



*Regional. Reliable. Everyday.*

July 29, 2022

Ms. Aretha Adams  
City Manager  
City of Heath  
200 Laurence Drive  
Heath, Texas 75032

RE: PRELIMINARY CHARGES FOR FISCAL YEAR 2023

Dear Ms. Adams:

To assist the City of Heath in the preparation of its budget, the District is providing the following preliminary estimates of revenues, expenses, and city charges for FY 2023. These estimates 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. 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. 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. Preliminary FY 2023 charges are as follows:

- |   |                 |
|---|-----------------|
| • Regional Wastewater System              | \$ 1,135,373.00 |
| • Rockwall-Heath Water Storage Facilities | \$ 79,135.00    |
| • Buffalo Creek Interceptor               | \$ 937,766.00   |

Please note the Regional Wastewater System's FY 2023 Annual Budget is estimated at \$97,449,945, which is \$9,349,200 or 10.6% greater than the FY 2022 Original Budget. This increase is related to staffing costs, primarily new position requests for the Sister Grove Regional Water Resource Recovery Facility. Inflation and market conditions are driving several commodities higher, including fuel, chemicals and electric power. Debt service is also increasing to fund essential capital projects for the system.

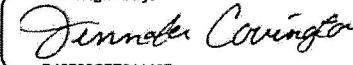
Pursuant to the Rockwall-Heath Water Storage Facilities Relinquishment Agreement, Rockwall has agreed to make certain payments to the District in return for Heath's agreement to relinquish its right to water storage capacity, in the Project, under the Water Contract.

The Buffalo Creek Interceptor's FY 2023 Annual Budget is estimated at \$4,411,810, which is \$590,400 or 15.5% greater than the FY 2022 Original Budget. The increase is primarily due to additional debt service costs related to the Buffalo Creek Interceptor Tunnel Project.

Ms. Aretha Adams  
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](mailto:jchipperfield@ntmwd.com).

Sincerely,

DocuSigned by:  
  
B45722C7E941467  
JENNAFER P. COVINGTON  
Executive Director

JPC/JC/EAF/DTF/kar  
Enclosures

cc: Laurie Mays, Finance Director

# REGIONAL WASTEWATER 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
<b>Revenues</b>						
Wastewater Sales:						
Members	\$ 76,970,969	\$ 85,452,095	\$ 84,543,760	\$ 94,014,205	\$ 8,562,110	10.02%
Customers	2,270,401	2,030,340	2,486,500	2,770,230	739,890	36.44%
Total Wastewater Sales	\$ 79,241,370	\$ 87,482,435	\$ 87,030,260	\$ 96,784,435	\$ 9,302,000	10.63%
Total Other Revenues	\$ 2,722,975	\$ 607,920	\$ 564,335	\$ 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>\$ 97,449,945</b>	<b>\$ 9,349,200</b>	<b>10.61%</b>
<b>Expenses</b>						
Personnel:						
Salaries	\$ 8,950,772	\$ 9,548,820	\$ 9,146,375	\$ 11,228,205	\$ 1,679,385	17.59%
Other	4,604,867	4,880,325	4,803,635	5,477,410	597,085	12.23%
Total Personnel	\$ 13,555,639	\$ 14,429,145	\$ 13,950,010	\$ 16,705,615	\$ 2,276,470	15.78%
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	3,545,020	526,855	17.46%
Total Services	\$ 25,104,076	\$ 22,255,260	\$ 21,493,810	\$ 25,208,250	\$ 2,952,990	13.27%
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	\$ 41,622,485	\$ 2,506,615	6.41%
<b>Total Expenses</b>	<b>\$ 81,977,804</b>	<b>\$ 88,100,745</b>	<b>\$ 87,611,610</b>	<b>\$ 97,449,945</b>	<b>\$ 9,349,200</b>	<b>10.61%</b>
<b>Net Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>

