

## Section 2

additional storage would need to be constructed so that water could be delivered during off-peak periods.

The following table demonstrates the charges to each City under Method #8 for 2003 through 2006.

**Table 2-16**  
**Charges Generated under Method #8**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Allen	\$ 3,748,380	\$ 4,030,486	\$ 4,706,294	\$ 5,229,781
Farmersville	226,186	221,698	261,887	268,742
Forney	676,623	780,947	979,771	1,213,541
Frisco	4,575,743	5,429,564	6,162,943	7,257,896
Frisco #2				89,199
Garland	12,117,659	12,428,445	13,406,893	13,645,504
McKinney	5,765,392	6,182,695	7,118,669	7,962,703
McKinney #3				221,105
Mesquite	6,336,389	5,258,487	5,142,457	5,435,912
Mesquite # 3	1,745,219	1,206,670	1,657,687	1,455,776
Plano	22,355,705	21,892,087	23,650,921	24,926,878
Princeton	278,121	278,404	316,723	377,614
Richardson	9,769,952	9,696,016	9,981,192	9,512,173
Rockwall	1,925,994	2,177,951	2,510,014	2,826,951
Royse City	260,495	284,320	351,233	391,311
Wylie	850,164	1,047,491	1,371,208	1,561,597
Total	\$ 70,632,024	\$ 70,915,263	\$ 77,617,893	\$ 82,376,682

Given the estimated charges above, the following illustrates the increase or decrease in charges to each Member City between Method #8 and the Current Rate Methodology. A positive number indicates additional charges incurred by a City while a negative number indicates a City whose charges would be reduced.

**Table 2-17**  
**Increase / (Decrease) in Charges between Method #8 and Current Rate Methodology**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Allen	\$ 275,173	\$ 188,492	\$ 409,853	\$ 475,392	\$ 1,348,910
Farmersville	(13,605)	(36,831)	5,022	3,985	(41,430)
Forney	20,692	34,675	81,647	103,758	240,772
Frisco	509,806	263,173	522,225	650,851	1,946,056
Frisco #2				(18,947)	(18,947)
Garland	384,606	70,713	401,598	381,045	1,237,962
McKinney	643,553	293,507	616,582	730,548	2,284,190
McKinney #3				(173,769)	(173,769)
Mesquite	1,173,661	(54,051)	(486,288)	(358,448)	274,874
Mesquite # 3	107,922	(593,638)	(313,125)	(587,694)	(1,386,535)
Plano	(95,569)	(1,776,079)	(1,409,772)	(886,742)	(4,168,162)
Princeton	307	(16,174)	(3,863)	33,991	14,261
Richardson	359,931	(144,376)	(214,424)	(953,638)	(952,507)
Rockwall	12,837	102,855	219,850	242,599	578,140
Royse City	17,332	12,488	31,092	32,733	93,645
Wylie	33,776	43,653	118,471	139,053	334,954

As illustrated above, this method results in reduced charges for five (5) of the Member Cities, while eight (8) of the Member Cities would incur additional charges above what they pay under the current rate methodology. Detailed calculations for Method #8 can be found in Appendix H.

## 2.3.9 Method #9

### *Allocate costs based upon actual consumption*

Method #9 consists of allocating costs to each City based upon actual consumption. Rates under this method are based upon budgeted water sales and projected consumption for the rate year. Then, at the end of the rate year, a true-up calculation is performed to reflect the actual costs and consumption that occurred. While this method is desirable in that it ties revenue recovery to cost causation, if the estimates used to set rates vary significantly from actual performance, significant monies may need to be collected or refunded to each City at the end of the rate year, thus potentially creating financial instability for a City.

The following table demonstrates the charges to each City under Method #9 for 2004 through 2006.

**Table 2-18**  
**Charges Generated under Method #9**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Allen	\$ 4,111,084	\$ 4,296,123	\$ 4,859,599	\$ 5,207,914
Farmersville	224,689	242,728	251,365	261,378
Forney	786,375	877,756	1,098,113	1,320,434
Frisco	5,589,167	5,560,349	6,704,062	7,379,583
Frisco #2				390,864
Garland	12,862,568	12,421,723	12,890,724	12,788,020
McKinney	6,330,398	6,483,084	7,429,399	7,814,430
McKinney #3				326,190
Mesquite	5,557,691	4,741,577	5,064,040	5,364,266
Mesquite # 3	1,875,875	1,927,240	2,106,153	1,963,288
Plano	22,671,597	21,814,287	23,253,519	24,477,414
Princeton	286,653	284,822	349,379	381,744
Richardson	10,102,700	9,388,170	8,866,912	9,366,067
Rockwall	2,227,015	2,296,967	2,562,085	3,060,706
Royse City	285,546	322,901	350,828	438,151
Wylie	1,039,016	1,247,445	1,438,004	1,604,577
Total	\$ 73,950,375	\$ 71,905,172	\$ 77,224,185	\$ 82,145,027

Given the estimated charges above, the following illustrates the increase or decrease in charges to each Member City between Method #9 and the Current Rate Methodology. A positive number indicates additional charges incurred by a City while a negative number indicates a City whose charges would be reduced.

**Table 2-19**  
**Increase / (Decrease) in Charges between Method #9 and Current Rate Methodology**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Allen	\$ 637,877	\$ 454,128	\$ 563,158	\$ 453,526	\$ 2,108,689
Farmersville	(15,101)	(15,801)	(5,500)	(3,379)	(39,782)
Forney	130,443	131,484	199,989	210,652	672,568
Frisco	1,523,230	393,958	1,063,343	772,539	3,753,070
Frisco #2				282,718	282,718
Garland	1,129,515	63,991	(114,570)	(476,440)	602,496
McKinney	1,208,558	593,895	927,312	582,275	3,312,041
McKinney #3				(68,685)	(68,685)
Mesquite	394,963	(570,961)	(564,704)	(430,094)	(1,170,797)
Mesquite # 3	238,579	126,932	135,342	(80,183)	420,670
Plano	220,322	(1,853,879)	(1,807,175)	(1,336,206)	(4,776,937)
Princeton	8,839	(9,756)	28,793	38,122	65,998
Richardson	692,679	(452,222)	(1,328,704)	(1,099,744)	(2,187,992)
Rockwall	313,858	221,871	271,922	476,354	1,284,005
Royse City	42,383	51,069	30,686	79,573	203,712
Wylie	222,628	243,608	185,268	182,034	833,538

As illustrated above, this method results in reduced charges for five (5) of the Member Cities, while eight (8) of the Member Cities would incur additional charges above what they pay under the current rate methodology. Detailed calculations for Method #9 can be found in Appendix I.

### 2.3.10 Method #10

***Maintain current rate methodology and establish additional water conservation surcharge***

The final method analyzed by R.W. Beck does not involve changing the current rate structure. Instead, it seeks to apply an additional surcharge to the contractual rates already in place. Under this method, each City would pay at least the same amount they are paying under the current methodology and, to the extent that a City is not meeting conservation targets, additional surcharge revenue would be collected from that City. Under this method, the risk of monetary loss to a City is greater, as the refund of surcharge revenue is directly related to a City's conservation efforts.

For purposes of analysis, R.W. Beck assumed a \$0.05 surcharge per 1,000 gallons of actual consumption. These charges would be collected monthly from each customer. At the end of the year, if a City's average residential gallons per capita per day (gpcpd) consumption was 140 or below, they would receive a full refund of the surcharge. If a City's average residential gpcpd consumption was above 140, but their average residential gpcpd consumption was reduced from the previous year, then they would receive a refund of the water conservation surcharge based upon the sliding scale illustrated below:

**Table 2-20  
Water Conservation Surcharge Refund Criteria**

<u>% Decrease in Residential GPCPD Consumption</u>	<u>% of Surcharge Refunded</u>
1%	50%
2%	55%
3%	60%
4%	65%
5%	70%
6%	75%
7%	80%
8%	85%
9% or greater	95%
Residential GPCPD Consumption equal to or less than 140	100%

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The following table demonstrates the total charges to each City under Method #10 for 2004 through 2006.

**Table 2-21**  
**Charges Generated under Method #10**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Allen	\$ 3,679,427	\$ 3,896,521	\$ 4,530,840	\$ 4,768,359
Farmersville	239,791	258,529	256,866	264,757
Forney	695,378	746,272	898,124	1,109,782
Frisco	4,346,300	5,180,505	5,964,082	6,626,841
Frisco #2				109,195
Garland	11,733,053	12,357,732	13,627,066	13,264,459
McKinney	5,439,384	5,905,645	6,860,436	7,253,118
McKinney #3				395,749
Mesquite	5,162,728	5,312,538	5,628,744	5,794,360
Mesquite # 3	1,637,297	1,800,308	1,970,811	2,043,471
Plano	23,588,525	23,723,540	26,182,304	25,879,283
Princeton	277,814	294,578	320,586	343,622
Richardson	9,916,792	9,864,223	10,623,302	10,968,315
Rockwall	2,024,869	2,075,097	2,413,743	2,592,563
Royse City	243,163	271,832	320,142	358,578
Wylie	816,388	1,003,837	1,252,736	1,422,544
Total	\$ 69,800,909	\$ 72,691,158	\$ 80,849,782	\$ 83,194,997

Given the estimated charges above, the following illustrates the additional surcharge revenues collected from each Member City under Method #10. Detailed calculations for Method #10 can be found in Appendix J.

**Table 2-22**  
**Surcharge Revenue Collected under Method #10**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Allen	\$ 206,220	\$ 54,527	\$ 234,398	\$ 13,971	\$ 509,115
Farmersville	-	-	-	-	-
Forney	39,446	-	-	-	39,446
Frisco	280,363	14,114	323,364	19,796	637,638
Frisco #2	-	-	-	1,049	1,049
Garland	-	-	621,771	-	621,771
McKinney	317,545	16,457	358,350	20,963	713,314
McKinney #3	-	-	-	875	875
Mesquite	-	-	-	-	-
Mesquite # 3	-	-	-	-	-
Plano	1,137,251	55,374	1,121,610	65,663	2,379,897
Princeton	-	-	-	-	-
Richardson	506,771	23,831	427,687	502,505	1,460,793
Rockwall	111,711	-	123,580	8,211	243,502
Royse City	-	-	-	-	-
Wylie	-	-	-	-	-

## 2.4 Summary of Method Impacts to Cities

The following tables summarize the impact each method would have on the individual Member Cities and delivery points. These tables illustrate the increase or decrease in charges a City would experience, using the current rate methodology as the baseline. Additionally, the annual impacts have been totaled to illustrate the net, four-year impact of each method. As presented in earlier tables, a positive number indicates additional charges to be incurred, while a negative number illustrates a reduction in charges.

**Table 2-23**  
**Summary of Impacts to the City of Allen**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 56,410	\$ 129,216	\$ 181,297	\$ 197,180	\$ 564,102
Method 2	1,272	3,060	300,470	277,533	582,336
Method 3	63,871	85,320	194,374	231,587	575,153
Method 4	225,502	201,109	383,865	443,954	1,254,432
Method 5	115,018	85,028	198,800	549,645	948,492
Method 6	225,502	201,109	356,500	444,091	1,227,203
Method 7	115,018	171,177	250,878	212,813	749,886
Method 8	275,173	188,492	409,853	475,392	1,348,910
Method 9	637,877	454,128	563,158	453,526	2,108,689
Method 10	206,220	54,527	234,398	13,971	509,115

**Table 2-24**  
**Summary of Impacts to the City of Farmersville**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 2,598	\$ (12,932)	\$ 3,569	\$ 3,819	\$ (2,946)
Method 2	88	206	(1,931)	(3,459)	(5,096)
Method 3	(1,036)	(16,536)	(4,792)	(102)	(22,466)
Method 4	(18,112)	(35,862)	2,693	1,970	(49,310)
Method 5	0	(5,551)	(2,942)	1,445	(7,048)
Method 6	(18,112)	(35,862)	1,176	1,977	(50,821)
Method 7	(15,685)	(3,680)	(5,148)	2,330	(22,182)
Method 8	(13,605)	(36,831)	5,022	3,985	(41,430)
Method 9	(15,101)	(15,801)	(5,500)	(3,379)	(39,782)
Method 10	-	-	-	-	-

**Table 2-25**  
**Summary of Impacts to the City of Forney**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 10,872	\$ 25,097	\$ 37,896	\$ 46,906	\$ 120,771
Method 2	240	594	62,806	64,780	128,420
Method 3	11,814	1,248	(1,066)	(8,580)	3,417
Method 4	14,584	39,061	80,240	103,621	237,505
Method 5	30,429	56,072	117,656	235,022	439,179
Method 6	14,584	39,061	74,520	103,653	231,817
Method 7	30,429	73,673	129,424	84,515	318,042
Method 8	20,692	34,675	81,647	103,758	240,772
Method 9	130,443	131,484	199,989	210,652	672,568
Method 10	39,446	-	-	-	39,446

**Table 2-26**  
**Summary of Impacts to the City of Frisco**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 83,054	\$ 173,768	\$ 238,012	\$ 275,210	\$ 770,044
Method 2	1,485	4,117	394,467	385,677	785,745
Method 3	(31,767)	(367,493)	224,569	200,967	26,277
Method 4	486,007	270,448	503,957	616,940	1,877,352
Method 5	812,384	(83,757)	560,694	908,739	2,198,060
Method 6	486,007	270,448	468,032	617,130	1,841,617
Method 7	812,384	27,742	632,537	343,047	1,815,711
Method 8	509,806	263,173	522,225	650,851	1,946,056
Method 9	1,523,230	393,958	1,063,343	772,539	3,753,070
Method 10	280,363	14,114	323,364	19,796	637,638

**Table 2-27**  
**Summary of Impacts to the City of Frisco #2 Delivery Point**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	-	-	-	\$ 6,792	6,792
Method 2	-	-	-	6,305	6,305
Method 3	-	-	-	10,720	10,720
Method 4	-	-	-	10,077	10,077
Method 5	-	-	-	292,337	292,337
Method 6	-	-	-	10,080	10,080
Method 7	-	-	-	-	-
Method 8	-	-	-	(18,947)	(18,947)
Method 9	-	-	-	282,718	282,718
Method 10	-	-	-	1,049	1,049

**Table 2-28**  
**Summary of Impacts to the City of Garland**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 168,090	\$ (146,819)	\$ (57,702)	\$ (41,842)	\$ (78,273)
Method 2	4,301	9,859	286,917	182,398	483,475
Method 3	417,446	160,935	393,871	498,113	1,470,365
Method 4	196,430	74,256	283,439	247,851	801,976
Method 5	0	(265,303)	(148,958)	(240,419)	(654,679)
Method 6	196,430	74,256	205,732	248,206	724,624
Method 7	(181,844)	(87,294)	(224,198)	14,642	(478,693)
Method 8	384,606	70,713	401,598	381,045	1,237,962
Method 9	1,129,515	63,991	(114,570)	(476,440)	602,496
Method 10	-	-	621,771	-	621,771

**Table 2-29**  
**Summary of Impacts to the City of McKinney**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 89,057	\$ 198,073	\$ 274,366	\$ 299,038	\$ 860,533
Method 2	1,874	4,692	454,718	422,174	883,458
Method 3	169,458	41,618	361,294	339,411	911,781
Method 4	567,615	308,276	580,926	675,331	2,132,148
Method 5	403,441	36,904	370,279	726,502	1,537,125
Method 6	567,615	308,276	539,512	675,539	2,090,942
Method 7	403,441	166,907	449,896	287,944	1,308,188
Method 8	643,553	293,507	616,582	730,548	2,284,190
Method 9	1,208,558	593,895	927,312	582,275	3,312,041
Method 10	317,545	16,457	358,350	20,963	713,314



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**Table 2-30**  
**Summary of Impacts to the City of McKinney #3 Delivery Point**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	-	-	-	\$ 15,930	\$ 15,930
Method 2	-	-	-	23,052	23,052
Method 3	-	-	-	39,276	39,276
Method 4	-	-	-	36,877	36,877
Method 5	-	-	-	(8,492)	(8,492)
Method 6	-	-	-	36,888	36,888
Method 7	-	-	-	-	-
Method 8	-	-	-	(173,769)	(173,769)
Method 9	-	-	-	(68,685)	(68,685)
Method 10	-	-	-	875	875

**Table 2-31**  
**Summary of Impacts to the City of Mesquite**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 517,096	\$ 178,723	\$ 237,552	\$ 232,059	\$ 1,165,430
Method 2	1,893	4,245	393,707	(26,315)	373,531
Method 3	408,158	787,394	253,917	(196,168)	1,253,300
Method 4	617,461	(74,566)	(526,072)	(394,252)	(377,429)
Method 5	0	(114,072)	(64,478)	(124,624)	(303,174)
Method 6	617,461	(74,566)	(555,910)	(394,110)	(407,125)
Method 7	(111,997)	(102,240)	(211,641)	(211,012)	(636,890)
Method 8	1,173,661	(54,051)	(486,288)	(358,448)	274,874
Method 9	394,963	(570,961)	(564,704)	(430,094)	(1,170,797)
Method 10	-	-	-	-	-

**Table 2-32**  
**Summary of Impacts to the City of Mesquite #3 Delivery Point**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 163,972	\$ 60,552	\$ 83,166	\$ 82,440	\$ 390,130
Method 2	600	1,435	137,834	119,293	259,162
Method 3	129,419	111,209	206,268	203,254	650,149
Method 4	195,794	94,242	176,087	190,837	656,960
Method 5	0	(38,646)	(22,570)	(43,948)	(105,164)
Method 6	195,794	94,242	163,533	190,896	644,465
Method 7	-	-	-	-	-
Method 8	107,922	(593,638)	(313,125)	(587,694)	(1,386,535)
Method 9	238,579	126,932	135,342	(80,183)	420,670
Method 10	-	-	-	-	-

**Table 2-33**  
**Summary of Impacts to the City of Plano**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 279,102	\$ (1,192,407)	\$ (1,086,681)	\$ (1,002,403)	\$ (3,002,389)
Method 2	8,241	18,906	(1,521,945)	(1,606,184)	(3,100,982)
Method 3	50,070	(636,283)	(1,007,847)	(913,038)	(2,507,099)
Method 4	(511,049)	(1,772,662)	(1,594,450)	(1,058,655)	(4,936,816)
Method 5	0	(508,186)	(287,061)	(555,170)	(1,350,417)
Method 6	(511,049)	(1,772,662)	(1,731,667)	(1,058,004)	(5,073,381)
Method 7	(956,335)	(380,903)	(784,975)	(336,522)	(2,458,735)
Method 8	(95,569)	(1,776,079)	(1,409,772)	(886,742)	(4,168,162)
Method 9	220,322	(1,853,879)	(1,807,175)	(1,336,206)	(4,776,937)
Method 10	1,137,251	55,374	1,121,610	65,663	2,379,897

**Table 2-34**  
**Summary of Impacts to the City of Princeton**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 3,588	\$ (14,562)	\$ (12,859)	\$ 14,296	\$ (9,537)
Method 2	102	235	(10,209)	20,059	10,187
Method 3	3,709	(5,143)	(3,652)	7,782	2,696
Method 4	(4,565)	(15,813)	(4,578)	32,086	7,131
Method 5	0	(6,325)	2,598	45,168	41,441
Method 6	(4,565)	(15,813)	(6,425)	32,096	5,293
Method 7	(9,918)	(3,301)	6,342	17,158	10,281
Method 8	307	(16,174)	(3,863)	33,991	14,261
Method 9	8,839	(9,756)	28,793	38,122	65,998
Method 10	-	-	-	-	-

**Table 2-35**  
**Summary of Impacts to the City of Richardson**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 130,137	\$ (326,815)	\$ (279,043)	\$ (258,759)	\$ (734,479)
Method 2	3,451	7,857	(15,080)	(81,294)	(85,066)
Method 3	309,170	65,323	41,923	(270,700)	145,715
Method 4	190,924	(154,570)	(336,198)	(1,017,616)	(1,317,460)
Method 5	0	(211,276)	(116,797)	(225,110)	(553,182)
Method 6	190,924	(154,570)	(393,858)	(1,017,368)	(1,374,872)
Method 7	(212,665)	(123,921)	(451,398)	(717,224)	(1,505,207)
Method 8	359,931	(144,376)	(214,424)	(953,638)	(952,507)
Method 9	692,679	(452,222)	(1,328,704)	(1,099,744)	(2,187,992)
Method 10	506,771	23,831	427,687	502,505	1,460,793

**Section 2**

**Table 2-36**  
**Summary of Impacts to the City of Rockwall**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 30,250	\$ 69,792	\$ 96,639	\$ 109,111	\$ 305,792
Method 2	701	1,653	160,163	150,853	313,370
Method 3	(4,474)	25,369	82,649	154,809	258,354
Method 4	(5,284)	108,622	204,616	241,303	549,257
Method 5	30,620	24,528	79,825	532,844	667,816
Method 6	(5,284)	108,622	190,029	241,377	534,744
Method 7	30,620	70,588	107,281	192,093	400,582
Method 8	12,837	102,855	219,850	242,599	578,140
Method 9	313,858	221,871	271,922	476,354	1,284,005
Method 10	111,711	-	123,580	8,211	243,502

**Table 2-37**  
**Summary of Impacts to the City of Royse City**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 3,899	\$ 9,142	\$ 13,509	\$ 15,252	\$ 41,803
Method 2	89	216	22,390	20,930	43,625
Method 3	7,436	7,006	1,715	18,691	34,848
Method 4	13,871	14,228	28,604	33,480	90,182
Method 5	6,067	23,327	4,382	87,660	121,436
Method 6	13,871	14,228	26,564	33,490	88,153
Method 7	6,067	29,802	8,142	31,134	75,145
Method 8	17,332	12,488	31,092	32,733	93,645
Method 9	42,383	51,069	30,686	79,573	203,712
Method 10	-	-	-	-	-

**Table 2-38**  
**Summary of Impacts to the City of Wylie**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total Impact</u>
Method 1	\$ 14,852	\$ 33,757	\$ 52,861	\$ 59,387	\$ 160,857
Method 2	299	798	87,609	83,039	171,744
Method 3	8,068	(30,027)	(60,153)	15,223	(66,889)
Method 4	29,391	52,539	111,925	132,830	326,685
Method 5	90,484	136,434	77,451	211,648	516,017
Method 6	29,391	52,539	103,946	132,871	318,747
Method 7	90,484	161,448	92,861	79,081	423,874
Method 8	33,776	43,653	118,471	139,053	334,954
Method 9	222,628	243,608	185,268	182,034	833,538
Method 10	-	-	-	-	-

## Section 3

# Findings and Conclusions

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In examining the results of the above analysis, it is important to remember that under each scenario, only the cost responsibility between the Cities is changing. The revenue received by NTMWD cannot be significantly reduced unless services provided by NTMWD are reduced. Additionally, it is also important to note that this analysis only reflects a four (4) year, historical time-period. If this same analysis was performed on the ten-year period prior to the analyzed time-period, the result could have been dramatically different. Additionally, simply because one City benefits from a particular methodology during the time-period analyzed does not necessarily mean that that result will continue. This analysis merely represents a snapshot of the effect of a particular methodology given certain assumptions. It should be remembered that past performance may not be indicative of future results.

R.W. Beck would also like to point out that implementation of any of the above considered methods may also increase the costs to NTMWD. For example, Method #8 may require NTMWD to install rate of flow controllers. The additional cost associated with changing the current methodology may also result in overall increased rates, in addition to the excess charges a City may experience as a result of the methodology change.

As previously mentioned, changing the current contractual provisions will also require significant effort. Specifically, any contract change would require consent of all 13 Member Cities and NTMWD. The potential also exists that approval from 51% of the bondholders may also be required.

It is R.W. Beck's understanding that the issues surrounding the current NTMWD contractual provisions have been reviewed and examined since at least 1991. Each time, the conclusion has been the same – any change to the current provisions will result in some Cities paying more, and others paying less. However, it is our opinion that the principles of equality and equity should continue to be applied and utilized as the guiding force behind any change to the current rate methodology. While the near-term financial impact will no doubt be a significant determining factor in any decision, it is important to remember the long-term implications of any contract change.

North Texas Municipal Water District  
Method 1 - 2003

						Increase / (Decrease)			Wtr Yr Increase / (Decrease)						
	Wtr Yr 03 Ann Min	10% Reduction	Adjusted Ann Min	Wtr Yr 03 Actual	Increase (Decrease)	Excess Rate Contract Minimum	Full Rate	Excess Rate	Rebate Rate	Adjusted Ann Min	FY 03 Annual Billing	FY 03 Full Billing	FY 03 Excess Billing	FY 03 Rebate	FY 03 Total
	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)					
Members															
Allen	3,952,728	(395,273)	3,557,455	4,124,397	566,942	-	-	566,942	-	3,557,455	\$ 3,404,943	\$ -	\$ 124,673	\$ -	\$ 3,529,617
Farmersville	290,608	(29,061)	261,547	225,417	(36,130)	-	-	-	(36,130)	261,547	\$ 250,334	\$ -	\$ -	\$ (7,945)	\$ 242,389
Forney	743,504	(74,350)	669,154	788,921	119,767	-	-	119,767	-	669,154	\$ 640,466	\$ -	\$ 26,337	\$ -	\$ 666,804
Frnsco	4,394,752	(439,475)	3,955,277	5,607,266	1,651,989	-	-	1,651,989	-	3,955,277	\$ 3,785,710	\$ -	\$ 363,281	\$ -	\$ 4,148,991
Garland	13,660,013	(1,366,001)	12,294,012	12,904,220	610,208	-	-	610,208	-	12,294,012	\$ 11,766,954	\$ -	\$ 134,188	\$ -	\$ 11,901,142
McKinney	5,748,746	(574,875)	5,173,871	6,350,897	1,177,026	-	-	1,177,026	-	5,173,871	\$ 4,952,062	\$ -	\$ 258,834	\$ -	\$ 5,210,896
Mesquite <sup>(1)</sup>	6,041,180	-	6,041,180	5,575,688	(465,492)	-	-	-	(465,492)	6,041,180	\$ 5,782,188	\$ -	\$ -	\$ (102,364)	\$ 5,679,824
Mesquite # 3 <sup>(1)</sup>	1,881,950	-	1,881,950	1,170,130	(711,820)	2,256,486	-	-	-	1,881,950	\$ 1,801,269	\$ -	\$ -	\$ -	\$ 1,801,269
Plano	26,719,809	(2,671,981)	24,047,828	22,745,013	(1,302,815)	-	-	-	(1,302,815)	24,047,828	\$ 23,016,872	\$ -	\$ -	\$ (286,496)	\$ 22,730,377
Princeton	328,803	(32,880)	295,923	287,581	(8,342)	-	-	-	(8,342)	295,923	\$ 283,236	\$ -	\$ -	\$ (1,834)	\$ 281,402
Richardson	11,019,311	(1,101,931)	9,917,380	10,135,415	218,035	-	-	218,035	-	9,917,380	\$ 9,492,211	\$ -	\$ 47,947	\$ -	\$ 9,540,158
Rockwall	2,188,525	(218,853)	1,969,673	2,234,227	264,555	-	-	264,555	-	1,969,673	\$ 1,885,231	\$ -	\$ 58,177	\$ -	\$ 1,943,407
Royse City	277,416	(27,742)	249,674	286,471	36,797	-	-	36,797	-	249,674	\$ 238,971	\$ -	\$ 8,092	\$ -	\$ 247,062
Wylie	907,331	(90,733)	816,598	1,042,381	225,783	-	-	225,783	-	816,598	\$ 781,589	\$ -	\$ 49,651	\$ -	\$ 831,240
Total	78,154,676	(7,023,155)	71,131,521	73,478,024	2,346,503	-	-	4,871,102	(1,812,779)	71,131,521	\$ 68,082,038	\$ -	\$ 1,071,180	\$ (398,639)	\$ 68,754,579
Customers															
Caddo Basin	252,318	(25,232)	227,086	245,280	18,194	-	-	18,194	-	227,086	\$ 228,705	\$ 1,007	\$ 0.270	\$ 0 220	\$ -
Cash SUD	237,267	(23,727)	213,540	221,385	7,845	-	-	7,845	-	213,540	\$ 215,063	\$ -	\$ 2,117	\$ -	\$ 217,180
College Mound WSC	66,769	(6,677)	60,092	62,017	1,925	-	-	1,925	-	60,092	\$ 60,520	\$ -	\$ 520	\$ -	\$ 61,040
Copeville WSC	65,737	(6,574)	59,163	68,468	9,305	113,866	9,305	-	-	59,163	\$ 59,585	\$ 9,371	\$ -	\$ -	\$ 68,956
East Fork SUD	183,632	(18,363)	165,269	188,012	22,743	280,831	22,743	-	-	165,269	\$ 166,447	\$ 22,905	\$ -	\$ -	\$ 189,352
Fairview	364,741	(36,474)	328,267	394,901	66,634	-	-	66,634	-	328,267	\$ 330,607	\$ -	\$ 17,985	\$ -	\$ 348,592
Fate	69,529	(6,953)	62,576	77,744	15,168	-	-	15,168	-	62,576	\$ 63,022	\$ -	\$ 4,094	\$ -	\$ 67,116
Forney Lake WSC	153,126	(15,313)	137,813	131,507	(6,306)	-	-	-	(6,306)	137,813	\$ 138,796	\$ -	\$ -	\$ (1,387)	\$ 137,409
Gasonia-Scurry WSC	110,490	(11,049)	99,441	101,254	1,813	-	-	1,813	-	99,441	\$ 100,150	\$ -	\$ 489	\$ -	\$ 100,639
Josephine	40,978	(4,098)	36,880	33,301	(3,579)	45,400	-	-	(3,579)	36,880	\$ 37,143	\$ -	\$ -	\$ (787)	\$ 36,356
Kaufman	419,999	(42,000)	377,999	392,227	14,228	-	-	14,228	-	377,999	\$ 380,694	\$ -	\$ 3,840	\$ -	\$ 384,534
Kaufman Four One	396,327	(39,633)	356,694	356,603	(91)	-	-	-	-	356,694	\$ 359,237	\$ -	\$ -	\$ -	\$ 359,237
Lavon WSC <sup>(1)</sup>	142,389	-	142,389	124,858	(17,531)	142,389	-	-	-	142,389	\$ 143,404	\$ -	\$ -	\$ -	\$ 143,404
Little Elm	210,964	(21,096)	189,868	368,734	178,866	-	-	178,866	-	189,868	\$ 191,221	\$ -	\$ 48,277	\$ -	\$ 239,498
Lucas	337,693	(33,769)	303,924	271,766	(32,158)	-	-	-	(32,158)	303,924	\$ 306,090	\$ -	\$ -	\$ (7,072)	\$ 299,019
Melissa <sup>(1)</sup>	48,664	-	48,664	32,160	(16,504)	73,000	-	-	-	60,833	\$ 61,267	\$ -	\$ -	\$ -	\$ 61,267
Milligan WSC	121,388	(12,139)	109,249	149,894	40,645	155,938	40,645	-	-	109,249	\$ 110,028	\$ 40,935	\$ -	\$ -	\$ 150,963
Mt. Zion WSC	125,486	(12,549)	112,937	100,946	(11,991)	-	-	-	(11,991)	112,937	\$ 113,743	\$ -	\$ -	\$ (2,637)	\$ 111,106
Murphy	496,860	(49,686)	447,174	655,870	208,696	-	-	208,696	-	447,174	\$ 450,362	\$ -	\$ 56,328	\$ -	\$ 506,690
Nevada WSC	69,001	(6,900)	62,101	71,043	8,942	-	-	8,942	-	62,101	\$ 62,544	\$ -	\$ 2,414	\$ -	\$ 64,957
North Collin WSC	287,568	(28,757)	258,811	274,347	15,536	300,000	15,536	-	-	258,811	\$ 260,656	\$ 15,647	\$ -	\$ -	\$ 276,303
Parker	228,969	(22,897)	206,072	306,201	100,129	-	-	100,129	-	206,072	\$ 207,541	\$ -	\$ 27,025	\$ -	\$ 234,566
Rose Hill WSC	43,271	(4,327)	38,944	16,160	(22,784)	48,000	-	-	-	38,944	\$ 39,222	\$ -	\$ -	\$ -	\$ 39,222
Rowlett	2,920,333	(292,033)	2,628,300	2,772,637	144,337	4,051,017	144,337	-	-	2,628,300	\$ 2,647,037	\$ 145,366	\$ -	\$ -	\$ 2,792,403
Sachse	724,857	(72,486)	652,371	612,776	(39,595)	-	-	-	(39,595)	652,371	\$ 657,022	\$ -	\$ -	\$ (8,707)	\$ 648,315
Sachse #2 <sup>(1)</sup>	130,646	-	130,646	388,403	257,757	522,585	257,757	-	-	130,646	\$ 131,577	\$ 259,595	\$ -	\$ -	\$ 391,172
Seis Lagos MUD	82,719	(8,272)	74,447	74,712	265	-	-	265	-	74,447	\$ 74,978	\$ -	\$ 71	\$ -	\$ 75,049
Sunnyvale	439,743	(43,974)	395,769	362,405	(33,364)	910,969	-	-	(33,364)	395,769	\$ 398,590	\$ -	\$ -	\$ (7,337)	\$ 391,253
Wylie NE WSC	130,896	(13,090)	117,806	118,559	753	-	-	753	-	117,806	\$ 118,646	\$ -	\$ 203	\$ -	\$ 118,849
Total	8,902,360	(858,066)	8,044,294	8,974,170	929,876	-	490,323	623,457	(126,994)	8,056,463	\$ 8,113,897	\$ 493,818	\$ 168,274	\$ (27,927)	\$ 8,748,063
Total	87,057,036	(7,881,221)	79,175,815	82,452,194	3,276,379	-	490,323	5,494,559	(1,939,773)	79,187,984	\$ 76,195,935	\$ 493,818	\$ 1,239,454	\$ (426,566)	\$ 77,502,642

Notes:

- (1) Not eligible for adjustment because Annual Minimum is specified by contract  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 75,674,582  
Over / (Under) Recovery \$ 1,828,060

North Texas Municipal Water District  
Method 1 - 2004

	Wtr Yr 04 Ann Min (1,000 gall)	Wtr Yr 04 Actual (1,000 gall)	Increase (Decrease) (1,000 gall)	Excess Rate Contract Minimum (1,000 gall)	Increase / (Decrease)			FY 04 Ann Min (1,000 gall)	FY 04 Annual Billing	Wtr Yr Increase / (Decrease)				FY 04 Rebate	FY 04 Total
					Full Rate (1,000 gall)	Excess Rate (1,000 gall)	Rebate Rate (1,000 gall)			FY 04 Full Billing	FY 04 Excess Billing	FY 04 Rebate	FY 04 Total		
Members															
Allen	4,124,397	4,362,143	237,746	-	-	237,746	-	4,124,397	\$ 0.951	\$ 0.951	\$ 0.207	\$ 0.207	\$ 3,971,211		
Farmersville	261,547	246,458	(15,089)	-	-	-	(15,089)	261,547	\$ 248,717	\$ -	\$ -	\$ (3,119)	\$ 245,598		
Forney	788,921	891,245	102,324	-	-	102,324	-	788,921	\$ 750,219	\$ -	\$ 21,150	\$ -	\$ 771,369		
Frisco	5,607,266	5,645,797	38,531	-	-	38,531	-	5,607,266	\$ 5,332,195	\$ -	\$ 7,964	\$ -	\$ 5,340,159		
Garland	12,904,220	12,612,613	(291,607)	-	-	-	(291,607)	12,904,220	\$ 12,271,187	\$ -	\$ -	\$ (60,274)	\$ 12,210,913		
McKinney	6,350,897	6,582,712	231,815	-	-	231,815	-	6,350,897	\$ 6,039,346	\$ -	\$ 47,915	\$ -	\$ 6,087,261		
Mesquite	6,041,180	4,814,443	(1,226,737)	-	-	-	(1,226,737)	6,041,180	\$ 5,744,822	\$ -	\$ -	\$ (253,561)	\$ 5,491,261		
Mesquite # 3	1,956,857	1,597,147	(359,710)	2,256,486	-	-	-	1,956,857	\$ 1,860,861	\$ -	\$ -	\$ -	\$ 1,860,861		
Plano	24,047,828	22,149,517	(1,898,311)	-	-	-	(1,898,311)	24,047,828	\$ 22,868,132	\$ -	\$ -	\$ (392,373)	\$ 22,475,759		
Princeton	295,923	289,199	(6,724)	-	-	-	(6,724)	295,923	\$ 281,406	\$ -	\$ -	\$ (1,390)	\$ 280,016		
Richardson	10,135,415	9,532,442	(602,973)	-	-	-	(602,973)	10,135,415	\$ 9,638,209	\$ -	\$ -	\$ (124,632)	\$ 9,513,578		
Rockwall	2,234,227	2,332,266	98,039	-	-	98,039	-	2,234,227	\$ 2,124,624	\$ -	\$ 20,264	\$ -	\$ 2,144,888		
Royse City	286,471	327,863	41,392	-	-	41,392	-	286,471	\$ 272,418	\$ -	\$ 8,556	\$ -	\$ 280,973		
Wylie	1,042,381	1,266,615	224,234	-	-	224,234	-	1,042,381	\$ 991,246	\$ -	\$ 46,348	\$ -	\$ 1,037,594		
Total	76,077,530	72,650,460	(3,427,070)	-	-	974,081	(4,041,441)	76,077,530	\$ 72,345,451	\$ -	\$ 201,338	\$ (835,348)	\$ 71,711,441		
Customers															
Caddo Basin	245,280	223,734	(21,546)	-	-	-	(21,546)	245,280	\$ 245,511	\$ -	\$ 0.257	\$ 0.207	\$ 241,058		
Cash SUD	221,385	257,909	36,524	-	-	36,524	-	221,385	\$ 221,594	\$ -	\$ 9,376	\$ -	\$ 230,969		
College Mound WSC	62,017	52,093	(9,924)	-	-	-	-	62,017	\$ 62,076	\$ -	\$ -	\$ -	\$ 62,076		
Copeville WSC	68,468	73,935	5,467	113,866.6	5,467	-	-	68,468	\$ 68,533	\$ 5,472	\$ -	\$ -	\$ 74,005		
East Fork SUD	188,012	202,927	14,915	280,831	14,915	-	-	188,012	\$ 188,189	\$ 14,929	\$ -	\$ -	\$ 203,119		
Fairview	394,901	420,325	25,424	-	-	25,424	-	394,901	\$ 395,274	\$ -	\$ 6,526	\$ -	\$ 401,800		
Fate	77,744	113,197	35,453	-	-	35,453	-	77,744	\$ 77,817	\$ -	\$ 9,101	\$ -	\$ 86,918		
Forney Lake WSC	153,126	135,370	(17,756)	227,800	-	-	-	153,126	\$ 153,271	\$ -	\$ -	\$ -	\$ 153,271		
Gasonia-Scurry WSC	101,254	98,508	(2,746)	-	-	-	(2,746)	101,254	\$ 101,350	\$ -	\$ -	\$ (568)	\$ 100,782		
Josephine	36,880	38,203	1,323	45,400	1,323	-	-	36,880	\$ 36,915	\$ 1,324	\$ -	\$ -	\$ 38,239		
Kaufman	392,227	419,659	27,432	-	-	27,432	-	392,227	\$ 392,597	\$ -	\$ 7,042	\$ -	\$ 399,639		
Kaufman Four One	356,694	396,336	39,642	-	-	39,642	-	356,694	\$ 357,031	\$ -	\$ 10,176	\$ -	\$ 367,207		
Lavon WSC	142,389	141,538	(851)	142,389	-	-	-	142,389	\$ 142,523	\$ -	\$ -	\$ -	\$ 142,523		
Little Elm	368,734	504,167	135,433	-	-	135,433	-	368,734	\$ 369,082	\$ -	\$ 34,765	\$ -	\$ 403,847		
Lucas	303,924	301,984	(1,940)	-	-	-	(1,940)	303,924	\$ 304,211	\$ -	\$ -	\$ (401)	\$ 303,810		
Melissa	73,000	59,467	(13,533)	73,000	-	-	-	73,000	\$ 73,069	\$ -	\$ -	\$ -	\$ 73,069		
Milligan WSC	149,894	127,646	(22,248)	155,938	-	-	(22,248)	149,894	\$ 150,035	\$ -	\$ -	\$ (4,599)	\$ 145,437		
Mt. Zion WSC	112,937	108,816	(4,121)	-	-	-	(4,121)	112,937	\$ 113,044	\$ -	\$ -	\$ (852)	\$ 112,192		
Murphy	655,870	792,811	136,941	-	-	136,941	-	655,870	\$ 656,489	\$ -	\$ 35,152	\$ -	\$ 691,641		
Nevada WSC	71,043	71,813	770	-	-	770	-	71,043	\$ 71,110	\$ -	\$ 198	\$ -	\$ 71,308		
North Collin WSC	274,347	284,428	10,081	300,000	10,081	-	-	274,347	\$ 274,606	\$ 10,091	\$ -	\$ -	\$ 284,696		
Parker	306,201	344,660	38,459	-	-	38,459	-	306,201	\$ 306,490	\$ -	\$ 9,872	\$ -	\$ 316,362		
Rose Hill WSC	38,944	7,689	(31,255)	48,000	-	-	-	38,944	\$ 38,981	\$ -	\$ -	\$ -	\$ 38,981		
Rowlett	2,772,637	2,772,411	(226)	4,051,017	-	-	(226)	2,772,637	\$ 2,775,254	\$ -	\$ -	\$ (47)	\$ 2,775,207		
Sachse	652,371	762,689	110,318	-	-	110,318	-	652,371	\$ 652,987	\$ -	\$ 28,318	\$ -	\$ 681,305		
Sachse #2	388,403	194,171	(194,232)	522,585	-	-	-	388,403	\$ 388,770	\$ -	\$ -	\$ -	\$ 388,770		
Seis Lagos MUD	74,712	76,473	1,761	-	-	1,761	-	74,712	\$ 74,783	\$ -	\$ 452	\$ -	\$ 75,235		
Sunnyvale	395,769	376,311	(19,458)	910,969	-	-	(19,458)	395,769	\$ 396,142	\$ -	\$ -	\$ (4,022)	\$ 392,120		
Wylie NE WSC	118,559	120,048	1,489	-	-	1,489	-	118,559	\$ 118,671	\$ -	\$ 382	\$ -	\$ 119,053		
Total	9,197,723	9,479,318	281,596	-	31,786	589,645	(72,285)	9,197,723	\$ 9,206,403	\$ 31,816	\$ 151,359	\$ (14,941)	\$ 9,374,637		
Total	85,275,253	82,129,778	(3,145,475)	-	31,786	1,563,726	(4,113,726)	85,275,253	\$ 81,551,854	\$ 31,816	\$ 352,698	\$ (850,289)	\$ 81,086,078		

