



Regional. Reliable. Everyday.

July 29, 2022

Mr. Mike Sims
City Manager
City of Terrell
P.O. Box 310
Terrell, Texas 75160

RE: PRELIMINARY CHARGES FOR FISCAL YEAR 2023

Dear Mr. Sims:

To assist the City of Terrell 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. Preliminary FY 2023 charges are as follows:

- Regional Water System \$ 4,838,366.88
- Terrell Water Transmission Facility \$ 742,380.00
- Wastewater Pretreatment Program \$ 264,595.00

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.

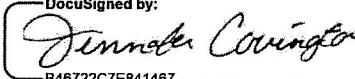
The Pretreatment FY 2023 Annual Budget is estimated at \$1,465,435, which is \$130,095 or 9.7% greater than the FY 2022 Original Budget. The increase is primarily due to adding the City of Richardson to the Pretreatment System. These additional costs will be offset with additional revenue from Richardson as well.

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

Mr. Mike Sims
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:

846722C7E841487
JENNAFER P. COVINGTON
Executive Director

JPC/JC/EAF/DTF/kar
Enclosures

cc: Jamarcus Ayers, 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 - 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)

	GTUA	Josephine	Kaufman	Kaufman 4-1	Little Elm	Lucas	Melissa
ESTIMATED MIN. ANNUAL DEMAND (1,000 Gal)	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

	Milligan WSC	Mt Zion WSC	Murphy	Nevada #1	Nevada #2	North Collin SUD	Parker
ESTIMATED MIN. ANNUAL DEMAND (1,000 Gal)	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

Terrell Water Transmission 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
Revenues						
Sewer Sales:						
Water Facilities	\$ 723,828	\$ 743,760	\$ 743,760	\$ 742,380	\$ (1,380)	-0.19%
Total Sewer Sales	\$ 723,828	\$ 743,760	\$ 743,760	\$ 742,380	\$ (1,380)	-0.19%
Interest Income	\$ 99	\$ 120	\$ 120	\$ 120	\$ -	0.00%
Total Revenues	\$ 723,928	\$ 743,880	\$ 743,880	\$ 742,500	\$ (1,380)	-0.19%
Expenses						
Services:						
Shared Services	\$ 2,958	\$ 2,080	\$ 2,080	\$ 1,390	\$ (690)	-33.17%
Other	20	10	10	20	10	100.00%
Total Services	\$ 2,978	\$ 2,090	\$ 2,090	\$ 1,410	\$ (680)	-32.54%
Debt Service	\$ 720,950	\$ 741,790	\$ 741,790	\$ 741,090	\$ (700)	-0.09%
Total Expenses	\$ 723,928	\$ 743,880	\$ 743,880	\$ 742,500	\$ (1,380)	-0.19%
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

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
Revenues						
Wastewater Sales:						
Pretreatment - Members	\$ 1,072,491	\$ 1,335,160	\$ 1,309,585	\$ 1,465,195	\$ 130,035	9.74%
Total Sewer Sales	\$ 1,072,491	\$ 1,335,160	\$ 1,309,585	\$ 1,465,195	\$ 130,035	9.74%
Total Other Revenues	\$ 6,716	\$ -	\$ -	\$ -	\$ -	0.00%
Interest Income	\$ 150	\$ 180	\$ 240	\$ 240	\$ 60	33.33%
Total Revenues	\$ 1,079,358	\$ 1,335,340	\$ 1,309,825	\$ 1,465,435	\$ 130,095	9.74%
Expenses						
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	72,575	14,600	25.18%
Total Supplies	\$ 49,911	\$ 64,815	\$ 64,815	\$ 79,075	\$ 14,260	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%
Total Expenses	\$ 1,079,358	\$ 1,335,340	\$ 1,309,825	\$ 1,465,435	\$ 130,095	9.74%
Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

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	\$ 79,379
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	248,058
Melissa	16,479	20,332	19,235	-
Mesquite	233,449	288,042	264,482	261,288
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	264,595
Wylie	104,365	128,772	121,822	125,682
Total	\$ 1,072,491	\$ 1,335,160	\$ 1,309,585	\$ 1,465,195

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%
Total	781	788	100.000%	817	100.000%	886	100.000%