# REGIONAL WASTEWATER SYSTEM

PRELIMINARY 7/31/2022  
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		\$ 6,645,246		\$ 7,393,046	
Forney	2,804,697		4,032,122		2,801,384		3,116,627	
Frisco	3,956,209		4,607,307		4,993,665		5,555,610	
Heath	1,529,941		1,547,390		1,020,531		1,135,373	
McKinney	13,660,496		15,194,696		14,950,650		16,633,068	
Melissa	845,640		871,459		1,123,465		1,249,891	
Mesquite	10,361,189		10,487,888		12,334,310		13,722,308	
Plano	22,222,625		24,616,882		24,048,319		26,754,508	
Princeton	865,145		779,250		981,862		1,092,353	
Prosper	1,248,502		1,482,887		1,470,401		1,635,868	
Richardson	8,835,924		9,877,615		9,476,695		10,543,120	
Rockwall	2,653,994		2,942,421		3,292,998		3,663,564	
Seagoville	1,291,992		1,403,551		1,404,234		1,518,869	
<b>Total</b>	<b>\$ 76,970,969</b>	<b>\$</b>	<b>85,452,095</b>		<b>\$ 84,543,760</b>		<b>\$ 94,014,205</b>	
Cost per 1,000	\$ 2.19	\$	2.37		\$ 2.37		\$ 2.57	
<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>	<b>100.00%</b>	<b>35,600,000</b>	<b>100.00%</b>	<b>36,600,000</b>	<b>100.00%</b>

**Rockwall-Heath Water Storage Facilities**

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:						
Water Facilities - Heath	\$ 76,370	\$ 79,007	\$ 79,009	\$ 79,135	\$ 128	0.16%
Water Facilities - Rockwall	152,763	158,038	158,041	158,295	257	0.16%
<b>Total Sewer Sales</b>	<b>\$ 229,133</b>	<b>\$ 237,045</b>	<b>\$ 237,050</b>	<b>\$ 237,430</b>	<b>\$ 385</b>	<b>0.16%</b>
Interest Income	\$ 28	\$ 30	\$ 25	\$ 25	(5)	-16.67%
<b>Total Revenues</b>	<b>\$ 229,161</b>	<b>\$ 237,075</b>	<b>\$ 237,075</b>	<b>\$ 237,455</b>	<b>\$ 380</b>	<b>0.16%</b>
<b>Expenses</b>						
Services:						
Shared Services	\$ 644	\$ 560	\$ 560	\$ 660	\$ 100	17.86%
Other	2	5	5	5	-	0.00%
<b>Total Services</b>	<b>\$ 646</b>	<b>\$ 565</b>	<b>\$ 565</b>	<b>\$ 665</b>	<b>\$ 100</b>	<b>17.70%</b>
Debt Service	\$ 228,515	\$ 236,510	\$ 236,510	\$ 236,790	\$ 280	0.12%
<b>Total Expenses</b>	<b>\$ 229,161</b>	<b>\$ 237,075</b>	<b>\$ 237,075</b>	<b>\$ 237,455</b>	<b>\$ 380</b>	<b>0.16%</b>
<b>Net Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>

**Rockwall-Heath Water Storage Facilities**

<b>Member City Charges</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2021-22</b>	<b>2022-23</b>
	<b>Actual</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Proposed Budget</b>
Heath	\$ 76,370	\$ 79,007 *	\$ 79,009 *	\$ 79,135 *
Rockwall	152,763	158,038	158,041	158,295
<b>Total</b>	<b>\$ 229,133</b>	<b>\$ 237,045</b>	<b>\$ 237,050</b>	<b>\$ 237,430</b>

**Contract Allocation Percentage:**

Heath	33.33%	33.33%	33.33%	33.33%
Rockwall	66.67%	66.67%	66.67%	66.67%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\*Pursuant to the Rockwall-Heath Water Storage Facilities Relinquishment Agreement, Rockwall has agreed to make certain payments to the District in return for Heath's agreement to relinquish its right to water storage capacity, in the Project, under the Water Contract.