Notes

- (A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 80,121,192

Over / (Under) Recovery \$ 964,886

North Texas Municipal Water District  
Method 1 - 2005

	Increase / (Decrease)							Wtr Yr Increase / (Decrease)						
	FY05			FY05 Contract Minium				FY 05 Ann Min	FY 05 Annual Billing	FY 05 Full Billing	FY 05 Excess Billing	FY 05 Rebate	FY 05 Total	
	Wtr Yr 05 Ann Min	Wtr Yr 05 Actual	Increase (Decrease)		Full Rate	Excess Rate	Rebate Rate							
	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)						
Members														
Allen	4,362,143	4,687,958	325,815	-	-	325,815	-	4,362,143	\$ 1,011	\$ 1,011	\$ 0,208	\$ 0 208		
Farmersville	261,547	242,487	(19,060)	-	-	-	(19,060)	261,547	\$ 4,409,833	\$ -	\$ 67,905	\$ -	\$ (3,972)	\$ 260,434
Forney	891,245	1,059,328	168,083	-	-	168,083	-	891,245	\$ 900,989	\$ -	\$ 35,031	\$ -	\$ -	\$ 936,020
Frisco	5,645,797	6,467,274	821,477	-	-	821,477	-	5,645,797	\$ 5,707,521	\$ -	\$ 171,210	\$ -	\$ -	\$ 5,878,730
Garland	12,904,220	12,435,423	(468,797)	-	-	-	(468,797)	12,904,220	\$ 13,045,298	\$ -	\$ -	\$ -	\$ (97,705)	\$ 12,947,593
McKinney	6,582,712	7,166,992	584,280	-	-	584,280	-	6,582,712	\$ 6,654,679	\$ -	\$ 121,774	\$ -	\$ -	\$ 6,776,452
Mesquite	6,041,180	4,885,178	(1,156,002)	-	-	-	(1,156,002)	6,041,180	\$ 6,107,226	\$ -	\$ -	\$ -	\$ (240,930)	\$ 5,866,296
Mesquite # 3	2,031,764	1,351,516	(680,248)	2,256,486	-	-	-	2,031,764	\$ 2,053,977	\$ -	\$ -	\$ -	\$ -	\$ 2,053,977
Plano	24,047,828	22,432,203	(1,615,625)	-	-	-	(1,615,625)	24,047,828	\$ 24,310,735	\$ -	\$ -	\$ -	\$ (336,723)	\$ 23,974,012
Pnncton	295,923	337,039	41,116	-	-	41,116	-	295,923	\$ 299,158	\$ -	\$ 8,569	\$ -	\$ -	\$ 307,727
Richardson	10,135,415	8,553,732	(1,581,683)	-	-	-	(1,581,683)	10,135,415	\$ 10,246,222	\$ -	\$ -	\$ -	\$ (329,649)	\$ 9,916,573
Rockwall	2,332,266	2,471,592	139,326	-	-	139,326	-	2,332,266	\$ 2,357,764	\$ -	\$ 29,038	\$ -	\$ -	\$ 2,386,802
Royse City	327,863	338,437	10,574	-	-	10,574	-	327,863	\$ 331,447	\$ -	\$ 2,204	\$ -	\$ -	\$ 333,651
Wylie	1,266,615	1,387,214	120,599	-	-	120,599	-	1,266,615	\$ 1,280,463	\$ -	\$ 25,135	\$ -	\$ -	\$ 1,305,597
Total	77,126,518	73,816,373	(3,310,145)		-	2,211,270	(4,841,167)	77,126,518	\$ 77,969,718	\$ -	\$ 460,866	\$ (1,008,980)	\$ -	\$ 77,421,603
Customers									\$ 1,061	\$ 1 061	\$ 0,258	\$ 0,208		
Caddo Basin	245,280	240,325	(4,955)	-	-	-	(4,955)	245,280	\$ 260,226	\$ -	\$ -	\$ -	\$ (1,033)	\$ 259,193
Cash SUD	257,909	256,282	(1,627)	-	-	-	-	257,909	\$ 273,624	\$ -	\$ -	\$ -	\$ -	\$ 273,624
College Mound WSC	62,017	9,825	(52,192)	-	-	-	-	62,017	\$ 65,796	\$ -	\$ -	\$ -	\$ -	\$ 65,796
Copeville WSC	73,935	66,320	(7,615)	113,866.6	-	-	(7,615)	73,935	\$ 78,440	\$ -	\$ -	\$ -	\$ (1,587)	\$ 76,853
East Fork SUD	202,927	221,755	18,828	280,831	-	18,828	-	202,927	\$ 215,292	\$ 19,975	\$ -	\$ -	\$ -	\$ 235,267
Fairview	420,325	478,582	58,257	-	-	58,257	-	420,325	\$ 445,937	\$ -	\$ 15,055	\$ -	\$ -	\$ 460,991
Fate	113,197	155,139	41,942	-	-	41,942	-	113,197	\$ 120,094	\$ -	\$ 10,839	\$ -	\$ -	\$ 130,933
Forney Lake WSC	171,795	164,447	(7,348)	227,800	-	-	-	171,795	\$ 182,263	\$ -	\$ -	\$ -	\$ -	\$ 182,263
Gasonia-Scurry WSC	101,254	107,566	6,312	-	-	6,312	-	101,254	\$ 107,424	\$ -	\$ 1,631	\$ -	\$ -	\$ 109,055
Josephine	38,203	41,031	2,828	45,400	-	2,828	-	38,203	\$ 40,531	\$ 3,000	\$ -	\$ -	\$ -	\$ 43,531
Kaufman	419,659	409,164	(10,495)	-	-	-	(10,495)	419,659	\$ 445,230	\$ -	\$ -	\$ -	\$ (2,187)	\$ 443,043
Kaufman Four One	396,336	382,065	(14,271)	-	-	-	-	396,336	\$ 420,486	\$ -	\$ -	\$ -	\$ -	\$ 420,486
Lavon WSC	142,389	148,610	6,221	142,389	-	6,221	-	142,389	\$ 151,065	\$ -	\$ 1,608	\$ -	\$ -	\$ 152,673
Little Elm	504,167	610,479	106,312	-	-	106,312	-	504,167	\$ 534,887	\$ -	\$ 27,473	\$ -	\$ -	\$ 562,360
Lucas	303,924	308,034	4,110	-	-	4,110	-	303,924	\$ 322,443	\$ -	\$ 1,062	\$ -	\$ -	\$ 323,505
Lucas #3	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Melissa	73,000	86,408	13,408	73,000	-	13,408	-	73,000	\$ 77,448	\$ -	\$ 3,465	\$ -	\$ -	\$ 80,913
Milligan WSC	149,894	128,680	(21,214)	155,938	-	-	(21,214)	149,894	\$ 159,027	\$ -	\$ -	\$ -	\$ (4,421)	\$ 154,606
Mt. Zion WSC	112,937	108,196	(4,741)	-	-	-	(4,741)	112,937	\$ 119,819	\$ -	\$ -	\$ -	\$ (988)	\$ 118,831
Murphy	792,811	906,941	114,130	-	-	114,130	-	792,811	\$ 841,119	\$ -	\$ 29,493	\$ -	\$ -	\$ 870,612
Nevada WSC	71,813	68,787	(3,026)	-	-	-	(3,026)	71,813	\$ 76,189	\$ -	\$ -	\$ -	\$ (631)	\$ 75,558
North Collin WSC	284,428	290,010	5,582	300,000	-	5,582	-	284,428	\$ 301,759	\$ 5,922	\$ -	\$ -	\$ -	\$ 307,681
Parker	344,660	392,852	48,192	-	-	48,192	-	344,660	\$ 365,661	\$ -	\$ 12,454	\$ -	\$ -	\$ 378,115
Prosper	236,575	95,406	(141,169)	236,575	-	-	-	275,000	\$ 291,756	\$ -	\$ -	\$ -	\$ -	\$ 291,756
Rose Hill WSC	38,944	12,847	(26,097)	48,000	-	-	-	38,944	\$ 41,317	\$ -	\$ -	\$ -	\$ -	\$ 41,317
Rowlett	2,772,637	2,734,709	(37,928)	4,051,017	-	-	(37,928)	2,772,637	\$ 2,941,581	\$ -	\$ -	\$ -	\$ (7,905)	\$ 2,933,676
Sachse	762,689	611,056	(151,633)	-	-	-	(151,633)	762,689	\$ 809,162	\$ -	\$ -	\$ -	\$ (31,603)	\$ 777,559
Sachse #2	388,403	385,477	(2,926)	522,585	-	-	-	388,403	\$ 412,069	\$ -	\$ -	\$ -	\$ -	\$ 412,069
Seis Lagos MUD	76,473	71,594	(4,879)	-	-	-	(4,879)	76,473	\$ 81,133	\$ -	\$ -	\$ -	\$ (1,017)	\$ 80,116
Sunnyvale	395,769	391,036	(4,733)	910,969	-	-	(4,733)	395,769	\$ 419,884	\$ -	\$ -	\$ -	\$ (986)	\$ 418,898
Wylie NE WSC	120,048	143,816	23,768	-	-	23,768	-	120,048	\$ 127,363	\$ -	\$ 6,142	\$ -	\$ -	\$ 133,505
Total	10,074,398	10,027,439	(46,959)		27,238	422,652	(251,219)	10,112,823	\$ 10,729,024	\$ 28,898	\$ 109,220	\$ (52,358)	\$ -	\$ 10,814,784
Total	87,200,916	83,843,812	(3,357,104)		27,238	2,633,923	(5,092,386)	87,239,341	\$ 88,698,742	\$ 28,898	\$ 570,086	\$ (1,061,339)	\$ -	\$ 88,236,387

Notes

- (A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 87,319,806

Over / (Under) Recovery \$ 916,581

North Texas Municipal Water District  
Method 1 - 2006

	Increase / (Decrease)							Wtr Yr Increase / (Decrease)					
	FY06							FY 06		FY 06		FY 06	
	Wtr Yr 06	Wtr Yr 06	Increase	Excess Rate	Full	Excess	Rebate	FY 06	FY 06	FY 06	FY 06	FY 06	FY 06
	Ann Min	Actual	(Decrease)	Contract	Rate	Rate	Rate	Ann Min	Annual	Full	Excess	Rebate	Total
	(1,000 gall)	(1,000 gall)	(1,000 gall)	Minimum	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	Billing	Billing	Billing		
Members													
Allen	4,687,958	5,588,259	900,301	-	-	900,301	-	\$ 1,009	\$ 1,009	\$ 0,245	\$ 0,245		
Farmersville	261,547	280,467	18,920	-	-	18,920	-	\$ 4,730,771	\$ -	\$ 220,797	\$ -	\$ -	\$ 4,951,569
Forney	1,059,328	1,416,868	357,540	-	-	-	357,540	\$ 263,936	\$ -	\$ 4,640	\$ -	\$ -	\$ 268,576
Frisco	6,467,274	7,918,529	1,451,255	-	-	-	-	\$ 1,069,002	\$ -	\$ -	\$ 87,686	\$ -	\$ 1,156,688
Frisco #2	3,116	419,410	416,294	12,465	9,349	406,945	-	\$ 6,526,337	\$ -	\$ 355,918	\$ -	\$ -	\$ 6,882,255
Garland	12,904,220	13,721,955	817,735	-	-	817,735	-	\$ 5,702	\$ 9,434	\$ 99,803	\$ -	\$ -	\$ 114,939
McKinney	7,166,992	8,385,134	1,218,142	-	-	1,218,142	-	\$ 12,904,220	\$ 13,022,069	\$ -	\$ 200,548	\$ -	\$ 13,222,617
McKinney #3	171,228	350,012	178,784	684,910	178,784	-	-	\$ 7,166,992	\$ 7,232,445	\$ -	\$ 298,747	\$ -	\$ 7,531,193
Mesquite	6,041,180	5,756,029	(285,151)	-	-	(285,151)	-	\$ 228,303	\$ 230,388	\$ 180,417	\$ -	\$ -	\$ 410,805
Mesquite # 3	2,106,671	1,359,175	(747,496)	2,256,486	-	-	-	\$ 6,041,180	\$ 6,096,352	\$ -	\$ (69,933)	\$ -	\$ 6,026,419
Plano	24,047,828	26,265,050	2,217,222	-	-	2,217,222	-	\$ 2,106,671	\$ 2,125,910	\$ -	\$ -	\$ -	\$ 2,125,910
Princeton	337,039	409,624	72,585	-	-	72,585	-	\$ 24,047,828	\$ 24,267,448	\$ -	\$ 543,770	\$ -	\$ 24,811,217
Richardson	10,135,415	10,050,090	(85,325)	-	-	-	(85,325)	\$ 337,039	\$ 340,117	\$ -	\$ 17,801	\$ -	\$ 357,918
Rockwall	2,471,592	3,284,236	812,644	-	-	812,644	-	\$ 10,135,415	\$ 10,227,978	\$ -	\$ (20,926)	\$ -	\$ 10,207,052
Royse City	338,437	470,150	131,713	-	-	131,713	-	\$ 2,471,592	\$ 2,494,164	\$ -	\$ 199,300	\$ -	\$ 2,693,464
Wylie	1,387,214	1,721,763	334,549	-	-	334,549	-	\$ 338,437	\$ 341,528	\$ -	\$ 32,302	\$ -	\$ 373,830
Total	79,587,039	87,396,751	7,809,712	-	188,133	8,096,860	272,215	\$ 1,387,214	\$ 1,399,883	\$ -	\$ 82,048	\$ -	\$ 1,481,930
Customers								\$ 79,646,648	\$ 80,374,030	\$ 189,851	\$ 1,985,741	\$ 66,760	\$ 82,616,382
Caddo Basin SUD	245,280	293,451	48,171	-	-	48,171	-	\$ -	\$ 1,059	\$ 1,059	\$ 0,295	\$ 0,245	
Cash SUD	257,909	305,643	47,734	-	-	47,734	-	\$ -	\$ 259,784	\$ -	\$ 14,222	\$ -	\$ 274,006
College Mound WSC	62,017	62,710	693	-	-	693	-	\$ 257,909	\$ 273,160	\$ -	\$ 14,093	\$ -	\$ 287,253
Copeville WSC	73,935	77,927	3,992	113,867	3,992	-	-	\$ 62,017	\$ 65,684	\$ -	\$ 205	\$ -	\$ 65,889
East Fork SUD	221,755	324,226	102,471	280,831	59,076	43,395	-	\$ 73,935	\$ 78,307	\$ 4,228	\$ -	\$ -	\$ 82,535
Fairview	478,582	721,185	242,603	-	-	242,603	-	\$ 221,755	\$ 234,868	\$ 62,569	\$ 12,812	\$ -	\$ 310,250
Fate	155,139	279,932	124,793	-	-	124,793	-	\$ 478,582	\$ 506,882	\$ -	\$ 71,628	\$ -	\$ 578,510
Fate #2	-	-	-	-	-	-	-	\$ 155,139	\$ 164,313	\$ -	\$ 36,845	\$ -	\$ 201,158
Forney Lake WSC	182,996	295,577	112,581	227,800	44,804	67,777	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gasonia-Scurry WSC	107,566	107,875	309	-	-	309	-	\$ 182,996	\$ 193,817	\$ 47,453	\$ 20,011	\$ -	\$ 261,281
Josephine	41,031	57,407	16,376	45,400	4,369	12,007	-	\$ 107,566	\$ 113,927	\$ -	\$ 91	\$ -	\$ 114,018
Kaufman	419,659	438,403	18,744	-	-	18,744	-	\$ 41,031	\$ 43,457	\$ 4,627	\$ 3,545	\$ -	\$ 51,630
Kaufman Four One	396,336	450,363	54,027	-	-	54,027	-	\$ 419,659	\$ 444,475	\$ -	\$ 5,534	\$ -	\$ 450,009
Lavon WSC	148,610	217,256	68,646	-	-	68,646	-	\$ 396,336	\$ 419,772	\$ -	\$ 15,951	\$ -	\$ 435,724
Little Elm - Interim	559,606	925,163	365,557	-	-	365,557	-	\$ 148,610	\$ 157,398	\$ -	\$ 20,268	\$ -	\$ 177,665
Little Elm - Permanent	51,667	107,415	55,748	162,917	55,748	-	-	\$ 457,859	\$ 484,933	\$ -	\$ 107,930	\$ -	\$ 592,863
Lucas	308,034	212,681	(95,353)	-	-	(95,353)	-	\$ 155,000	\$ 164,166	\$ 59,045	\$ -	\$ -	\$ 223,210
Lucas #3	63,969	290,897	226,928	255,878	191,909	35,019	-	\$ 308,034	\$ 326,249	\$ -	\$ (23,385)	\$ -	\$ 302,864
Melissa	86,408	135,737	49,329	-	-	49,329	-	\$ 63,969	\$ 67,752	\$ 203,257	\$ 10,339	\$ -	\$ 281,348
Milligan WSC	149,894	147,744	(2,150)	155,938	-	(2,150)	-	\$ 86,408	\$ 91,518	\$ -	\$ 14,564	\$ -	\$ 106,082
Mt. Zion WSC	112,937	159,302	46,365	-	-	46,365	-	\$ 149,894	\$ 158,758	\$ -	\$ (527)	\$ -	\$ 158,230
Murphy	906,941	1,193,806	286,865	1,145,000	238,059	48,806	-	\$ 112,937	\$ 119,616	\$ -	\$ 13,689	\$ -	\$ 133,305
Nevada WSC	71,813	56,413	(15,400)	-	-	(15,400)	-	\$ 906,941	\$ 960,571	\$ 252,136	\$ 14,410	\$ -	\$ 1,227,117
Nevada WSC #2	30,766	31,766	1,000	44,925	1,000	-	-	\$ 71,813	\$ 76,059	\$ -	\$ (3,777)	\$ -	\$ 72,283
North Collin WSC	290,010	318,780	28,770	300,000	9,990	18,780	-	\$ 30,766	\$ 32,585	\$ 1,059	\$ -	\$ -	\$ 33,644
Parker	392,852	470,812	77,960	-	-	77,960	-	\$ 290,010	\$ 307,159	\$ 10,581	\$ 5,545	\$ -	\$ 323,285
Prosper	275,000	208,182	(66,818)	275,000	-	-	-	\$ 392,852	\$ 416,082	\$ -	\$ 23,018	\$ -	\$ 439,100
Rose Hill SUD	38,944	42,818	3,874	-	-	-	-	\$ 275,000	\$ 291,261	\$ -	\$ -	\$ -	\$ 291,261
Rowlett	2,772,637	3,192,039	419,402	4,051,017	419,402	-	-	\$ 38,944	\$ 41,247	\$ 4,103	\$ -	\$ -	\$ 45,350
Sachse	762,689	734,691	(27,998)	-	-	(27,998)	-	\$ 2,772,637	\$ 2,936,590	\$ 444,202	\$ -	\$ -	\$ 3,380,793
Sachse #2	388,403	431,099	42,696	522,585	42,696	-	-	\$ 762,689	\$ 807,789	\$ -	\$ (6,866)	\$ -	\$ 800,922
Sers Lagos MUD	76,473	111,094	34,621	-	-	34,621	-	\$ 388,403	\$ 411,370	\$ 45,221	\$ -	\$ -	\$ 456,591
Sunnyvale	395,769	559,135	163,366	910,969	163,366	-	-	\$ 76,473	\$ 80,995	\$ -	\$ 10,222	\$ -	\$ 91,217
Wylie NE SUD	143,816	197,289	53,473	-	-	53,473	-	\$ 395,769	\$ 419,172	\$ 173,027	\$ -	\$ -	\$ 592,198
Total	10,669,443	13,158,818	2,489,375	-	1,238,285	1,458,809	(140,901)	\$ 143,816	\$ 152,320	\$ -	\$ 15,788	\$ -	\$ 168,108
								\$ 10,671,029	\$ 11,302,035	\$ 1,311,508	\$ 430,711	\$ (34,556)	\$ 13,009,698
								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	90,256,482	100,555,569	10,299,087	-	1,426,418	9,555,668	131,314	\$ 90,317,677	\$ 91,676,065	\$ 1,501,360	\$ 2,416,452	\$ 32,205	\$ 95,626,081

Revenue Requirement \$ 94,215,209

Over / (Under) Recovery 1,410,871

Notes  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met



**North Texas Municipal Water District  
Method 2 - Determination of 2003 Annual Minimum**

	2000			2001			2002			2003
	Annual Minimum (1,000 gal.)	Actual Consumption (1,000 gal.)	Variance (1,000 gal.)	Annual Minimum (1,000 gal.)	Actual Consumption (1,000 gal.)	Variance (1,000 gal.)	Annual Minimum (1,000 gal.)	Actual Consumption (1,000 gal.)	Variance (1,000 gal.)	Annual Minimum (1,000 gal.)
<b>Members</b>										
Allen	2,670,251	3,331,824	661,573	3,331,824	3,952,728	620,904	3,952,728	3,699,752	(252,976)	3,952,728
Farmersville	266,268	270,005	3,737	260,516	290,608	30,092	290,608	228,235	(62,373)	290,608
Forney	588,487	662,542	74,055	662,542	743,504	80,962	743,504	658,408	(85,096)	743,504
Frisco	2,313,642	3,199,458	885,816	3,199,458	4,125,696	926,238	4,125,696	4,394,752	269,056	4,394,752
Garland	12,893,316	13,152,152	258,836	13,152,152	13,660,013	507,861	13,660,013	12,051,601	(1,608,412)	13,660,013
McKinney	4,034,143	4,832,225	798,082	4,832,225	5,748,746	916,521	5,748,746	5,689,078	(59,668)	5,748,746
Mesquite	6,806,243	7,582,774	776,531	7,582,774	7,798,284	215,510	7,798,284	6,550,839	(1,247,445)	See Note 1
Plano	18,958,824	23,822,845	4,864,021	23,822,845	26,719,809	2,896,964	26,719,809	22,459,418	(4,260,391)	26,719,809
Princeton	307,345	303,432	(3,913)	307,345	328,803	21,458	328,803	278,431	(50,372)	328,803
Richardson	9,276,286	10,461,074	1,184,788	10,461,074	11,019,311	558,237	11,019,311	9,773,780	(1,245,531)	11,019,311
Rockwall	1,640,630	1,854,564	213,934	1,854,564	2,188,525	333,961	2,188,525	1,876,570	(311,955)	2,188,525
Royse City	239,172	248,799	9,627	248,799	277,416	28,617	277,416	257,149	(20,267)	277,416
Wylie	702,088	764,087	61,999	764,087	907,331	143,244	907,331	816,417	(90,914)	907,331
<b>Customers</b>										
Caddo Basin	168,829	191,657	22,828	191,657	252,318	60,661	252,318	197,652	(54,666)	252,318
Cash WSC	214,762	228,754	13,992	228,754	237,267	8,513	237,267	211,830	(25,437)	237,267
College Mound WSC	65,911	47,463	(18,448)	65,911	66,769	858	66,769	56,135	(10,634)	66,769
Copeville WSC	47,444	54,675	7,231	56,933	65,478	8,545	65,478	65,737	259	65,737
East Fork WSC	170,633	180,316	9,683	180,316	183,632	3,316	183,632	150,055	(33,577)	183,632
Fairview	258,486	328,592	70,106	328,592	364,741	36,149	364,741	352,745	(11,996)	364,741
Fate	42,838	45,866	3,028	45,866	65,173	19,307	65,173	69,529	4,356	69,529
Forney Lake WSC	128,905	137,008	8,103	137,008	153,126	16,118	153,126	112,745	(40,381)	153,126
Gasonia-Scurry WSC	110,490	70,764	(39,726)	110,490	78,397	(32,093)	110,490	80,336	(30,154)	<b>80,336</b>
Josephine	29,653	28,414	(1,239)	29,653	32,879	3,226	32,879	40,978	8,099	40,978
Kaufman	352,073	374,829	22,756	374,829	406,317	31,488	406,317	419,999	13,682	419,999
Kaufman Four One	263,641	327,291	63,650	327,291	396,327	69,036	396,327	337,611	(58,716)	396,327
Lavon WSC	94,973	115,308	20,335	115,308	130,385	15,077	142,389	96,660	(45,729)	See Note 1
Little Elm				122,061	84,889	(37,172)	122,061	210,964	88,903	210,964
Lucas	125,449	145,973	20,524	145,973	118,740	(27,233)	337,693	243,856	(93,837)	337,693
Lucas No 2	141,009	120,611	(20,398)	141,009	191,720	50,711				
Milligan WSC	112,677	116,195	3,518	116,195	121,388	5,193	121,388	115,787	(5,601)	121,388
Mt. Zion WSC	122,061	114,498	(7,563)	122,061	125,486	3,425	125,486	97,279	(28,207)	125,486
Murphy	169,045	227,701	58,656	227,701	371,527	143,826	371,527	496,860	125,333	496,860
Nevada WSC	56,638	64,318	7,680	64,318	69,001	4,683	69,001	66,189	(2,812)	69,001
North Collin WSC	279,014	272,432	(6,582)	279,014	287,568	8,554	287,568	245,779	(41,789)	287,568
Parker	162,520	204,433	41,913	204,433	211,304	6,871	211,304	228,969	17,665	228,969
Rose Hill WSC	37,783	33,378	(4,405)	37,783	43,271	5,488	43,271	40,056	(3,215)	43,271
Rowlett	2,433,906	2,564,479	130,573	2,564,479	2,920,333	355,854	2,920,333	2,564,207	(356,126)	2,920,333
Sachse	480,229	584,301	104,072	584,301	724,857	140,556	724,857	521,439	(203,418)	724,857
Sachse #2							130,288	62,697	(67,591)	See Note 1
Seis Lagos MUD	65,943	75,227	9,284	75,227	82,719	7,492	82,719	60,814	(21,905)	82,719
Sunnyvale	286,600	323,191	36,591	323,191	439,743	116,552	439,743	314,893	(124,850)	439,743
Wylie NE WSC	109,792	115,831	6,039	115,831	130,896	15,065	130,896	87,351	(43,545)	130,896

Notes

(1) Ineligible for Minimum Annual Demand Adjustment due to Contract

North Texas Municipal Water District  
Method 2 - 2003

				Increase / (Decrease)			Wtr Yr Increase / (Decrease)						
	Wtr Yr 03 Ann Min	Wtr Yr 03 Actual	Increase (Decrease)	Excess Rate Contract Minimum	Full Rate	Excess Rate	Rebate Rate	FY 03 Ann Min	FY 03 Annual Billing	FY 03 Full Billing	FY 03 Excess Billing	FY 03 Rebate	FY 03 Total
	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)					
Members													
Allen	3,952,728	4,124,397	171,669	-	-	171,669		3,952,728	\$ 0.870	\$ 0.870	\$ 0.200	\$ 0.200	
Farmersville	290,608	225,417	(65,191)	-	-	-	(65,191)	290,608	\$ 3,440,133	\$ -	\$ 34,346	\$ -	\$ 3,474,479
Forney	743,504	788,921	45,417	-	-	45,417		743,504	\$ 252,922	\$ -	\$ -	\$ (13,043)	\$ 239,879
Frisco	4,394,752	5,607,266	1,212,514	-	-	1,212,514		4,394,752	\$ 647,085	\$ -	\$ 9,087	\$ -	\$ 656,172
Garland	13,660,013	12,904,220	(755,793)	-	-	-	(755,793)	13,660,013	\$ 3,824,835	\$ -	\$ 242,587	\$ -	\$ 4,067,422
McKinney	5,748,746	6,350,897	602,151	-	-	602,151		5,748,746	\$ 11,888,565	\$ -	\$ -	\$ (151,211)	\$ 11,737,354
Mesquite <sup>(2)</sup>	6,041,180	5,575,688	(465,492)	-	-	-	(465,492)	6,041,180	\$ 5,003,241	\$ -	\$ 120,472	\$ -	\$ 5,123,713
Mesquite # 3 <sup>(2)</sup>	1,881,950	1,170,130	(711,820)	2,256,486	-	-	-	1,881,950	\$ 5,257,752	\$ -	\$ -	\$ (93,131)	\$ 5,164,621
Plano	26,719,809	22,745,013	(3,974,796)	-	-	-	(3,974,796)	26,719,809	\$ 1,637,896	\$ -	\$ -	\$ -	\$ 1,637,896
Princeton	328,803	287,581	(41,222)	-	-	-	(41,222)	328,803	\$ 23,254,750	\$ -	\$ -	\$ (795,235)	\$ 22,459,516
Richardson	11,019,311	10,135,415	(883,896)	-	-	-	(883,896)	11,019,311	\$ 286,163	\$ -	\$ -	\$ (8,247)	\$ 277,916
Rockwall	2,188,525	2,234,227	45,702	-	-	45,702	-	2,188,525	\$ 9,590,313	\$ -	\$ 9,144	\$ -	\$ 1,913,858
Royse City	277,416	286,471	9,055	-	-	9,055	-	277,416	\$ 1,904,714	\$ -	\$ 1,812	\$ -	\$ 243,252
Wylie	907,331	1,042,381	135,050	-	-	135,050	-	907,331	\$ 241,440	\$ -	\$ 27,019	\$ -	\$ 816,687
Total	78,154,676	73,478,024	(4,676,652)		-	2,221,558	(6,186,390)	78,154,676	\$ 789,667	\$ -	\$ 444,466	\$ (1,237,707)	\$ 67,226,237
Customers													
Caddo Basin	252,318	245,280	(7,038)	-	-	-	(7,038)	252,318	\$ 0.920	\$ 0.920	\$ 0.250	\$ 0.200	
Cash SUD	A 237,267	221,385	(15,882)	-	-	-	-	237,267	\$ 232,213	\$ -	\$ -	\$ (1,408)	\$ 230,805
College Mound WSC	A 66,769	62,017	(4,752)	-	-	-	-	66,769	\$ 218,361	\$ -	\$ -	\$ -	\$ 218,361
Copeville WSC		65,737	68,468	113,866	6	2,731	-	65,737	\$ 61,449	\$ -	\$ -	\$ -	\$ 61,449
East Fork SUD		183,632	188,012	280,831	C	4,380	-	183,632	\$ 60,499	\$ 2,513	\$ -	\$ -	\$ 63,012
Fairview		364,741	394,901	30,160	-	-	-	364,741	\$ 169,000	\$ 4,031	\$ -	\$ -	\$ 173,031
Fate		69,529	77,744	8,215	-	8,215	-	69,529	\$ 335,678	\$ -	\$ 7,542	\$ -	\$ 343,220
Forney Lake WSC		153,126	131,507	(21,619)	-	-	(21,619)	153,126	\$ 63,989	\$ -	\$ 2,054	\$ -	\$ 66,043
Gasonia-Scurry WSC <sup>(1)</sup>		80,336	101,254	20,918	-	20,918	-	80,336	\$ 140,925	\$ -	\$ -	\$ (4,325)	\$ 136,599
Josephine		40,978	33,301	(7,677)	45,400	C	-	40,978	\$ 73,935	\$ -	\$ 5,231	\$ -	\$ 79,166
Kaufman		419,999	392,227	(27,772)	-	-	(27,772)	419,999	\$ 37,713	\$ -	\$ -	\$ (1,536)	\$ 36,177
Kaufman Four One	A 396,327	356,603	(39,724)	-	-	-	-	396,327	\$ 386,533	\$ -	\$ -	\$ (5,556)	\$ 380,977
Lavon WSC <sup>(2)</sup>	B 142,389	124,858	(17,531)	142,389	C	-	-	142,389	\$ 364,747	\$ -	\$ -	\$ -	\$ 364,747
Little Elm		210,964	368,734	157,770	-	157,770	-	210,964	\$ 131,043	\$ -	\$ -	\$ -	\$ 131,043
Lucas		337,693	271,766	(65,927)	-	-	(65,927)	337,693	\$ 194,154	\$ -	\$ 39,453	\$ -	\$ 233,608
Melissa <sup>(2)</sup>	B 48,664	32,160	(16,504)	73,000	C	-	-	60,833	\$ 310,785	\$ -	\$ -	\$ (13,190)	\$ 297,595
Milligan WSC		121,388	149,894	28,506	155,938	C	28,506	121,388	\$ 55,986	\$ -	\$ -	\$ -	\$ 55,986
Mt. Zion WSC		125,486	100,946	(24,540)	-	-	(24,540)	125,486	\$ 111,716	\$ 26,235	\$ -	\$ -	\$ 137,950
Murphy		496,860	655,870	159,010	-	159,010	-	496,860	\$ 115,487	\$ -	\$ -	\$ (4,910)	\$ 110,577
Nevada WSC		69,001	71,043	2,042	-	2,042	-	69,001	\$ 457,270	\$ -	\$ 39,764	\$ -	\$ 497,033
North Collin WSC		287,568	274,347	(13,221)	300,000	C	-	287,568	\$ 63,503	\$ -	\$ 511	\$ -	\$ 64,014
Parker		228,969	306,201	77,232	-	77,232	-	228,969	\$ 264,654	\$ -	\$ -	\$ (2,645)	\$ 262,009
Rose Hill WSC	A 43,271	16,160	(27,111)	48,000	C	-	-	43,271	\$ 210,724	\$ -	\$ 19,313	\$ -	\$ 230,038
Rowlett		2,920,333	2,772,637	(147,696)	4,051,017	C	-	2,920,333	\$ 39,823	\$ -	\$ -	\$ -	\$ 39,823
Sachse		724,857	612,776	(112,081)	-	-	(112,081)	724,857	\$ 2,687,637	\$ -	\$ -	\$ (29,549)	\$ 2,658,088
Sachse #2 <sup>(2)</sup>	B 130,646	388,403	257,757	522,585	C	257,757	-	130,646	\$ 667,099	\$ -	\$ -	\$ (22,424)	\$ 644,676
Seis Lagos MUD		82,719	74,712	(8,007)	-	-	(8,007)	82,719	\$ 120,236	\$ 237,219	\$ -	\$ -	\$ 357,455
Sunnyvale		439,743	362,405	(77,338)	910,969	C	-	439,743	\$ 76,128	\$ -	\$ -	\$ (1,602)	\$ 74,526
Wylie NE WSC		130,896	118,559	(12,337)	-	-	(12,337)	130,896	\$ 404,704	\$ -	\$ -	\$ (15,473)	\$ 389,231
Total	8,872,206	8,974,170	101,964		293,374	455,347	(525,253)	8,884,375	\$ 120,466	\$ 269,998	\$ 113,868	\$ (105,087)	\$ 8,455,236
Total	87,026,882	82,452,194	(4,574,688)		293,374	2,676,905	(6,711,643)	87,039,051	\$ 8,176,457	\$ 269,998	\$ 558,334	\$ (1,342,794)	\$ 75,681,473

