
205 South Main Street
Farmersville, Texas 75442

RE: PRELIMINARY CHARGES FOR FISCAL YEAR 2023

Dear Mr. White:

To assist the City of Farmersville 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 information presented to the District's Board at the Budget Work Session on July 21, 2022 and are subject to change as the District continues to develop its FY 2023 Annual Budget. As the District progresses through the budget process, Regional Water System 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, your annual minimum for next year will be calculated. The District will provide the 2022-23 Budget Summary and Billing Schedules, subject to approval of the budget by the District's Board of Directors, by the end of September.

At this time, the proposed Member City Water Rate for FY 2023 is expected to be \$3.39 per 1,000 gallons. The District will continue throughout the budget process to ensure that requested funds are only for critical infrastructure, equipment and support necessary to provide our services. Preliminary FY 2023 charges are as follows:

- | | |
|-------------------------|---------------|
| • Regional Water System | \$ 928,127.76 |
| • Farmersville WWTP | \$ 632,435.00 |

Please note the Regional Water System's FY 2023 Annual Budget is estimated at \$419,653,270, which is \$50,135,715 or 13.6% greater than the FY 2022 Original Budget. Inflation and market conditions are driving a large portion of the overall cost increases including higher commodity prices for fuel, chemicals and electric power as well as price increases for many other supplies. Additional debt service costs for funding essential capital projects is also contributing to the overall budget increase. These higher commodity prices are also affecting the FY2022 amended budget. As a result, the District is not currently budgeting to provide a variable cost rebate in the FY2022 amended budget.

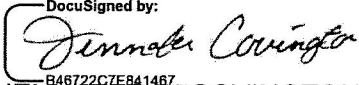
The Farmersville WWTP System's FY 2023 Annual Budget is estimated at \$632,505, which is \$56,335 or 9.8% greater than the FY 2022 Original Budget. The increase is primarily due to increased staffing costs and inflation related supply cost increases.

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

Mr. Ben White
July 29, 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:

BA6722C7E8A1467...
JENNAFER P. COVINGTON
Executive Director

JPC/JC/EAF/DTF/kar
Enclosures

cc: George Crump, Director, NTMWD
Daphne Hamlin, Finance Director

REGIONAL WATER SYSTEM

PRELIMINARY 7/31/2022
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						
Water Sales:						
Member Sales	\$ 290,090,413	\$ 298,350,342	\$ 300,591,423	\$ 344,251,415	\$ 45,901,073	15.38%
Customer Sales	66,007,189	67,217,086	72,697,713	83,609,794	16,392,708	24.39%
Retail Customer Sales	23,237	21,000	16,000	16,000	(5,000)	-23.81%
Raw Water Sales	1,865	990	2,105	1,490	500	50.51%
Total Water Sales	\$ 356,122,705	\$ 365,589,418	\$ 373,307,241	\$ 427,878,699	\$ 62,289,281	17.04%
Other Revenues:						
Tfr - Prior Year Recovery	\$ -	\$ -	\$ 231,030	\$ -	\$ -	0.00%
Other	8,574,557	331,547	359,309	541,560	210,014	63.34%
Total Other Revenues	\$ 14,991,557	\$ 331,547	\$ 590,339	\$ 541,560	\$ 210,014	63.34%
Interest Income	44,676	51,540	56,100	56,100	4,560	8.85%
Tfr from Rate Stabilization	2,550,000	3,000,000	3,000,000	-	(3,000,000)	-100.00%
Total Revenues	\$ 373,708,938	\$ 368,972,505	\$ 376,953,680	\$ 428,476,360	\$ 59,503,855	16.13%
Expenses						
Personnel:						
Salaries	\$ 8,222,459	\$ 9,873,670	\$ 9,307,275	\$ 11,482,665	\$ 1,608,995	16.30%
Other	4,276,084	4,460,920	4,378,505	5,529,455	1,068,535	23.95%
Total Personnel	\$ 12,498,543	\$ 14,334,590	\$ 13,685,780	\$ 17,012,120	\$ 2,677,530	18.68%
Supplies:						
Fuel	\$ 68,948	\$ 85,870	\$ 85,870	\$ 139,235	\$ 53,365	62.15%
Chemicals	36,031,628	49,768,805	55,581,565	73,965,125	24,196,320	48.62%
Other	3,738,858	3,506,800	3,878,480	4,988,995	1,482,195	42.27%
Total Supplies	\$ 39,839,433	\$ 53,361,475	\$ 59,545,915	\$ 79,093,355	\$ 25,731,880	48.22%
Services:						
Consulting	\$ 2,860,245	\$ 3,594,500	\$ 3,666,045	\$ 3,349,000	\$ (245,500)	-6.83%
PUC	6,600,000	-	-	-	-	0.00%
Insurance	950,829	1,704,680	1,704,680	2,257,450	552,770	32.43%
Landfill Service Fees	715	-	-	-	-	0.00%
Maintenance	12,239,838	13,431,710	13,783,480	17,167,695	3,735,985	27.81%
Power	34,585,683	21,698,100	21,698,100	26,440,355	4,742,255	21.86%
Shared Services	40,188,481	40,914,885	40,914,885	44,469,075	3,554,190	8.69%
Water Purchases	4,914,063	5,995,355	5,382,265	6,472,005	476,650	7.95%
Other	6,621,987	5,978,965	6,453,175	4,401,300	(1,577,665)	-26.39%
Total Services	\$ 108,961,841	\$ 93,318,195	\$ 93,602,630	\$ 104,556,880	\$ 11,238,685	12.04%
Capital Outlay	\$ 1,331,035	\$ 1,655,500	\$ 1,480,395	\$ 2,993,500	\$ 1,338,000	80.82%
Escrow	\$ 50,000	\$ 1,250,000	\$ 1,250,000	\$ 88,070	\$ (1,161,930)	-92.95%
Capital Improvement Fund	\$ 36,200,000	\$ 15,000,000	\$ 15,000,000	\$ 19,100,000	\$ 4,100,000	27.33%
Debt Service	\$ 173,962,341	\$ 190,597,795	\$ 190,597,795	\$ 196,809,345	\$ 6,211,550	3.26%
Total Expenses	\$ 372,843,193	\$ 369,517,555	\$ 375,162,515	\$ 419,653,270	\$ 50,135,715	13.57%
Fund Bal. Incr. to 90 Days	-	-	-	8,500,000	8,500,000	0.00%
Net Revenues	\$ 865,745	\$ (545,050)	\$ 1,791,165	\$ 323,090	\$ 868,140	