**Buffalo Creek 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 - Forney	\$ 378,414	\$ 1,128,256	\$ 387,297	\$ 447,444	\$ (680,812)	-60.34%
Interceptor Facilities - Heath	670,313	927,979	811,708	937,766	9,787	
Interceptor Facilities - Rockwall	1,162,796	1,764,586	2,619,180	3,025,935	1,261,349	
Total Sewer Sales	\$ 2,211,523	\$ 3,820,820	\$ 3,818,185	\$ 4,411,145	\$ 590,325	15.45%
Total Other Revenues	\$ 816	\$ -	\$ -	\$ -	\$ -	0.00%
Interest Income	\$ 512	\$ 590	\$ 665	\$ 665	\$ 75	12.71%
<b>Total Revenues</b>	<b>\$ 2,212,851</b>	<b>\$ 3,821,410</b>	<b>\$ 3,818,850</b>	<b>\$ 4,411,810</b>	<b>\$ 590,400</b>	<b>15.45%</b>
<b>Expenses</b>						
Personnel:						
Salaries	\$ 68	\$ 9,775	\$ 7,775	\$ 9,935	\$ 160	1.64%
Other	5	1,900	1,340	1,950	50	2.63%
Total Personnel	\$ 73	\$ 11,675	\$ 9,115	\$ 11,885	\$ 210	1.80%
Supplies:						
Fuel	-	25	25	25	-	0.00%
Chemicals	\$ 47,828	\$ 84,650	\$ 84,650	\$ 85,700	\$ 1,050	1.24%
Other	11,198	53,535	53,535	53,505	(30)	-0.06%
Total Supplies	\$ 59,026	\$ 138,210	\$ 138,210	\$ 139,230	\$ 1,020	0.74%
Services:						
Consulting	\$ 17,405	\$ 45,000	\$ 45,000	\$ 45,000	\$ -	0.00%
Insurance	6,401	14,215	15,890	14,715	500	3.52%
Landfill Service Fees	-	2,635	2,635	2,825	190	7.21%
Maintenance	7,414	197,920	196,245	200,870	2,950	1.49%
Power	58,459	58,150	58,150	55,650	(2,500)	-4.30%
Shared Services	183,559	203,165	203,165	204,330	1,165	0.57%
Other	104,650	133,190	133,190	144,365	11,175	8.39%
Total Services	\$ 377,887	\$ 654,275	\$ 654,275	\$ 667,755	\$ 13,480	2.06%
Escrow	\$ 140,000	\$ 150,000	\$ 150,000	\$ 53,870	\$ (96,130)	-64.09%
Debt Service	\$ 1,635,865	\$ 2,867,250	\$ 2,867,250	\$ 3,539,070	\$ 671,820	23.43%
<b>Total Expenses</b>	<b>\$ 2,212,851</b>	<b>\$ 3,821,410</b>	<b>\$ 3,818,850</b>	<b>\$ 4,411,810</b>	<b>\$ 590,400</b>	<b>15.45%</b>
<b>Net Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>

**Buffalo Creek Interceptor**

Member City Charges	2020-21		2021-22		2021-22		2022-23	
	Actual		Original Budget		Amended Budget		Proposed Budget	
Forney	\$ 378,414	\$ 1,128,256	\$ 387,297	\$ 447,444				
Heath	670,313	927,979	811,708	937,766				
Rockwall	1,162,796	1,764,586	2,619,180	3,025,935				
<b>Total</b>	<b>\$ 2,211,523</b>	<b>\$ 3,820,820</b>	<b>\$ 3,818,185</b>	<b>\$ 4,411,145</b>				
<b>Annual Flow (1,000)</b>								
Forney	395,288	792,591	29.529%	205,040	10.143%	210,897	10.143%	
Heath	700,201	651,898	24.287%	429,729	21.259%	442,004	21.259%	
Rockwall	1,214,641	1,239,608	46.183%	1,386,628	68.598%	1,426,236	68.597%	
<b>Total</b>	<b>2,310,131</b>	<b>2,684,097</b>	<b>100.000%</b>	<b>2,021,397</b>	<b>100.000%</b>	<b>2,079,137</b>	<b>100.000%</b>	