Notes

- (1) Eligible for adjustment to Minimum Annual Demand  
(2) Not eligible for Minimum Annual Demand Adjustment due to Contract  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 75,674,582  
Over / (Under) Recovery \$ 6,891

**North Texas Municipal Water District  
Method 2 - Determination of 2004 Annual Minimum**

	2001			2002			2003			2004
	Annual Minimum (1,000 gal.)	Actual Consumption (1,000 gal.)	Variance (1,000 gal.)	Annual Minimum (1,000 gal.)	Actual Consumption (1,000 gal.)	Variance (1,000 gal.)	Annual Minimum (1,000 gal.)	Actual Consumption (1,000 gal.)	Variance (1,000 gal.)	Annual Minimum (1,000 gal.)
Allen	3,331,824	3,952,728	620,904	3,952,728	3,699,752	(252,976)	3,952,728	4,124,397	171,669	4,124,397
Farmersville	260,516	290,608	30,092	290,608	228,235	(62,373)	290,608	225,417	(65,191)	290,608
Forney	662,542	743,504	80,962	743,504	658,408	(85,096)	743,504	788,921	45,417	788,921
Frisco	3,199,458	4,125,696	926,238	4,125,696	4,394,752	269,056	4,394,752	5,607,266	1,212,514	5,607,266
Garland	13,152,152	13,660,013	507,861	13,660,013	12,051,601	(1,608,412)	13,660,013	12,904,220	(755,793)	13,660,013
McKinney	4,832,225	5,748,746	916,521	5,748,746	5,689,078	(59,668)	5,748,746	6,350,897	602,151	6,350,897
Mesquite	7,582,774	7,798,284	215,510	7,798,284	6,550,839	(1,247,445)	6,041,180	5,575,688	(465,492)	6,041,180
Mesquite # 3							1,881,950	1,170,130	(711,820)	See Note 2
Plano	23,822,845	26,719,809	2,896,964	26,719,809	22,459,418	(4,260,391)	26,719,809	22,745,013	(3,974,796)	26,719,809
Princeton	307,345	328,803	21,458	328,803	278,431	(50,372)	328,803	287,581	(41,222)	328,803
Richardson	10,461,074	11,019,311	558,237	11,019,311	9,773,780	(1,245,531)	11,019,311	10,135,415	(883,896)	11,019,311
Rockwall	1,854,564	2,188,525	333,961	2,188,525	1,876,570	(311,955)	2,188,525	2,234,227	45,702	2,234,227
Royse City	248,799	277,416	28,617	277,416	257,149	(20,267)	277,416	286,471	9,055	286,471
Wylie	764,087	907,331	143,244	907,331	816,417	(90,914)	907,331	1,042,381	135,050	1,042,381
Caddo Basin	191,657	252,318	60,661	252,318	197,652	(54,666)	252,318	245,280	(7,038)	252,318
Cash WSC	228,754	237,267	8,513	237,267	211,830	(25,437)	237,267	221,385	(15,882)	237,267
College Mound WSC	65,911	66,769	858	66,769	56,135	(10,634)	66,769	62,017	(4,752)	66,769
Copeville WSC	56,933	65,478	8,545	65,478	65,737	259	65,737	68,468	2,731	68,468
East Fork SUD	180,316	183,632	3,316	183,632	150,055	(33,577)	183,632	188,012	4,380	188,012
Fairview	328,592	364,741	36,149	364,741	352,745	(11,996)	364,741	394,901	30,160	394,901
Fate	45,866	65,173	19,307	65,173	69,529	4,356	69,529	77,744	8,215	77,744
Forney Lake WSC	137,008	153,126	16,118	153,126	112,745	(40,381)	153,126	131,507	(21,619)	See Note 2
Gasonia-Scurry WSC	110,490	78,397	(32,093)	110,490	80,336	(30,154)	80,336	101,254	20,918	See Note 1
Josephine	29,653	32,879	3,226	32,879	40,978	8,099	40,978	33,301	(7,677)	40,978
Kaufman	374,829	406,317	31,488	406,317	419,999	13,682	419,999	392,227	(27,772)	419,999
Kaufman Four One	327,291	396,327	69,036	396,327	337,611	(58,716)	396,327	356,603	(39,724)	396,327
Lavon WSC	115,308	130,385	15,077	142,389	96,660	(45,729)	142,389	124,858	(17,531)	See Note 2
Little Elm	122,061	84,889	(37,172)	122,061	210,964	88,903	210,964	368,734	157,770	368,734
Lucas	145,973	118,740	(27,233)	337,693	243,856	(93,837)	337,693	271,766	(65,927)	271,766
Lucas No 2	141,009	191,720	50,711							
Melissa							48,664	32,160	(16,504)	See Note 2
Milligan WSC	116,195	121,388	5,193	121,388	115,787	(5,601)	121,388	149,894	28,506	149,894
Mt. Zion WSC	122,061	125,486	3,425	125,486	97,279	(28,207)	125,486	100,946	(24,540)	125,486
Murphy	227,701	371,527	143,826	371,527	496,860	125,333	496,860	655,870	159,010	655,870
Nevada WSC	64,318	69,001	4,683	69,001	66,189	(2,812)	69,001	71,043	2,042	71,043
North Collin WSC	279,014	287,568	8,554	287,568	245,779	(41,789)	287,568	274,347	(13,221)	287,568
Parker	204,433	211,304	6,871	211,304	228,969	17,665	228,969	306,201	77,232	306,201
Rose Hill WSC	37,783	43,271	5,488	43,271	40,056	(3,215)	43,271	16,160	(27,111)	43,271
Rowlett	2,564,479	2,920,333	355,854	2,920,333	2,564,207	(356,126)	2,920,333	2,772,637	(147,696)	2,920,333
Sachse	584,301	724,857	140,556	724,857	521,439	(203,418)	724,857	612,776	(112,081)	724,857
Sachse #2				130,288	62,697	(67,591)	130,646	388,403	257,757	See Note 2
Seis Lagos MUD	75,227	82,719	7,492	82,719	60,814	(21,905)	82,719	74,712	(8,007)	82,719
Sunnyvale	323,191	439,743	116,552	439,743	314,893	(124,850)	439,743	362,405	(77,338)	439,743
Wylie NE WSC	115,831	130,896	15,065	130,896	87,351	(43,545)	130,896	118,559	(12,337)	130,896

**Notes:**

- (1) Received Adjustment to Minimum Annual Demand in 2003. Eligible for Adjustment again in 2006  
(2) Ineligible for Minimum Annual Demand Adjustment due to Contract

North Texas Municipal Water District  
Method 2 - 2004

	Increase / (Decrease)							Wtr Yr Increase / (Decrease)					
	Wtr Yr 04 Ann Min	Wtr Yr 04 Actual	Increase (Decrease)	Excess Rate Contract Minium	Full Rate	Excess Rate	Rebate Rate	FY 04 Ann Min	FY 04 Annual Billing	FY 04 Full Billing	FY 04 Excess Billing	FY 04 Rebate	FY 04 Total
	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)					
Members													
Allen	4,124,397	4,362,143	237,746	-	-	237,746		4,124,397	\$ 0.921	\$ 0.921	\$ 0.200	\$ 0.200	
Farmersville	290,608	246,458	(44,150)	-	-	-	(44,150)	290,608	\$ 3,797,469.57	\$ -	\$ 47,584.96	\$ -	\$ 3,845,054.53
Forney	788,921	891,245	102,324	-	-	102,324		788,921	\$ 267,572.46	\$ -	\$ -	\$ (8,836.64)	\$ 258,735.81
Frnsco	5,607,266	5,645,797	38,531	-	-	38,531		5,607,266	\$ 726,385.82	\$ -	\$ 20,480.19	\$ -	\$ 746,866.01
Garland	13,660,013	12,612,613	(1,047,400)	-	-	-	(1,047,400)	13,660,013	\$ 5,162,796.40	\$ -	\$ 7,712.00	\$ -	\$ 5,170,508.40
McKinney	6,350,897	6,582,712	231,815	-	-	231,815		6,350,897	\$ 12,577,228.55	\$ -	\$ -	\$ (209,637.56)	\$ 12,367,590.98
Mesquite	6,041,180	4,814,443	(1,226,737)	-	-	-	(1,226,737)	6,041,180	\$ 5,847,482.21	\$ -	\$ 46,397.87	\$ -	\$ 5,893,880.09
Mesquite # 3 <sup>(2)</sup>	1,956,857	1,597,147	(359,710)	2,256,486	-	-		1,956,857	\$ 5,562,315.46	\$ -	\$ -	\$ (245,531.94)	\$ 5,316,783.52
Plano	26,719,809	22,149,517	(4,570,292)	-	-	-	(4,570,292)	26,719,809	\$ 1,801,743.36	\$ -	\$ -	\$ -	\$ 1,801,743.36
Princeton	328,803	289,199	(39,604)	-	-	-	(39,604)	328,803	\$ 24,601,817.33	\$ -	\$ -	\$ (914,745.93)	\$ 23,687,071.40
Richardson	11,019,311	9,532,442	(1,486,869)	-	-	-	(1,486,869)	11,019,311	\$ 302,739.86	\$ -	\$ -	\$ (7,926.76)	\$ 294,813.11
Rockwall	2,234,227	2,332,266	98,039	-	-	98,039		2,234,227	\$ 10,145,846.34	\$ -	\$ -	\$ (297,597.47)	\$ 9,848,248.86
Royse City	286,471	327,863	41,392	-	-	41,392		286,471	\$ 2,057,127.15	\$ -	\$ 19,622.55	\$ -	\$ 2,076,749.70
Wylie	1,042,381	1,266,615	224,234	-	-	224,234		1,042,381	\$ 263,763.38	\$ -	\$ 8,284.63	\$ -	\$ 272,048.01
Total	80,451,141	72,650,460	(7,800,681)	-	-	974,081	(8,415,052)	80,451,141	\$ 959,754.87	\$ -	\$ 44,880.53	\$ -	\$ 1,004,635.41
									\$ 74,074,042.76	\$ -	\$ 194,962.73	\$ (1,684,276.31)	\$ 72,584,729.19
Customers													
Caddo Basin	252,318	223,734	(28,584)	-	-	-	(28,584)	252,318	\$ 0.971	\$ 0.971	\$ 0.250	\$ 0.200	
Cash SUD	237,267	257,909	20,642	-	-	20,642		237,267	\$ 244,933.48	\$ -	\$ -	\$ (5,721.10)	\$ 239,212.38
College Mound WSC	66,769	52,093	(14,676)	-	-	-		66,769	\$ 230,322.97	\$ -	\$ 5,163.61	\$ -	\$ 235,486.58
Copeville WSC	68,468	73,935	5,467	113,866	5,467	-		68,468	\$ 64,814.89	\$ -	\$ -	\$ -	\$ 64,814.89
East Fork SUD	188,012	202,927	14,915	280,831	14,915	-		188,012	\$ 66,464.17	\$ 5,307.00	\$ -	\$ -	\$ 71,771.16
Fairview	394,901	420,325	25,424	-	-	25,424		394,901	\$ 182,509.51	\$ 14,478.49	\$ -	\$ -	\$ 196,987.99
Fate	77,744	113,197	35,453	-	-	35,453		77,744	\$ 383,343.54	\$ -	\$ 6,359.82	\$ -	\$ 389,703.37
Forney Lake WSC <sup>(2)</sup>	153,126	135,370	(17,756)	227,800	-	-		153,126	\$ 75,468.69	\$ -	\$ 8,868.58	\$ -	\$ 84,337.27
Gasonia-Scurry WSC	101,254	98,508	(2,746)	-	-	-	(2,746)	101,254	\$ 148,644.50	\$ -	\$ -	\$ -	\$ 148,644.50
Josephine	40,978	38,203	(2,775)	45,400	-	-	(2,775)	40,978	\$ 98,290.63	\$ -	\$ -	\$ (549.61)	\$ 97,741.01
Kaufman	419,999	419,659	(340)	-	-	-	(340)	419,999	\$ 39,778.71	\$ -	\$ -	\$ (555.42)	\$ 39,223.29
Kaufman Four One	396,327	396,336	9	-	-	9		419,999	\$ 407,707.01	\$ -	\$ -	\$ (68.05)	\$ 407,638.95
Lavon WSC <sup>(2)</sup>	142,389	141,538	(851)	142,389	-	-		396,327	\$ 384,727.81	\$ -	\$ 2.25	\$ -	\$ 384,730.06
Little Elm	368,734	504,167	135,433	-	-	135,433		142,389	\$ 138,221.74	\$ -	\$ -	\$ -	\$ 138,221.74
Lucas <sup>(1)</sup>	271,766	301,984	30,218	-	-	30,218		368,734	\$ 357,942.36	\$ -	\$ 33,878.62	\$ -	\$ 391,820.99
Melissa <sup>(2)</sup>	73,000	59,467	(13,533)	73,000	-	-		271,766	\$ 263,812.30	\$ -	\$ 7,559.05	\$ -	\$ 271,371.35
Milligan WSC	149,894	127,646	(22,248)	155,938	-	-	(22,248)	73,000	\$ 70,863.53	\$ -	\$ -	\$ -	\$ 70,863.53
Mt. Zion WSC	125,486	108,816	(16,670)	-	-	-	(16,670)	149,894	\$ 145,507.09	\$ -	\$ -	\$ (4,452.95)	\$ 141,054.15
Murphy	655,870	792,811	136,941	-	-	136,941		125,486	\$ 121,813.44	\$ -	\$ -	\$ (3,336.51)	\$ 118,476.93
Nevada WSC	71,043	71,813	770	-	-	770		655,870	\$ 636,674.83	\$ -	\$ 34,255.85	\$ -	\$ 670,930.69
North Collin WSC	287,568	284,428	(3,140)	300,000	-	-	(3,140)	71,043	\$ 68,963.80	\$ -	\$ 192.62	\$ -	\$ 69,156.42
Parker	306,201	344,660	38,459	-	-	38,459		287,568	\$ 279,151.83	\$ -	\$ -	\$ (628.47)	\$ 278,523.35
Rose Hill WSC	43,271	7,689	(35,582)	48,000	-	-		306,201	\$ 297,239.50	\$ -	\$ 9,620.54	\$ -	\$ 306,860.04
Rowlett	2,920,333	2,772,411	(147,922)	4,051,017	-	-	(147,922)	43,271	\$ 42,004.60	\$ -	\$ -	\$ -	\$ 42,004.60
Sachse	724,857	762,689	37,832	-	-	37,832		2,920,333	\$ 2,834,864.43	\$ -	\$ -	\$ (29,606.65)	\$ 2,805,257.77
Sachse #2 <sup>(2)</sup>	388,403	194,171	(194,232)	522,585	-	-		724,857	\$ 703,642.81	\$ -	\$ 9,463.69	\$ -	\$ 713,106.50
Seis Lagos MUD	82,719	76,473	(6,246)	-	-	-	(6,246)	388,403	\$ 377,035.72	\$ -	\$ -	\$ -	\$ 377,035.72
Sunnyvale	439,743	376,311	(63,432)	910,969	-	-	(63,432)	82,719	\$ 80,298.09	\$ -	\$ -	\$ (1,250.14)	\$ 79,047.95
Wylie NE WSC	130,896	120,048	(10,848)	-	-	-	(10,848)	439,743	\$ 426,873.16	\$ -	\$ -	\$ (12,695.94)	\$ 414,177.22
Total	9,579,336	9,479,318	(100,018)	-	-	-		130,896	\$ 127,065.10	\$ -	\$ -	\$ (2,171.23)	\$ 124,893.87
					20,382	461,181	(304,951)	9,579,336	\$ 9,298,980.24	\$ 19,785.49	\$ 115,364.63	\$ (61,036.07)	\$ 9,373,094.27
Total	90,030,477	82,129,778	(7,900,699)	-	20,382	1,435,262	(8,720,003)	90,030,477	\$ 83,373,023.00	\$ 19,785.49	\$ 310,327.36	\$ (1,745,312.38)	\$ 81,957,823.47

Notes:

(1) Eligible for adjustment to Minimum Annual Demand

(2) Not eligible for Minimum Annual Demand Adjustment due to Contract

(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD

(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met

(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 81,942,360.79

Over / (Under) Recovery \$ 15,463

**North Texas Municipal Water District  
Method 2 - Determination of 2005 Annual Minimum**

	2002			2003			2004			2005
	Annual Minimum (1,000 gal.)	Actual Consumption (1,000 gal.)	Variance (1,000 gal.)	Annual Minimum (1,000 gal.)	Actual Consumption (1,000 gal.)	Variance (1,000 gal.)	Annual Minimum (1,000 gal.)	Actual Consumption (1,000 gal.)	Variance (1,000 gal.)	Annual Minimum (1,000 gal.)
Allen	3,952,728	3,699,752	(252,976)	3,952,728	4,124,397	171,669	4,124,397	4,362,143	237,746	4,362,143
Farmersville	290,608	228,235	(62,373)	290,608	225,417	(65,191)	290,608	246,458	(44,150)	<b>246,458</b>
Forney	743,504	658,408	(85,096)	743,504	788,921	45,417	788,921	891,245	102,324	891,245
Frisco	4,125,696	4,394,752	269,056	4,394,752	5,607,266	1,212,514	5,607,266	5,645,797	38,531	5,645,797
Garland	13,660,013	12,051,601	(1,608,412)	13,660,013	12,904,220	(755,793)	13,660,013	12,612,613	(1,047,400)	<b>12,904,220</b>
McKinney	5,748,746	5,689,078	(59,668)	5,748,746	6,350,897	602,151	6,350,897	6,582,712	231,815	6,582,712
Mesquite	7,798,284	6,550,839	(1,247,445)	6,041,180	5,575,688	(465,492)	6,041,180	4,814,443	(1,226,737)	See Note 4
Mesquite # 3				1,881,950	1,170,130	(711,820)	1,956,857	1,597,147	(359,710)	See Note 3
Plano	26,719,809	22,459,418	(4,260,391)	26,719,809	22,745,013	(3,974,796)	26,719,809	22,149,517	(4,570,292)	<b>22,745,013</b>
Princeton	328,803	278,431	(50,372)	328,803	287,581	(41,222)	328,803	289,199	(39,604)	<b>289,199</b>
Richardson	11,019,311	9,773,780	(1,245,531)	11,019,311	10,135,415	(883,896)	11,019,311	9,532,442	(1,486,869)	<b>10,135,415</b>
Rockwall	2,188,525	1,876,570	(311,955)	2,188,525	2,234,227	45,702	2,234,227	2,332,266	98,039	2,332,266
Royse City	277,416	257,149	(20,267)	277,416	286,471	9,055	286,471	327,863	41,392	327,863
Wylie	907,331	816,417	(90,914)	907,331	1,042,381	135,050	1,042,381	1,266,615	224,234	1,266,615
Caddo Basin	252,318	197,652	(54,666)	252,318	245,280	(7,038)	252,318	223,734	(28,584)	<b>245,280</b>
Cash SUD	237,267	211,830	(25,437)	237,267	221,385	(15,882)	237,267	257,909	20,642	257,909
College Mound WSC	66,769	56,135	(10,634)	66,769	62,017	(4,752)	66,769	52,093	(14,676)	<b>62,017</b>
Copeville WSC	65,478	65,737	259	65,737	68,468	2,731	68,468	73,935	5,467	73,935
East Fork SUD	183,632	150,055	(33,577)	183,632	188,012	4,380	188,012	202,927	14,915	202,927
Fairview	364,741	352,745	(11,996)	364,741	394,901	30,160	394,901	420,325	25,424	420,325
Fate	65,173	69,529	4,356	69,529	77,744	8,215	77,744	113,197	35,453	113,197
Forney Lake WSC	153,126	112,745	(40,381)	153,126	131,507	(21,619)	153,126	135,370	(17,756)	See Note 3
Gasonia-Scurry WSC	110,490	80,336	(30,154)	80,336	101,254	20,918	101,254	98,508	(2,746)	See Note 2
Josephine	32,879	40,978	8,099	40,978	33,301	(7,677)	40,978	38,203	(2,775)	40,978
Kaufman	406,317	419,999	13,682	419,999	392,227	(27,772)	419,999	419,659	(340)	419,999
Kaufman Four One	396,327	337,611	(58,716)	396,327	356,603	(39,724)	396,327	396,336	9	396,336
Lavon WSC	142,389	96,660	(45,729)	142,389	124,858	(17,531)	142,389	141,538	(851)	See Note 3
Little Elm	122,061	210,964	88,903	210,964	368,734	157,770	368,734	504,167	135,433	504,167
Lucas	337,693	243,856	(93,837)	337,693	271,766	(65,927)	271,766	301,984	30,218	See Note 1
Melissa				48,664	32,160	(16,504)	73,000	59,467	(13,533)	See Note 3
Milligan WSC	121,388	115,787	(5,601)	121,388	149,894	28,506	149,894	127,646	(22,248)	149,894
Mt Zion WSC	125,486	97,279	(28,207)	125,486	100,946	(24,540)	125,486	108,816	(16,670)	<b>108,816</b>
Murphy	371,527	496,860	125,333	496,860	655,870	159,010	655,870	792,811	136,941	792,811
Nevada WSC	69,001	66,189	(2,812)	69,001	71,043	2,042	71,043	71,813	770	71,813
North Collin WSC	287,568	245,779	(41,789)	287,568	274,347	(13,221)	287,568	284,428	(3,140)	<b>284,428</b>
Parker	211,304	228,969	17,665	228,969	306,201	77,232	306,201	344,660	38,459	344,660
Rose Hill WSC	43,271	40,056	(3,215)	43,271	16,160	(27,111)	43,271	7,689	(35,582)	<b>40,056</b>
Rowlett	2,920,333	2,564,207	(356,126)	2,920,333	2,772,637	(147,696)	2,920,333	2,772,411	(147,922)	<b>2,772,637</b>
Sachse	724,857	521,439	(203,418)	724,857	612,776	(112,081)	724,857	762,689	37,832	762,689
Sachse #2	130,288	62,697	(67,591)	130,646	388,403	257,757	388,403	194,171	(194,232)	See Note 3
Seis Lagos MUD	82,719	60,814	(21,905)	82,719	74,712	(8,007)	82,719	76,473	(6,246)	<b>76,473</b>
Sunnyvale	439,743	314,893	(124,850)	439,743	362,405	(77,338)	439,743	376,311	(63,432)	<b>376,311</b>
Wylie NE WSC	130,896	87,351	(43,545)	130,896	118,559	(12,337)	130,896	120,048	(10,848)	<b>120,048</b>

**Notes**

- (1) Received Adjustment to Minimum Annual Demand in 2004. Eligible for Adjustment again in 2007
- (2) Received Adjustment to Minimum Annual Demand in 2003. Eligible for Adjustment again in 2006
- (3) Ineligible for Minimum Annual Demand Adjustment due to Contract
- (4) Mesquite revised contract in 2003, resulting in a lower Minimum Annual Demand than the amount it would be eligible for under this scenario

North Texas Municipal Water District  
Method 2 - 2005

								Increase / (Decrease)			Wtr Yr Increase / (Decrease)					
								Full Rate	Excess Rate	Rebate Rate	FY 05 Ann Min	FY 05 Annual Billing	FY 05 Full Billing	FY 05 Excess Billing	FY 05 Rebate	FY 05 Total
								(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)
Members																
Allen		4,362,143	4,687,958	325,815	-	-	-	325,815			4,362,143	\$ 1,038	\$ 1,038	\$ 0,214	\$ 0.214	
Farmersville <sup>(1)</sup>		246,458	242,487	(3,971)	-	-	-	-		(3,971)	246,458	\$ 255,784	\$ -	\$ -	\$ (850)	\$ 254,934
Forney		891,245	1,059,328	168,083	-	-	-	168,083			891,245	\$ 924,969	\$ -	\$ -	\$ 35,961	\$ 960,930
Frnsco		5,645,797	6,467,274	821,477	-	-	-	821,477			5,645,797	\$ 5,859,431	\$ -	\$ -	\$ 175,754	\$ 6,035,185
Garland <sup>(1)</sup>		12,904,220	12,435,423	(468,797)	-	-	-	-		(468,797)	12,904,220	\$ 13,392,510	\$ -	\$ -	\$ (100,298)	\$ 13,292,212
McKinney		6,582,712	7,166,992	584,280	-	-	-	584,280			6,582,712	\$ 6,831,799	\$ -	\$ -	\$ 125,006	\$ 6,956,805
Mesquite		6,041,180	4,885,178	(1,156,002)	-	-	-	-		(1,156,002)	6,041,180	\$ 6,269,776	\$ -	\$ -	\$ (247,325)	\$ 6,022,451
Mesquite # 3 <sup>(2)</sup>		2,031,764	1,351,516	(680,248)	2,256,486	c	-	-		-	2,031,764	\$ 2,108,645	\$ -	\$ -	\$ -	\$ 2,108,645
Plano <sup>(1)</sup>		22,745,013	22,432,203	(312,810)	-	-	-	-		(312,810)	22,745,013	\$ 23,605,674	\$ -	\$ -	\$ (66,925)	\$ 23,538,749
Princeton <sup>(1)</sup>		289,199	337,039	47,840	-	-	-	47,840			289,199	\$ 300,142	\$ -	\$ -	\$ 10,235	\$ 310,377
Richardson <sup>(1)</sup>		10,135,415	8,553,732	(1,581,683)	-	-	-	-		(1,581,683)	10,135,415	\$ 10,518,935	\$ -	\$ -	\$ (338,399)	\$ 10,180,536
Rockwall		2,332,266	2,471,592	139,326	-	-	-	139,326			2,332,266	\$ 2,420,518	\$ -	\$ -	\$ 29,809	\$ 2,450,326
Royce City		327,863	338,437	10,574	-	-	-	10,574			327,863	\$ 340,269	\$ -	\$ -	\$ 2,262	\$ 342,531
Wylie		1,266,615	1,387,214	120,599	-	-	-	120,599			1,266,615	\$ 1,314,543	\$ -	\$ -	\$ 25,802	\$ 1,340,345
Total		75,801,890	73,816,373	(1,985,517)	-	-	-	2,217,994		(3,523,263)	75,801,890	\$ 78,670,199	\$ -	\$ -	\$ 474,536	\$ 78,390,939
Customers																
Caddo Basin <sup>(1)</sup>		245,280	240,325	(4,955)	-	-	-	-		(4,955)	245,280	\$ 266,825	\$ -	\$ -	\$ (1,060)	\$ 265,765
Cash SUD	A	257,909	256,282	(1,627)	-	-	-	-		-	257,909	\$ 280,564	\$ -	\$ -	\$ -	\$ 280,564
College Mound WSC <sup>(1)</sup>	A	62,017	9,825	(52,192)	-	-	-	-		-	62,017	\$ 67,465	\$ -	\$ -	\$ -	\$ 67,465
Copeville WSC		73,935	66,320	(7,615)	113,866.6	c	-	-		(7,615)	73,935	\$ 80,429	\$ -	\$ -	\$ (1,629)	\$ 78,800
East Fork SUD		202,927	221,755	18,828	280,831	c	18,828	-		-	202,927	\$ 220,752	\$ 20,482	\$ -	\$ -	\$ 241,234
Fairview		420,325	478,582	58,257	-	-	-	58,257		-	420,325	\$ 457,246	\$ -	\$ -	\$ 15,377	\$ 472,623
Fate		113,197	155,139	41,942	-	-	-	41,942		-	113,197	\$ 123,140	\$ -	\$ -	\$ 11,071	\$ 134,211
Forney Lake WSC <sup>(2)</sup>		171,795	164,447	(7,348)	227,800	c	-	-		-	171,795	\$ 186,885	\$ -	\$ -	\$ -	\$ 186,885
Gasonia-Scurry WSC		101,254	107,566	6,312	-	-	-	6,312		-	101,254	\$ 110,148	\$ -	\$ -	\$ 1,666	\$ 111,814
Josephine		40,978	41,031	53	45,400	c	53	-		-	40,978	\$ 44,577	\$ 58	\$ -	\$ -	\$ 44,635
Kaufman		419,999	409,164	(10,835)	-	-	-	-		(10,835)	419,999	\$ 456,892	\$ -	\$ -	\$ (2,318)	\$ 454,573
Kaufman Four One	A	396,336	382,065	(14,271)	-	-	-	-		-	396,336	\$ 431,150	\$ -	\$ -	\$ -	\$ 431,150
Lavon WSC <sup>(2)</sup>		142,389	148,610	6,221	142,389	c	-	6,221		-	142,389	\$ 154,896	\$ -	\$ -	\$ 1,642	\$ 156,538
Little Elm		504,167	610,479	106,312	-	-	-	106,312		-	504,167	\$ 548,453	\$ -	\$ -	\$ 28,061	\$ 576,514
Lucas		301,984	308,034	6,050	-	-	-	6,050		-	301,984	\$ 328,510	\$ -	\$ -	\$ 1,597	\$ 330,107
Lucas #3		-	-	-	-	-	-	-		-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Melissa <sup>(2)</sup>	B	73,000	86,408	13,408	73,000	c	-	13,408		-	73,000	\$ 79,412	\$ -	\$ -	\$ 3,539	\$ 82,951
Milligan WSC		149,894	128,680	(21,214)	155,938	c	-	-		(21,214)	149,894	\$ 163,061	\$ -	\$ -	\$ (4,539)	\$ 158,522
Mt. Zion WSC <sup>(1)</sup>		108,816	108,196	(620)	-	-	-	-		(620)	108,816	\$ 118,374	\$ -	\$ -	\$ (133)	\$ 118,242
Murphy		792,811	906,941	114,130	-	-	-	114,130		-	792,811	\$ 862,451	\$ -	\$ -	\$ 30,124	\$ 892,576
Nevada WSC		71,813	68,787	(3,026)	-	-	-	-		(3,026)	71,813	\$ 78,121	\$ -	\$ -	\$ (647)	\$ 77,474
North Collin WSC <sup>(1)</sup>		284,428	290,010	5,582	300,000	c	5,582	-		-	284,428	\$ 309,412	\$ 6,072	\$ -	\$ -	\$ 315,484
Parker		344,660	392,852	48,192	-	-	-	48,192		-	344,660	\$ 374,935	\$ -	\$ -	\$ 12,720	\$ 387,655
Prosper <sup>(2)</sup>	B	236,575	95,406	(141,169)	236,575	c	-	-		-	236,575	\$ 299,156	\$ -	\$ -	\$ -	\$ 299,156
Rose Hill WSC <sup>(1)</sup>	A	40,056	12,847	(27,209)	48,000	c	-	-		-	40,056	\$ 43,575	\$ -	\$ -	\$ -	\$ 43,575
Rowlett <sup>(1)</sup>		2,772,637	2,734,709	(37,928)	4,051,017	c	-	-		(37,928)	2,772,637	\$ 3,016,184	\$ -	\$ -	\$ (8,115)	\$ 3,008,070
Sachse		762,689	611,056	(151,633)	-	-	-	-		(151,633)	762,689	\$ 829,683	\$ -	\$ -	\$ (32,442)	\$ 797,242
Sachse #2 <sup>(2)</sup>	B	388,403	385,477	(2,926)	522,585	c	-	-		-	388,403	\$ 422,520	\$ -	\$ -	\$ -	\$ 422,520
Seis Lagos MUD <sup>(1)</sup>		76,473	71,594	(4,879)	-	-	-	-		(4,879)	76,473	\$ 83,190	\$ -	\$ -	\$ (1,044)	\$ 82,146
Sunnyvale <sup>(1)</sup>		376,311	391,036	14,725	910,969	c	14,725	-		-	376,311	\$ 409,366	\$ 16,018	\$ -	\$ -	\$ 425,384
Wylie NE WSC <sup>(1)</sup>		120,048	143,816	23,768	-	-	-	23,768		-	120,048	\$ 130,593	\$ -	\$ -	\$ 6,274	\$ 136,866
Total		10,053,106	10,027,439	(25,667)	-	-	-	39,188		(242,705)	10,091,531	\$ 10,977,967	\$ 42,630	\$ 112,070	\$ (51,926)	\$ 11,080,741
Total		85,854,996	83,843,812	(2,011,184)	-	-	-	39,188		(3,765,968)	85,893,421	\$ 89,648,166	\$ 42,630	\$ 586,607	\$ (805,723)	\$ 89,471,680

Notes

(1) Eligible for adjustment to Minimum Annual Demand

(2) Not eligible for Minimum Annual Demand Adjustment due to Contract

(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD

(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met

(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 88,269,230

Over / (Under) Recovery \$ 1,202,450

**North Texas Municipal Water District  
Method 2 - Determination of 2006 Annual Minimum**

	2003			2004			2005			2006
	Annual Minimum (1,000 gal.) Minimum	Actual Consumption (1,000 gal.)	Variance (1,000 gal.)	Annual Minimum (1,000 gal.) Minimum	Actual Consumption (1,000 gal.)	Variance (1,000 gal.)	Annual Minimum (1,000 gal.) Minimum	Actual Consumption (1,000 gal.)	Variance (1,000 gal.)	Annual Minimum (1,000 gal.)
Allen	3,952,728	4,124,397	171,669	4,124,397	4,362,143	237,746	4,362,143	4,687,958	325,815	4,687,958
Farmersville	290,608	225,417	(65,191)	290,608	246,458	(44,150)	246,458	242,487	(3,971)	See Note 1
Forney	743,504	788,921	45,417	788,921	891,245	102,324	891,245	1,059,328	168,083	1,059,328
Frisco	4,394,752	5,607,266	1,212,514	5,607,266	5,645,797	38,531	5,645,797	6,467,274	821,477	6,467,274
Garland	13,660,013	12,904,220	(755,793)	13,660,013	12,612,613	(1,047,400)	12,904,220	12,435,423	(468,797)	See Note 1
McKinney	5,748,746	6,350,897	602,151	6,350,897	6,582,712	231,815	6,582,712	7,166,992	584,280	7,166,992
Mesquite	6,041,180	5,575,688	(465,492)	6,041,180	4,814,443	(1,226,737)	6,041,180	4,885,178	(1,156,002)	<b>5,575,688</b>
Mesquite # 3	1,881,950	1,170,130	(711,820)	1,956,857	1,597,147	(359,710)	2,031,764	1,351,516	(680,248)	See Note 3
Plano	26,719,809	22,745,013	(3,974,796)	26,719,809	22,149,517	(4,570,292)	22,745,013	22,432,203	(312,810)	See Note 1
Princeton	328,803	287,581	(41,222)	328,803	289,199	(39,604)	289,199	337,039	47,840	See Note 1
Richardson	11,019,311	10,135,415	(883,896)	11,019,311	9,532,442	(1,486,869)	10,135,415	8,553,732	(1,581,683)	See Note 1
Rockwall	2,188,525	2,234,227	45,702	2,234,227	2,332,266	98,039	2,332,266	2,471,592	139,326	2,471,592
Royse City	277,416	286,471	9,055	286,471	327,863	41,392	327,863	338,437	10,574	338,437
Wylie	907,331	1,042,381	135,050	1,042,381	1,266,615	224,234	1,266,615	1,387,214	120,599	1,387,214
Caddo Basin	252,318	245,280	(7,038)	252,318	223,734	(28,584)	245,280	240,325	(4,955)	See Note 1
Cash SUD	237,267	221,385	(15,882)	237,267	257,909	20,642	257,909	256,282	(1,627)	257,909
College Mound WSC	66,769	62,017	(4,752)	66,769	52,093	(14,676)	62,017	9,825	(52,192)	See Note 1
Copeville WSC	65,737	68,468	2,731	68,468	73,935	5,467	73,935	66,320	(7,615)	73,935
East Fork SUD	183,632	188,012	4,380	188,012	202,927	14,915	202,927	221,755	18,828	221,755
Fairview	364,741	394,901	30,160	394,901	420,325	25,424	420,325	478,582	58,257	478,582
Fate	69,529	77,744	8,215	77,744	113,197	35,453	113,197	155,139	41,942	155,139
Forney Lake WSC	153,126	131,507	(21,619)	153,126	135,370	(17,756)	171,795	164,447	(7,348)	See Note 3
Gasonia-Scurry WSC	80,336	101,254	20,918	101,254	98,508	(2,746)	101,254	107,566	6,312	107,566
Josephine	40,978	33,301	(7,677)	40,978	38,203	(2,775)	40,978	41,031	53	41,031
Kaufman	419,999	392,227	(27,772)	419,999	419,659	(340)	419,999	409,164	(10,835)	<b>419,999</b>
Kaufman Four One	396,327	356,603	(39,724)	396,327	396,336	9	396,336	382,065	(14,271)	396,336
Lavon WSC	142,389	124,858	(17,531)	142,389	141,538	(851)	142,389	148,610	6,221	148,610
Little Elm	210,964	368,734	157,770	368,734	504,167	135,433	504,167	610,479	106,312	See Note 3
Lucas	337,693	271,766	(65,927)	271,766	301,984	30,218	301,984	308,034	6,050	See Note 2
Melissa	48,664	32,160	(16,504)	73,000	59,467	(13,533)	73,000	86,408	13,408	86,408
Milligan WSC	121,388	149,894	28,506	149,894	127,646	(22,248)	149,894	128,680	(21,214)	149,894
Mt. Zion WSC	125,486	100,946	(24,540)	125,486	108,816	(16,670)	108,816	108,196	(620)	See Note 1
Murphy	496,860	655,870	159,010	655,870	792,811	136,941	792,811	906,941	114,130	906,941
Nevada WSC	69,001	71,043	2,042	71,043	71,813	770	71,813	68,787	(3,026)	See Note 3
North Collin WSC	287,568	274,347	(13,221)	287,568	284,428	(3,140)	284,428	290,010	5,582	See Note 1
Parker	228,969	306,201	77,232	306,201	344,660	38,459	344,660	392,852	48,192	392,852
Prosper							236,575	95,406	(141,169)	See Note 3
Rose Hill WSC	43,271	16,160	(27,111)	43,271	7,689	(35,582)	40,056	12,847	(27,209)	See Note 1
Rowlett	2,920,333	2,772,637	(147,696)	2,920,333	2,772,411	(147,922)	2,772,637	2,734,709	(37,928)	See Note 1
Sachse	724,857	612,776	(112,081)	724,857	762,689	37,832	762,689	611,056	(151,633)	762,689
Sachse #2	130,646	388,403	257,757	388,403	194,171	(194,232)	388,403	385,477	(2,926)	See Note 3
Seis Lagos MUD	82,719	74,712	(8,007)	82,719	76,473	(6,246)	76,473	71,594	(4,879)	See Note 1
Sunnyvale	439,743	362,405	(77,338)	439,743	376,311	(63,432)	376,311	391,036	14,725	See Note 1
Wylie NE WSC	130,896	118,559	(12,337)	130,896	120,048	(10,848)	120,048	143,816	23,768	See Note 1

