



Regional. Reliable. Everyday.

July 29, 2022

Ms. Gina Nash
City Manager
City of Sachse
3815 Sachse Rd, Bldg B
Sachse, Texas 75048

RE: PRELIMINARY CHARGES FOR FISCAL YEAR 2023

Dear Ms. Nash:

To assist the City of Sachse 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 Customer Water Rate for FY 2023 is expected to be \$3.44 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, while continuing to look for ways to reduce the water rate. Enclosed are the preliminary 2022-23 Budget Summary and Billing Schedule for the following charge:

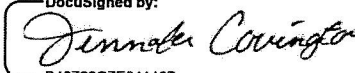
- Regional Water System \$ 4,582,606.32

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.

Ms. Gina Nash
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:

B46722C7EB4146Z
JENNAFER P. COVINGTON
Executive Director

JPC/JC/EAF/DTF/kar
Enclosures

cc: David Baldwin, Director of Finance

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 - Customers

| | Ables Springs WSC | Bear Creek SUD | BHP Water Supply Corp | Bonham | Caddo Basin SUD | Cash SUD | College Mound SUD |
|---|----------------------|------------------------|--------------------------|------------------------|------------------------|------------------------|----------------------|
| ESTIMATED MIN. ANNUAL DEMAND (1,000 Gal) | 108,936 | 377,766 | 163,210 | 640,000 | 487,759 | 361,386 | 78,066 |
| October | \$ 31,231.84 | \$ 108,292.04 | \$ 46,785.40 | \$ 180,800.00 | \$ 139,826.96 | \$ 103,600.84 | \$ 22,378.04 |
| November | 31,228.00 | 108,293.00 | 46,787.00 | 180,800.00 | 139,824.00 | 103,597.00 | 22,379.00 |
| December | 31,228.00 | 108,293.00 | 46,787.00 | 180,800.00 | 139,824.00 | 103,597.00 | 22,379.00 |
| January | 31,228.00 | 108,293.00 | 46,787.00 | 180,800.00 | 139,824.00 | 103,597.00 | 22,379.00 |
| February | 31,228.00 | 108,293.00 | 46,787.00 | 180,800.00 | 139,824.00 | 103,597.00 | 22,379.00 |
| March | 31,228.00 | 108,293.00 | 46,787.00 | 180,800.00 | 139,824.00 | 103,597.00 | 22,379.00 |
| April | 31,228.00 | 108,293.00 | 46,787.00 | 180,800.00 | 139,824.00 | 103,597.00 | 22,379.00 |
| May | 31,228.00 | 108,293.00 | 46,787.00 | 180,800.00 | 139,824.00 | 103,597.00 | 22,379.00 |
| June | 31,228.00 | 108,293.00 | 46,787.00 | 180,800.00 | 139,824.00 | 103,597.00 | 22,379.00 |
| July | 31,228.00 | 108,293.00 | 46,787.00 | 180,800.00 | 139,824.00 | 103,597.00 | 22,379.00 |
| August | 31,228.00 | 108,293.00 | 46,787.00 | 180,800.00 | 139,824.00 | 103,597.00 | 22,379.00 |
| September | 31,228.00 | 108,293.00 | 46,787.00 | 180,800.00 | 139,824.00 | 103,597.00 | 22,379.00 |
| Total | \$ 374,739.84 | \$ 1,299,515.04 | \$ 561,442.40 | \$ 2,169,600.00 | \$ 1,677,890.96 | \$ 1,243,167.84 | \$ 268,547.04 |

| | Copeville SUD | East Fork SUD | Fairview | Fate #1 | Fate #2 | Forney Lake WSC | Gastonia-Scurry SUD |
|---|----------------------|------------------------|------------------------|----------------------|------------------------|------------------------|------------------------|
| ESTIMATED MIN. ANNUAL DEMAND (1,000 Gal) | 134,140 | 681,358 | 923,237 | 279,932 | 607,288 | 623,169 | 110,490 |
| October | \$ 38,458.60 | \$ 195,318.52 | \$ 264,664.28 | \$ 80,249.08 | \$ 174,091.72 | \$ 178,639.36 | \$ 31,671.60 |
| November | 38,453.00 | 195,323.00 | 264,661.00 | 80,247.00 | 174,089.00 | 178,642.00 | 31,674.00 |
| December | 38,453.00 | 195,323.00 | 264,661.00 | 80,247.00 | 174,089.00 | 178,642.00 | 31,674.00 |
| January | 38,453.00 | 195,323.00 | 264,661.00 | 80,247.00 | 174,089.00 | 178,642.00 | 31,674.00 |
| February | 38,453.00 | 195,323.00 | 264,661.00 | 80,247.00 | 174,089.00 | 178,642.00 | 31,674.00 |
| March | 38,453.00 | 195,323.00 | 264,661.00 | 80,247.00 | 174,089.00 | 178,642.00 | 31,674.00 |
| April | 38,453.00 | 195,323.00 | 264,661.00 | 80,247.00 | 174,089.00 | 178,642.00 | 31,674.00 |
| May | 38,453.00 | 195,323.00 | 264,661.00 | 80,247.00 | 174,089.00 | 178,642.00 | 31,674.00 |
| June | 38,453.00 | 195,323.00 | 264,661.00 | 80,247.00 | 174,089.00 | 178,642.00 | 31,674.00 |
| July | 38,453.00 | 195,323.00 | 264,661.00 | 80,247.00 | 174,089.00 | 178,642.00 | 31,674.00 |
| August | 38,453.00 | 195,323.00 | 264,661.00 | 80,247.00 | 174,089.00 | 178,642.00 | 31,674.00 |
| September | 38,453.00 | 195,323.00 | 264,661.00 | 80,247.00 | 174,089.00 | 178,642.00 | 31,674.00 |
| Total | \$ 461,441.60 | \$ 2,343,871.52 | \$ 3,175,935.28 | \$ 962,966.08 | \$ 2,089,070.72 | \$ 2,143,701.36 | \$ 380,085.60 |