REGIONAL WATER SYSTEM

PRELIMINARY 7/31/2022
NORTH TEXAS MUNICIPAL WATER DISTRICT

2022-23 Billing Schedule - Member Cities

	Allen	Farmersville	Forney	Frisco	Garland	McKinney	Mesquite
ESTIMATED MIN. ANNUAL DEMAND (1,000 Gal)	6,290,291	273,784	2,673,783	14,041,399	13,227,469	12,315,732	7,918,044
October	\$ 1,777,009.49	\$ 77,343.76	\$ 755,340.37	\$ 3,966,697.61	\$ 3,736,759.91	\$ 3,479,197.48	\$ 2,236,852.16
November	1,777,007.00	77,344.00	755,344.00	3,966,695.00	3,736,760.00	3,479,194.00	2,236,847.00
December	1,777,007.00	77,344.00	755,344.00	3,966,695.00	3,736,760.00	3,479,194.00	2,236,847.00
January	1,777,007.00	77,344.00	755,344.00	3,966,695.00	3,736,760.00	3,479,194.00	2,236,847.00
February	1,777,007.00	77,344.00	755,344.00	3,966,695.00	3,736,760.00	3,479,194.00	2,236,847.00
March	1,777,007.00	77,344.00	755,344.00	3,966,695.00	3,736,760.00	3,479,194.00	2,236,847.00
April	1,777,007.00	77,344.00	755,344.00	3,966,695.00	3,736,760.00	3,479,194.00	2,236,847.00
May	1,777,007.00	77,344.00	755,344.00	3,966,695.00	3,736,760.00	3,479,194.00	2,236,847.00
June	1,777,007.00	77,344.00	755,344.00	3,966,695.00	3,736,760.00	3,479,194.00	2,236,847.00
July	1,777,007.00	77,344.00	755,344.00	3,966,695.00	3,736,760.00	3,479,194.00	2,236,847.00
August	1,777,007.00	77,344.00	755,344.00	3,966,695.00	3,736,760.00	3,479,194.00	2,236,847.00
September	1,777,007.00	77,344.00	755,344.00	3,966,695.00	3,736,760.00	3,479,194.00	2,236,847.00
Total	\$ 21,324,086.49	\$ 928,127.76	\$ 9,064,124.37	\$ 47,600,342.61	\$ 44,841,119.91	\$ 41,750,331.48	\$ 26,842,169.16