**Notes**

- (1) Received Adjustment to Minimum Annual Demand in 2005. Eligible for Adjustment again in 2008
- (2) Received Adjustment to Minimum Annual Demand in 2004. Eligible for Adjustment again in 2007
- (3) Ineligible for Minimum Annual Demand Adjustment due to Contract

North Texas Municipal Water District  
Method 2 - 2006

	Increase / (Decrease)							Wtr Yr Increase / (Decrease)										
	FY06			Excess Rate Contract Minimum (1,000 gall)				FY 06			FY 06							
	Wtr Yr 06	Wtr Yr 06	Increase		Full	Excess	Rebate	FY 06	FY 06	FY 06	FY 06	FY 06						
	Ann Min	Actual	(Decrease)		Rate	Rate	Rate	Ann Min	Annual	Full	Excess	Rebate	Total					
	(1,000 gall)	(1,000 gall)	(1,000 gall)		(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)										
Members									\$	1,027	\$	0,243	\$	0,243				
Allen	4,687,958	5,588,259	900,301	-	-	900,301	-	4,687,958	\$	4,812,781.87	\$	-	\$	219,139.95	\$	-	\$	5,031,921.82
Farmersville	246,458	280,467	34,009	-	-	34,009	-	246,458	\$	253,020.31	\$	-	\$	8,278.04	\$	-	\$	261,298.35
Forney	1,059,328	1,416,868	357,540	-	-	357,540	-	1,059,328	\$	1,087,534.19	\$	-	\$	87,027.89	\$	-	\$	1,174,562.08
Frnsco	6,467,274	7,918,529	1,451,255	-	-	1,451,255	-	6,467,274	\$	6,639,474.81	\$	-	\$	353,246.24	\$	-	\$	6,992,721.05
Frnsco #2 (2)	3,116	419,410	416,294	12,465	c	9,349	406,945	5,650	\$	5,800.44	\$	9,597.93	\$	99,053.44	\$	-	\$	114,451.81
Garland	12,904,220	13,721,955	817,735	-	-	817,735	-	12,904,220	\$	13,247,814.08	\$	-	\$	199,042.77	\$	-	\$	13,448,856.86
McKinney	7,166,992	8,385,134	1,218,142	-	-	1,218,142	-	7,166,992	\$	7,357,823.84	\$	-	\$	296,504.81	\$	-	\$	7,654,328.65
McKinney #3 (2)	171,228	350,012	178,784	684,910	c	178,784	-	228,303	\$	234,381.91	\$	183,544.39	\$	-	\$	-	\$	417,926.30
Mesquite (1)	5,575,688	5,756,029	180,341	-	-	180,341	-	5,575,688	\$	5,724,149.00	\$	-	\$	43,896.34	\$	-	\$	5,768,045.34
Mesquite # 3 (2)	2,106,671	1,359,175	(747,496)	2,256,486	c	-	-	2,106,671	\$	2,162,764.25	\$	-	\$	-	\$	-	\$	2,162,764.25
Plano	22,745,013	26,265,050	3,520,037	-	-	3,520,037	-	22,745,013	\$	23,350,632.86	\$	-	\$	856,803.15	\$	-	\$	24,207,436.01
Princeton	337,039	409,624	72,585	-	-	72,585	-	337,039	\$	346,013.17	\$	-	\$	17,667.73	\$	-	\$	363,680.89
Richardson	10,135,415	10,050,090	(85,325)	-	-	-	(85,325)	10,135,415	\$	10,405,285.53	\$	-	\$	-	\$	(20,768.74)	\$	10,384,516.79
Rockwall	2,471,592	3,284,236	812,644	-	-	812,644	-	2,471,592	\$	2,537,401.82	\$	-	\$	197,803.58	\$	-	\$	2,735,205.40
Royse City	338,437	470,150	131,713	-	-	131,713	-	338,437	\$	347,448.39	\$	-	\$	32,059.92	\$	-	\$	379,508.31
Wylie	1,387,214	1,721,763	334,549	-	-	334,549	-	1,387,214	\$	1,424,150.64	\$	-	\$	81,431.71	\$	-	\$	1,505,582.35
Total	77,803,643	87,396,751	9,593,108		188,133	10,237,796	(85,325)	77,863,252	\$	79,936,477.09	\$	193,142.32	\$	2,491,955.57	\$	(20,768.74)	\$	82,600,806.25
Customers									\$	1,077	\$	0,293	\$	0,243				-
Caddo Basin SUD	245,280	293,451	48,171	-	-	48,171	-	245,280	\$	264,074.95	\$	-	\$	14,133.73	\$	-	\$	278,208.67
Cash SUD	A 257,909	305,643	47,734	-	-	47,734	-	257,909	\$	277,671.66	\$	-	\$	14,005.51	\$	-	\$	291,677.17
College Mound WSC	A 62,017	62,710	693	-	-	693	-	62,017	\$	66,769.15	\$	-	\$	203.33	\$	-	\$	66,972.48
Copeville WSC	73,935	77,927	3,992	113,866	6	c	3,992	73,935	\$	79,600.38	\$	4,297.89	\$	-	\$	-	\$	83,898.27
East Fork SUD	221,755	324,226	102,471	280,831	c	59,076	43,395	221,755	\$	238,747.31	\$	63,602.79	\$	12,732.42	\$	-	\$	315,082.51
Fairview	478,582	721,185	242,603	-	-	242,603	-	478,582	\$	515,254.06	\$	-	\$	71,181.52	\$	-	\$	586,435.58
Fate	155,139	279,932	124,793	-	-	124,793	-	155,139	\$	167,026.76	\$	-	\$	36,615.19	\$	-	\$	203,641.95
Fate #2	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-	\$	-	\$	-
Forney Lake WSC (2)	182,996	295,577	112,581	227,800	c	44,804	67,777	182,996	\$	197,018.34	\$	48,237.17	\$	19,886.28	\$	-	\$	265,141.79
Gasonia-Scurry WSC	107,566	107,875	309	-	-	309	-	107,566	\$	115,808.41	\$	-	\$	90.66	\$	-	\$	115,899.07
Josephine	41,031	57,407	16,376	45,400	c	4,369	12,007	41,031	\$	44,175.06	\$	4,703.78	\$	3,522.94	\$	-	\$	52,401.79
Kaufman (1)	419,659	438,403	18,744	-	-	18,744	-	419,659	\$	451,816.00	\$	-	\$	5,499.63	\$	-	\$	457,315.62
Kaufman Four One	A 396,336	450,363	54,027	-	-	54,027	-	396,336	\$	426,705.84	\$	-	\$	15,851.92	\$	-	\$	442,557.76
Lavon WSC	148,610	217,256	68,646	-	-	68,646	-	148,610	\$	159,997.46	\$	-	\$	20,141.25	\$	-	\$	180,138.71
Little Elm - Interim (2)	559,606	925,163	365,557	-	-	365,557	-	457,859	\$	492,943.13	\$	-	\$	107,257.14	\$	-	\$	600,200.27
Little Elm - Permanent (2)	51,667	107,415	55,748	162,917	c	55,748	-	155,000	\$	166,877.11	\$	60,019.77	\$	-	\$	-	\$	226,896.88
Lucas	308,034	212,681	(95,353)	-	-	-	(95,353)	308,034	\$	331,637.56	\$	-	\$	-	\$	(23,209.63)	\$	308,427.94
Lucas #3 (2)	63,969	290,897	226,928	255,878	c	191,909	35,019	63,969	\$	68,870.72	\$	206,614.31	\$	10,274.83	\$	-	\$	285,759.87
Melissa	86,408	135,737	49,329	-	-	49,329	-	86,408	\$	93,029.14	\$	-	\$	14,473.49	\$	-	\$	107,502.64
Milligan WSC	149,894	147,744	(2,150)	155,938	c	-	(2,150)	149,894	\$	161,379.85	\$	-	\$	-	\$	(523.33)	\$	160,856.53
Mt. Zion WSC	108,816	159,302	50,486	-	-	50,486	-	108,816	\$	117,154.19	\$	-	\$	14,812.97	\$	-	\$	131,967.16
Murphy	906,941	1,193,806	286,865	1,145,000	c	238,059	48,806	906,941	\$	976,436.71	\$	256,300.63	\$	14,320.04	\$	-	\$	1,247,057.37
Nevada WSC	45,802	56,413	10,611	-	-	10,611	-	38,969	\$	41,955.06	\$	-	\$	3,113.35	\$	-	\$	45,068.40
Nevada WSC #2	30,766	31,766	1,000	44,925	c	1,000	-	38,849	\$	41,825.86	\$	1,076.63	\$	-	\$	-	\$	42,902.49
North Collin WSC	290,010	318,780	28,770	300,000	c	9,990	18,780	290,010	\$	312,232.45	\$	10,755.50	\$	5,510.19	\$	-	\$	328,498.14
Parker	392,852	470,812	77,960	-	-	77,960	-	392,852	\$	422,954.87	\$	-	\$	22,874.04	\$	-	\$	445,828.91
Prosper (2)	275,000	208,182	(66,818)	275,000	c	-	-	275,000	\$	296,072.28	\$	-	\$	-	\$	-	\$	296,072.28
Rose Hill SUD	A 40,056	42,818	2,762	48,000	c	2,762	-	40,056	\$	43,125.35	\$	2,973.64	\$	-	\$	-	\$	46,098.99
Rowlett	2,772,637	3,192,039	419,402	4,051,017	c	419,402	-	2,772,637	\$	2,985,094.44	\$	451,539.30	\$	-	\$	-	\$	3,436,633.74
Sachse	762,689	734,691	(27,998)	-	-	-	(27,998)	762,689	\$	821,131.18	\$	-	\$	-	\$	(6,814.92)	\$	814,316.26
Sachse #2 (2)	388,403	431,099	42,696	522,585	c	42,696	-	388,403	\$	418,164.96	\$	45,967.64	\$	-	\$	-	\$	464,132.60
Seis Lagos MUD	76,473	111,094	34,621	-	-	34,621	-	76,473	\$	82,332.86	\$	-	\$	10,158.06	\$	-	\$	92,490.92
Sunnyvale	391,036	559,135	168,099	910,969	c	168,099	-	391,036	\$	420,999.72	\$	180,979.84	\$	-	\$	-	\$	601,979.55
Wylie NE SUD	143,816	197,289	53,473	-	-	53,473	-	143,816	\$	154,836.12	\$	-	\$	15,689.38	\$	-	\$	170,525.49
Total	10,635,690	13,158,818	2,523,128		1,241,906	1,473,541	(125,501)	10,638,526	\$	11,453,718.91	\$	1,337,068.90	\$	432,347.87	\$	(30,547.88)	\$	13,192,587.80
Total	88,439,333	100,555,569	12,116,236		1,430,039	11,711,337	(210,826)	88,501,778	\$	91,390,196.00	\$	1,530,211.22	\$	2,924,303.45	\$	(51,316.61)	\$	95,793,394

Notes

- (1) Eligible for adjustment to Minimum Annual Demand  
(2) Not eligible for Minimum Annual Demand Adjustment due to Contract  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement 93,929,340  
Over / (Under) Recovery \$ 1,864,054



## North Texas Municipal Water District

### Method 3 - Determination of 2003 Annual Minimum

	2000	2001	2002	2003
	Actual Consumption (1,000 gal.)	Actual Consumption (1,000 gal.)	Actual Consumption (1,000 gal.)	Annual Minimum
<b>Members</b>				
Allen	3,331,824	3,952,728	3,699,752	3,661,435
Farmersville	270,005	290,608	228,235	262,949
Forney	662,542	743,504	658,408	688,151
Frisco	3,199,458	4,125,696	4,394,752	3,906,635
Garland	13,152,152	13,660,013	12,051,601	12,954,589
McKinney	4,832,225	5,748,746	5,689,078	5,423,350
Mesquite	7,582,774	7,798,284	6,550,839	See Note 1
Plano	23,822,845	26,719,809	22,459,418	24,334,024
Princeton	303,432	328,803	278,431	303,555
Richardson	10,461,074	11,019,311	9,773,780	10,418,055
Rockwall	1,854,564	2,188,525	1,876,570	1,973,220
Royse City	248,799	277,416	257,149	261,121
Wylie	764,087	907,331	816,417	829,278
<b>Customers</b>				
Caddo Basin	191,657	252,318	197,652	213,876
Cash WSC	228,754	237,267	211,830	225,950
College Mound WSC	47,463	66,769	56,135	56,789
Copeville WSC	54,675	65,478	65,737	61,963
East Fork WSC	180,316	183,632	150,055	171,334
Fairview	328,592	364,741	352,745	348,693
Fate	45,866	65,173	69,529	60,189
Forney Lake WSC	137,008	153,126	112,745	134,293
Gasonia-Scurry WSC	70,764	78,397	80,336	76,499
Josephine	28,414	32,879	40,978	34,090
Kaufman	374,829	406,317	419,999	400,382
Kaufman Four One	327,291	396,327	337,611	353,743
Lavon WSC	115,308	130,385	96,660	See Note 1
Little Elm		84,889	210,964	147,927
Lucas	145,973	118,740	243,856	169,523
Lucas No 2	120,611	191,720		156,166
Milligan WSC	116,195	121,388	115,787	117,790
Mt. Zion WSC	114,498	125,486	97,279	112,421
Murphy	227,701	371,527	496,860	365,363
Nevada WSC	64,318	69,001	66,189	66,503
North Collin WSC	272,432	287,568	245,779	268,593
Parker	204,433	211,304	228,969	214,902
Rose Hill WSC	33,378	43,271	40,056	38,902
Rowlett	2,564,479	2,920,333	2,564,207	2,683,006
Sachse	584,301	724,857	521,439	610,199
Seis Lagos MUD	75,227	82,719	60,814	72,920
Sunnyvale	323,191	439,743	314,893	359,276
Wylie NE WSC	115,831	130,896	87,351	111,359

**Notes:**

(1) Ineligible for Minimum Annual Demand Adjustment due to Contract

North Texas Municipal Water District  
Method 3 - 2003

	Wtr Yr 03 Ann Min	Wtr Yr 03 Actual	Increase (Decrease)	Excess Rate Contract Minium	Increase / (Decrease)			FY 03 Ann Min	FY 03 Annual Billing	Wtr Yr Increase / (Decrease)				FY 03 Rebate	FY 03 Total
					Full Rate	Excess Rate	Rebate Rate			FY 03 Full Billing	FY 03 Excess Billing	FY 03 Rebate	FY 03 Total		
Members															
Allen	3,661,435	4,124,397	462,962	-	-	462,962		3,661,435	\$ 0.939	\$ 0.939	\$ 0.216	\$ 0.216		\$ 0.216	
Farmersville	262,949	225,417	(37,532)	-	-	-	(37,532)	262,949	\$ 3,437,240	\$ -	\$ 99,839	\$ -	\$ (8,094)	\$ -	\$ 3,537,078
Forney	688,151	788,921	100,770	-	-	100,770		688,151	\$ 246,849	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,755
Frisco	3,906,635	5,607,266	1,700,631	-	-	1,700,631		3,906,635	\$ 646,015	\$ -	\$ 21,731	\$ -	\$ -	\$ -	\$ 667,746
Garland	12,954,589	12,904,220	(50,369)	-	-	-	(50,369)	12,954,589	\$ 3,667,426	\$ -	\$ 366,744	\$ -	\$ -	\$ -	\$ 4,034,170
McKinney	5,423,350	6,350,897	927,547	-	-	927,547		5,423,350	\$ 12,161,361	\$ -	\$ -	\$ (10,862)	\$ -	\$ -	\$ 12,150,499
Mesquite	6,041,180	5,575,688	(465,492)	-	-	-	(465,492)	6,041,180	\$ 5,091,270	\$ -	\$ 200,027	\$ -	\$ -	\$ -	\$ 5,291,297
Mesquite # 3 <sup>(1)</sup>	1,881,950	1,170,130	(711,820)	2,256,486	C	-		6,041,180	\$ 5,671,270	\$ -	\$ -	\$ (100,384)	\$ -	\$ -	\$ 5,570,886
Plano	24,334,024	22,745,013	(1,589,011)	-	-	-	(1,589,011)	1,881,950	\$ 1,766,716	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,766,716
Pnncton	303,555	287,581	(15,974)	-	-	-	(15,974)	24,334,024	\$ 22,844,017	\$ -	\$ -	\$ (342,673)	\$ -	\$ -	\$ 22,501,344
Richardson	10,418,055	10,135,415	(282,640)	-	-	-	(282,640)	303,555	\$ 284,968	\$ -	\$ -	\$ (3,445)	\$ -	\$ -	\$ 281,523
Rockwall	1,973,220	2,234,227	261,007	-	-	261,007		10,418,055	\$ 9,780,143	\$ -	\$ -	\$ (60,952)	\$ -	\$ -	\$ 9,719,191
Royse City	261,121	286,471	25,350	-	-	25,350		1,973,220	\$ 1,852,397	\$ -	\$ 56,287	\$ -	\$ -	\$ -	\$ 1,908,683
Wylie	829,278	1,042,381	213,103	-	-	213,103		261,121	\$ 245,133	\$ -	\$ 5,467	\$ -	\$ -	\$ -	\$ 250,599
Total	72,939,493	73,478,024	538,531	-	-	3,691,370	(2,441,018)	829,278	\$ 778,500	\$ -	\$ 45,956	\$ -	\$ -	\$ -	\$ 824,456
Customers								72,939,493	\$ 68,473,304	\$ -	\$ 796,050	\$ (526,410)	\$ -	\$ -	\$ 68,742,944
Caddo Basin	213,876	245,280	31,404	-	-	31,404			\$ 0.989	\$ 0.989	\$ 0.266	\$ 0.216		\$ 0.216	
Cash SUD	225,950	221,385	(4,565)	-	-	-		213,876	\$ 211,474	\$ -	\$ 8,343	\$ -	\$ -	\$ -	\$ 219,816
College Mound WSC	56,789	62,017	5,228	-	-	5,228		225,950	\$ 223,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,413
Copeville WSC	61,963	68,468	6,505	113,866.6	C	6,505		56,789	\$ 56,151	\$ -	\$ 1,389	\$ -	\$ -	\$ -	\$ 57,540
East Fork SUD	171,334	188,012	16,678	280,831	C	16,678		61,963	\$ 61,267	\$ 6,432	\$ -	\$ -	\$ -	\$ -	\$ 67,699
Fairview	348,693	394,901	46,208	-	-	46,208		171,334	\$ 169,410	\$ 16,490	\$ -	\$ -	\$ -	\$ -	\$ 185,900
Fate	60,189	77,744	17,555	-	-	17,555		348,693	\$ 344,776	\$ -	\$ 12,275	\$ -	\$ -	\$ -	\$ 357,052
Forney Lake WSC	134,293	131,507	(2,786)	-	-	-	(2,786)	60,189	\$ 59,513	\$ -	\$ 4,663	\$ -	\$ -	\$ -	\$ 64,177
Gasonia-Scurry WSC	76,499	101,254	24,755	-	-	24,755		134,293	\$ 132,785	\$ -	\$ -	\$ (601)	\$ -	\$ -	\$ 132,184
Josephine	34,090	33,301	(789)	45,400	C	-	(789)	76,499	\$ 75,640	\$ -	\$ 6,576	\$ -	\$ -	\$ -	\$ 82,216
Kaufman	400,382	392,227	(8,155)	-	-	-	(8,155)	34,090	\$ 33,707	\$ -	\$ -	\$ (170)	\$ -	\$ -	\$ 33,537
Kaufman Four One	353,743	356,603	2,860	-	-	2,860		400,382	\$ 395,885	\$ -	\$ -	\$ (1,759)	\$ -	\$ -	\$ 394,126
Lavon WSC <sup>(1)</sup>	142,389	124,858	(17,531)	142,389	C	-		353,743	\$ 349,770	\$ -	\$ 760	\$ -	\$ -	\$ -	\$ 350,530
Little Elm	147,927	368,734	220,808	-	-	220,808		142,389	\$ 140,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,790
Lucas	169,523	271,766	102,243	-	-	102,243		147,927	\$ 146,265	\$ -	\$ 58,658	\$ -	\$ -	\$ -	\$ 204,923
Melissa <sup>(1)</sup>	48,664	32,160	(16,504)	73,000	C	-		169,523	\$ 167,619	\$ -	\$ 27,161	\$ -	\$ -	\$ -	\$ 194,780
Milligan WSC	117,790	149,894	32,104	155,938	C	32,104		60,833	\$ 60,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,150
Mt Zion WSC	112,421	100,946	(11,475)	-	-	-	(11,475)	117,790	\$ 116,467	\$ 31,743	\$ -	\$ -	\$ -	\$ -	\$ 148,210
Murphy	365,363	655,870	290,507	-	-	290,507		112,421	\$ 111,158	\$ -	\$ -	\$ (2,475)	\$ -	\$ -	\$ 108,684
Nevada WSC	66,503	71,043	4,540	-	-	4,540		365,363	\$ 361,259	\$ -	\$ 77,174	\$ -	\$ -	\$ -	\$ 438,433
North Collin WSC	268,593	274,347	5,754	300,000	C	5,754		66,503	\$ 65,756	\$ -	\$ 1,206	\$ -	\$ -	\$ -	\$ 66,962
Parker	214,902	306,201	91,299	-	-	91,299		268,593	\$ 265,576	\$ 5,689	\$ -	\$ -	\$ -	\$ -	\$ 271,266
Rose Hill WSC	38,902	16,160	(22,742)	48,000	C	-		214,902	\$ 212,488	\$ -	\$ 24,254	\$ -	\$ -	\$ -	\$ 236,742
Rowlett	2,683,006	2,772,637	89,631	4,051,017	C	89,631		38,902	\$ 38,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,465
Sachse	610,199	612,776	2,577	-	-	2,577		2,683,006	\$ 2,652,872	\$ 88,624	\$ -	\$ -	\$ -	\$ -	\$ 2,741,496
Sachse #2 <sup>(1)</sup>	130,646	388,403	257,757	522,585	C	257,757		610,199	\$ 603,346	\$ -	\$ 685	\$ -	\$ -	\$ -	\$ 604,030
Seis Lagos MUD	72,920	74,712	1,792	-	-	1,792		130,646	\$ 129,179	\$ 254,862	\$ -	\$ -	\$ -	\$ -	\$ 384,041
Sunnyvale	359,276	362,405	3,129	910,969	C	3,129		72,920	\$ 72,101	\$ -	\$ 476	\$ -	\$ -	\$ -	\$ 72,577
Wylie NE WSC	111,359	118,559	7,200	-	-	7,200		359,276	\$ 355,240	\$ 3,094	\$ -	\$ -	\$ -	\$ -	\$ 358,335
Total	7,798,184	8,974,170	1,175,987	-	-	411,557	(23,205)	111,359	\$ 110,109	\$ -	\$ 1,913	\$ -	\$ -	\$ -	\$ 112,021
	80,737,676	82,452,194	1,714,518	-	-	4,540,346	(2,464,223)	7,810,353	\$ 7,722,631	\$ 406,935	\$ 225,532	\$ (5,004)	\$ -	\$ -	\$ 8,350,094
Total								80,749,845	\$ 76,195,935	\$ 406,935	\$ 1,021,582	\$ (531,414)	\$ -	\$ -	\$ 77,093,038

Notes

- (1) Not eligible for Minimum Annual Demand Adjustment due to Contract  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 75,674,582

Over / (Under) Recovery \$ 1,418,456

## North Texas Municipal Water District

### Method 3 - Determination of 2004 Annual Minimum

	2002 Actual Consumption (1,000 gal.)	2002 Actual Consumption (1,000 gal.)	2003 Actual Consumption (1,000 gal.)	2004 Annual Minimum
<b>Members</b>				
Allen	3,952,728	3,699,752	4,124,397	3,925,626
Farmersville	290,608	228,235	225,417	248,087
Forney	743,504	658,408	788,921	730,278
Frisco	4,125,696	4,394,752	5,607,266	4,709,238
Garland	13,660,013	12,051,601	12,904,220	12,871,945
McKinney	5,748,746	5,689,078	6,350,897	5,929,574
Mesquite	7,798,284	6,550,839	5,575,688	6,641,604
Mesquite # 3			1,170,130	See Note 1
Plano	26,719,809	22,459,418	22,745,013	23,974,747
Princeton	328,803	278,431	287,581	298,272
Richardson	11,019,311	9,773,780	10,135,415	10,309,502
Rockwall	2,188,525	1,876,570	2,234,227	2,099,774
Royse City	277,416	257,149	286,471	273,679
Wylie	907,331	816,417	1,042,381	922,043
<b>Customers</b>				
Caddo Basin	252,318	197,652	245,280	231,750
Cash WSC	237,267	211,830	221,385	223,494
College Mound WSC	66,769	56,135	62,017	61,640
Copeville WSC	65,478	65,737	68,468	66,561
East Fork SUD	183,632	150,055	188,012	173,900
Fairview	364,741	352,745	394,901	370,796
Fate	65,173	69,529	77,744	70,815
Forney Lake WSC	153,126	112,745	131,507	See Note 1
Gasonia-Scurry WSC	78,397	80,336	101,254	86,662
Josephine	32,879	40,978	33,301	35,719
Kaufman	406,317	419,999	392,227	406,181
Kaufman Four One	396,327	337,611	356,603	363,514
Lavon WSC	130,385	96,660	124,858	See Note 1
Little Elm	84,889	210,964	368,734	221,529
Lucas	118,740	243,856	271,766	211,454
Lucas No 2	191,720			191,720
Melissa			32,160	See Note 1
Milligan WSC	121,388	115,787	149,894	129,023
Mt. Zion WSC	125,486	97,279	100,946	107,904
Murphy	371,527	496,860	655,870	508,086
Nevada WSC	69,001	66,189	71,043	68,744
North Collin WSC	287,568	245,779	274,347	269,231
Parker	211,304	228,969	306,201	248,825
Rose Hill WSC	43,271	40,056	16,160	33,162
Rowlett	2,920,333	2,564,207	2,772,637	2,752,392
Sachse	724,857	521,439	612,776	619,691
Sachse #2		62,697	388,403	See Note 1
Seis Lagos MUD	82,719	60,814	74,712	72,748
Sunnyvale	439,743	314,893	362,405	372,347
Wylie NE WSC	130,896	87,351	118,559	112,269

**Notes:**

(1) Ineligible for Minimum Annual Demand Adjustment due to Contract

North Texas Municipal Water District  
Method 3 - 2004

	Wtr Yr 04 Ann Min	Wtr Yr 04 Actual	Increase (Decrease)	Excess Rate Contract Minimum	Increase / (Decrease)			FY 04 Ann Min	FY 04 Annual Billing	Wtr Yr Increase / (Decrease)			FY 04 Rebate	FY 04 Total
	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	Full Rate	Excess Rate	Rebate Rate	(1,000 gall)	(1,000 gall)	FY 04 Full Billing	FY 04 Excess Billing	FY 04 Rebate	(1,000 gall)	(1,000 gall)
Members														
Allen	3,925,626	4,362,143	436,517	-	-	436,517		3,925,626	\$ 0.977	\$ 0.977	\$ 0.212	\$ 0.212		
Farmersville	248,087	246,458	(1,629)	-	-	-	(1,629)	248,087	\$ 3,834,670.40	\$ -	\$ 92,644.38	\$ -	\$ 3,927,314.78	
Forney	730,278	891,245	160,967	-	-	160,967		248,087	\$ 242,338.59	\$ -	\$ -	\$ (345.66)	\$ 241,992.93	
Frisco	4,709,238	5,645,797	936,559	-	-	936,559		730,278	\$ 713,357.41	\$ -	\$ 34,162.95	\$ -	\$ 747,520.36	
Garland	12,871,945	12,612,613	(259,332)	-	-	-	(259,332)	4,709,238	\$ 4,600,126.73	\$ -	\$ 198,770.87	\$ -	\$ 4,798,897.60	
McKinney	5,929,574	6,582,712	653,138	-	-	653,138		12,871,945	\$ 12,573,706.57	\$ -	\$ -	\$ (55,039.33)	\$ 12,518,667.24	
Mesquite	6,641,604	4,814,443	(1,827,161)	-	-	-	(1,827,161)	5,929,574	\$ 5,792,187.68	\$ -	\$ 138,619.00	\$ -	\$ 5,930,806.68	
Mesquite # 3 <sup>(1)</sup>	1,956,857	1,597,147	(359,710)	2,256,486	-	-		6,641,604	\$ 6,487,720.22	\$ -	\$ -	\$ (387,787.96)	\$ 6,099,932.25	
Plano	23,974,747	22,149,517	(1,825,230)	-	-	-	(1,825,230)	1,956,857	\$ 1,911,517.36	\$ -	\$ -	\$ -	\$ 1,911,517.36	
Princeton	298,272	289,199	(9,073)	-	-	-	(9,073)	23,974,747	\$ 23,419,260.84	\$ -	\$ -	\$ (387,378.14)	\$ 23,031,882.70	
Richardson	10,309,502	9,532,442	(777,060)	-	-	-	(777,060)	298,272	\$ 291,360.82	\$ -	\$ -	\$ (1,925.54)	\$ 289,435.28	
Rockwall	2,099,774	2,332,266	232,492	-	-	232,492		10,309,502	\$ 10,070,634.73	\$ -	\$ -	\$ (164,919.55)	\$ 9,905,715.18	
Royse City	273,679	327,863	54,184	-	-	54,184		2,099,774	\$ 2,051,123.03	\$ -	\$ 49,343.01	\$ -	\$ 2,100,466.04	
Wylie	922,043	1,266,615	344,572	-	-	344,572		273,679	\$ 267,337.64	\$ -	\$ 11,499.83	\$ -	\$ 278,837.46	
Total	74,891,223	72,650,460	(2,240,763)	-	-	2,818,430	(4,699,483)	922,043	\$ 900,679.61	\$ -	\$ 73,130.34	\$ -	\$ 973,809.95	
Customers								74,891,223	\$ 73,156,021.64	\$ -	\$ 598,170.36	\$ (997,396.18)	\$ 72,756,795.83	
Caddo Basin	231,750	223,734	(8,016)	-	-	-	(8,016)		\$ 1.027	\$ 1.027	\$ 0.262	\$ 0.262		
Cash SUD	223,494	257,909	34,415	-	-	34,415		231,750	\$ 237,967.94	\$ -	\$ -	\$ (1,701.28)	\$ 236,266.66	
College Mound WSC	61,640	52,093	(9,547)	-	-	-		223,494	\$ 229,490.43	\$ -	\$ 9,024.83	\$ -	\$ 238,515.26	
Copeville WSC	66,561	73,935	7,374	113,866.6	7,374	-		61,640	\$ 63,294.17	\$ -	\$ -	\$ -	\$ 63,294.17	
East Fork SUD	173,900	202,927	29,027	280,831	29,027	-		66,561	\$ 68,346.86	\$ 7,571.85	\$ -	\$ -	\$ 75,918.70	
Fairview	370,796	420,325	49,529	-	-	49,529		173,900	\$ 178,565.46	\$ 29,806.15	\$ -	\$ -	\$ 208,371.61	
Fate	70,815	113,197	42,382	-	-	42,382		370,796	\$ 380,744.25	\$ -	\$ 12,988.34	\$ -	\$ 393,732.59	
Forney Lake WSC <sup>(1)</sup>	153,126	135,370	(17,756)	227,800	-	-		70,815	\$ 72,715.34	\$ -	\$ 11,113.97	\$ -	\$ 83,829.30	
Gasonia-Scurry WSC	86,662	98,508	11,846	-	-	11,846		153,126	\$ 157,234.43	\$ -	\$ -	\$ -	\$ 157,234.43	
Josephine	35,719	38,203	2,484	45,400	2,484	-		86,662	\$ 88,987.52	\$ -	\$ 3,106.35	\$ -	\$ 92,093.87	
Kaufman	406,181	419,659	13,478	-	-	13,478		35,719	\$ 36,677.70	\$ 2,550.30	\$ -	\$ -	\$ 39,228.00	
Kaufman Four One	363,514	396,336	32,822	-	-	32,822		406,181	\$ 417,078.99	\$ -	\$ 3,534.41	\$ -	\$ 420,613.40	
Lavon WSC <sup>(1)</sup>	142,389	141,538	(851)	142,389	-	-		363,514	\$ 373,266.88	\$ -	\$ 8,607.17	\$ -	\$ 381,874.05	
Little Elm	221,529	504,167	282,638	-	-	282,638		142,389	\$ 146,209.35	\$ -	\$ -	\$ -	\$ 146,209.35	
Lucas	211,454	301,984	90,530	-	-	90,530		221,529	\$ 227,472.71	\$ -	\$ 74,117.66	\$ -	\$ 301,590.36	
Melissa <sup>(1)</sup>	73,000	59,467	(13,533)	73,000	-	-		211,454	\$ 217,127.39	\$ -	\$ 23,740.16	\$ -	\$ 240,867.55	
Milligan WSC	129,023	127,646	(1,377)	155,938	-	-	(1,377)	73,000	\$ 74,958.62	\$ -	\$ -	\$ -	\$ 74,958.62	
Mt. Zion WSC	107,904	108,816	912	-	-	912		129,023	\$ 132,484.74	\$ -	\$ -	\$ (292.25)	\$ 132,192.49	
Murphy	508,086	792,811	284,725	-	-	284,725		107,904	\$ 110,798.76	\$ -	\$ 239.25	\$ -	\$ 111,038.01	
Nevada WSC	68,744	71,813	3,069	-	-	3,069		508,086	\$ 521,171.80	\$ -	\$ 74,665.03	\$ -	\$ 596,382.83	
North Collin WSC	269,231	284,428	15,197	300,000	-	15,197		68,744	\$ 70,588.77	\$ -	\$ 804.71	\$ -	\$ 71,393.48	
Parker	248,825	344,660	95,835	-	-	95,835		269,231	\$ 276,454.91	\$ -	\$ 3,985.10	\$ -	\$ 280,440.01	
Rose Hill WSC	33,162	7,689	(25,473)	48,000	-	-		248,825	\$ 255,500.73	\$ -	\$ 25,131.41	\$ -	\$ 280,632.13	
Rowlett	2,752,392	2,772,411	20,019	4,051,017	20,019	-		33,162	\$ 34,052.09	\$ -	\$ -	\$ -	\$ 34,052.09	
Sachse	619,691	762,689	142,998	-	-	142,998		2,752,392	\$ 2,826,240.06	\$ 20,555.78	\$ -	\$ -	\$ 2,846,795.83	
Sachse #2 <sup>(1)</sup>	388,403	194,171	(194,232)	522,585	-	-		619,691	\$ 636,317.20	\$ -	\$ 37,499.21	\$ -	\$ 673,816.41	
Seis Lagos MUD	72,748	76,473	3,725	-	-	3,725		388,403	\$ 398,824.00	\$ -	\$ -	\$ -	\$ 398,824.00	
Sunnyvale	372,347	376,311	3,964	910,969	-	-		72,748	\$ 74,700.20	\$ -	\$ 976.74	\$ -	\$ 75,676.94	
Wylie NE WSC	112,269	120,048	7,779	-	-	7,779		372,347	\$ 382,337.21	\$ 4,070.36	\$ -	\$ -	\$ 386,407.57	
Total	8,575,355	9,479,318	903,963	-	-	62,868	(9,393)	112,269	\$ 115,280.88	\$ -	\$ 2,040.02	\$ -	\$ 117,320.89	
					62,868	1,111,881	(9,393)	8,575,355	\$ 8,805,435.36	\$ 64,554.43	\$ 291,574.34	\$ (1,993.53)	\$ 9,159,570.60	
Total	83,466,578	82,129,778	(1,336,800)		62,868	3,930,311	(4,708,876)	83,466,578	\$ 81,961,457.00	\$ 64,554.43	\$ 889,744.71	\$ (999,389.71)	\$ 81,916,366.43	

Notes

- (1) Not eligible for Minimum Annual Demand Adjustment due to Contract  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 80,530,795.47  
Over / (Under) Recovery \$ 1,385,571

**North Texas Municipal Water District**  
**Method 3 - Determination of 2005 Annual Minimum**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
	<b>Actual Consumption (1,000 gal.)</b>	<b>Actual Consumption (1,000 gal.)</b>	<b>Actual Consumption (1,000 gal.)</b>	<b>Annual Minimum</b>
<b>Members</b>				
Allen	3,699,752	4,124,397	4,362,143	4,062,097
Farmersville	228,235	225,417	246,458	233,370
Forney	658,408	788,921	891,245	779,525
Frisco	4,394,752	5,607,266	5,645,797	5,215,938
Garland	12,051,601	12,904,220	12,612,613	12,522,811
McKinney	5,689,078	6,350,897	6,582,712	6,207,562
Mesquite	6,550,839	5,575,688	4,814,443	5,646,990
Mesquite # 3		1,170,130	1,597,147	See Note 1
Plano	22,459,418	22,745,013	22,149,517	22,451,316
Princeton	278,431	287,581	289,199	285,070
Richardson	9,773,780	10,135,415	9,532,442	9,813,879
Rockwall	1,876,570	2,234,227	2,332,266	2,147,688
Royse City	257,149	286,471	327,863	290,494
Wylie	816,417	1,042,381	1,266,615	1,041,804
<b>Customers</b>				
Caddo Basin	197,652	245,280	223,734	222,222
Cash SUD	211,830	221,385	257,909	230,375
College Mound WSC	56,135	62,017	52,093	56,748
Copeville WSC	65,737	68,468	73,935	69,380
East Fork SUD	150,055	188,012	202,927	180,331
Fairview	352,745	394,901	420,325	389,324
Fate	69,529	77,744	113,197	86,823
Forney Lake WSC	112,745	131,507	135,370	See Note 1
Gasonia-Scurry WSC	80,336	101,254	98,508	93,366
Josephine	40,978	33,301	38,203	37,494
Kaufman	419,999	392,227	419,659	410,628
Kaufman Four One	337,611	356,603	396,336	363,517
Lavon WSC	96,660	124,858	141,538	See Note 1
Little Elm	210,964	368,734	504,167	361,288
Lucas	243,856	271,766	301,984	272,535
Melissa		32,160	59,467	See Note 1
Milligan WSC	115,787	149,894	127,646	131,109
Mt. Zion WSC	97,279	100,946	108,816	102,347
Murphy	496,860	655,870	792,811	648,514
Nevada WSC	66,189	71,043	71,813	69,682
North Collin WSC	245,779	274,347	284,428	268,185
Parker	228,969	306,201	344,660	293,277
Rose Hill WSC	40,056	16,160	7,689	21,302
Rowlett	2,564,207	2,772,637	2,772,411	2,703,085
Sachse	521,439	612,776	762,689	632,301
Sachse #2	62,697	388,403	194,171	See Note 1
Seis Lagos MUD	60,814	74,712	76,473	70,666
Sunnyvale	314,893	362,405	376,311	351,203
Wylie NE WSC	87,351	118,559	120,048	108,653