REGIONAL WATER SYSTEM

PRELIMINARY 7/31/2022
NORTH TEXAS MUNICIPAL WATER DISTRICT

2022-23 Billing Schedule - Customers (continued)

| ESTIMATED MIN. ANNUAL DEMAND (1,000 Gal) | GTUA | Josephine | Kaufman | Kaufman 4-1 | Little Elm | Lucas | Melissa |
|--|------------------------|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 1,172,524 | 209,626 | 459,989 | 555,695 | 1,803,893 | 664,252 | 369,034 |
| October | \$ 336,118.56 | \$ 60,090.44 | \$ 131,858.16 | \$ 159,301.80 | \$ 517,115.92 | \$ 190,417.88 | \$ 105,786.96 |
| November | 336,124.00 | 60,093.00 | 131,864.00 | 159,299.00 | 517,116.00 | 190,419.00 | 105,790.00 |
| December | 336,124.00 | 60,093.00 | 131,864.00 | 159,299.00 | 517,116.00 | 190,419.00 | 105,790.00 |
| January | 336,124.00 | 60,093.00 | 131,864.00 | 159,299.00 | 517,116.00 | 190,419.00 | 105,790.00 |
| February | 336,124.00 | 60,093.00 | 131,864.00 | 159,299.00 | 517,116.00 | 190,419.00 | 105,790.00 |
| March | 336,124.00 | 60,093.00 | 131,864.00 | 159,299.00 | 517,116.00 | 190,419.00 | 105,790.00 |
| April | 336,124.00 | 60,093.00 | 131,864.00 | 159,299.00 | 517,116.00 | 190,419.00 | 105,790.00 |
| May | 336,124.00 | 60,093.00 | 131,864.00 | 159,299.00 | 517,116.00 | 190,419.00 | 105,790.00 |
| June | 336,124.00 | 60,093.00 | 131,864.00 | 159,299.00 | 517,116.00 | 190,419.00 | 105,790.00 |
| July | 336,124.00 | 60,093.00 | 131,864.00 | 159,299.00 | 517,116.00 | 190,419.00 | 105,790.00 |
| August | 336,124.00 | 60,093.00 | 131,864.00 | 159,299.00 | 517,116.00 | 190,419.00 | 105,790.00 |
| September | 336,124.00 | 60,093.00 | 131,864.00 | 159,299.00 | 517,116.00 | 190,419.00 | 105,790.00 |
| Total | \$ 4,033,482.56 | \$ 721,113.44 | \$ 1,582,362.16 | \$ 1,911,590.80 | \$ 6,205,391.92 | \$ 2,285,026.88 | \$ 1,269,476.96 |

| ESTIMATED MIN. ANNUAL DEMAND (1,000 Gal) | Milligan WSC | Mt Zion WSC | Murphy | Nevada #1 | Nevada #2 | North Collin SUD | Parker |
|--|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|------------------------|
| | 149,894 | 148,357 | 1,654,248 | 72,250 | 70,985 | 346,239 | 595,572 |
| October | \$ 42,965.36 | \$ 42,529.08 | \$ 474,215.12 | \$ 20,708.00 | \$ 20,349.40 | \$ 99,257.16 | \$ 170,726.68 |
| November | 42,970.00 | 42,529.00 | 474,218.00 | 20,712.00 | 20,349.00 | 99,255.00 | 170,731.00 |
| December | 42,970.00 | 42,529.00 | 474,218.00 | 20,712.00 | 20,349.00 | 99,255.00 | 170,731.00 |
| January | 42,970.00 | 42,529.00 | 474,218.00 | 20,712.00 | 20,349.00 | 99,255.00 | 170,731.00 |
| February | 42,970.00 | 42,529.00 | 474,218.00 | 20,712.00 | 20,349.00 | 99,255.00 | 170,731.00 |
| March | 42,970.00 | 42,529.00 | 474,218.00 | 20,712.00 | 20,349.00 | 99,255.00 | 170,731.00 |
| April | 42,970.00 | 42,529.00 | 474,218.00 | 20,712.00 | 20,349.00 | 99,255.00 | 170,731.00 |
| May | 42,970.00 | 42,529.00 | 474,218.00 | 20,712.00 | 20,349.00 | 99,255.00 | 170,731.00 |
| June | 42,970.00 | 42,529.00 | 474,218.00 | 20,712.00 | 20,349.00 | 99,255.00 | 170,731.00 |
| July | 42,970.00 | 42,529.00 | 474,218.00 | 20,712.00 | 20,349.00 | 99,255.00 | 170,731.00 |
| August | 42,970.00 | 42,529.00 | 474,218.00 | 20,712.00 | 20,349.00 | 99,255.00 | 170,731.00 |
| September | 42,970.00 | 42,529.00 | 474,218.00 | 20,712.00 | 20,349.00 | 99,255.00 | 170,731.00 |
| Total | \$ 515,635.36 | \$ 510,348.08 | \$ 5,690,613.12 | \$ 248,540.00 | \$ 244,188.40 | \$ 1,191,062.16 | \$ 2,048,767.68 |