	Plano	Princeton	Richardson	Rockwall	Royse City	Wylie	Total
ESTIMATED MIN. ANNUAL DEMAND (1,000 Gal)	25,775,304	1,106,099	10,639,897	4,614,611	824,124	1,848,553	101,549,090
October	\$ 7,281,527.56	\$ 312,472.61	\$ 3,005,769.83	\$ 1,303,623.29	\$ 232,815.36	\$ 522,218.67	\$ 28,687,628.10
November	7,281,523.00	312,473.00	3,005,771.00	1,303,628.00	232,815.00	522,216.00	28,687,617.00
December	7,281,523.00	312,473.00	3,005,771.00	1,303,628.00	232,815.00	522,216.00	28,687,617.00
January	7,281,523.00	312,473.00	3,005,771.00	1,303,628.00	232,815.00	522,216.00	28,687,617.00
February	7,281,523.00	312,473.00	3,005,771.00	1,303,628.00	232,815.00	522,216.00	28,687,617.00
March	7,281,523.00	312,473.00	3,005,771.00	1,303,628.00	232,815.00	522,216.00	28,687,617.00
April	7,281,523.00	312,473.00	3,005,771.00	1,303,628.00	232,815.00	522,216.00	28,687,617.00
May	7,281,523.00	312,473.00	3,005,771.00	1,303,628.00	232,815.00	522,216.00	28,687,617.00
June	7,281,523.00	312,473.00	3,005,771.00	1,303,628.00	232,815.00	522,216.00	28,687,617.00
July	7,281,523.00	312,473.00	3,005,771.00	1,303,628.00	232,815.00	522,216.00	28,687,617.00
August	7,281,523.00	312,473.00	3,005,771.00	1,303,628.00	232,815.00	522,216.00	28,687,617.00
September	7,281,523.00	312,473.00	3,005,771.00	1,303,628.00	232,815.00	522,216.00	28,687,617.00
Total	\$ 87,378,280.56	\$ 3,749,675.61	\$ 36,069,250.83	\$ 15,643,531.29	\$ 2,793,780.36	\$ 6,266,594.67	\$ 344,251,415.10

Farmersville Wastewater Treatment Plant

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						
Sewer Sales:						
Sewer Facilities	\$ 488,084	\$ 576,090	\$ 571,985	\$ 632,435	\$ 56,345	9.78%
Total Sewer Sales	\$ 488,084	\$ 576,090	\$ 571,985	\$ 632,435	\$ 56,345	9.78%
Total Other Revenues	\$ 2,096	\$ -	\$ -	\$ -	\$ -	0.00%
Interest Income	\$ 66	\$ 80	\$ 70	\$ 70	\$ (10)	-12.50%
Total Revenues	\$ 490,246	\$ 576,170	\$ 572,055	\$ 632,505	\$ 56,335	9.78%
Expenses						
Personnel:						
Salaries	\$ 123,661	\$ 115,450	\$ 111,125	\$ 126,090	\$ 10,640	9.22%
Other	62,990	70,665	70,875	78,725	8,060	11.41%
Total Personnel	\$ 186,651	\$ 186,115	\$ 182,000	\$ 204,815	\$ 18,700	10.05%
Supplies:						
Fuel	\$ 54	\$ -	\$ -	\$ -	\$ -	0.00%
Chemicals	\$ 18,007	\$ 31,060	\$ 31,060	\$ 36,220	\$ 5,160	16.61%
Other	64,608	53,585	54,905	59,785	6,200	11.57%
Total Supplies	\$ 82,669	\$ 84,645	\$ 85,965	\$ 96,005	\$ 11,360	13.42%
Services:						
Consulting	\$ 1,916	\$ 16,000	\$ 16,000	\$ 1,000	\$ (15,000)	-93.75%
Insurance	2,105	2,525	2,525	2,525	-	0.00%
Landfill Service Fees	12,330	14,980	14,980	13,825	(1,155)	-7.71%
Maintenance	9,416	10,980	5,030	13,340	2,360	21.49%
Power	57,253	50,000	50,000	55,000	5,000	10.00%
Shared Services	97,340	111,655	129,155	154,100	42,445	38.01%
Other	32,308	57,425	54,055	44,015	(13,410)	-23.35%
Total Services	\$ 212,670	\$ 263,565	\$ 271,745	\$ 283,805	\$ 20,240	7.68%
Capital Outlay	\$ 8,256	\$ 41,845	\$ 32,345	\$ 41,180	\$ (665)	-1.59%
Escrow	\$ -	\$ -	\$ -	\$ 6,700	\$ 6,700	0.00%
Total Expenses	\$ 490,246	\$ 576,170	\$ 572,055	\$ 632,505	\$ 56,335	9.78%
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%