**Notes:**

(1) Ineligible for Minimum Annual Demand Adjustment due to Contract

North Texas Municipal Water District  
Method 3 - 2005

				FY05 Excess Rate Contract Minimum	Increase / (Decrease)			Wtr Yr Increase / (Decrease)					
					Full Rate	Excess Rate	Rebate Rate	FY 05 Ann Min	FY 05 Annual Billing	FY 05 Full Billing	FY 05 Excess Billing	FY 05 Rebate	FY 05 Total
					(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)					
Wtr Yr 05 Ann Min	Wtr Yr 05 Actual	Increase (Decrease)											
(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)		(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)					
<b>Members</b>													
Allen	4,062,097	4,687,958	625,861	-	-	625,861	-	4,062,097	\$ 1,072	\$ 1,072	\$ 0.221	\$ 0.221	
Farmersville	233,370	242,487	9,117	-	-	9,117	-	233,370	\$ 250,061	\$ -	\$ 2,013	\$ -	\$ 4,490,816
Forney	779,525	1,059,328	279,803	-	-	279,803	-	779,525	\$ 835,277	\$ -	\$ 61,781	\$ -	\$ 252,074
Frisco	5,215,938	6,467,274	1,251,336	-	-	1,251,336	-	5,215,938	\$ 5,588,990	\$ -	\$ 276,298	\$ -	\$ 897,059
Garland	12,522,811	12,435,423	(87,388)	-	-	-	(87,388)	12,522,811	\$ 13,418,461	\$ -	\$ -	\$ (19,296)	\$ 5,865,288
McKinney	6,207,562	7,166,992	959,430	-	-	959,430	-	6,207,562	\$ 6,651,536	\$ -	\$ 211,844	\$ -	\$ 13,399,166
Mesquite	5,646,990	4,885,178	(761,812)	-	-	-	(761,812)	5,646,990	\$ 6,050,871	\$ -	\$ -	\$ (168,210)	\$ 6,863,381
Mesquite # 3 <sup>(1)</sup>	2,031,764	1,351,516	(680,248)	2,256,486	-	-	-	2,031,764	\$ 2,177,079	\$ -	\$ -	\$ -	\$ 5,882,661
Plano	22,451,316	22,432,203	(19,113)	-	-	-	(19,113)	22,451,316	\$ 24,057,067	\$ -	\$ -	\$ (4,220)	\$ 2,177,079
Princeton	285,070	337,039	51,969	-	-	51,969	-	285,070	\$ 305,459	\$ -	\$ 11,475	\$ -	\$ 24,052,847
Richardson	9,813,879	8,553,732	(1,260,147)	-	-	-	(1,260,147)	9,813,879	\$ 10,515,782	\$ -	\$ -	\$ (278,243)	\$ 316,934
Rockwall	2,147,688	2,471,592	323,904	-	-	323,904	-	2,147,688	\$ 2,301,293	\$ -	\$ 71,519	\$ -	\$ 10,237,539
Royce City	290,494	338,437	47,943	-	-	47,943	-	290,494	\$ 311,271	\$ -	\$ 10,586	\$ -	\$ 2,372,812
Wylie	1,041,804	1,387,214	345,410	-	-	345,410	-	1,041,804	\$ 1,116,316	\$ -	\$ 76,267	\$ -	\$ 321,857
Total	72,730,310	73,816,373	1,086,063	-	-	3,894,772	(2,128,460)	72,730,310	\$ 77,932,088	\$ -	\$ 859,974	\$ (469,969)	\$ 1,192,583
<b>Customers</b>													
Caddo Basin	222,222	240,325	18,103	-	-	18,103	-	222,222	\$ 1,122	\$ 1,122	\$ 0.271	\$ 0.221	
Cash SUD	230,375	256,282	25,907	-	-	25,907	-	230,375	\$ 249,227	\$ -	\$ 4,902	\$ -	\$ 254,129
College Mound WSC	56,748	9,825	(46,923)	-	-	-	-	230,375	\$ 258,370	\$ -	\$ 7,016	\$ -	\$ 265,386
Copeville WSC	69,380	66,320	(3,060)	113,866.6	-	-	(3,060)	56,748	\$ 63,644	\$ -	\$ -	\$ -	\$ 53,644
East Fork SUD	180,331	221,755	41,424	280,831	-	-	-	69,380	\$ 77,811	\$ -	\$ -	\$ (676)	\$ 77,136
Fairview	389,324	478,582	89,258	-	-	89,258	-	180,331	\$ 202,245	\$ 46,458	\$ -	\$ -	\$ 248,703
Fate	86,823	155,139	68,316	-	-	68,316	-	389,324	\$ 436,635	\$ -	\$ 24,171	\$ -	\$ 460,806
Forney Lake WSC <sup>(1)</sup>	171,795	164,447	(7,348)	227,800	-	-	-	86,823	\$ 97,374	\$ -	\$ 18,500	\$ -	\$ 115,874
Gasonia-Scurry WSC	93,366	107,566	14,200	-	-	14,200	-	171,795	\$ 192,672	\$ -	\$ -	\$ -	\$ 192,672
Josephine	37,494	41,031	3,537	45,400	-	-	-	93,366	\$ 104,712	\$ -	\$ 3,845	\$ -	\$ 108,557
Kaufman	410,628	409,164	(1,464)	-	-	-	(1,464)	37,494	\$ 42,050	\$ 3,967	\$ -	\$ -	\$ 46,017
Kaufman Four One	363,517	382,065	18,548	-	-	18,548	-	410,628	\$ 460,528	\$ -	\$ -	\$ (323)	\$ 460,205
Lavon WSC <sup>(1)</sup>	142,389	148,610	6,221	142,389	-	-	-	363,517	\$ 407,692	\$ -	\$ 5,023	\$ -	\$ 412,715
Little Elm	361,288	610,479	249,191	-	-	249,191	-	142,389	\$ 159,692	\$ -	\$ 1,685	\$ -	\$ 161,377
Lucas	272,535	308,034	35,499	-	-	35,499	-	361,288	\$ 405,193	\$ -	\$ 67,481	\$ -	\$ 472,674
Lucas #3	-	-	-	-	-	-	-	272,535	\$ 305,654	\$ -	\$ 9,613	\$ -	\$ 315,267
Melissa <sup>(1)</sup>	73,000	86,408	13,408	73,000	-	13,408	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Milligan WSC	131,109	128,680	(2,429)	155,938	-	-	(2,429)	73,000	\$ 81,871	\$ -	\$ 3,631	\$ -	\$ 85,502
Mt. Zion WSC	102,347	108,196	5,849	-	-	5,849	-	131,109	\$ 147,042	\$ -	\$ -	\$ (536)	\$ 146,505
Murphy	648,514	906,941	258,427	-	-	258,427	-	102,347	\$ 114,784	\$ -	\$ 1,584	\$ -	\$ 116,368
Nevada WSC	69,682	68,787	(895)	-	-	-	(895)	648,514	\$ 727,322	\$ -	\$ 69,983	\$ -	\$ 797,305
North Collin WSC	268,185	290,010	21,825	300,000	-	-	-	69,682	\$ 78,149	\$ -	\$ -	\$ (198)	\$ 77,952
Parker	293,277	392,852	99,575	-	-	99,575	-	268,185	\$ 300,775	\$ 24,478	\$ -	\$ -	\$ 325,252
Prosper <sup>(1)</sup>	236,575	95,406	(141,169)	236,575	-	-	-	293,277	\$ 328,916	\$ -	\$ 26,965	\$ -	\$ 355,881
Rose Hill WSC	21,302	12,847	(8,455)	48,000	-	-	-	275,000	\$ 308,418	\$ -	\$ -	\$ -	\$ 308,418
Rowlett	2,703,085	2,734,709	31,624	4,051,017	-	-	-	21,302	\$ 23,890	\$ -	\$ -	\$ -	\$ 23,890
Sachse	632,301	611,056	(21,245)	-	-	-	(21,245)	2,703,085	\$ 3,031,568	\$ 35,467	\$ -	\$ -	\$ 3,067,035
Sachse #2 <sup>(1)</sup>	388,403	385,477	(2,926)	522,585	-	-	-	632,301	\$ 709,140	\$ -	\$ -	\$ (4,691)	\$ 704,448
Seis Lagos MUD	70,666	71,594	928	-	-	928	-	388,403	\$ 435,602	\$ -	\$ -	\$ -	\$ 435,602
Sunnyvale	351,203	391,036	39,833	910,969	-	-	-	70,666	\$ 79,254	\$ -	\$ 251	\$ -	\$ 79,505
Wylie NE WSC	108,653	143,816	35,163	-	-	35,163	-	351,203	\$ 393,882	\$ 44,674	\$ -	\$ -	\$ 438,555
Total	9,186,517	10,027,439	840,922	-	138,243	938,594	(29,093)	108,653	\$ 121,856	\$ -	\$ 9,522	\$ -	\$ 131,379
								9,224,942	\$ 10,345,970	\$ 155,042	\$ 254,173	\$ (6,424)	\$ 10,748,762
<b>Total</b>													
	81,916,826	83,843,812	1,926,986	-	138,243	4,833,365	(2,157,554)	81,955,251	\$ 88,278,058	\$ 155,042	\$ 1,114,148	\$ (476,393)	\$ 89,070,855

Notes

- (1) Not eligible for Minimum Annual Demand Adjustment due to Contract  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 86,899,122  
Over / (Under) Recovery \$ 2,171,734

<b>North Texas Municipal Water District</b> <b>Method 3 - Determination of 2006 Annual Minimum</b>
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	2003	2004	2005	2006
	Actual Consumption (1,000 gal.)	Actual Consumption (1,000 gal.)	Actual Consumption (1,000 gal.)	Annual Minimum
<b>Members</b>				
Allen	4,124,397	4,362,143	4,687,958	4,391,499
Farmersville	225,417	246,458	242,487	238,121
Forney	788,921	891,245	1,059,328	913,165
Frisco	5,607,266	5,645,797	6,467,274	5,906,779
Garland	12,904,220	12,612,613	12,435,423	12,650,752
McKinney	6,350,897	6,582,712	7,166,992	6,700,200
Mesquite	5,575,688	4,814,443	4,885,178	5,091,770
Mesquite # 3	1,170,130	1,597,147	1,351,516	See Note 1
Plano	22,745,013	22,149,517	22,432,203	22,442,244
Princeton	287,581	289,199	337,039	304,606
Richardson	10,135,415	9,532,442	8,553,732	9,407,196
Rockwall	2,234,227	2,332,266	2,471,592	2,346,028
Royse City	286,471	327,863	338,437	317,590
Wylie	1,042,381	1,266,615	1,387,214	1,232,070
<b>Customers</b>				
Caddo Basin	245,280	223,734	240,325	236,446
Cash SUD	221,385	257,909	256,282	245,192
College Mound WSC	62,017	52,093	9,825	41,312
Copeville WSC	68,468	73,935	66,320	69,574
East Fork SUD	188,012	202,927	221,755	204,231
Fairview	394,901	420,325	478,582	431,269
Fate	77,744	113,197	155,139	115,360
Forney Lake WSC	131,507	135,370	164,447	See Note 1
Gasonia-Scurry WSC	101,254	98,508	107,566	102,443
Josephine	33,301	38,203	41,031	37,512
Kaufman	392,227	419,659	409,164	407,017
Kaufman Four One	356,603	396,336	382,065	378,335
Lavon WSC	124,858	141,538	148,610	138,335
Little Elm	368,734	504,167	610,479	See Note 1
Lucas	271,766	301,984	308,034	293,928
Melissa	32,160	59,467	86,408	59,345
Milligan WSC	149,894	127,646	128,680	135,407
Mt. Zion WSC	100,946	108,816	108,196	105,986
Murphy	655,870	792,811	906,941	785,207
Nevada WSC	71,043	71,813	68,787	70,548
North Collin WSC	274,347	284,428	290,010	282,928
Parker	306,201	344,660	392,852	347,904
Rose Hill WSC	16,160	7,689	12,847	12,232
Rowlett	2,772,637	2,772,411	2,734,709	2,759,919
Sachse	612,776	762,689	611,056	662,174
Sachse #2	388,403	194,171	385,477	See Note 1
Seis Lagos MUD	74,712	76,473	71,594	74,260
Sunnyvale	362,405	376,311	391,036	376,584
Wylie NE WSC	118,559	120,048	143,816	127,474

**Notes:**

(1) Ineligible for Minimum Annual Demand Adjustment due to Contract

North Texas Municipal Water District  
Method 3 - 2006

	FY06				Increase / (Decrease)			Wtr Yr Increase / (Decrease)					
	Excess Rate												
	Wtr Yr 06 Ann Min (1,000 gall)	Wtr Yr 06 Actual (1,000 gall)	Increase (Decrease) (1,000 gall)	Contract Minimum (1,000 gall)	Full Rate (1,000 gall)	Excess Rate (1,000 gall)	Rebate Rate (1,000 gall)	FY 06 Ann Min (1,000 gall)	FY 06 Annual Billing	FY 06 Full Billing	FY 06 Excess Billing	FY 06 Rebate	FY 06 Total
Members													
Allen	4,391,499	5,588,259	1,196,760	-	-	1,196,760	-	4,391,499	\$ 1,066	\$ 1,066	\$ 0.253	\$ 0.253	
Farmersville	238,121	280,467	42,346	-	-	42,346	-	238,121	\$ 4,683,450.29	\$ -	\$ 302,525.52	\$ -	\$ 4,985,975.81
Forney	913,165	1,416,868	503,703	-	-	503,703	-	913,165	\$ 253,951.15	\$ -	\$ 10,704.61	\$ -	\$ 264,655.76
Frisco	5,906,779	7,918,529	2,011,750	-	-	2,011,750	-	5,906,779	\$ 973,872.70	\$ -	\$ 127,329.75	\$ -	\$ 1,101,202.46
Frisco #2 <sup>(1)</sup>	3,116	419,410	416,294	12,465	9,349	406,945	-	5,906,779	\$ 6,299,467.16	\$ -	\$ 508,544.64	\$ -	\$ 6,808,011.80
Garland	12,650,752	13,721,955	1,071,203	-	-	1,071,203	-	5,650	\$ 6,025.62	\$ 9,970.53	\$ 102,870.49	\$ -	\$ 118,866.63
McKinney	6,700,200	8,385,134	1,684,934	-	-	1,684,934	-	12,650,752	\$ 13,491,785.75	\$ -	\$ 270,786.40	\$ -	\$ 13,762,572.15
McKinney #3 <sup>(1)</sup>	171,228	350,012	178,784	684,910	178,784	-	-	6,700,200	\$ 7,145,635.88	\$ -	\$ 425,929.66	\$ -	\$ 7,571,565.53
Mesquite	5,091,770	5,756,029	664,259	-	-	664,259	-	228,303	\$ 243,480.80	\$ 190,669.73	\$ -	\$ -	\$ 434,150.52
Mesquite # 3 <sup>(1)</sup>	2,106,671	1,359,175	(747,496)	2,256,486	-	-	-	5,091,770	\$ 5,430,275.25	\$ -	\$ 167,916.25	\$ -	\$ 5,598,191.50
Plano	22,442,244	26,265,050	3,822,806	-	-	3,822,806	-	2,106,671	\$ 2,246,724.45	\$ -	\$ -	\$ -	\$ 2,246,724.45
Princeton	304,606	409,624	105,018	-	-	105,018	-	22,442,244	\$ 23,934,225.59	\$ -	\$ 966,356.33	\$ -	\$ 24,900,581.92
Richardson	9,407,196	10,050,090	642,894	-	-	642,894	-	304,606	\$ 324,856.85	\$ -	\$ 26,547.12	\$ -	\$ 351,403.97
Rockwall	2,346,028	3,284,236	938,208	-	-	938,208	-	9,407,196	\$ 10,032,595.49	\$ -	\$ 162,515.29	\$ -	\$ 10,195,110.77
Royse City	317,590	470,150	152,560	-	-	152,560	-	2,346,028	\$ 2,501,994.48	\$ -	\$ 237,166.89	\$ -	\$ 2,739,161.36
Wylie	1,232,070	1,721,763	489,693	-	-	489,693	-	317,590	\$ 338,704.03	\$ -	\$ 38,565.13	\$ -	\$ 377,269.16
Total	74,223,036	87,396,751	13,173,715	-	188,133	13,733,078	-	1,232,070	\$ 1,313,979.16	\$ -	\$ 123,788.12	\$ -	\$ 1,437,767.28
Customers								74,282,645	\$ 79,221,024.62	\$ 200,640.26	\$ 3,471,546.20	\$ -	\$ 82,893,211.08
Caddo Basin SUD	236,446	293,451	57,005	-	-	57,005	-		\$ 1,116	\$ 1,116	\$ 0.303	\$ 0.253	
Cash SUD	245,192	305,643	60,451	-	-	60,451	-	236,446	\$ 263,987.82	\$ -	\$ 17,260.28	\$ -	\$ 281,248.11
College Mound WSC	41,312	62,710	21,398	-	-	21,398	-	245,192	\$ 273,752.19	\$ -	\$ 18,303.79	\$ -	\$ 292,055.98
Copeville WSC	69,574	77,927	8,353	113,866	8,353	-	-	41,312	\$ 46,123.69	\$ -	\$ 6,479.14	\$ -	\$ 52,602.83
East Fork SUD	204,231	324,226	119,995	280,831	76,600	43,395	-	69,574	\$ 77,678.42	\$ 9,325.59	\$ -	\$ -	\$ 87,004.01
Fairview	431,269	721,185	289,916	-	-	289,916	-	204,231	\$ 228,020.39	\$ 85,522.07	\$ 13,139.45	\$ -	\$ 326,681.91
Fate	115,360	279,932	164,572	-	-	164,572	-	431,269	\$ 481,503.99	\$ -	\$ 87,782.75	\$ -	\$ 569,286.74
Fate #2	-	-	-	-	-	-	-	115,360	\$ 128,797.24	\$ -	\$ 49,830.29	\$ -	\$ 178,627.53
Forney Lake WSC <sup>(1)</sup>	182,996	295,577	112,581	227,800	44,804	67,777	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Gasonia-Scurry WSC	102,443	107,875	5,432	-	-	5,432	-	182,996	\$ 204,311.54	\$ 50,022.81	\$ 20,522.01	\$ -	\$ 274,856.36
Josephine	37,512	57,407	19,895	45,400	7,888	12,007	-	102,443	\$ 114,375.28	\$ -	\$ 1,644.84	\$ -	\$ 116,020.12
Kaufman	407,017	438,403	31,386	-	-	31,386	-	37,512	\$ 41,881.06	\$ 8,807.17	\$ 3,635.57	\$ -	\$ 54,323.80
Kaufman Four One	378,335	450,363	72,028	-	-	72,028	-	407,017	\$ 454,426.35	\$ -	\$ 9,503.38	\$ -	\$ 463,929.73
Lavon WSC	138,335	217,256	78,921	-	-	78,921	-	378,335	\$ 422,403.44	\$ -	\$ 21,809.26	\$ -	\$ 444,212.70
Little Elm - Interim <sup>(1)</sup>	559,606	925,163	365,557	-	-	365,557	-	138,335	\$ 154,448.76	\$ -	\$ 23,896.17	\$ -	\$ 178,344.93
Little Elm - Permanent <sup>(1)</sup>	51,667	107,415	55,748	162,917	55,748	-	-	457,859	\$ 511,190.84	\$ -	\$ 110,685.98	\$ -	\$ 621,876.82
Lucas	293,928	212,681	(81,247)	-	-	(81,247)	-	155,000	\$ 173,054.54	\$ 62,241.58	\$ -	\$ -	\$ 235,296.12
Lucas #3	63,969	290,897	226,928	255,878	191,909	35,019	-	293,928	\$ 328,165.01	\$ -	\$ -	\$ (20,538.20)	\$ 307,626.81
Melissa	59,345	135,737	76,392	-	-	76,392	-	63,969	\$ 71,420.17	\$ 214,262.74	\$ 10,603.30	\$ -	\$ 296,286.21
Milligan WSC	135,407	147,744	12,337	155,938	12,337	-	-	59,345	\$ 66,257.56	\$ -	\$ 23,130.52	\$ -	\$ 89,388.08
Mt. Zion WSC	105,986	159,302	53,316	-	-	53,316	-	135,407	\$ 151,178.96	\$ 13,774.40	\$ -	\$ -	\$ 164,953.36
Murphy	785,207	1,193,806	408,599	1,145,000	359,793	48,806	-	105,986	\$ 118,331.35	\$ -	\$ 16,143.40	\$ -	\$ 134,474.75
Nevada WSC	70,548	56,413	(14,135)	-	-	(14,135)	-	785,207	\$ 876,669.01	\$ 401,701.65	\$ 14,777.83	\$ -	\$ 1,293,148.50
Nevada WSC #2 <sup>(1)</sup>	30,766	31,766	1,000	44,925	1,000	-	-	38,969	\$ 43,508.15	\$ -	\$ -	\$ (3,573.06)	\$ 39,935.08
North Collin WSC	282,928	318,780	35,852	300,000	17,072	18,780	-	38,849	\$ 43,374.17	\$ 1,116.48	\$ -	\$ -	\$ 44,490.65
Parker	347,904	470,812	122,908	-	-	122,908	-	282,928	\$ 315,884.09	\$ 19,060.19	\$ 5,686.34	\$ -	\$ 340,630.62
Prosper <sup>(1)</sup>	275,000	208,182	(66,818)	275,000	-	-	-	347,904	\$ 388,428.55	\$ -	\$ 37,214.87	\$ -	\$ 425,643.42
Rose Hill SUD	12,232	42,818	30,586	-	-	30,586	-	275,000	\$ 307,032.26	\$ -	\$ -	\$ -	\$ 307,032.26
Rowlett	2,759,919	3,192,039	432,120	4,051,017	432,120	-	-	12,232	\$ 13,656.79	\$ 34,148.69	\$ -	\$ -	\$ 47,805.48
Sachse	662,174	734,691	72,517	-	-	72,517	-	2,759,919	\$ 3,081,396.93	\$ 482,453.74	\$ -	\$ -	\$ 3,563,850.67
Sachse #2 <sup>(1)</sup>	388,403	431,099	42,696	522,585	42,696	-	-	662,174	\$ 739,304.27	\$ -	\$ 21,957.32	\$ -	\$ 761,261.59
Seis Lagos MUD	74,260	111,094	36,834	-	-	36,834	-	388,403	\$ 433,644.54	\$ 47,669.27	\$ -	\$ -	\$ 481,313.81
Sunnyvale	376,584	559,135	182,551	910,969	182,551	-	-	74,260	\$ 82,909.50	\$ -	\$ 11,152.96	\$ -	\$ 94,062.47
Wylie NE SUD	127,474	197,289	69,815	-	-	69,815	-	376,584	\$ 420,448.85	\$ 203,814.71	\$ -	\$ -	\$ 624,263.56
Total	10,053,329	13,158,818	3,105,489	-	1,463,456	1,804,232	(95,382)	127,474	\$ 142,322.66	\$ -	\$ 21,138.99	\$ -	\$ 163,461.65
Total	84,276,365	100,555,569	16,279,204	-	1,651,589	15,537,310	(95,382)	10,031,419	\$ 11,199,888.38	\$ 1,633,921.09	\$ 546,298.45	\$ (24,111.26)	\$ 13,355,996.65

Notes:

- (1) Not eligible for Minimum Annual Demand Adjustment due to Contract  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 92,960,057  
Over / (Under) Recovery \$ 3,289,151



North Texas Municipal Water District  
Method 4 - 2003

		Wtr Yr 03 Ann Min (1,000 gall)	Wtr Yr 03 Actual (1,000 gall)	Increase (Decrease) (1,000 gall)	Excess Rate Contract Minium (1,000 gall)	Increase / (Decrease)			FY 03 Ann Min (1,000 gall)	FY 03 Annual Billing	Wtr Yr Increase / (Decrease)				FY 03 Rebate	FY 03 Total
						Full Rate (1,000 gall)	Excess Rate (1,000 gall)	Rebate Rate (1,000 gall)			FY 03 Full Billing	FY 03 Excess Billing				
Members																
Allen		3,699,752	4,124,397	424,645	-	-	424,645		3,699,752	\$ 0.974	\$ 0.974	\$ 0.224	\$ 0.224			
Farmersville		228,235	225,417	(2,818)	-	-	-	(2,818)	228,235	\$ 3,603,699	\$ -	\$ 95,010	\$ -	\$ (631)	\$ 3,698,710	
Forney		658,408	788,921	130,513	-	-	130,513		658,408	\$ 222,310	\$ -	\$ 641,314	\$ -	\$ 29,201	\$ 670,516	
Frisco		4,394,752	5,607,266	1,212,514	-	-	1,212,514		4,394,752	\$ 4,280,655	\$ -	\$ 271,289	\$ -	\$ 4,551,944		
Garland		12,051,601	12,904,220	852,619	-	-	852,619	-	12,051,601	\$ 11,738,717	\$ -	\$ 190,766	\$ -	\$ 11,929,483		
McKinney		5,689,078	6,350,897	661,819	-	-	661,819		5,689,078	\$ 5,541,378	\$ -	\$ 148,076	\$ -	\$ 5,689,454		
Mesquite <sup>(1)</sup>		6,041,180	5,575,688	(465,492)	-	-	-	(465,492)	6,041,180	\$ 5,884,339	\$ -	\$ -	\$ (104,150)	\$ 5,780,189		
Mesquite # 3 <sup>(1)</sup>	B	1,881,950	1,170,130	(711,820)	2,256,486	C	-	-	1,881,950	\$ 1,833,091	\$ -	\$ -	\$ -	\$ 1,833,091		
Plano		22,459,418	22,745,013	285,595	-	-	285,595		22,459,418	\$ 21,876,327	\$ -	\$ 63,899	\$ -	\$ 21,940,226		
Princeton		278,431	287,581	9,150	-	-	9,150	-	278,431	\$ 271,202	\$ -	\$ 2,047	\$ -	\$ 273,250		
Richardson		9,773,780	10,135,415	361,635	-	-	361,635		9,773,780	\$ 9,520,033	\$ -	\$ 80,913	\$ -	\$ 9,600,946		
Rockwall		1,876,570	2,234,227	357,657	-	-	357,657		1,876,570	\$ 1,827,850	\$ -	\$ 80,023	\$ -	\$ 1,907,873		
Royse City		257,149	286,471	29,322	-	-	29,322		257,149	\$ 250,473	\$ -	\$ 6,561	\$ -	\$ 257,033		
Wylie		816,417	1,042,381	225,964	-	-	225,964	-	816,417	\$ 795,221	\$ -	\$ 50,557	\$ -	\$ 845,779		
Total		70,106,721	73,478,024	3,371,303			4,551,433	(468,310)	70,106,721	\$ 68,286,611	\$ -	\$ 1,018,342	\$ (104,780)	\$ 69,200,172		
Customers										\$ 1,024	\$ 1.024	\$ 0.274	\$ 0.224			
Caddo Basin		197,652	245,280	47,628	-	-	47,628	-	197,652	\$ 202,403	\$ -	\$ 13,038	\$ -	\$ 215,441		
Cash SUD	A	211,830	221,385	9,555	-	-	9,555	-	211,830	\$ 216,922	\$ -	\$ 2,616	\$ -	\$ 219,538		
College Mound WSC	A	56,135	62,017	5,882	-	-	5,882	-	56,135	\$ 57,484	\$ -	\$ 1,610	\$ -	\$ 59,095		
Copeville WSC		65,737	68,468	2,731	113,867	C	2,731	-	65,737	\$ 67,317	\$ 2,797	\$ -	\$ -	\$ 70,114		
East Fork SUD		150,055	188,012	37,957	280,831	C	37,957	-	150,055	\$ 153,662	\$ 38,869	\$ -	\$ -	\$ 192,531		
Fairview		352,745	394,901	42,156	-	-	42,156	-	352,745	\$ 361,224	\$ -	\$ 11,540	\$ -	\$ 372,764		
Fate		69,529	77,744	8,215	-	-	8,215	-	69,529	\$ 71,200	\$ -	\$ 2,249	\$ -	\$ 73,449		
Forney Lake WSC		112,745	131,507	18,762	-	-	18,762	-	112,745	\$ 115,455	\$ -	\$ 5,136	\$ -	\$ 120,591		
Gasonia-Scurry WSC		80,336	101,254	20,918	-	-	20,918	-	80,336	\$ 82,267	\$ -	\$ 5,726	\$ -	\$ 87,993		
Josephine		40,978	33,301	(7,677)	45,400	C	-	(7,677)	40,978	\$ 41,963	\$ -	\$ -	\$ (1,718)	\$ 40,245		
Kaufman		419,999	392,227	(27,772)	-	-	-	(27,772)	419,999	\$ 430,095	\$ -	\$ -	\$ (6,214)	\$ 423,881		
Kaufman Four One	A	337,611	356,603	18,992	-	-	18,992	-	337,611	\$ 345,726	\$ -	\$ 5,199	\$ -	\$ 350,925		
Lavon WSC <sup>(1)</sup>		142,389	124,858	(17,531)	142,389	C	-	-	142,389	\$ 145,812	\$ -	\$ -	\$ -	\$ 145,812		
Little Elm		210,964	368,734	157,770	-	-	157,770	-	210,964	\$ 216,035	\$ -	\$ 43,188	\$ -	\$ 259,223		
Lucas		243,856	271,766	27,910	-	-	27,910	-	243,856	\$ 249,718	\$ -	\$ 7,640	\$ -	\$ 257,358		
Melissa <sup>(1)</sup>	B	48,664	32,160	(16,504)	73,000	C	-	-	60,833	\$ 62,295	\$ -	\$ -	\$ -	\$ 62,295		
Milligan WSC		115,787	149,894	34,107	155,938	C	34,107	-	115,787	\$ 118,570	\$ 34,927	\$ -	\$ -	\$ 153,497		
Mt. Zion WSC		97,279	100,946	3,667	-	-	3,667	-	97,279	\$ 99,617	\$ -	\$ 1,004	\$ -	\$ 100,621		
Murphy		496,860	655,870	159,010	-	-	159,010	-	496,860	\$ 508,804	\$ -	\$ 43,528	\$ -	\$ 552,331		
Nevada WSC		66,189	71,043	4,854	-	-	4,854	-	66,189	\$ 67,780	\$ -	\$ 1,329	\$ -	\$ 69,109		
North Collin WSC		245,779	274,347	28,568	300,000	C	28,568	-	245,779	\$ 251,687	\$ 29,255	\$ -	\$ -	\$ 280,942		
Parker		228,969	306,201	77,232	-	-	77,232	-	228,969	\$ 234,473	\$ -	\$ 21,142	\$ -	\$ 255,615		
Rose Hill WSC	A	40,056	16,160	(23,896)	48,000	C	-	-	40,056	\$ 41,019	\$ -	\$ -	\$ -	\$ 41,019		
Rowlett		2,564,207	2,772,637	208,430	4,051,017	C	208,430	-	2,564,207	\$ 2,625,845	\$ 213,440	\$ -	\$ -	\$ 2,839,286		
Sachse		521,439	612,776	91,337	-	-	91,337	-	521,439	\$ 533,973	\$ -	\$ 25,003	\$ -	\$ 558,976		
Sachse #2 <sup>(1)</sup>	B	130,646	388,403	257,757	522,585	C	257,757	-	130,646	\$ 133,786	\$ 263,953	\$ -	\$ -	\$ 397,739		
Seis Lagos MUD		60,814	74,712	13,898	-	-	13,898	-	60,814	\$ 62,276	\$ -	\$ 3,804	\$ -	\$ 66,080		
Sunnyvale		314,893	362,405	47,512	910,969	C	47,512	-	314,893	\$ 322,462	\$ 48,654	\$ -	\$ -	\$ 371,116		
Wylie NE WSC		87,351	118,559	31,208	-	-	31,208	-	87,351	\$ 89,451	\$ -	\$ 8,543	\$ -	\$ 97,994		
Total		7,711,494	8,974,170	1,262,676			617,062	738,994	7,723,663	\$ 7,909,324	\$ 631,895	\$ 202,293	\$ (7,931)	\$ 8,735,581		
Total		77,818,215	82,452,194	4,633,979			617,062	5,290,427	77,830,384	\$ 76,195,935	\$ 631,895	\$ 1,220,635	\$ (112,711)	\$ 77,935,753		

Notes

- (1) Not eligible for Minimum Annual Demand Adjustment due to Contract  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 75,674,582  
Over / (Under) Recovery \$ 2,261,171

North Texas Municipal Water District  
Method 4 - 2004

	Increase / (Decrease)							Wtr Yr Increase / (Decrease)						
	Wtr Yr 04	Wtr Yr 04	Increase	Excess Rate	Full	Excess	Rebate	FY 04	FY 04	FY 04	FY 04	FY 04	FY 04	
	Ann Min	Actual	(Decrease)	Contract Minium	Rate	Rate	Rate	Ann Min	Annual Billing	Full Billing	Excess Billing	Rebate	Total	
	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)						
Members														
Allen	4,124,397	4,362,143	237,746	-	-	237,746	-	4,124,397	\$ 0.968	\$ 0.968	\$ 0.210	\$ 0.210		
Farmersville	225,417	246,458	21,041	-	-	21,041	-	225,417	\$ 3,993,076.11	\$ -	\$ 50,027.80	\$ -	\$ 4,043,103.90	
Forney	788,921	891,245	102,324	-	-	102,324	-	788,921	\$ 218,239.72	\$ -	\$ 4,427.56	\$ -	\$ 222,667.28	
Frisco	5,607,266	5,645,797	38,531	-	-	38,531	-	5,607,266	\$ 763,801.74	\$ -	\$ 21,531.57	\$ -	\$ 785,333.31	
Garland	12,904,220	12,612,613	(291,607)	-	-	-	(291,607)	12,904,220	\$ 5,428,730.52	\$ -	\$ 8,107.90	\$ -	\$ 5,436,838.43	
McKinney	6,350,897	6,582,712	231,815	-	-	231,815	-	6,350,897	\$ 12,493,349.34	\$ -	\$ -	\$ (61,361.52)	\$ 12,431,987.83	
Mesquite	5,575,688	4,814,443	(761,245)	-	-	-	(761,245)	6,350,897	\$ 6,148,684.30	\$ -	\$ 48,779.76	\$ -	\$ 6,197,464.06	
Mesquite # 3 <sup>(1)</sup>	1,956,857	1,597,147	(359,710)	2,256,486	-	-	-	5,575,688	\$ 5,398,157.97	\$ -	\$ -	\$ (160,185.28)	\$ 5,237,972.69	
Plano	22,745,013	22,149,517	(595,496)	-	-	-	(595,496)	1,956,857	\$ 1,894,550.63	\$ -	\$ -	\$ -	\$ 1,894,550.63	
Princeton	287,581	289,199	1,618	-	-	1,618	-	22,745,013	\$ 22,020,811.27	\$ -	\$ -	\$ (125,307.48)	\$ 21,895,503.79	
Richardson	10,135,415	9,532,442	(602,973)	-	-	-	(602,973)	287,581	\$ 278,424.41	\$ -	\$ 340.47	\$ -	\$ 278,764.88	
Rockwall	2,234,227	2,332,266	98,039	-	-	98,039	-	10,135,415	\$ 9,812,703.16	\$ -	\$ -	\$ (126,880.83)	\$ 9,685,822.33	
Royse City	286,471	327,863	41,392	-	-	41,392	-	2,234,227	\$ 2,163,089.16	\$ -	\$ 20,629.90	\$ -	\$ 2,183,719.06	
Wylie	1,042,381	1,266,615	224,234	-	-	224,234	-	286,471	\$ 277,349.76	\$ -	\$ 8,709.93	\$ -	\$ 286,059.68	
Total	74,264,751	72,650,460	(1,614,291)	-	-	996,740	(2,251,321)	1,042,381	\$ 1,009,191.57	\$ -	\$ 47,184.53	\$ -	\$ 1,056,376.09	
Customers								74,264,751	\$ 71,900,159.66	\$ -	\$ 209,739.41	\$ (473,735.12)	\$ 71,636,163.95	
Caddo Basin	245,280	223,734	(21,546)	-	-	-	(21,546)		\$ 1.018	\$ 1.018	\$ 0.260	\$ 0.210		
Cash SUD	221,385	257,909	36,524	-	-	36,524	-	245,280	\$ 249,734.28	\$ -	\$ -	\$ (4,533.83)	\$ 245,200.45	
College Mound WSC	62,017	52,093	(9,924)	-	-	-	(9,924)	221,385	\$ 225,405.35	\$ -	\$ 9,511.78	\$ -	\$ 234,917.12	
Copeville WSC	68,468	73,935	5,467	113,866.6	5,467	-	-	62,017	\$ 63,143.23	\$ -	\$ -	\$ (2,088.26)	\$ 61,054.97	
East Fork SUD	188,012	202,927	14,915	280,831	14,915	-	-	68,468	\$ 69,711.38	\$ 5,566.28	\$ -	\$ -	\$ 75,277.66	
Fairview	394,901	420,325	25,424	-	-	25,424	-	188,012	\$ 191,426.29	\$ 15,185.86	\$ -	\$ -	\$ 206,612.15	
Fate	77,744	113,197	35,453	-	-	35,453	-	394,901	\$ 402,072.39	\$ -	\$ 6,621.06	\$ -	\$ 408,693.45	
Forney Lake WSC <sup>(1)</sup>	153,126	135,370	(17,756)	227,800	-	-	-	77,744	\$ 79,155.83	\$ -	\$ 9,232.86	\$ -	\$ 88,388.69	
Gasonia-Scurry WSC	101,254	98,508	(2,746)	-	-	-	(2,746)	153,126	\$ 155,906.76	\$ -	\$ -	\$ -	\$ 155,906.76	
Josephine	33,301	38,203	4,902	45,400	4,902	-	-	101,254	\$ 103,092.77	\$ -	\$ -	\$ (577.83)	\$ 102,514.94	
Kaufman	392,227	419,659	27,432	-	-	27,432	-	33,301	\$ 33,905.75	\$ 4,991.02	\$ -	\$ -	\$ 38,896.77	
Kaufman Four One	356,603	396,336	39,733	-	-	39,733	-	392,227	\$ 399,349.83	\$ -	\$ 7,143.99	\$ -	\$ 406,493.82	
Lavon WSC <sup>(1)</sup>	142,389	141,538	(851)	142,389	-	-	-	356,603	\$ 363,078.90	\$ -	\$ 10,347.48	\$ -	\$ 373,426.38	
Little Elm	368,734	504,167	135,433	-	-	135,433	-	142,389	\$ 144,974.78	\$ -	\$ -	\$ -	\$ 144,974.78	
Lucas	271,766	301,984	30,218	-	-	30,218	-	368,734	\$ 375,430.20	\$ -	\$ 35,270.19	\$ -	\$ 410,700.39	
Melissa <sup>(1)</sup>	73,000	59,467	(13,533)	73,000	-	-	-	271,766	\$ 276,701.26	\$ -	\$ 7,869.53	\$ -	\$ 284,570.80	
Milligan WSC	149,894	127,646	(22,248)	155,938	-	-	(22,248)	73,000	\$ 74,325.68	\$ -	\$ -	\$ -	\$ 74,325.68	
Mt. Zion WSC	100,946	108,816	7,870	-	-	7,870	-	149,894	\$ 152,616.07	\$ -	\$ -	\$ (4,681.54)	\$ 147,934.53	
Murphy	655,870	792,811	136,941	-	-	136,941	-	100,946	\$ 102,779.18	\$ -	\$ 2,049.55	\$ -	\$ 104,828.72	
Nevada WSC	71,043	71,813	770	-	-	770	-	655,870	\$ 667,780.58	\$ -	\$ 35,662.91	\$ -	\$ 703,443.50	
North Collin WSC	274,347	284,428	10,081	300,000	-	10,081	-	71,043	\$ 72,333.14	\$ -	\$ 200.53	\$ -	\$ 72,533.67	
Parker	306,201	344,660	38,459	-	-	38,459	-	274,347	\$ 279,329.14	\$ -	\$ 2,625.35	\$ -	\$ 281,954.48	
Rose Hill WSC	16,160	7,689	(8,471)	48,000	-	-	-	306,201	\$ 311,761.60	\$ -	\$ 10,015.70	\$ -	\$ 321,777.30	
Rowlett	2,772,637	2,772,411	(226)	4,051,017	-	-	(226)	16,160	\$ 16,453.47	\$ -	\$ -	\$ -	\$ 16,453.47	
Sachse	612,776	762,689	149,913	-	-	149,913	-	2,772,637	\$ 2,822,988.03	\$ -	\$ -	\$ (47.56)	\$ 2,822,940.47	
Sachse #2 <sup>(1)</sup>	388,403	194,171	(194,232)	522,585	-	-	-	612,776	\$ 623,904.00	\$ -	\$ 39,041.15	\$ -	\$ 662,945.15	
Seis Lagos MUD	74,712	76,473	1,761	-	-	1,761	-	388,403	\$ 395,456.39	\$ -	\$ -	\$ -	\$ 395,456.39	
Sunnyvale	362,405	376,311	13,906	910,969	-	-	-	74,712	\$ 76,068.77	\$ -	\$ 458.61	\$ -	\$ 76,527.38	
Wylie NE WSC	118,559	120,048	1,489	-	13,906	1,489	-	362,405	\$ 368,986.27	\$ 14,158.53	\$ -	\$ -	\$ 383,144.80	
Total	9,054,160	9,479,318	425,158	-	-	677,501	(56,690)	118,559	\$ 120,712.03	\$ -	\$ 387.77	\$ -	\$ 121,099.80	
	83,318,911	82,129,778	(1,189,133)	-	39,190	1,674,241	(2,308,011)	9,054,160	\$ 9,218,583.34	\$ 39,901.69	\$ 176,438.47	\$ (11,929.02)	\$ 9,422,994.48	
Total	83,318,911	82,129,778	(1,189,133)	-	39,190	1,674,241	(2,308,011)	83,318,911	\$ 81,118,743.00	\$ 39,901.69	\$ 386,177.88	\$ (485,664.13)	\$ 81,059,158.44	