REGIONAL WATER SYSTEM

PRELIMINARY 7/31/2022
NORTH TEXAS MUNICIPAL WATER DISTRICT

2022-23 Billing Schedule - Customers (continued)

| | Prosper | Rose Hill SUD | Rowlett | Sachse | Seis Lagos UD | Sunnyvale | Terrell |
|--|-------------------------|----------------------|-------------------------|------------------------|----------------------|------------------------|------------------------|
| ESTIMATED MIN. ANNUAL DEMAND (1,000 Gal) | 3,011,710 | 143,271 | 3,192,039 | 1,332,153 | 153,628 | 733,422 | 1,406,502 |
| October | \$ 863,355.40 | \$ 41,071.24 | \$ 915,053.16 | \$ 381,882.32 | \$ 44,040.32 | \$ 210,243.68 | \$ 403,199.88 |
| November | 863,357.00 | 41,071.00 | 915,051.00 | 381,884.00 | 44,040.00 | 210,248.00 | 403,197.00 |
| December | 863,357.00 | 41,071.00 | 915,051.00 | 381,884.00 | 44,040.00 | 210,248.00 | 403,197.00 |
| January | 863,357.00 | 41,071.00 | 915,051.00 | 381,884.00 | 44,040.00 | 210,248.00 | 403,197.00 |
| February | 863,357.00 | 41,071.00 | 915,051.00 | 381,884.00 | 44,040.00 | 210,248.00 | 403,197.00 |
| March | 863,357.00 | 41,071.00 | 915,051.00 | 381,884.00 | 44,040.00 | 210,248.00 | 403,197.00 |
| April | 863,357.00 | 41,071.00 | 915,051.00 | 381,884.00 | 44,040.00 | 210,248.00 | 403,197.00 |
| May | 863,357.00 | 41,071.00 | 915,051.00 | 381,884.00 | 44,040.00 | 210,248.00 | 403,197.00 |
| June | 863,357.00 | 41,071.00 | 915,051.00 | 381,884.00 | 44,040.00 | 210,248.00 | 403,197.00 |
| July | 863,357.00 | 41,071.00 | 915,051.00 | 381,884.00 | 44,040.00 | 210,248.00 | 403,197.00 |
| August | 863,357.00 | 41,071.00 | 915,051.00 | 381,884.00 | 44,040.00 | 210,248.00 | 403,197.00 |
| September | 863,357.00 | 41,071.00 | 915,051.00 | 381,884.00 | 44,040.00 | 210,248.00 | 403,197.00 |
| Total | \$ 10,360,282.40 | \$ 492,852.24 | \$ 10,980,614.16 | \$ 4,582,606.32 | \$ 528,480.32 | \$ 2,522,971.68 | \$ 4,838,366.88 |

| | Wylie NE #1 | Wylie NE #2 | Total |
|--|------------------------|----------------------|-------------------------|
| ESTIMATED MIN. ANNUAL DEMAND (1,000 Gal) | 307,630 | 184,825 | 24,314,475 |
| October | \$ 88,190.20 | \$ 52,985.00 | \$ 6,967,470.00 |
| November | 88,187.00 | 52,983.00 | 6,967,484.00 |
| December | 88,187.00 | 52,983.00 | 6,967,484.00 |
| January | 88,187.00 | 52,983.00 | 6,967,484.00 |
| February | 88,187.00 | 52,983.00 | 6,967,484.00 |
| March | 88,187.00 | 52,983.00 | 6,967,484.00 |
| April | 88,187.00 | 52,983.00 | 6,967,484.00 |
| May | 88,187.00 | 52,983.00 | 6,967,484.00 |
| June | 88,187.00 | 52,983.00 | 6,967,484.00 |
| July | 88,187.00 | 52,983.00 | 6,967,484.00 |
| August | 88,187.00 | 52,983.00 | 6,967,484.00 |
| September | 88,187.00 | 52,983.00 | 6,967,484.00 |
| Total | \$ 1,058,247.20 | \$ 635,798.00 | \$ 83,609,794.00 |