Notes

- (1) Not eligible for Minimum Annual Demand Adjustment due to Contract  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 79,688,080  
Over / (Under) Recovery \$ 1,371,078

North Texas Municipal Water District  
Method 4 - 2005

	FY05				Increase / (Decrease)			Wtr Yr Increase / (Decrease)					
	Wtr Yr 05 Ann Min	Wtr Yr 05 Actual	Increase (Decrease)	FY05 Excess Rate Contract Minimum	Full Rate	Excess Rate	Rebate Rate	FY 05 Ann Min	FY 05 Annual Billing	FY 05 Full Billing	FY 05 Excess Billing	FY 05 Rebate	FY 05 Total
	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)					
Members													
Allen	4,362,143	4,687,958	325,815	-	-	325,815	-	4,362,143	\$ 1,057	\$ 1,057	\$ 0 218	\$ 0 218	\$ 4,680,307
Farmersville	246,458	242,487	(3,971)	-	-	-	(3,971)	246,458	\$ 260,424	\$ -	\$ -	\$ (865)	\$ 259,559
Forney	891,245	1,059,328	168,083	-	-	168,083	-	891,245	\$ 941,749	\$ -	\$ 36,615	\$ -	\$ 978,364
Frisco	5,645,797	6,467,274	821,477	-	-	821,477	-	5,645,797	\$ 5,965,727	\$ -	\$ 178,948	\$ -	\$ 6,144,676
Garland	12,612,613	12,435,423	(177,190)	-	-	-	(177,190)	12,612,613	\$ 13,327,332	\$ -	\$ -	\$ (38,599)	\$ 13,288,733
McKinney	6,582,712	7,166,992	584,280	-	-	584,280	-	6,582,712	\$ 6,955,735	\$ -	\$ 127,278	\$ -	\$ 7,083,012
Mesquite	4,814,443	4,885,178	70,735	-	-	70,735	-	4,814,443	\$ 5,087,263	\$ -	\$ 15,409	\$ -	\$ 5,102,672
Mesquite # 3 <sup>(1)</sup>	2,031,764	1,351,516	(680,248)	2,256,486	-	-	-	2,031,764	\$ 2,146,898	\$ -	\$ -	\$ -	\$ 2,146,898
Plano	22,149,517	22,432,203	282,686	-	-	282,686	-	22,149,517	\$ 23,404,664	\$ -	\$ 61,580	\$ -	\$ 23,466,243
Princeton	289,199	337,039	47,840	-	-	47,840	-	289,199	\$ 305,587	\$ -	\$ 10,421	\$ -	\$ 316,008
Richardson	9,532,442	8,553,732	(978,710)	-	-	-	(978,710)	9,532,442	\$ 10,072,617	\$ -	\$ -	\$ (213,199)	\$ 9,859,418
Rockwall	2,332,266	2,471,592	139,326	-	-	139,326	-	2,332,266	\$ 2,464,429	\$ -	\$ 30,350	\$ -	\$ 2,494,779
Royse City	327,863	338,437	10,574	-	-	10,574	-	327,863	\$ 346,442	\$ -	\$ 2,303	\$ -	\$ 348,745
Wylie	1,266,615	1,387,214	120,599	-	-	120,599	-	1,266,615	\$ 1,338,390	\$ -	\$ 26,271	\$ -	\$ 1,364,661
Total	73,085,077	73,816,373	731,296	-	-	2,571,415	(1,159,871)	73,085,077	\$ 77,226,589	\$ -	\$ 560,150	\$ (252,663)	\$ 77,534,076
Customers													
Caddo Basin	223,734	240,325	16,591	-	-	16,591	-	223,734	\$ 1,107	\$ 1,107	\$ 0,268	\$ 0 218	\$ 252,043
Cash SUD	A 257,909	256,282	(1,627)	-	-	-	-	257,909	\$ 285,419	\$ -	\$ -	\$ -	\$ 285,419
College Mound WSC	A 52,093	9,825	(42,268)	-	-	-	-	52,093	\$ 57,650	\$ -	\$ -	\$ -	\$ 57,650
Copeville WSC	73,935	66,320	(7,615)	113,866.6	-	-	(7,615)	73,935	\$ 81,821	\$ -	\$ -	\$ (1,659)	\$ 80,163
East Fork SUD	202,927	221,755	18,828	280,831	18,828	-	-	202,927	\$ 224,573	\$ 20,836	\$ -	\$ -	\$ 245,409
Fairview	420,325	478,582	58,257	-	-	58,257	-	420,325	\$ 465,160	\$ -	\$ 15,603	\$ -	\$ 480,763
Fate	113,197	155,139	41,942	-	-	41,942	-	113,197	\$ 125,271	\$ -	\$ 11,234	\$ -	\$ 136,505
Forney Lake WSC <sup>(1)</sup>	171,795	164,447	(7,348)	227,800	-	-	-	171,795	\$ 190,120	\$ -	\$ -	\$ -	\$ 190,120
Gasonia-Scurry WSC	98,508	107,566	9,058	-	-	9,058	-	98,508	\$ 109,016	\$ -	\$ 2,426	\$ -	\$ 111,442
Josephine	38,203	41,031	2,828	45,400	2,828	-	-	38,203	\$ 42,278	\$ 3,130	\$ -	\$ -	\$ 45,408
Kaufman	419,659	409,164	(10,495)	-	-	-	(10,495)	419,659	\$ 464,423	\$ -	\$ -	\$ (2,286)	\$ 462,137
Kaufman Four One	A 396,336	382,065	(14,271)	-	-	-	-	396,336	\$ 438,612	\$ -	\$ -	\$ -	\$ 438,612
Lavon WSC <sup>(1)</sup>	142,389	148,610	6,221	142,389	-	6,221	-	142,389	\$ 157,577	\$ -	\$ 1,666	\$ -	\$ 159,243
Little Elm	504,167	610,479	106,312	-	-	106,312	-	504,167	\$ 557,945	\$ -	\$ 28,474	\$ -	\$ 586,419
Lucas	301,984	308,034	6,050	-	-	6,050	-	301,984	\$ 334,196	\$ -	\$ 1,620	\$ -	\$ 335,816
Lucas #3	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Melissa <sup>(1)</sup>	73,000	86,408	13,408	73,000	-	13,408	-	73,000	\$ 80,787	\$ -	\$ 3,591	\$ -	\$ 84,378
Milligan WSC	127,646	128,680	1,034	155,938	1,034	-	-	127,646	\$ 141,262	\$ 1,144	\$ -	\$ -	\$ 142,406
Mt. Zion WSC	108,816	108,196	(620)	-	-	-	(620)	108,816	\$ 120,423	\$ -	\$ -	\$ (135)	\$ 120,288
Murphy	792,811	906,941	114,130	-	-	114,130	-	792,811	\$ 877,378	\$ -	\$ 30,568	\$ -	\$ 907,946
Nevada WSC	71,813	68,787	(3,026)	-	-	-	(3,026)	71,813	\$ 79,473	\$ -	\$ -	\$ (659)	\$ 78,814
North Collin WSC	284,428	290,010	5,582	300,000	5,582	-	-	284,428	\$ 314,767	\$ 6,177	\$ -	\$ -	\$ 320,944
Parker	344,660	392,852	48,192	-	-	48,192	-	344,660	\$ 381,424	\$ -	\$ 12,908	\$ -	\$ 394,331
Prosper <sup>(1)</sup>	236,575	95,406	(141,169)	236,575	-	-	-	275,000	\$ 304,333	\$ -	\$ -	\$ -	\$ 304,333
Rose Hill WSC	A 7,689	12,847	5,158	48,000	5,158	-	-	7,689	\$ 8,509	\$ 5,708	\$ -	\$ -	\$ 14,217
Rowlett	2,772,411	2,734,709	(37,702)	4,051,017	-	-	(37,702)	2,772,411	\$ 3,068,136	\$ -	\$ -	\$ (8,213)	\$ 3,059,923
Sachse	762,689	611,056	(151,633)	-	-	-	(151,633)	762,689	\$ 844,043	\$ -	\$ -	\$ (33,031)	\$ 811,011
Sachse #2 <sup>(1)</sup>	388,403	385,477	(2,926)	522,585	-	-	-	388,403	\$ 429,833	\$ -	\$ -	\$ -	\$ 429,833
Seis Lagos MUD	76,473	71,594	(4,879)	-	-	-	(4,879)	76,473	\$ 84,630	\$ -	\$ -	\$ (1,063)	\$ 83,567
Sunnyvale	376,311	391,036	14,725	910,969	14,725	-	-	376,311	\$ 416,451	\$ 16,296	\$ -	\$ -	\$ 432,747
Wylie NE WSC	120,048	143,816	23,768	-	-	23,768	-	120,048	\$ 132,853	\$ -	\$ 6,366	\$ -	\$ 139,219
Total	9,960,934	10,027,439	66,505	-	48,155	443,929	(215,970)	9,999,359	\$ 11,065,961	\$ 53,292	\$ 118,901	\$ (47,046)	\$ 11,191,107
Total	83,046,011	83,843,812	797,801	-	48,155	3,015,344	(1,375,841)	83,084,436	\$ 88,292,550	\$ 53,292	\$ 679,050	\$ (299,709)	\$ 88,725,183

Notes:

- (1) Not eligible for Minimum Annual Demand Adjustment due to Contract  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 86,913,615  
Over / (Under) Recovery \$ 1,811,568

North Texas Municipal Water District  
Method 4 - 2006

				FY06 Excess Rate Contract Minimum	Increase / (Decrease)			Wtr Yr Increase / (Decrease)					
	Wtr Yr 06 Ann Min	Wtr Yr 06 Actual	Increase (Decrease)		Full Rate	Excess Rate	Rebate Rate	FY 06 Ann Min	FY 06 Annual Billing	FY 06 Full Billing	FY 06 Excess Billing	FY 06 Rebate	FY 06 Total
Members													
Allen	4,687,958	5,588,259	900,301	-	-	900,301	-	4,687,958	\$ 1,061	\$ 1,061	\$ 0,251	\$ 0,251	\$ 5,198,342.89
Farmersville	242,487	280,467	37,980	-	-	37,980	-	242,487	\$ 257,178.54	\$ -	\$ 9,549.03	\$ -	\$ 266,727.57
Forney	1,059,328	1,416,868	357,540	-	-	357,540	-	1,059,328	\$ 1,123,509.42	\$ -	\$ 89,893.61	\$ -	\$ 1,213,403.03
Frisco	6,467,274	7,918,529	1,451,255	-	-	1,451,255	-	6,467,274	\$ 6,859,106.22	\$ -	\$ 364,878.19	\$ -	\$ 7,223,984.41
Frisco #2 <sup>(1)</sup>	3,116	419,410	416,294	12,465	9,349	406,945	-	5,650	\$ 5,992.32	\$ 9,915.43	\$ 102,315.14	\$ -	\$ 118,222.88
Garland	12,435,423	13,721,955	1,286,532	-	-	1,286,532	-	12,435,423	\$ 13,188,846.99	\$ -	\$ 323,463.12	\$ -	\$ 13,512,310.11
McKinney	7,166,992	8,385,134	1,218,142	-	-	1,218,142	-	7,166,992	\$ 7,601,217.98	\$ -	\$ 306,268.33	\$ -	\$ 7,907,486.31
McKinney #3 <sup>(1)</sup>	171,228	350,012	178,784	684,910	178,784	-	-	228,303	\$ 242,135.18	\$ 189,615.97	\$ -	\$ -	\$ 431,751.15
Mesquite	4,885,178	5,756,029	870,851	-	-	870,851	-	4,885,178	\$ 5,181,155.89	\$ -	\$ 218,951.55	\$ -	\$ 5,400,107.45
Mesquite # 3 <sup>(1)</sup>	2,106,671	1,359,175	(747,496)	2,256,486	-	-	-	2,106,671	\$ 2,234,307.71	\$ -	\$ -	\$ -	\$ 2,234,307.71
Plano	22,432,203	26,265,050	3,832,847	-	-	3,832,847	-	22,432,203	\$ 23,791,301.11	\$ -	\$ 963,664.05	\$ -	\$ 24,754,965.16
Princeton	337,039	409,624	72,585	-	-	72,585	-	337,039	\$ 357,459.16	\$ -	\$ 18,249.50	\$ -	\$ 375,708.66
Richardson	8,553,732	10,050,090	1,496,358	-	-	1,496,358	-	8,553,732	\$ 9,071,976.28	\$ -	\$ 376,218.10	\$ -	\$ 9,448,194.38
Rockwall	2,471,592	3,284,236	812,644	-	-	812,644	-	2,471,592	\$ 2,621,338.15	\$ -	\$ 204,317.00	\$ -	\$ 2,825,655.15
Royse City	338,437	470,150	131,713	-	-	131,713	-	338,437	\$ 358,941.86	\$ -	\$ 33,115.61	\$ -	\$ 392,057.47
Wylie	1,387,214	1,721,763	334,549	-	-	334,549	-	1,387,214	\$ 1,471,261.02	\$ -	\$ 84,113.15	\$ -	\$ 1,555,374.18
Total	74,745,872	87,396,751	12,650,879	-	188,133	13,210,242	-	74,805,481	\$ 79,337,714.75	\$ 199,531.40	\$ 3,321,352.33	\$ -	\$ 82,858,598.48
Customers													
Caddo Basin SUD	240,325	293,451	53,126	-	-	53,126	-	240,325	\$ 1,111	\$ 1,111	\$ 0,301	\$ 0,251	\$ 282,915.17
Cash SUD	256,282	305,643	49,361	-	-	49,361	-	256,282	\$ 284,623.44	\$ -	\$ 14,878.52	\$ -	\$ 299,501.95
College Mound WSC	9,825	62,710	52,885	-	-	52,885	-	9,825	\$ 10,911.52	\$ -	\$ 15,940.73	\$ -	\$ 26,852.25
Copeville WSC	66,320	77,927	11,607	113,866	11,607	-	-	66,320	\$ 73,654.12	\$ 12,890.58	\$ -	\$ -	\$ 86,544.71
East Fork SUD	221,755	324,226	102,471	280,831	59,076	43,395	-	221,755	\$ 246,278.20	\$ 65,609.03	\$ 13,080.23	\$ -	\$ 324,967.47
Fairview	478,582	721,185	242,603	-	-	242,603	-	478,582	\$ 531,506.91	\$ -	\$ 73,126.01	\$ -	\$ 604,632.92
Fate	155,139	279,932	124,793	-	-	124,793	-	155,139	\$ 172,295.34	\$ -	\$ 37,615.42	\$ -	\$ 209,910.76
Fate #2	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Forney Lake WSC <sup>(1)</sup>	182,996	295,577	112,581	227,800	44,804	67,777	-	182,996	\$ 203,232.96	\$ 49,758.74	\$ 20,429.51	\$ -	\$ 273,421.21
Gassonia-Scurry WSC	107,566	107,875	309	-	-	309	-	107,566	\$ 119,461.39	\$ -	\$ 93.14	\$ -	\$ 119,554.53
Josephine	41,031	57,407	16,376	45,400	4,369	12,007	-	41,031	\$ 45,568.49	\$ 4,852.15	\$ 3,619.18	\$ -	\$ 54,039.83
Kaufman	409,164	438,403	29,239	-	-	29,239	-	409,164	\$ 454,412.19	\$ -	\$ 8,813.29	\$ -	\$ 463,225.48
Kaufman Four One	382,065	450,363	68,298	-	-	68,298	-	382,065	\$ 424,316.39	\$ -	\$ 20,586.56	\$ -	\$ 444,902.95
Lavon WSC	148,610	217,256	68,646	-	-	68,646	-	148,610	\$ 165,044.32	\$ -	\$ 20,691.45	\$ -	\$ 185,735.77
Little Elm - Interim <sup>(1)</sup>	559,606	925,163	365,557	-	-	365,557	-	457,859	\$ 508,492.22	\$ -	\$ 110,187.11	\$ -	\$ 618,679.33
Little Elm - Permanent <sup>(1)</sup>	51,667	107,415	55,748	162,917	55,748	-	-	155,000	\$ 172,140.97	\$ 61,913.00	\$ -	\$ -	\$ 234,053.97
Lucas	308,034	212,681	(95,353)	-	-	(95,353)	-	308,034	\$ 342,098.53	\$ -	\$ -	\$ (23,973.89)	\$ 318,124.64
Lucas #3 <sup>(1)</sup>	63,969	290,897	226,928	255,878	191,909	35,019	-	63,969	\$ 71,043.13	\$ 213,131.63	\$ 10,555.52	\$ -	\$ 294,730.28
Melissa	86,408	135,737	49,329	-	-	49,329	-	86,408	\$ 95,963.59	\$ -	\$ 14,868.87	\$ -	\$ 110,832.47
Milligan WSC	128,680	147,744	19,064	155,938	19,064	-	-	128,680	\$ 142,910.32	\$ 21,172.23	\$ -	\$ -	\$ 164,082.55
Mt Zion WSC	108,196	159,302	51,106	-	-	51,106	-	108,196	\$ 120,161.06	\$ -	\$ 15,404.50	\$ -	\$ 135,565.56
Murphy	906,941	1,193,806	286,865	1,145,000	238,059	48,806	-	906,941	\$ 1,007,236.81	\$ 264,385.21	\$ 14,711.23	\$ -	\$ 1,286,333.25
Nevada WSC	68,787	56,413	(12,374)	-	-	(12,374)	-	38,969	\$ 43,278.46	\$ -	\$ -	\$ (3,111.10)	\$ 40,167.36
Nevada WSC #2 <sup>(1)</sup>	30,766	31,766	1,000	44,925	1,000	-	-	38,849	\$ 43,145.19	\$ 1,110.59	\$ -	\$ -	\$ 44,255.78
North Collin WSC	290,010	318,780	28,770	300,000	9,990	18,780	-	290,010	\$ 322,081.31	\$ 11,094.76	\$ 5,660.71	\$ -	\$ 338,836.79
Parker	392,852	470,812	77,960	-	-	77,960	-	392,852	\$ 436,296.29	\$ -	\$ 23,498.90	\$ -	\$ 459,795.19
Prosper <sup>(1)</sup>	275,000	208,182	(66,818)	275,000	-	-	-	275,000	\$ 305,411.40	\$ -	\$ -	\$ -	\$ 305,411.40
Rose Hill SUD	12,847	42,818	29,971	48,000	29,971	-	-	12,847	\$ 14,267.71	\$ 33,285.40	\$ -	\$ -	\$ 47,553.11
Rowlett	2,734,709	3,192,039	457,330	4,051,017	457,330	-	-	2,734,709	\$ 3,037,132.05	\$ 507,904.72	\$ -	\$ -	\$ 3,545,036.76
Sachse	611,056	734,691	123,635	-	-	123,635	-	611,056	\$ 678,630.80	\$ -	\$ 37,266.37	\$ -	\$ 715,897.17
Sachse #2 <sup>(1)</sup>	388,403	431,099	42,696	522,585	42,696	-	-	388,403	\$ 431,355.29	\$ 47,417.62	\$ -	\$ -	\$ 478,772.91
Seis Lagos MUD	71,594	111,094	39,500	-	-	39,500	-	71,594	\$ 79,511.36	\$ -	\$ 11,906.19	\$ -	\$ 91,417.55
Sunnyvale	391,036	559,135	168,099	910,969	168,099	-	-	391,036	\$ 434,279.47	\$ 186,688.55	\$ -	\$ -	\$ 620,968.02
Wylie NE SUD	143,816	197,289	53,473	-	-	53,473	-	143,816	\$ 159,720.17	\$ -	\$ 16,117.97	\$ -	\$ 175,838.13
Total	10,324,037	13,158,818	2,834,781	-	1,333,722	1,675,604	(107,727)	10,303,888	\$ 11,443,363.25	\$ 1,481,214.21	\$ 505,064.78	\$ (27,084.99)	\$ 13,402,557.24
Total	85,069,909	100,555,569	15,485,660	-	1,521,855	14,885,846	(107,727)	85,109,369	\$ 90,781,078.00	\$ 1,680,745.61	\$ 3,826,417.11	\$ (27,084.99)	\$ 96,261,156

Notes

- (1) Not eligible for Minimum Annual Demand Adjustment due to Contract  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement 93,320,223  
Over / (Under) Recovery \$ 2,940,933

North Texas Municipal Water District  
Method 5 - 2003

					Increase / (Decrease)			Wtr Yr Increase / (Decrease)										
					Full Rate	Excess Rate	Rebate Rate	FY 03 Ann Min	FY 03 Annual Billing	FY 03 Full Billing	FY 03 Excess Billing	FY 03 Rebate	FY 03 Total					
	Wtr Yr 03 Ann Min	Wtr Yr 03 Actual	Increase (Decrease)	Excess Rate Contract Minium														
	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)		(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)									
Members																		
Allen	3,952,728	4,124,397	171,669	-	-	171,669		3,952,728	\$	0.870	\$	0.870	\$	0.200				
Farmersville	290,608	225,417	(65,191)	-	-	-	(65,191)	290,608	\$	3,438,873	\$	-	\$	149,352	\$	3,588,225		
Forney	743,504	788,921	45,417	-	-	45,417		743,504	\$	252,829	\$	-	\$	-	\$	239,791		
Frisco	4,394,752	5,607,266	1,212,514	-	-	1,212,514		743,504	\$	646,848	\$	-	\$	39,513	\$	686,361		
Garland	13,660,013	12,904,220	(755,793)	-	-	-	(755,793)	4,394,752	\$	3,823,434	\$	-	\$	1,054,887	\$	4,878,321		
McKinney	5,748,746	6,350,897	602,151	-	-	602,151		13,660,013	\$	11,884,211	\$	-	\$	-	\$	11,733,053		
Mesquite	6,041,180	5,575,688	(465,492)	-	-	-	(465,492)	5,748,746	\$	5,001,409	\$	-	\$	523,871	\$	5,525,280		
Mesquite # 3	1,881,950	1,170,130	(711,820)	2,256,486	C	-	-	6,041,180	\$	5,255,827	\$	-	\$	-	\$	5,162,728		
Plano	26,719,809	22,745,013	(3,974,796)	-	-	-	(3,974,796)	1,881,950	\$	1,637,297	\$	-	\$	-	\$	1,637,297		
Princeton	328,803	287,581	(41,222)	-	-	-	(41,222)	26,719,809	\$	23,246,234	\$	-	\$	-	\$	(794,959)	\$	22,451,275
Richardson	11,019,311	10,135,415	(883,896)	-	-	-	(883,896)	328,803	\$	286,059	\$	-	\$	-	\$	(8,244)	\$	277,814
Rockwall	2,188,525	2,234,227	45,702	-	-	45,702		11,019,311	\$	9,586,801	\$	-	\$	-	\$	(176,779)	\$	9,410,021
Royse City	277,416	286,471	9,055	-	-	9,055		2,188,525	\$	1,904,017	\$	-	\$	39,761	\$	-	\$	1,943,777
Wylie	907,331	1,042,381	135,050	-	-	135,050		277,416	\$	241,352	\$	-	\$	7,878	\$	-	\$	249,230
Total	78,154,676	73,478,024	(4,676,652)			2,221,558	(6,186,390)	907,331	\$	789,378	\$	-	\$	117,494	\$	-	\$	906,871
								78,154,676	\$	67,994,568	\$	-	\$	1,932,755	\$	(1,237,278)	\$	68,690,046
Customers																		
Caddo Basin	252,318	245,280	(7,038)	-	-	-	(7,038)		\$	0.920	\$	0.920	\$	0.200				
Cash SUD	237,267	221,385	(15,882)	-	-	-	-	252,318	\$	232,133	\$	-	\$	-	\$	(1,408)	\$	230,725
College Mound WSC	66,769	62,017	(4,752)	-	-	-	-	237,267	\$	218,286	\$	-	\$	-	\$	-	\$	218,286
Copeville WSC	65,737	68,468	2,731	113,866	6	C	2,731	66,769	\$	61,427	\$	-	\$	-	\$	-	\$	61,427
East Fork SUD	183,632	188,012	4,380	280,831	C	4,380	-	65,737	\$	60,478	\$	2,513	\$	-	\$	-	\$	62,991
Fairview	364,741	394,901	30,160	-	-	30,160		183,632	\$	168,941	\$	4,030	\$	-	\$	-	\$	172,971
Fate	69,529	77,744	8,215	-	-	8,215		364,741	\$	335,562	\$	-	\$	27,747	\$	-	\$	363,309
Forney Lake WSC	153,126	131,507	(21,619)	-	-	-	(21,619)	69,529	\$	63,967	\$	-	\$	7,558	\$	-	\$	71,524
Gasonia-Scurry WSC	110,490	101,254	(9,236)	-	-	-	(9,236)	153,126	\$	140,876	\$	-	\$	-	\$	(4,324)	\$	136,552
Josephine	40,978	33,301	(7,677)	45,400	C	-	(7,677)	110,490	\$	101,651	\$	-	\$	-	\$	(1,847)	\$	99,804
Kaufman	419,999	392,227	(27,772)	-	-	-	(27,772)	40,978	\$	37,700	\$	-	\$	-	\$	(1,535)	\$	36,164
Kaufman Four One	396,327	356,603	(39,724)	-	-	-	-	419,999	\$	386,399	\$	-	\$	-	\$	(5,554)	\$	380,845
Lavon WSC	142,389	124,858	(17,531)	142,389	C	-	-	396,327	\$	364,621	\$	-	\$	-	\$	-	\$	364,621
Little Elm	210,964	368,734	157,770	-	-	157,770		142,389	\$	130,998	\$	-	\$	-	\$	-	\$	130,998
Lucas	337,693	271,766	(65,927)	-	-	-	(65,927)	210,964	\$	194,087	\$	-	\$	145,148	\$	-	\$	339,235
Melissa	48,664	32,160	(16,504)	73,000	C	-	-	337,693	\$	310,678	\$	-	\$	-	\$	(13,185)	\$	297,492
Milligan WSC	121,388	149,894	28,506	155,938	C	28,506	-	60,833	\$	55,966	\$	-	\$	-	\$	-	\$	55,966
Mt. Zion WSC	125,486	100,946	(24,540)	-	-	-	(24,540)	121,388	\$	111,677	\$	26,226	\$	-	\$	-	\$	137,902
Murphy	496,860	655,870	159,010	-	-	159,010		125,486	\$	115,447	\$	-	\$	-	\$	(4,908)	\$	110,539
Nevada WSC	69,001	71,043	2,042	-	-	2,042		496,860	\$	457,111	\$	-	\$	146,289	\$	-	\$	603,400
North Collin WSC	287,568	274,347	(13,221)	300,000	C	-	(13,221)	69,001	\$	63,481	\$	-	\$	1,879	\$	-	\$	65,360
Parker	228,969	306,201	77,232	-	-	77,232		287,568	\$	264,563	\$	-	\$	-	\$	(2,644)	\$	261,918
Rose Hill WSC	43,271	16,160	(27,111)	48,000	C	-	-	228,969	\$	210,651	\$	-	\$	71,053	\$	-	\$	281,705
Rowlett	2,920,333	2,772,637	(147,696)	4,051,017	C	-	(147,696)	43,271	\$	39,809	\$	-	\$	-	\$	-	\$	39,809
Sachse	724,857	612,776	(112,081)	-	-	-	(112,081)	2,920,333	\$	2,686,706	\$	-	\$	-	\$	(29,539)	\$	2,657,167
Sachse #2	130,646	388,403	257,757	522,585	C	257,757	-	724,857	\$	666,868	\$	-	\$	-	\$	(22,416)	\$	644,452
Seis Lagos MUD	82,719	74,712	(8,007)	-	-	-	(8,007)	130,646	\$	120,194	\$	237,136	\$	-	\$	-	\$	357,331
Sunnyvale	439,743	362,405	(77,338)	910,969	C	-	(77,338)	82,719	\$	76,101	\$	-	\$	-	\$	(1,601)	\$	74,500
Wylie NE WSC	130,896	118,559	(12,337)	-	-	-	(12,337)	439,743	\$	404,564	\$	-	\$	-	\$	(15,468)	\$	389,096
Total	8,902,360	8,974,170	71,810			293,374	434,429	130,896	\$	120,424	\$	-	\$	-	\$	(2,467)	\$	117,957
								8,914,529	\$	8,201,367	\$	269,904	\$	399,675	\$	(106,898)	\$	8,764,048
Total	87,057,036	82,452,194	(4,604,842)			293,374	2,655,987	87,069,205	\$	76,195,935	\$	269,904	\$	2,332,430	\$	(1,344,176)	\$	77,454,093
Current Budget									\$	76,195,935	Revenue Requirement				\$	75,674,582		
											Excess Revenue				\$	1,779,511		

Current Budget	\$ 83,379,914	Revenue Requirement	\$ 81,949,252
Excess from Prior Year	<u>\$ (1,779,511)</u>		<u>\$ (1,779,511)</u>
Adjusted Budget	\$ 81,600,402	Adjusted Revenue Requirement	\$ 80,169,740
		Excess Revenue	\$ 1,020,893

North Texas Municipal Water District  
Method 5 - 2005

				FY05 Excess Rate Contract Minimum (1,000 gall)	Increase / (Decrease)			Wtr Yr Increase / (Decrease)					
	Wtr Yr 05	Wtr Yr 05	Increase		Full	Excess	Rebate	FY 05	FY 05	FY 05	FY 05	FY 05	FY 05
	Ann Min (1,000 gall)	Actual (1,000 gall)	(Decrease) (1,000 gall)		Rate (1,000 gall)	Rate (1,000 gall)	Rate (1,000 gall)	Ann Min (1,000 gall)	Annual Billing	Full Billing	Excess Billing	Rebate	Total
Members								\$	0.959	\$	0.959	\$	0.198
Allen	4,362,143	4,687,958	325,815	-	-	325,815	-	4,362,143	\$ 4,182,821	\$ -	\$ 312,421	\$ -	\$ 4,495,242
Farmersville	270,608	242,487	(28,121)	-	-	-	(28,121)	270,608	\$ 259,484	\$ -	\$ -	\$ (5,560)	\$ 253,923
Forney	891,245	1,059,328	168,083	-	-	168,083	-	891,245	\$ 854,607	\$ -	\$ 161,173	\$ -	\$ 1,015,780
Frnsco	5,645,797	6,467,274	821,477	-	-	821,477	-	5,645,797	\$ 5,413,705	\$ -	\$ 787,707	\$ -	\$ 6,201,412
Garland	13,660,013	12,435,423	(1,224,590)	-	-	-	(1,224,590)	13,660,013	\$ 13,098,466	\$ -	\$ -	\$ (242,129)	\$ 12,856,337
McKinney	6,582,712	7,166,992	584,280	-	-	584,280	-	6,582,712	\$ 6,312,105	\$ -	\$ 560,261	\$ -	\$ 6,872,366
Mesquite	6,041,180	4,885,178	(1,156,002)	-	-	-	(1,156,002)	6,041,180	\$ 5,792,834	\$ -	\$ -	\$ (228,568)	\$ 5,564,266
Mesquite # 3	2,031,764	1,351,516	(680,248)	2,256,486	-	-	-	2,031,764	\$ 1,948,241	\$ -	\$ -	\$ -	\$ 1,948,241
Plano	26,719,809	22,432,203	(4,287,606)	-	-	-	(4,287,606)	26,719,809	\$ 25,621,390	\$ -	\$ -	\$ (847,758)	\$ 24,773,632
Princeton	328,803	337,039	8,236	-	-	8,236	-	328,803	\$ 315,286	\$ -	\$ 7,897	\$ -	\$ 323,184
Richardson	11,019,311	8,553,732	(2,465,579)	-	-	-	(2,465,579)	11,019,311	\$ 10,566,321	\$ -	\$ -	\$ (487,501)	\$ 10,078,819
Rockwall	2,332,266	2,471,592	139,326	-	-	139,326	-	2,332,266	\$ 2,236,389	\$ -	\$ 133,598	\$ -	\$ 2,369,988
Royse City	327,863	338,437	10,574	-	-	10,574	-	327,863	\$ 314,385	\$ -	\$ 10,139	\$ -	\$ 324,524
Wylie	1,266,615	1,387,214	120,599	-	-	120,599	-	1,266,615	\$ 1,214,546	\$ -	\$ 115,641	\$ -	\$ 1,330,187
Total	81,480,129	73,816,373	(7,663,756)		-	2,178,390	(9,161,898)	81,480,129	\$ 78,130,580	\$ -	\$ 2,088,839	\$ (1,811,516)	\$ 78,407,902
Customers								\$	1.009	\$	1.009	\$	0.198
Caddo Basin	272,318	240,325	(31,993)	-	-	-	(31,993)	272,318	\$ 274,739	\$ -	\$ -	\$ (6,326)	\$ 268,413
Cash SUD	257,909	256,282	(1,627)	-	-	-	-	257,909	\$ 260,202	\$ -	\$ -	\$ -	\$ 260,202
College Mound WSC	66,769	9,825	(56,944)	-	-	-	-	66,769	\$ 67,363	\$ -	\$ -	\$ -	\$ 67,363
Copeville WSC	73,935	66,320	(7,615)	113,866.6	-	-	(7,615)	73,935	\$ 74,592	\$ -	\$ -	\$ (1,506)	\$ 73,087
East Fork SUD	202,927	221,755	18,828	280,831	18,828	-	-	202,927	\$ 204,731	\$ 18,995	\$ -	\$ -	\$ 223,727
Fairview	420,325	478,582	58,257	-	-	58,257	-	420,325	\$ 424,062	\$ -	\$ 58,775	\$ -	\$ 482,837
Fate	113,197	155,139	41,942	-	-	41,942	-	113,197	\$ 114,203	\$ -	\$ 42,315	\$ -	\$ 156,518
Forney Lake WSC	171,795	164,447	(7,348)	227,800	-	-	-	171,795	\$ 173,322	\$ -	\$ -	\$ -	\$ 173,322
Gassonia-Scurry WSC	110,490	107,566	(2,924)	-	-	-	(2,924)	110,490	\$ 111,472	\$ -	\$ -	\$ (578)	\$ 110,894
Josephine	40,978	41,031	53	45,400	53	-	-	40,978	\$ 41,342	\$ 53	\$ -	\$ -	\$ 41,396
Kaufman	419,999	409,164	(10,835)	-	-	-	(10,835)	419,999	\$ 423,733	\$ -	\$ -	\$ (2,142)	\$ 421,591
Kaufman Four One	396,336	382,065	(14,271)	-	-	-	-	396,336	\$ 399,860	\$ -	\$ -	\$ -	\$ 399,860
Lavon WSC	142,389	148,610	6,221	142,389	-	6,221	-	142,389	\$ 143,655	\$ -	\$ 6,276	\$ -	\$ 149,931
Little Elm	504,167	610,479	106,312	-	-	106,312	-	504,167	\$ 508,650	\$ -	\$ 107,257	\$ -	\$ 615,907
Lucas	337,693	308,034	(29,659)	-	-	-	(29,659)	337,693	\$ 340,696	\$ -	\$ -	\$ (5,864)	\$ 334,831
Lucas #3	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Melissa	73,000	86,408	13,408	73,000	-	13,408	-	73,000	\$ 73,649	\$ -	\$ 13,527	\$ -	\$ 87,176
Milligan WSC	149,894	128,680	(21,214)	155,938	-	-	(21,214)	149,894	\$ 151,227	\$ -	\$ -	\$ (4,194)	\$ 147,032
Mt. Zion WSC	125,486	108,196	(17,290)	-	-	-	(17,290)	125,486	\$ 126,602	\$ -	\$ -	\$ (3,419)	\$ 123,183
Murphy	792,811	906,941	114,130	-	-	114,130	-	792,811	\$ 799,860	\$ -	\$ 115,145	\$ -	\$ 915,005
Nevada WSC	71,813	68,787	(3,026)	-	-	-	(3,026)	71,813	\$ 72,452	\$ -	\$ -	\$ (598)	\$ 71,853
North Collin WSC	287,568	290,010	2,442	300,000	2,442	-	-	287,568	\$ 290,125	\$ 2,464	\$ -	\$ -	\$ 292,589
Parker	344,660	392,852	48,192	-	-	48,192	-	344,660	\$ 347,724	\$ -	\$ 48,620	\$ -	\$ 396,345
Prosper	236,575	95,406	(141,169)	236,575	-	-	-	236,575	\$ 277,445	\$ -	\$ -	\$ -	\$ 277,445
Rose Hill WSC	43,271	12,847	(30,424)	48,000	-	-	-	43,271	\$ 43,656	\$ -	\$ -	\$ -	\$ 43,656
Rowlett	2,920,333	2,734,709	(185,624)	4,051,017	-	-	(185,624)	2,920,333	\$ 2,946,298	\$ -	\$ -	\$ (36,702)	\$ 2,909,596
Sachse	762,689	611,056	(151,633)	-	-	-	(151,633)	762,689	\$ 769,470	\$ -	\$ -	\$ (29,981)	\$ 739,489
Sachse #2	388,403	385,477	(2,926)	522,585	-	-	-	388,403	\$ 391,856	\$ -	\$ -	\$ -	\$ 391,856
Seis Lagos MUD	82,719	71,594	(11,125)	-	-	-	(11,125)	82,719	\$ 83,454	\$ -	\$ -	\$ (2,200)	\$ 81,255
Sunnyvale	439,743	391,036	(48,707)	910,969	-	-	(48,707)	439,743	\$ 443,653	\$ -	\$ -	\$ (9,630)	\$ 434,022
Wylie NE WSC	130,896	143,816	12,920	-	-	12,920	-	130,896	\$ 132,060	\$ -	\$ 13,035	\$ -	\$ 145,095
Total	10,381,088	10,027,439	(353,649)		21,323	401,382	(521,645)	10,419,513	\$ 10,512,155	\$ 21,513	\$ 404,951	\$ (103,141)	\$ 10,835,477
Total	91,861,217	83,843,812	(8,017,405)		21,323	2,579,772	(9,683,543)	91,899,642	\$ 88,642,735	\$ 21,513	\$ 2,493,790	\$ (1,914,658)	\$ 89,243,380

Current Budget	\$ 89,663,628	Revenue Requirement	\$ 88,284,693
Excess from Prior Year	\$ (1,020,893)		\$ (1,020,893)
Adjusted Budget	\$ 88,642,735	Adjusted Revenue Requirement	\$ 87,263,800
		Excess Revenue	\$ 1,979,580

North Texas Municipal Water District  
Method 5 - 2006

	Increase / (Decrease)							Wtr Yr Increase / (Decrease)					
	FY06							FY 06		FY 06		FY 06	
	Wtr Yr 06 Ann Min	Wtr Yr 06 Actual	Increase (Decrease)	Excess Rate Contract Minium	Full Rate	Excess Rate	Rebate Rate	Ann Min	Annual Billing	Full Billing	Excess Billing	Rebate	Total
	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)					
Members													
Allen	4,687,958	5,588,259	900,301	-	-	900,301	-	4,687,958	\$ 0,949	\$ 0,949	\$ 0,949	\$ 0,225	
Farmersville	270,608	280,467	9,859	-	-	9,859	-	270,608	\$ 256,845	\$ -	\$ 854,511	\$ -	\$ 5,304,034
Forney	1,059,328	1,416,868	357,540	-	-	357,540	-	1,059,328	\$ 1,005,449	\$ -	\$ 339,355	\$ -	\$ 1,344,804
Frisco	6,467,274	7,918,529	1,451,255	-	-	1,451,255	-	6,467,274	\$ 6,138,341	\$ -	\$ 1,377,443	\$ -	\$ 7,515,784
Frisco #2	3,116	419,410	416,294	12,465	9,349	406,945	-	5,650	\$ 5,363	\$ 8,873	\$ 386,247	\$ -	\$ 400,483
Garland	13,660,013	13,721,955	61,942	-	-	61,942	-	13,660,013	\$ 12,965,249	\$ -	\$ 58,792	\$ -	\$ 13,024,041
McKinney	7,166,992	8,385,134	1,218,142	-	-	1,218,142	-	7,166,992	\$ 6,802,471	\$ -	\$ 1,156,186	\$ -	\$ 7,958,656
McKinney #3	171,228	350,012	178,784	684,910	178,784	-	-	228,303	\$ 216,691	\$ 169,691	\$ -	\$ -	\$ 386,382
Mesquite	6,041,180	5,756,029	(285,151)	-	-	(285,151)	-	6,041,180	\$ 5,733,919	\$ -	\$ -	\$ (64,183)	\$ 5,669,736
Mesquite # 3	2,106,671	1,359,175	(747,496)	2,256,486	-	-	-	2,106,671	\$ 1,999,523	\$ -	\$ -	\$ -	\$ 1,999,523
Plano	26,719,809	26,265,050	(454,759)	-	-	(454,759)	-	26,719,809	\$ 25,360,809	\$ -	\$ -	\$ (102,358)	\$ 25,258,450
Princeton	337,039	409,624	72,585	-	-	72,585	-	337,039	\$ 319,897	\$ -	\$ 68,893	\$ -	\$ 388,790
Richardson	11,019,311	10,050,090	(969,221)	-	-	(969,221)	-	11,019,311	\$ 10,458,856	\$ -	\$ -	\$ (218,155)	\$ 10,240,701
Rockwall	2,471,592	3,284,236	812,644	-	-	812,644	-	2,471,592	\$ 2,345,884	\$ -	\$ 771,312	\$ -	\$ 3,117,196
Royce City	338,437	470,150	131,713	-	-	131,713	-	338,437	\$ 321,224	\$ -	\$ 125,014	\$ -	\$ 446,238
Wylie	1,387,214	1,721,763	334,549	-	-	334,549	-	1,387,214	\$ 1,316,659	\$ -	\$ 317,533	\$ -	\$ 1,634,192
Total	83,907,770	87,396,751	3,488,981		188,133	5,757,475	(1,709,131)	83,967,379	\$ 79,696,702	\$ 178,564	\$ 5,464,643	\$ (384,696)	\$ 84,955,213
Customers													
Caddo Basin SUD	272,318	293,451	21,133	-	-	21,133	-	272,318	\$ 0,999	\$ 0,999	\$ 0,999	\$ 0,225	
Cash SUD	257,909	305,643	47,734	-	-	47,734	-	257,909	\$ 272,083	\$ -	\$ 21,115	\$ -	\$ 293,198
College Mound WSC	66,769	62,710	(4,059)	-	-	-	-	66,769	\$ 257,687	\$ -	\$ 47,693	\$ -	\$ 305,380
Copeville WSC	73,935	77,927	3,992	113,866	3,992	-	-	73,935	\$ 66,712	\$ -	\$ -	\$ -	\$ 66,712
East Fork SUD	221,755	324,226	102,471	280,831	59,076	43,395	-	221,755	\$ 73,871	\$ 3,989	\$ -	\$ -	\$ 77,860
Fairview	478,582	721,185	242,603	-	-	242,603	-	478,582	\$ 221,564	\$ 59,025	\$ 43,358	\$ -	\$ 323,947
Fate	155,139	279,932	124,793	-	-	124,793	-	478,582	\$ 478,170	\$ -	\$ 242,394	\$ -	\$ 720,564
Fate #2	-	-	-	-	-	-	-	155,139	\$ 155,005	\$ -	\$ 124,686	\$ -	\$ 279,691
Forney Lake WSC	182,996	295,577	112,581	227,800	44,804	67,777	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Gasonia-Scurry WSC	110,490	107,875	(2,615)	-	-	(2,615)	-	182,996	\$ 182,838	\$ 44,765	\$ 67,719	\$ -	\$ 295,322
Josephine	41,031	57,407	16,376	45,400	4,369	12,007	-	110,490	\$ 110,395	\$ -	\$ -	\$ (589)	\$ 109,806
Kaufman	419,999	438,403	18,404	-	-	18,404	-	41,031	\$ 40,996	\$ 4,365	\$ 11,997	\$ -	\$ 57,358
Kaufman Four One	396,336	450,363	54,027	-	-	54,027	-	419,999	\$ 419,637	\$ -	\$ 18,388	\$ -	\$ 438,025
Lavon WSC	148,610	217,256	68,646	-	-	68,646	-	396,336	\$ 395,995	\$ -	\$ 53,980	\$ -	\$ 449,975
Little Elm - Interim	559,606	925,163	365,557	-	-	365,557	-	148,610	\$ 148,482	\$ -	\$ 68,587	\$ -	\$ 217,069
Little Elm - Permanent	51,667	107,415	55,748	162,917	55,748	-	-	457,859	\$ 457,465	\$ -	\$ 365,242	\$ -	\$ 822,707
Lucas	337,693	212,681	(125,012)	-	-	(125,012)	-	155,000	\$ 154,867	\$ 55,700	\$ -	\$ -	\$ 210,567
Lucas #3	63,969	290,897	226,928	255,878	191,909	35,019	-	337,693	\$ 337,402	\$ -	\$ -	\$ (28,138)	\$ 309,264
Melissa	86,408	135,737	49,329	-	-	49,329	-	63,969	\$ 63,914	\$ 191,744	\$ 34,989	\$ -	\$ 290,646
Milligan WSC	149,894	147,744	(2,150)	155,938	-	(2,150)	-	86,408	\$ 86,334	\$ -	\$ 49,287	\$ -	\$ 135,620
Mt. Zion WSC	125,486	159,302	33,816	-	-	33,816	-	149,894	\$ 149,765	\$ -	\$ -	\$ (484)	\$ 149,281
Murphy	906,941	1,193,806	286,865	1,145,000	238,059	48,806	-	125,486	\$ 125,378	\$ -	\$ 33,787	\$ -	\$ 159,165
Nevada WSC	45,802	56,413	10,611	-	-	10,611	-	906,941	\$ 906,160	\$ 237,854	\$ 48,764	\$ -	\$ 1,192,778
Nevada WSC #2	30,766	31,766	1,000	44,925	1,000	-	-	38,969	\$ 38,935	\$ -	\$ 10,602	\$ -	\$ 49,537
North Collin WSC	290,010	318,780	28,770	300,000	9,990	18,780	-	38,849	\$ 38,816	\$ 999	\$ -	\$ -	\$ 39,815
Parker	392,852	470,812	77,960	-	-	77,960	-	290,010	\$ 289,760	\$ 9,981	\$ 18,764	\$ -	\$ 318,505
Prosper	275,000	208,182	(66,818)	275,000	-	-	-	392,852	\$ 392,514	\$ -	\$ 77,893	\$ -	\$ 470,407
Rose Hill SUD	43,271	42,818	(453)	48,000	-	-	-	275,000	\$ 274,763	\$ -	\$ -	\$ -	\$ 274,763
Rowlett	2,920,333	3,192,039	271,706	4,051,017	271,706	-	-	43,271	\$ 43,234	\$ -	\$ -	\$ -	\$ 43,234
Sachse	762,689	734,691	(27,998)	-	-	(27,998)	-	2,920,333	\$ 2,917,818	\$ 271,472	\$ -	\$ -	\$ 3,189,290
Sachse #2	388,403	431,099	42,696	522,585	42,696	-	-	762,689	\$ 762,032	\$ -	\$ -	\$ (6,302)	\$ 755,730
Seis Lagos MUD	82,719	111,094	28,375	-	-	28,375	-	388,403	\$ 388,069	\$ 42,659	\$ -	\$ -	\$ 430,728
Sunnyvale	439,743	559,135	119,392	910,969	119,392	-	-	82,719	\$ 82,648	\$ -	\$ 28,351	\$ -	\$ 110,996
Wylie NE SUD	143,816	197,289	53,473	-	-	53,473	-	439,743	\$ 439,364	\$ 119,289	\$ -	\$ -	\$ 558,654
Total	10,922,937	13,158,818	2,235,881		1,042,741	1,422,245	(157,775)	143,816	\$ 143,692	\$ -	\$ 53,427	\$ -	\$ 197,119
								10,925,773	\$ 10,916,364	\$ 1,041,843	\$ 1,421,020	\$ (35,512)	\$ 13,343,715
Total	94,830,707	100,555,569	5,724,862		1,230,874	7,179,720	(1,866,906)		\$ -	\$ -	\$ -	\$ -	
								94,893,152	\$ 90,613,066	\$ 1,220,407	\$ 6,885,663	\$ (420,208)	\$ 98,298,929

Current Budget	\$ 92,592,646	Revenue Requirement	\$ 95,131,790
Excess from Prior Year	\$ (1,979,580)		\$ (1,979,580)
Adjusted Budget	\$ 90,613,066	Adjusted Revenue Requirement	\$ 93,152,210
		Excess Revenue	\$ 5,146,718



North Texas Municipal Water District  
Method 6 - 2003

				Increase / (Decrease)			Wtr Yr Increase / (Decrease)							
Wtr Yr 03		Wtr Yr 03	Increase	Excess Rate	Full	Excess	Rebate	FY 03	FY 03	FY 03	FY 03	FY 03	FY 03	FY 03
Ann Min		Actual	(Decrease)	Minium	Rate	Rate	Rate	Ann Min	Annual Billing	Full Billing	Excess Billing	Rebate (2)	Rebate (3)	Total
(1,000 gall)		(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)						
Members														
Allen	3,699,752	4,124,397	424,645	-	-	424,645	-	3,699,752	\$ 0.974	\$ 0.974	\$ 0.974	\$ 0.224	\$ 0.750	3,698,710
Farmersville	228,235	225,417	(2,818)	-	-	-	(2,818)	228,235	\$ 3,603,699	\$ -	\$ 413,620	\$ -	\$ (318,610)	\$ 3,698,710
Forney	658,408	788,921	130,513	-	-	130,513	-	658,408	\$ 222,310	\$ -	\$ -	\$ (631)	\$ -	\$ 221,679
Frisco	4,394,752	5,607,266	1,212,514	-	-	1,212,514	-	4,394,752	\$ 641,314	\$ -	\$ 127,125	\$ -	\$ (97,924)	\$ 670,516
Garland	12,051,601	12,904,220	852,619	-	-	852,619	-	4,394,752	\$ 4,280,655	\$ -	\$ 1,181,035	\$ -	\$ (909,746)	\$ 4,551,944
McKinney	5,689,078	6,350,897	661,819	-	-	661,819	-	12,051,601	\$ 11,738,717	\$ -	\$ 830,483	\$ -	\$ (639,718)	\$ 11,929,483
Mesquite <sup>(1)</sup>	6,041,180	5,575,688	(465,492)	-	-	-	(465,492)	5,689,078	\$ 5,541,378	\$ -	\$ 644,637	\$ -	\$ (496,561)	\$ 5,689,454
Mesquite # 3 <sup>(1)</sup>	1,881,950	1,170,130	(711,820)	2,256,486	-	-	-	6,041,180	\$ 5,884,339	\$ -	\$ -	\$ (104,150)	\$ -	\$ 5,780,189
Plano	22,459,418	22,745,013	285,595	-	-	285,595	-	1,881,950	\$ 1,833,091	\$ -	\$ -	\$ -	\$ -	\$ 1,833,091
Princeton	278,431	287,581	9,150	-	-	9,150	-	22,459,418	\$ 21,876,327	\$ -	\$ 278,180	\$ -	\$ (214,281)	\$ 21,940,226
Richardson	9,773,780	10,135,415	361,635	-	-	361,635	-	278,431	\$ 271,202	\$ -	\$ 8,912	\$ -	\$ (6,865)	\$ 273,250
Rockwall	1,876,570	2,234,227	357,657	-	-	357,657	-	9,773,780	\$ 9,520,033	\$ -	\$ 352,246	\$ -	\$ (271,334)	\$ 9,600,946
Royse City	257,149	286,471	29,322	-	-	29,322	-	1,876,570	\$ 1,827,850	\$ -	\$ 348,372	\$ -	\$ (268,349)	\$ 1,907,873
Wylie	816,417	1,042,381	225,964	-	-	225,964	-	257,149	\$ 250,473	\$ -	\$ 28,561	\$ -	\$ (22,000)	\$ 257,033
Total	70,106,721	73,478,024	3,371,303	-	-	4,551,433	(468,310)	816,417	\$ 795,221	\$ -	\$ 220,098	\$ -	\$ (169,540)	\$ 845,779
Customers														
Caddo Basin	197,652	245,280	47,628	-	-	47,628	-	70,106,721	\$ 68,286,611	\$ -	\$ 4,433,269	\$ (104,780)	\$ (3,414,927)	\$ 69,200,172
Cash SUD	211,830	221,385	9,555	-	-	9,555	-		\$ 1,024	\$ 1,024	\$ 1,024	\$ 0.224	\$ 0.750	
College Mound WSC	56,135	62,017	5,882	-	-	5,882	-	197,652	\$ 202,403	\$ -	\$ 48,773	\$ -	\$ (35,735)	\$ 215,441
Coperville WSC	65,737	68,468	2,731	113,867	C	2,731	-	211,830	\$ 216,922	\$ -	\$ 9,785	\$ -	\$ (7,169)	\$ 219,538
East Fork SUD	150,055	188,012	37,957	280,831	C	37,957	-	56,135	\$ 57,484	\$ -	\$ 6,023	\$ -	\$ (4,413)	\$ 59,095
Fairview	352,745	394,901	42,156	-	-	42,156	-	65,737	\$ 67,317	\$ 2,797	\$ -	\$ -	\$ -	\$ 70,114
Fate	69,529	77,744	8,215	-	-	8,215	-	150,055	\$ 153,662	\$ 38,869	\$ -	\$ -	\$ -	\$ 192,531
Forney Lake WSC	112,745	131,507	18,762	-	-	18,762	-	352,745	\$ 361,224	\$ -	\$ 43,169	\$ -	\$ (31,630)	\$ 372,764
Gassonia-Scurry WSC	80,336	101,254	20,918	-	-	20,918	-	69,529	\$ 71,200	\$ -	\$ 8,412	\$ -	\$ (6,164)	\$ 73,449
Josephine	40,978	33,301	(7,677)	45,400	C	-	(7,677)	112,745	\$ 115,455	\$ -	\$ 19,213	\$ -	\$ (14,077)	\$ 120,591
Kaufman	419,999	392,227	(27,772)	-	-	-	(27,772)	80,336	\$ 82,267	\$ -	\$ 21,421	\$ -	\$ (15,695)	\$ 87,993
Kaufman Four One	337,611	356,603	18,992	-	-	18,992	-	40,978	\$ 41,963	\$ -	\$ -	\$ (1,718)	\$ -	\$ 40,245
Lavon WSC <sup>(1)</sup>	142,389	124,858	(17,531)	142,389	C	-	-	419,999	\$ 430,095	\$ -	\$ -	\$ (6,214)	\$ -	\$ 423,881
Little Elm	210,964	368,734	157,770	-	-	157,770	-	337,611	\$ 345,726	\$ -	\$ 19,449	\$ -	\$ (14,250)	\$ 350,925
Lucas	243,856	271,766	27,910	-	-	27,910	-	142,389	\$ 145,812	\$ -	\$ -	\$ -	\$ -	\$ 145,812
Melissa <sup>(1)</sup>	48,664	32,160	(16,504)	73,000	C	-	-	210,964	\$ 216,035	\$ -	\$ 161,562	\$ -	\$ (118,374)	\$ 259,223
Milligan WSC	115,787	149,894	34,107	155,938	C	34,107	-	243,856	\$ 249,718	\$ -	\$ 28,581	\$ -	\$ (20,941)	\$ 257,358
Mt. Zion WSC	97,279	100,946	3,667	-	-	3,667	-	60,833	\$ 62,295	\$ -	\$ -	\$ -	\$ -	\$ 62,295
Murphy	496,860	655,870	159,010	-	-	159,010	-	115,787	\$ 118,570	\$ 34,927	\$ -	\$ -	\$ -	\$ 153,497
Nevada WSC	66,189	71,043	4,854	-	-	4,854	-	97,279	\$ 99,617	\$ -	\$ 3,755	\$ -	\$ (2,751)	\$ 100,621
North Collin WSC	245,779	274,347	28,568	300,000	C	28,568	-	496,860	\$ 508,804	\$ -	\$ 162,832	\$ -	\$ (119,305)	\$ 552,331
Parker	228,969	306,201	77,232	-	-	77,232	-	66,189	\$ 67,780	\$ -	\$ 4,971	\$ -	\$ (3,642)	\$ 69,109
Rose Hill WSC	40,056	16,160	(23,896)	48,000	C	-	-	245,779	\$ 251,687	\$ 29,255	\$ -	\$ -	\$ -	\$ 280,942
Rowlett	2,564,207	2,772,637	208,430	4,051,017	C	208,430	-	228,969	\$ 234,473	\$ -	\$ 79,089	\$ -	\$ (57,947)	\$ 255,615
Sachse	521,439	612,776	91,337	-	-	91,337	-	40,056	\$ 41,019	\$ -	\$ -	\$ -	\$ -	\$ 41,019
Sachse #2 <sup>(1)</sup>	130,646	388,403	257,757	522,585	C	257,757	-	2,564,207	\$ 2,625,845	\$ 213,440	\$ -	\$ -	\$ -	\$ 2,839,286
Seis Lagos MUD	60,814	74,712	13,898	-	-	13,898	-	521,439	\$ 533,973	\$ -	\$ 93,533	\$ -	\$ (68,530)	\$ 558,976
Sunnyvale	314,893	362,405	47,512	910,969	C	47,512	-	130,646	\$ 133,786	\$ 263,953	\$ -	\$ -	\$ -	\$ 397,739
Wylie NE WSC	87,351	118,559	31,208	-	-	31,208	-	60,814	\$ 62,276	\$ -	\$ 14,232	\$ -	\$ (10,428)	\$ 66,080
Total	7,711,494	8,974,170	1,262,676	-	-	617,062	(35,449)	314,893	\$ 322,462	\$ 48,654	\$ -	\$ -	\$ -	\$ 371,116
								87,351	\$ 89,451	\$ -	\$ 31,958	\$ -	\$ (23,415)	\$ 97,994
Total	77,818,215	82,452,194	4,633,979	-	-	617,062	(503,759)	7,723,663	\$ 7,909,324	\$ 631,895	\$ 756,758	\$ (7,931)	\$ (554,465)	\$ 8,735,581
Total	77,818,215	82,452,194	4,633,979	-	-	617,062	(503,759)	77,830,384	\$ 76,195,935	\$ 631,895	\$ 5,190,027	\$ (112,711)	\$ (3,969,392)	\$ 77,935,753

Notes

- (1) Not eligible for Minimum Annual Demand Adjustment due to Contract  
(2) Rebate for Actual Consumption that is less than the Annual minimum  
(3) Rebate for Actual Consumption that is greater than the Annual Minimum  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 75,674,582  
Over / (Under) Recovery \$ 2,261,171

North Texas Municipal Water District  
Method 6 - 2004

				Increase / (Decrease)			Wtr Yr Increase / (Decrease)								
	Wtr Yr 04	Wtr Yr 04	Increase	Excess Rate		Full	Excess	Rebate	FY 04	FY 04	FY 04	FY 04	FY 04	FY 04	FY 04
	Ann Min	Actual	(Decrease)	Contract		Rate	Rate	Rate	Ann Min	Annual	Full	Excess	Rebate (2)	Rebate (3)	Total
	(1,000 gall)	(1,000 gall)	(1,000 gall)	Minimum		(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	Billing	Billing	Billing			
Members															
Allen	4,124,397	4,362,143	237,746	-	-	-	237,746	-	4,124,397	\$ 0.968	\$ 0.968	\$ 0.968	\$ 0.210	\$ 0.758	
Farmersville	225,417	246,458	21,041	-	-	-	21,041	-	225,417	\$ 3,993,076.11	\$ -	\$ 230,176.16	\$ -	\$ (180,148)	\$ 4,043,103.90
Forney	788,921	891,245	102,324	-	-	-	102,324	-	788,921	\$ 218,239.72	\$ -	\$ 20,371.05	\$ -	\$ (15,943)	\$ 222,667.28
Frisco	5,607,266	5,645,797	38,531	-	-	-	38,531	-	5,607,266	\$ 763,801.74	\$ -	\$ 99,066.00	\$ -	\$ (77,534)	\$ 785,333.31
Garland	12,904,220	12,612,613	(291,607)	-	-	-	-	(291,607)	5,607,266	\$ 5,428,730.52	\$ -	\$ 37,304.17	\$ -	\$ (29,196)	\$ 5,436,838.43
McKinney	6,350,897	6,582,712	231,815	-	-	-	231,815	-	12,904,220	\$ 12,493,349.34	\$ -	\$ -	\$ (61,361.52)	\$ -	\$ 12,431,987.83
Mesquite	5,575,688	4,814,443	(761,245)	-	-	-	-	(761,245)	6,350,897	\$ 6,148,684.30	\$ -	\$ 224,434.01	\$ -	\$ (175,654)	\$ 6,197,464.06
Mesquite # 3 <sup>(1)</sup>	1,956,857	1,597,147	(359,710)	2,256,486	C	-	-	-	5,575,688	\$ 5,398,157.97	\$ -	\$ -	\$ (160,185.28)	\$ -	\$ 5,237,972.69
Plano	22,745,013	22,149,517	(595,496)	-	-	-	-	-	1,956,857	\$ 1,894,550.63	\$ -	\$ -	\$ -	\$ -	\$ 1,894,550.63
Princeton	287,581	289,199	1,618	-	-	-	1,618	-	22,745,013	\$ 22,020,811.27	\$ -	\$ -	\$ (125,307.48)	\$ -	\$ 21,895,503.79
Richardson	10,135,415	9,532,442	(602,973)	-	-	-	-	(602,973)	287,581	\$ 278,424.41	\$ -	\$ 1,566.48	\$ -	\$ (1,226)	\$ 278,764.88
Rockwall	2,234,227	2,332,266	98,039	-	-	-	98,039	-	10,135,415	\$ 9,812,703.16	\$ -	\$ -	\$ (126,880.83)	\$ -	\$ 9,685,822.33
Royse City	286,471	327,863	41,392	-	-	-	41,392	-	2,234,227	\$ 2,163,089.16	\$ -	\$ 94,917.44	\$ -	\$ (74,288)	\$ 2,183,719.06
Wylie	1,042,381	1,266,615	224,234	-	-	-	224,234	-	286,471	\$ 277,349.76	\$ -	\$ 40,074.08	\$ -	\$ (31,364)	\$ 286,059.68
Total	74,264,751	72,650,460	(1,614,291)	-	-	-	996,740	(2,251,321)	1,042,381	\$ 1,009,191.57	\$ -	\$ 217,094.38	\$ -	\$ (169,910)	\$ 1,056,376.09
Customers									74,264,751	\$ 71,900,159.66	\$ -	\$ 965,003.78	\$ (473,735.12)	\$ (755,264)	\$ 71,636,163.95
Caddo Basin	245,280	223,734	(21,546)	-	-	-	-	(21,546)		\$ 1.018	\$ 1.018	\$ 1.018	\$ 0.210	\$ 0.758	
Cash SUD	221,385	257,909	36,524	-	-	-	36,524	-	245,280	\$ 249,734.28	\$ -	\$ -	\$ (4,533.83)	\$ -	\$ 245,200.45
College Mound WSC	62,017	52,093	(9,924)	-	-	-	-	(9,924)	221,385	\$ 225,405.35	\$ -	\$ 37,187.28	\$ -	\$ (27,675)	\$ 262,592.62
Copeville WSC	68,468	73,935	5,467	113,866.6	C	5,467	-	-	62,017	\$ 63,143.23	\$ -	\$ -	\$ (2,088.26)	\$ -	\$ 61,054.97
East Fork SUD	188,012	202,927	14,915	280,831	C	14,915	-	-	68,468	\$ 69,711.38	\$ 5,566.28	\$ -	\$ -	\$ -	\$ 75,277.66
Fairview	394,901	420,325	25,424	-	-	-	25,424	-	188,012	\$ 191,426.29	\$ 15,185.86	\$ -	\$ -	\$ -	\$ 206,612.15
Fate	77,744	113,197	35,453	-	-	-	35,453	-	394,901	\$ 402,072.39	\$ -	\$ 25,885.70	\$ -	\$ (19,265)	\$ 427,958.09
Forney Lake WSC <sup>(1)</sup>	153,126	135,370	(17,756)	227,800	C	-	-	-	77,744	\$ 79,155.83	\$ -	\$ 36,096.83	\$ -	\$ (26,864)	\$ 115,252.65
Gasonia-Scurry WSC	101,254	98,508	(2,746)	-	-	-	-	(2,746)	153,126	\$ 155,906.76	\$ -	\$ -	\$ -	\$ -	\$ 155,906.76
Josephine	33,301	38,203	4,902	45,400	C	4,902	-	-	101,254	\$ 103,092.77	\$ -	\$ -	\$ (577.83)	\$ -	\$ 102,514.94
Kaufman	392,227	419,659	27,432	-	-	-	27,432	-	33,301	\$ 33,905.75	\$ 4,991.02	\$ -	\$ -	\$ -	\$ 38,896.77
Kaufman Four One	356,603	396,336	39,733	-	-	-	39,733	-	392,227	\$ 399,349.83	\$ -	\$ 27,930.16	\$ -	\$ (20,786)	\$ 427,280.00
Lavon WSC <sup>(1)</sup>	142,389	141,538	(851)	142,389	C	-	-	-	356,603	\$ 363,078.90	\$ -	\$ 40,454.55	\$ -	\$ (30,107)	\$ 403,533.45
Little Elm	368,734	504,167	135,433	-	-	-	135,433	-	142,389	\$ 144,974.78	\$ -	\$ -	\$ -	\$ -	\$ 144,974.78
Lucas	271,766	301,984	30,218	-	-	-	30,218	-	368,734	\$ 375,430.20	\$ -	\$ 137,892.46	\$ -	\$ (102,622)	\$ 513,322.66
Melissa <sup>(1)</sup>	73,000	59,467	(13,533)	73,000	C	-	-	-	271,766	\$ 276,701.26	\$ -	\$ 30,766.76	\$ -	\$ (22,897)	\$ 307,468.02
Milligan WSC	149,894	127,646	(22,248)	155,938	C	-	-	(22,248)	73,000	\$ 74,325.68	\$ -	\$ -	\$ -	\$ -	\$ 74,325.68
Mt Zion WSC	100,946	108,816	7,870	-	-	-	7,870	-	149,894	\$ 152,616.07	\$ -	\$ -	\$ (4,681.54)	\$ -	\$ 147,934.53
Murphy	655,870	792,811	136,941	-	-	-	136,941	-	100,946	\$ 102,779.18	\$ -	\$ 8,012.92	\$ -	\$ (5,963)	\$ 110,792.10
Nevada WSC	71,043	71,813	770	-	-	-	770	-	655,870	\$ 667,780.58	\$ -	\$ 139,427.85	\$ -	\$ (103,765)	\$ 807,208.43
North Collin WSC	274,347	284,428	10,081	300,000	C	-	10,081	-	71,043	\$ 72,333.14	\$ -	\$ 783.98	\$ -	\$ (583)	\$ 73,117.12
Parker	306,201	344,660	38,459	-	-	-	38,459	-	274,347	\$ 279,329.14	\$ -	\$ 10,264.07	\$ -	\$ (7,639)	\$ 289,593.21
Rose Hill WSC	16,160	7,689	(8,471)	48,000	C	-	-	-	306,201	\$ 311,761.60	\$ -	\$ 39,157.41	\$ -	\$ (29,142)	\$ 350,919.02
Rowlett	2,772,637	2,772,411	(226)	4,051,017	C	-	-	(226)	16,160	\$ 16,453.47	\$ -	\$ -	\$ -	\$ -	\$ 16,453.47
Sachse	612,776	762,689	149,913	-	-	-	149,913	-	2,772,637	\$ 2,822,988.03	\$ -	\$ -	\$ (47.56)	\$ -	\$ 2,822,940.47
Sachse #2 <sup>(1)</sup>	388,403	194,171	(194,232)	522,585	C	-	-	-	612,776	\$ 623,904.00	\$ -	\$ 152,635.42	\$ -	\$ (113,594)	\$ 776,539.42
Seis Lagos MUD	74,712	76,473	1,761	-	-	-	1,761	-	388,403	\$ 395,456.39	\$ -	\$ -	\$ -	\$ -	\$ 395,456.39
Sunnyvale	362,405	376,311	13,906	910,969	C	13,906	-	-	74,712	\$ 76,068.77	\$ -	\$ 1,792.98	\$ -	\$ (1,334)	\$ 77,861.75
Wylie NE WSC	118,559	120,048	1,489	-	-	-	1,489	-	362,405	\$ 368,986.27	\$ 14,158.53	\$ -	\$ -	\$ -	\$ 383,144.80
Total	9,054,160	9,479,318	425,158	-	-	39,190	677,501	(56,690)	118,559	\$ 120,712.03	\$ -	\$ 1,516.04	\$ -	\$ (1,128)	\$ 122,228.07
									9,054,160	\$ 9,218,583.34	\$ 39,901.69	\$ 689,804.40	\$ (11,929.02)	\$ (513,366)	\$ 9,936,360.42
Total	83,318,911	82,129,778	(1,189,133)	-	-	39,190	1,674,241	(2,308,011)	83,318,911	\$ 81,118,743.00	\$ 39,901.69	\$ 1,654,808.18	\$ (485,664.13)	\$ (1,268,630)	\$ 81,572,524.37

Notes

- (1) Not eligible for Minimum Annual Demand Adjustment due to Contract  
(2) Rebate for Actual Consumption that is less than the Annual Minimum  
(3) Rebate for Actual Consumption that is greater than that Annual Minimum  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 79,688,080  
Over / (Under) Recovery \$ 1,884,444

North Texas Municipal Water District  
Method 6 - 2005

	FY05				Increase / (Decrease)			Wtr Yr Increase / (Decrease)						
	Wtr Yr 05 Ann Min	Wtr Yr 05 Actual	Increase (Decrease)	FY05 Excess Rate Contract Minimum	Full Rate	Excess Rate	Rebate Rate	FY 05 Ann Min	FY 05 Annual Billing	FY 05 Full Billing	FY 05 Excess Billing	FY 05 Rebate (2)	FY 05 Rebate (3)	FY 05 Total
	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)						
Members														
Allen	4,362,143	4,687,958	325,815	-	-	325,815	-	4,362,143	\$ 1,050	\$ 1,050	\$ 1,050	\$ 0,217	\$ 0,834	
Farmersville	246,458	242,487	(3,971)	-	-	-	(3,971)	246,458	\$ 4,582,380	\$ -	\$ 342,265	\$ -	\$ (271,703)	\$ 4,652,942
Forney	891,245	1,059,328	168,083	-	-	168,083	-	891,245	\$ 258,901	\$ -	\$ -	\$ (860)	\$ -	\$ 258,041
Frisco	5,645,797	6,467,274	821,477	-	-	821,477	-	5,645,797	\$ 936,242	\$ -	\$ 176,569	\$ -	\$ (140,167)	\$ 972,644
Garland	12,612,613	12,435,423	(177,190)	-	-	-	(177,190)	12,612,613	\$ 5,930,843	\$ -	\$ 862,952	\$ -	\$ (685,044)	\$ 6,108,751
McKinney	6,582,712	7,166,992	584,280	-	-	584,280	-	6,582,712	\$ 13,249,401	\$ -	\$ -	\$ (38,374)	\$ -	\$ 13,211,027
Mesquite	4,814,443	4,885,178	70,735	-	-	70,735	-	4,814,443	\$ 6,915,061	\$ -	\$ 613,779	\$ -	\$ (487,241)	\$ 7,041,599
Mesquite # 3 <sup>(1)</sup>	2,031,764	1,351,516	(680,248)	2,256,486	-	-	-	2,031,764	\$ 5,057,515	\$ -	\$ 74,306	\$ -	\$ (58,987)	\$ 5,072,835
Plano	22,149,517	22,432,203	282,686	-	-	282,686	-	22,149,517	\$ 2,134,344	\$ -	\$ -	\$ -	\$ -	\$ 2,134,344
Princeton	289,199	337,039	47,840	-	-	47,840	-	289,199	\$ 23,267,806	\$ -	\$ 296,958	\$ -	\$ (235,737)	\$ 23,329,027
Richardson	9,532,442	8,553,732	(978,710)	-	-	-	(978,710)	9,532,442	\$ 303,800	\$ -	\$ 50,255	\$ -	\$ (39,895)	\$ 314,161
Rockwall	2,332,266	2,471,592	139,326	-	-	139,326	-	2,332,266	\$ 10,013,718	\$ -	\$ -	\$ (211,960)	\$ -	\$ 9,801,758
Royse City	327,863	338,437	10,574	-	-	10,574	-	327,863	\$ 2,450,018	\$ -	\$ 146,360	\$ -	\$ (116,186)	\$ 2,480,192
Wylie	1,266,615	1,387,214	120,599	-	-	120,599	-	1,266,615	\$ 344,416	\$ -	\$ 11,108	\$ -	\$ (8,818)	\$ 346,706
Total	73,085,077	73,816,373	731,296	-	-	2,571,415	(1,159,871)	73,085,077	\$ 1,330,564	\$ -	\$ 126,688	\$ -	\$ (100,570)	\$ 1,356,682
Customers									\$ 76,775,009	\$ -	\$ 2,701,241	\$ (251,194)	\$ (2,144,348)	\$ 77,080,708
Caddo Basin	223,734	240,325	16,591	-	-	16,591	-	223,734	\$ 1,100	\$ 1,100	\$ 1,100	\$ 0,217	\$ 0,834	
Cash SUD	257,909	256,282	(1,627)	-	-	-	-	257,909	\$ 246,217	\$ -	\$ 18,258	\$ -	\$ (13,836)	\$ 250,639
College Mound WSC	52,093	9,825	(42,268)	-	-	-	-	52,093	\$ 283,826	\$ -	\$ -	\$ -	\$ -	\$ 283,826
Copeville WSC	73,935	66,320	(7,615)	113,866.6	-	-	(7,615)	73,935	\$ 57,328	\$ -	\$ -	\$ -	\$ -	\$ 57,328
East Fork SUD	202,927	221,755	18,828	280,831	18,828	-	-	202,927	\$ 81,365	\$ -	\$ -	\$ (1,649)	\$ -	\$ 79,715
Farview	420,325	478,582	58,257	-	-	58,257	-	420,325	\$ 223,319	\$ 20,720	\$ -	\$ -	\$ -	\$ 244,039
Fate	113,197	155,139	41,942	-	-	41,942	-	113,197	\$ 462,563	\$ -	\$ 64,111	\$ -	\$ (48,582)	\$ 478,092
Forney Lake WSC <sup>(1)</sup>	171,795	164,447	(7,348)	227,800	-	-	-	171,795	\$ 124,572	\$ -	\$ 46,157	\$ -	\$ (34,976)	\$ 135,752
Gasonia-Scurry WSC	98,508	107,566	9,058	-	-	9,058	-	98,508	\$ 189,058	\$ -	\$ -	\$ -	\$ -	\$ 189,058
Josephine	38,203	41,031	2,828	45,400	2,828	-	-	38,203	\$ 108,407	\$ -	\$ 9,968	\$ -	\$ (7,554)	\$ 110,821
Kaufman	419,659	409,164	(10,495)	-	-	-	(10,495)	419,659	\$ 42,042	\$ 3,112	\$ -	\$ -	\$ -	\$ 45,154
Kaufman Four One	396,336	382,065	(14,271)	-	-	-	-	396,336	\$ 108,407	\$ -	\$ -	\$ (2,273)	\$ -	\$ 459,557
Lavon WSC <sup>(1)</sup>	142,389	148,610	6,221	142,389	-	6,221	-	142,389	\$ 461,830	\$ -	\$ -	\$ -	\$ -	\$ 459,557
Little Elm	504,167	610,479	106,312	-	-	106,312	-	504,167	\$ 436,163	\$ -	\$ -	\$ -	\$ -	\$ 436,163
Lucas	301,984	308,034	6,050	-	-	6,050	-	301,984	\$ 156,697	\$ -	\$ 6,846	\$ -	\$ (5,188)	\$ 158,356
Lucas #3	-	-	-	-	-	-	-	504,167	\$ 116,995	\$ -	\$ 116,995	\$ -	\$ (88,655)	\$ 583,169
Melissa <sup>(1)</sup>	73,000	86,408	13,408	73,000	-	13,408	-	73,000	\$ 6,558	\$ -	\$ 6,558	\$ -	\$ (5,045)	\$ 333,943
Milligan WSC	127,646	128,680	1,034	155,938	1,034	-	-	127,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mt. Zion WSC	108,816	108,196	(620)	-	-	-	(620)	108,816	\$ 80,336	\$ -	\$ 14,755	\$ -	\$ (11,181)	\$ 83,910
Murphy	792,811	906,941	114,130	-	-	114,130	-	792,811	\$ 140,473	\$ 1,138	\$ -	\$ -	\$ -	\$ 141,611
Nevada WSC	71,813	68,787	(3,026)	-	-	-	(3,026)	71,813	\$ 119,751	\$ -	\$ -	\$ (134)	\$ -	\$ 119,616
North Collin WSC	284,428	290,010	5,582	300,000	5,582	-	-	284,428	\$ 872,479	\$ -	\$ 125,589	\$ -	\$ (95,175)	\$ 902,903
Parker	344,660	392,852	48,192	-	-	48,192	-	344,660	\$ 79,029	\$ -	\$ -	\$ (655)	\$ -	\$ 78,374
Prosper <sup>(1)</sup>	236,575	95,405	(141,169)	236,575	-	-	-	236,575	\$ 313,010	\$ 6,143	\$ -	\$ -	\$ -	\$ 319,153
Rose Hill WSC	7,689	12,847	5,158	48,000	-	-	-	7,689	\$ 379,294	\$ -	\$ 53,035	\$ -	\$ (40,188)	\$ 392,141
Rowlett	2,772,411	2,734,709	(37,702)	4,051,017	-	-	(37,702)	2,772,411	\$ 302,634	\$ -	\$ -	\$ -	\$ -	\$ 302,634
Sachse	762,689	611,056	(151,633)	-	-	-	(151,633)	762,689	\$ 8,462	\$ 5,676	\$ -	\$ -	\$ -	\$ 14,138
Sachse #2 <sup>(1)</sup>	388,403	385,477	(2,926)	522,585	-	-	-	388,403	\$ 3,051,006	\$ -	\$ -	\$ (8,165)	\$ -	\$ 3,042,840
Seis Lagos MUD	76,473	71,594	(4,879)	-	-	-	(4,879)	76,473	\$ 839,330	\$ -	\$ -	\$ (32,839)	\$ -	\$ 806,491
Sunnyvale	376,311	391,036	14,725	910,969	14,725	-	-	376,311	\$ 427,433	\$ -	\$ -	\$ (1,057)	\$ -	\$ 427,433
Wylie NE WSC	120,048	143,816	23,768	-	-	23,768	-	120,048	\$ 84,158	\$ -	\$ -	\$ -	\$ -	\$ 84,158
Total	9,960,934	10,027,439	66,505	-	48,155	443,929	(215,970)	9,999,359	\$ 414,126	\$ 16,205	\$ -	\$ -	\$ -	\$ 430,330
								120,048	\$ 132,111	\$ -	\$ 26,156	\$ -	\$ (19,821)	\$ 138,447
								9,999,359	\$ 11,004,176	\$ 52,994	\$ 488,539	\$ (46,773)	\$ (370,200)	\$ 11,128,736
Total	83,046,011	83,843,812	797,801	-	48,155	3,015,344	(1,375,841)	83,084,436	\$ 87,779,185	\$ 52,994	\$ 3,189,780	\$ (297,967)	\$ (2,514,549)	\$ 88,209,444

Notes

- (1) Not eligible for Minimum Annual Demand Adjustment due to Contract  
(2) Rebate for Actual Consumption that is less than the Annual Minimum  
(3) Rebate for Actual Consumption that is greater than that Annual Minimum  
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD  
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met  
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met

Revenue Requirement \$ 86,400,249  
Over / (Under) Recovery \$ 1,809,195

<b>Notes:</b>	Revenue Requirement	93,322,596
(1) Not eligible for Minimum Annual Demand Adjustment due to Contract		
(2) Rebate for Actual Consumption that is less than the Annual Minimum	Over / (Under) Recovery	\$ 2,941,074
(3) Rebate for Actual Consumption that is greater than the Annual Minimum		
(A) Not eligible for Rebate Rate because not all Potable Water is received from NTMWD		
(B) Not eligible for Rebate Rate because Annual Minimum, as specified by Contract, has not been met		
(C) Not eligible for Excess Rate to the extent that Contract Minimum has not been met		

North Texas Municipal Water District  
Method 7 - 2003

							Increase / (Decrease)			Wtr Yr Increase / (Decrease)					
	Wtr Yr 03	Wtr Yr 03	Increase	Added	Deducted	Adjusted	Excess Rate	Full	Excess	Rebate	FY 03	FY 03	FY 03	FY 03	FY 03
	Ann Min	Actual	(Decrease)	to Minimum	from Minimum	Minimum	Contract Minimum	Rate	Rate	Rate	Ann Min	Annual Billing	Full Billing	Excess Billing	Rebate Total
	(1,000 gall)	(1,000 gall)	(1,000 gall)				(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)	(1,000 gall)				
Members															
Allen	3,952,728	4,124,397	171,669	171,669		4,124,397	-	-	-	-	4,124,397	\$ 3,588,225.39	\$ 0.870	\$ 0.200	\$ 0.200
Farmersville	290,608	225,417	(65,191)		(23,410)	267,198	-	-	-	(41,781)	267,198	\$ 232,461.95	\$ -	\$ -	\$ (8,356.13)
Forney	743,504	788,921	45,417	45,417		788,921	-	-	-	-	788,921	\$ 686,361.27	\$ -	\$ -	\$ -
Frisco	4,394,752	5,607,266	1,212,514	1,212,514		5,607,266	-	-	-	-	5,607,266	\$ 4,878,321.42	\$ -	\$ -	\$ -
Garland	13,660,013	12,904,220	(755,793)		(271,408)	13,388,605	-	-	-	(484,385)	13,388,605	\$ 11,648,086.03	\$ -	\$ -	\$ (96,876.93)
McKinney	5,748,746	6,350,897	602,151	602,151		6,350,897	-	-	-	-	6,350,897	\$ 5,525,280.39	\$ -	\$ -	\$ -
Mesquite	6,041,180	5,575,688	(465,492)		(167,160)	5,874,020	-	-	-	(298,332)	5,874,020	\$ 5,110,397.33	\$ -	\$ -	\$ (59,666.38)
Mesquite # 3 <sup>(1)</sup>	1,881,950	1,170,130	(711,820)			1,881,950	2,256,486	-	-	-	1,881,950	\$ 1,637,296.50	\$ -	\$ -	\$ -
Plano	26,719,809	22,745,013	(3,974,796)		(1,427,366)	25,292,443	-	-	-	(2,547,430)	25,292,443	\$ 22,004,425.82	\$ -	\$ -	\$ (509,486.09)
Princeton	328,803	287,581	(41,222)		(14,803)	314,000	-	-	-	(26,419)	314,000	\$ 273,180.01	\$ -	\$ -	\$ (5,283.80)
Richardson	11,019,311	10,135,415	(883,896)		(317,411)	10,701,900	-	-	-	(566,485)	10,701,900	\$ 9,310,653.28	\$ -	\$ -	\$ (113,297.06)
Rockwall	2,188,525	2,234,227	45,702	45,702		2,234,227	-	-	-	-	2,234,227	\$ 1,943,777.49	\$ -	\$ -	\$ -
Royse City	277,416	286,471	9,055	9,055		286,471	-	-	-	-	286,471	\$ 249,229.77	\$ -	\$ -	\$ -
Wylie	907,331	1,042,381	135,050	135,050		1,042,381	-	-	-	-	1,042,381	\$ 906,871.47	\$ -	\$ -	\$ -
Total	78,154,676	73,478,024	(4,676,652)	2,221,558	(2,221,558)	78,154,676		-	-	(3,964,832)	78,154,676	\$ 67,994,568.12	\$ -	\$ -	\$ (792,966.40)
Total Amount Over Minimum			2,221,558												
Total Amount under Minimum			(6,186,390)												

Notes:

(1) Not eligible for Minimum Adjustment due to Contract

North Texas Municipal Water District  
Method 7 - 2004

	Wtr Yr 04 Ann Min (1,000 gall)	Wtr Yr 04 Actual (1,000 gall)	Increase (Decrease) (1,000 gall)	Added to Minimum	Deducted from Minimum	Adjusted Minimum	Excess Rate Contract Minimum (1,000 gall)	Increase / (Decrease)			Wtr Yr Increase / (Decrease)							
								Full Rate (1,000 gall)	Excess Rate (1,000 gall)	Rebate Rate (1,000 gall)	FY 04 Ann Min (1,000 gall)	FY 04 Annual Billing	FY 04 Full Billing	FY 04 Excess Billing	FY 04 Rebate	FY 04 Total		
Members																		
Allen	4,124,397	4,362,143	237,746	237,746		4,362,143	-	-	-	-	4,362,143	\$ 0 920	\$ 0 920	\$ 0 200	\$ 0 200			\$ 4,013,171 56
Farmersville	290,608	246,458	(44,150)		(5,111)	285,497	-	-	-	(39,039)	285,497	\$ 262,657 64	\$ -	\$ -	\$ -	(7,807 89)	\$ 254,849 75	
Forney	788,921	891,245	102,324	102,324		891,245	-	-	-	-	891,245	\$ 819,945 40	\$ -	\$ -	\$ -			\$ 819,945 40
Frisco	5,607,266	5,645,797	38,531	38,531		5,645,797	-	-	-	-	5,645,797	\$ 5,194,133 24	\$ -	\$ -	\$ -			\$ 5,194,133 24
Garland	13,660,013	12,612,613	(1,047,400)		(121,241)	13,538,772	-	-	-	(926,159)	13,538,772	\$ 12,455,669 90	\$ -	\$ -	\$ -	(185,231 73)	\$ 12,270,438 17	
McKinney	6,350,897	6,582,712	231,815	231,815		6,582,712	-	-	-	-	6,582,712	\$ 6,056,095 04	\$ -	\$ -	\$ -			\$ 6,056,095 04
Mesquite	6,041,180	4,814,443	(1,226,737)		(142,000)	5,899,180	-	-	-	(1,084,737)	5,899,180	\$ 5,427,245 18	\$ -	\$ -	\$ -	(216,947 31)	\$ 5,210,297 87	
Mesquite # 3 <sup>(1)</sup>	1,956,857	1,597,147	(359,710)			1,956,857	2,256,486	-	-	-	1,956,857	\$ 1,800,308 44	\$ -	\$ -	\$ -			\$ 1,800,308 44
Plano	26,719,809	22,149,517	(4,570,292)		(529,032)	26,190,777	-	-	-	(4,041,260)	26,190,777	\$ 24,095,514 53	\$ -	\$ -	\$ -	(808,251 93)	\$ 23,287,262 60	
Princeton	328,803	289,199	(39,604)		(4,584)	324,219	-	-	-	(35,020)	324,219	\$ 298,281 16	\$ -	\$ -	\$ -	(7,003 93)	\$ 291,277 23	
Richardson	11,019,311	9,532,442	(1,486,869)		(172,112)	10,847,199	-	-	-	(1,314,757)	10,847,199	\$ 9,979,423 14	\$ -	\$ -	\$ -	(262,951 41)	\$ 9,716,471 73	
Rockwall	2,234,227	2,332,266	98,039	98,039		2,332,266	-	-	-	-	2,332,266	\$ 2,145,684 72	\$ -	\$ -	\$ -			\$ 2,145,684 72
Royse City	286,471	327,863	41,392	41,392		327,863	-	-	-	-	327,863	\$ 301,633 96	\$ -	\$ -	\$ -			\$ 301,633 96
Wyle	1,042,381	1,266,615	224,234	224,234		1,266,615	-	-	-	-	1,266,615	\$ 1,165,285 80	\$ -	\$ -	\$ -			\$ 1,165,285 80
Total	80,451,141	72,650,460	(7,800,681)	974,081	(974,081)	80,451,141	-	-	-	(7,440,971)	80,451,141	\$ 74,015,049 72	\$ -	\$ -	\$ -	(1,488,194 20)	\$ 72,526,855 52	
Total amount Over Minimum			974,081															
Total amount Under Minimum			(8,415,052)															

Notes

(1) Not eligible for Minimum Adjustment due to Contract

Total Amount over Minimum  
Total Amount Under Minimum

Total Amount Over Minimum  
Total Amount Under Minimum



North Texas Municipal Water District  
Method 8 - 2002

	Wtr Yr 02 Ann Min (1,000 gall)	Wtr Yr 02 Actual (1,000 gall)	Avg (MGD)	Peak (MGD)	2003 Demand Charge
Members					
Allen	3,952,728	3,699,752	10	22	3,030,621
Farmersville	290,608	228,235	1	1	186,957
Forney	743,504	658,408	2	4	539,329
Frisco	4,125,696	4,394,752	12	27	3,599,925
Garland	13,660,013	12,051,601	33	73	9,871,970
McKinney	5,748,746	5,689,078	16	34	4,660,161
Mesquite	7,798,284	6,550,839	18	40	5,366,066
Mesquite # 3	-	-	-	-	-
Plano	26,719,809	22,459,418	62	136	18,397,447
Princeton	328,803	278,431	1	2	228,074
Richardson	11,019,311	9,773,780	27	59	8,006,111
Rockwall	2,188,525	1,876,570	5	11	1,537,177
Royse City	277,416	257,149	1	2	210,641
Wylie	907,331	816,417	2	5	668,761
Total	77,760,774	68,734,430	188	415	56,303,242
Customers					
Caddo Basin	252,318	197,652	1	1	161,905
Cash WSC	237,267	211,830	1	1	173,519
College Mound WSC	66,769	56,135	0	0	45,983
Copeville WSC	65,478	65,737	0	0	53,848
East Fork SUD	183,632	150,055	0	1	122,916
Fairview	364,741	352,745	1	2	288,948
Fate	65,173	69,529	0	0	56,954
Forney Lake WSC	153,126	112,745	0	1	92,354
Gasonia-Scurry WSC	110,490	80,336	0	0	65,807
Josephine	32,879	40,978	0	0	33,567
Kaufman	406,317	419,999	1	3	344,039
Kaufman Four One	396,327	337,611	1	2	276,551
Lavon WSC	142,389	96,660	0	1	79,178
Little Elm	122,061	210,964	1	1	172,809
Lucas	337,693	243,856	1	1	199,753
Milligan WSC	121,388	115,787	0	1	94,846
Mt Zion WSC	125,486	97,279	0	1	79,685
Murphy	371,527	496,860	1	3	406,999
Nevada WSC	69,001	66,189	0	0	54,218
North Collin WSC	287,568	245,779	1	1	201,328
Parker	211,304	228,969	1	1	187,558
Rose Hill WSC	43,271	40,056	0	0	32,812
Rowlett	2,920,333	2,564,207	7	15	2,100,449
Sachse	724,857	521,439	1	3	427,132
Sachse #2	130,288	62,697	0	0	51,358
Seis Lagos MUD	82,719	60,814	0	0	49,815
Sunnyvale	439,743	314,893	1	2	257,942
Wylie NE WSC	130,896	87,351	0	1	71,553
Total	8,595,041	7,549,152	21	46	6,183,826
Total	86,355,815	76,283,582	209	461	62,487,068
Average		209			
Peak		461			
		2.21			
2002 Actuals			2003 Rates		
Variable O&M	11,950,062	18%	Demand Charge (per Peak MGD)	\$	135,547
Fixed O&M & Debt	54,693,458	82%			
Subtotal	66,643,520		Volumetric Charge		
			Members	\$	0 17
2003 Budgeted Water Sales	76,139,968		Customers	\$	0 22
Variable Component	13,652,900				
Fixed Component	62,487,068				

North Texas Municipal Water District  
Method 8 - 2003

	Wtr Yr 03 Ann Min (1,000 gall)	Wtr Yr 03 Actual (1,000 gall)	Demand Charge Revenue	Volumetric Charge Revenue	2003 Total Revenue	Avg (MGD)	Peak (MGD)	2004 Demand Charge
Members								
Allen	3,952,728	4,124,397	3,030,621	717,759	3,748,380	11	22	3,263,962
Farmersville	290,608	225,417	186,957	39,229	226,186	1	1	178,390
Forney	743,504	788,921	539,329	137,294	676,623	2	4	624,336
Frisco	4,394,752	5,607,266	3,599,925	975,819	4,575,743	15	30	4,437,473
Garland	13,660,013	12,904,220	9,871,970	2,245,689	12,117,659	35	69	10,212,130
McKinney	5,748,746	6,350,897	4,660,161	1,105,231	5,765,392	17	34	5,025,967
Mesquite	6,041,180	5,575,688	5,366,066	970,323	6,336,389	15	30	4,412,483
Mesquite # 3	1,881,950	1,170,130	1,541,584	203,635	1,745,219	3	6	926,016
Plano	26,719,809	22,745,013	18,397,447	3,958,258	22,355,705	62	121	17,999,929
Princeton	328,803	287,581	228,074	50,047	278,121	1	2	227,586
Richardson	11,019,311	10,135,415	8,006,111	1,763,841	9,769,952	28	54	8,020,956
Rockwall	2,188,525	2,234,227	1,537,177	388,817	1,925,994	6	12	1,768,121
Royse City	277,416	286,471	210,641	49,854	260,495	1	2	226,707
Wylie	907,331	1,042,381	668,761	181,403	850,164	3	6	824,919
Total	78,154,676	73,478,024	57,844,826	12,787,198	70,632,024	201	390	58,148,975
Customers								
Caddo Basin	252,318	245,280	161,905	54,949	216,854	1	1	194,109
Cash SUD	237,267	221,385	173,519	49,596	223,115	1	1	175,199
College Mound WSC	66,769	62,017	45,983	13,894	59,876	0	0	49,079
Copeville WSC	65,737	68,468	53,848	15,339	69,187	0	0	54,184
East Fork SUD	183,632	188,012	122,916	42,120	165,036	1	1	148,789
Fairview	364,741	394,901	288,948	88,469	377,417	1	2	312,516
Fate	69,529	77,744	56,954	17,417	74,371	0	0	61,525
Forney Lake WSC	153,126	131,507	92,354	29,461	121,815	0	1	104,072
Gassonia-Scurry WSC	110,490	101,254	65,807	22,684	88,490	0	1	80,130
Josephine	40,978	33,301	33,567	7,460	41,027	0	0	26,354
Kaufman	419,999	392,227	344,039	87,870	431,908	1	2	310,400
Kaufman Four One	396,327	356,603	276,551	79,889	356,440	1	2	282,208
Lavon WSC	142,389	124,858	79,178	27,972	107,150	0	1	98,810
Little Elm	210,964	368,734	172,809	82,607	255,416	1	2	291,808
Lucas	337,693	271,766	199,753	60,883	260,636	1	1	215,070
Melissa	48,664	32,160	39,863	7,205	47,067	0	0	25,451
Milligan WSC	121,388	149,894	94,846	33,580	128,426	0	1	118,623
Mt Zion WSC	125,486	100,946	79,685	22,615	102,300	0	1	79,887
Murphy	496,860	655,870	406,999	146,933	553,932	2	3	519,042
Nevada WSC	69,001	71,043	54,218	15,916	70,134	0	0	56,222
North Collin WSC	287,568	274,347	201,328	61,461	262,789	1	1	217,112
Parker	228,969	306,201	187,558	68,597	256,156	1	2	242,321
Rose Hill WSC	43,271	16,160	32,812	3,620	36,432	0	0	12,789
Rowlett	2,920,333	2,772,637	2,100,449	621,147	2,721,596	8	15	2,194,207
Sachse	724,857	612,776	427,132	137,279	564,411	2	3	484,938
Sachse #2	130,646	388,403	51,358	87,013	138,371	1	2	307,374
Seis Lagos MUD	82,719	74,712	49,815	16,738	66,553	0	0	59,126
Sunnyvale	439,743	362,405	257,942	81,189	339,131	1	2	286,800
Wylie NE WSC	130,896	118,559	71,553	26,560	98,113	0	1	93,825
Total	8,902,360	8,974,170	6,223,688	2,010,461	8,234,149	25	48	7,101,971
Total	87,057,036	82,452,194	64,068,514	14,797,659	78,866,173	226	438	65,250,946
Average		226	Revenue Requirement		75,674,582			
Peak		438						
Peaking Factor		1.94	Over / (Under) Recovery		3,191,591			
2003 Actuals								
Variable O&M	13,953,844	19%	2004 Rates					
Fixed O&M & Debt	60,954,580	81%	Demand Charge (per Peak MGD)		\$	148,975		
Subtotal	74,908,424							
			Volumetric Charge					
2004 Budgeted Water Sales	83,379,914		Members		\$	0.18		
2003 Over / (Under) Recovery	(3,191,591)		Customers		\$	0.23		
Adjusted 2004 Budgeted Water Sales	80,188,323							
Variable	14,937,377							
Fixed	65,250,946							

North Texas Municipal Water District  
Method 8 - 2004

	Wtr Yr 04 Ann Min (1,000 gall)	Wtr Yr 04 Actual (1,000 gall)	Demand Charge Revenue	Volumetric Charge Revenue	2004 Total Revenue	Avg (MGD)	Peak (MGD)	2005 Demand Charge (1,000 gall)
Members								
Allen	4,124,397	4,362,143	3,263,962	766,525	4,030,486	12	25	3,865,276
Farmersville	290,608	246,458	178,390	43,308	221,698	1	1	218,385
Forney	788,921	891,245	624,336	156,611	780,947	2	5	789,728
Frisco	5,607,266	5,645,797	4,437,473	992,091	5,429,564	15	33	5,002,716
Garland	13,660,013	12,612,613	10,212,130	2,216,314	12,428,445	35	73	11,175,980
McKinney	6,350,897	6,582,712	5,025,967	1,156,728	6,182,695	18	38	5,832,912
Mesquite	6,041,180	4,814,443	4,412,483	846,004	5,258,487	13	28	4,266,057
Mesquite # 3	1,956,857	1,597,147	926,016	280,654	1,206,670	4	9	1,415,225
Plano	26,719,809	22,149,517	17,999,929	3,892,159	21,892,087	61	128	19,626,589
Princeton	328,803	289,199	227,586	50,819	278,404	1	2	256,258
Richardson	11,019,311	9,532,442	8,020,956	1,675,060	9,696,016	26	55	8,446,654
Rockwall	2,234,227	2,332,266	1,768,121	409,831	2,177,951	6	13	2,066,611
Royse City	286,471	327,863	226,707	57,613	284,320	1	2	290,518
Wylie	1,042,381	1,266,615	824,919	222,572	1,047,491	3	7	1,122,342
Total	80,451,141	72,650,460	58,148,975	12,766,288	70,915,263	199	420	64,375,250
Customers								
Caddo Basin	252,318	223,734	194,109	50,502	244,611	1	1	198,250
Cash SUD	237,267	257,909	175,199	58,216	233,415	1	1	228,532
College Mound WSC	66,769	52,093	49,079	11,759	60,837	0	0	46,159
Copeville WSC	68,468	73,935	54,184	16,689	70,873	0	0	65,513
East Fork SUD	188,012	202,927	148,789	45,805	194,594	1	1	179,813
Fairview	394,901	420,325	312,516	94,877	407,393	1	2	372,448
Fate	77,744	113,197	61,525	25,551	87,076	0	1	100,303
Forney Lake WSC	153,126	135,370	104,072	30,556	134,628	0	1	119,951
Gassonia-Scurry WSC	110,490	98,508	80,130	22,235	102,366	0	1	87,288
Josephine	40,978	38,203	26,354	8,623	34,977	0	0	33,852
Kaufman	419,999	419,659	310,400	94,726	405,127	1	2	371,858
Kaufman Four One	396,327	396,336	282,208	89,462	371,670	1	2	351,192
Lavon WSC	142,389	141,538	98,810	31,948	130,758	0	1	125,416
Little Elm	368,734	504,167	291,808	113,802	405,610	1	3	446,740
Lucas	337,693	301,984	215,070	68,164	283,234	1	2	267,587
Melissa	73,000	59,467	25,451	13,423	38,874	0	0	52,693
Milligan WSC	149,894	127,646	118,623	28,813	147,436	0	1	113,107
Mt Zion WSC	125,486	108,816	79,887	24,562	104,449	0	1	96,421
Murphy	655,870	792,811	519,042	178,955	697,997	2	5	702,506
Nevada WSC	71,043	71,813	56,222	16,210	72,432	0	0	63,633
North Collin WSC	287,568	284,428	217,112	64,202	281,314	1	2	252,030
Parker	306,201	344,660	242,321	77,797	320,118	1	2	305,402
Rose Hill WSC	43,271	7,689	12,789	1,736	14,524	0	0	6,813
Rowlett	2,920,333	2,772,411	2,194,207	625,794	2,820,001	8	16	2,456,621
Sachse	724,857	762,689	484,938	172,156	657,094	2	4	675,815
Sachse #2	388,403	194,171	307,374	43,829	351,203	1	1	172,054
Seis Lagos MUD	82,719	76,473	59,126	17,262	76,387	0	0	67,762
Sunnyvale	439,743	376,311	286,800	84,942	371,741	1	2	333,448
Wylie NE WSC	130,896	120,048	93,825	27,097	120,923	0	1	106,374
Total	9,654,499	9,479,318	7,101,971	2,139,691	9,241,662	26	55	8,399,582
Total	90,105,640	82,129,778	65,250,946	14,905,979	80,156,925	225	475	72,774,831
Average		225	Revenue Requirement		78,757,660			
Peak		475						
Peaking Factor		2.11	Over / (Under) Recovery		1,399,264			
2004 Actuals								
Variable O&M	14,354,930	17%						
Fixed O&M & Debt	68,692,490	83%						
Subtotal	83,047,420							
			2005 Rates					
			Demand Charge (per Peak MGD)	\$	153,210			
			Volumetric Charge					
			Members	\$	0.18			
			Customers	\$	0.23			
2005 Budgeted Water Sales	89,382,128							
2004 Over / (Under) Recovery	(1,399,264)							
Adjusted 2004 Budgeted Water Sales	87,982,864							
Variable	15,208,032							
Fixed	72,774,831							

North Texas Municipal Water District  
Method 8 - 2005

	Wtr Yr 05 Ann Min (1,000 gall)	Wtr Yr 05 Actual (1,000 gall)	Demand Charge Revenue	Volumetric Charge Revenue	2004 Total Revenue	Avg (MGD)	Peak (MGD)	2006 Demand Charge (1,000 gall)
<b>Members</b>								
Allen	4,362,143	4,687,958	3,865,276	841,019	4,706,294	13	25	4,077,391
Farmersville	270,606	242,487	218,385	43,502	261,887	1	1	210,905
Forney	891,245	1,059,328	789,728	190,043	979,771	3	6	921,359
Frisco	5,645,797	6,467,274	5,002,716	1,160,228	6,162,943	18	34	5,624,966
Garland	13,660,013	12,435,423	11,175,980	2,230,912	13,406,893	34	66	10,815,814
McKinney	6,582,712	7,166,992	5,832,912	1,285,757	7,118,669	20	38	6,233,552
Mesquite	6,041,180	4,885,178	4,266,057	876,400	5,142,457	13	26	4,248,925
Mesquite # 3	2,031,764	1,351,516	1,415,225	242,462	1,657,687	4	7	1,175,492
Plano	26,719,809	22,432,203	19,626,589	4,024,333	23,650,921	61	119	19,510,598
Princeton	328,803	337,039	256,258	60,465	316,723	1	2	293,143
Richardson	11,019,311	8,553,732	8,446,654	1,534,538	9,981,192	23	45	7,439,681
Rockwall	2,332,266	2,471,592	2,066,611	443,403	2,510,014	7	13	2,149,688
Royse City	327,863	338,437	290,518	60,716	351,233	1	2	294,358
Wylie	1,266,615	1,387,214	1,122,342	248,866	1,371,208	4	7	1,206,541
<b>Total</b>	<b>81,480,129</b>	<b>73,816,373</b>	<b>64,375,250</b>	<b>13,242,643</b>	<b>77,617,893</b>	<b>202</b>	<b>390</b>	<b>64,202,413</b>
<b>Customers</b>								
Caddo Basin	272,318	240,325	198,250	55,131	253,380	1	1	209,025
Cash SUD	257,909	256,282	228,532	58,791	287,323	1	1	222,903
College Mound WSC	66,769	9,825	46,159	2,254	48,413	0	0	8,545
Copeville WSC	73,935	66,320	65,513	15,214	80,727	0	0	57,682
East Fork SUD	202,927	221,755	179,813	50,871	230,683	1	1	192,873
Fairview	420,325	478,582	372,448	109,787	482,235	1	3	416,251
Fate	113,197	155,139	100,303	35,589	135,892	0	1	134,933
Forney Lake WSC	171,795	164,447	119,951	37,724	157,675	0	1	143,029
Gassonia-Scurry WSC	110,490	107,566	87,288	24,676	111,963	0	1	93,556
Josephine	40,978	41,031	33,852	9,413	43,264	0	0	35,687
Kaufman	419,999	409,164	371,858	93,862	465,720	1	2	355,874
Kaufman Four One	396,336	382,065	351,192	87,646	438,837	1	2	332,304
Lavon WSC	142,389	148,610	125,416	34,091	159,507	0	1	129,255
Little Elm	504,167	610,479	446,740	140,044	586,784	2	3	530,969
Lucas	337,693	308,034	267,587	70,663	338,250	1	2	267,915
Lucas #3	-	-	-	-	-	-	-	-
Melissa	73,000	86,408	52,693	19,822	72,515	0	0	75,154
Milligan WSC	149,894	128,680	113,107	29,519	142,626	0	1	111,921
Mt. Zion WSC	125,486	108,196	96,421	24,820	121,242	0	1	94,104
Murphy	792,811	906,941	702,506	208,052	910,558	2	5	788,820
Nevada WSC	71,813	68,787	63,633	15,780	79,413	0	0	59,828
North Collin WSC	287,568	290,010	252,030	66,528	318,559	1	2	252,239
Parker	344,660	392,852	305,402	90,120	395,522	1	2	341,686
Prosper	236,575	95,406	209,628	21,886	231,514	0	1	82,980
Rose Hill WSC	43,271	12,847	6,813	2,947	9,760	0	0	11,174
Rowlett	2,920,333	2,734,709	2,456,621	627,342	3,083,963	7	14	2,378,536
Sachse	762,689	611,056	675,815	140,176	815,991	2	3	531,471
Sachse #2	388,403	385,477	172,054	88,428	260,482	1	2	335,272
Seis Lagos MUD	82,719	71,594	67,762	16,424	84,186	0	0	62,269
Sunnyvale	439,743	391,036	333,448	89,704	423,151	1	2	340,107
Wylie NE WSC	130,896	143,816	106,374	32,991	139,365	0	1	125,085
<b>Total</b>	<b>10,381,088</b>	<b>10,027,439</b>	<b>8,609,210</b>	<b>2,300,293</b>	<b>10,909,502</b>	<b>27</b>	<b>53</b>	<b>8,721,450</b>
<b>Total</b>	<b>91,861,217</b>	<b>83,843,812</b>	<b>72,984,459</b>	<b>15,542,935</b>	<b>88,527,395</b>	<b>230</b>	<b>443</b>	<b>72,923,863</b>
<b>Average</b>		230	Revenue Requirement		86,885,428			
<b>Peak</b>		443						
<b>Peaking Factor</b>		1.93	Over / (Under) Recovery		1,641,966			
<b>2005 Actuals</b>								
Variable O&M	17,713,742	20%	2006 Rates					
Fixed O&M & Debt	72,605,844	80%	Demand Charge (per Peak MGD)		\$ 164,614			
Subtotal	90,319,586							
<b>2006 Budgeted Water Sales</b>	92,357,159		Volumetric Charge					
<b>2005 Over / (Under) Recovery</b>	(1,641,966)		Members		\$ 0.21			
<b>Adjusted 2004 Budgeted Water Sales</b>	90,715,193		Customers		\$ 0.26			
Variable	17,791,330							
Fixed	72,923,863							

**North Texas Municipal Water District  
Method 8 - 2006**

	Wtr Yr 06 Ann Min (1,000 gall)	Wtr Yr 06 Actual (1,000 gall)	Demand	Volumetric	Total
<b>Members</b>					
Allen	4,687,958	5,588,259	4,077,391	1,152,390	5,229,781
Farmersville	270,608	280,467	210,905	57,837	268,742
Forney	1,059,328	1,416,868	921,359	292,181	1,213,541
Frisco	6,467,274	7,918,529	5,624,966	1,632,930	7,257,896
Frisco #2	3,116	419,410	2,710	86,489	89,199
Garland	13,660,013	13,721,955	10,815,814	2,829,690	13,645,504
McKinney	7,166,992	8,385,134	6,233,552	1,729,151	7,962,703
McKinney #3	171,228	350,012	148,927	72,178	221,105
Mesquite	6,041,180	5,756,029	4,248,925	1,186,987	5,435,912
Mesquite # 3	2,106,671	1,359,175	1,175,492	280,284	1,455,776
Plano	26,719,809	26,265,050	19,510,598	5,416,281	24,926,878
Princeton	337,039	409,624	293,143	84,471	377,614
Richardson	11,019,311	10,050,090	7,439,681	2,072,492	9,512,173
Rockwall	2,471,592	3,284,236	2,149,688	677,263	2,826,951
Royse City	338,437	470,150	294,358	96,953	391,311
Wylie	1,387,214	1,721,763	1,206,541	355,056	1,561,597
<b>Total</b>	<b>83,907,770</b>	<b>87,396,751</b>	<b>64,354,051</b>	<b>18,022,632</b>	<b>82,376,682</b>
<b>Customers</b>					
Caddo Basin SUD	272,318	293,451	209,025	75,187	284,212
Cash SUD	A 257,909	305,643	222,903	78,311	301,214
College Mound WSC	A 66,769	62,710	8,545	16,067	24,613
Copeville WSC	73,935	77,927	57,682	19,966	77,649
East Fork SUD	221,755	324,226	192,873	83,072	275,945
Fairview	478,582	721,185	416,251	184,779	601,030
Fate	155,139	279,932	134,933	71,723	206,657
Fate #2	-	-	-	-	-
Forney Lake WSC	182,996	295,577	143,029	75,732	218,761
Gasonia-Scurry WSC	110,490	107,875	93,556	27,639	121,196
Josephine	41,031	57,407	35,687	14,709	50,396
Kaufman	419,999	438,403	355,874	112,326	468,200
Kaufman Four One	A 396,336	450,363	332,304	115,390	447,695
Lavon WSC	148,610	217,256	129,255	55,665	184,919
Little Elm - Interim	559,606	925,163	486,722	237,042	723,764
Little Elm - Permanent	51,667	107,415	44,938	27,521	72,459
Lucas	337,693	212,681	267,915	54,492	322,408
Lucas #3	63,969	290,897	55,638	74,533	130,170
Melissa	86,408	135,737	75,154	34,778	109,932
Milligan WSC	149,894	147,744	111,921	37,854	149,775
Mt. Zion WSC	125,486	159,302	94,104	40,816	134,920
Murphy	906,941	1,193,806	788,820	305,873	1,094,692
Nevada WSC	45,802	56,413	59,828	14,454	74,282
Nevada WSC #2	30,766	31,766	26,759	8,139	34,898
North Collin WSC	290,010	318,780	252,239	81,677	333,915
Parker	392,852	470,812	341,686	120,630	462,316
Prosper	275,000	208,182	82,980	53,340	136,320
Rose Hill SUD	A 43,271	42,818	11,174	10,971	22,144
Rowlett	2,920,333	3,192,039	2,378,536	817,852	3,196,389
Sachse	762,689	734,691	531,471	188,240	719,711
Sachse #2	388,403	431,099	335,272	110,455	445,726
Seis Lagos MUD	82,719	111,094	62,269	28,464	90,734
Sunnyvale	439,743	559,135	340,107	143,259	483,366
Wylie NE SUD	143,816	197,289	125,085	50,549	175,634
<b>Total</b>	<b>10,922,937</b>	<b>13,158,818</b>	<b>8,804,537</b>	<b>3,371,503</b>	<b>12,176,040</b>
<b>Total</b>	<b>94,830,707</b>	<b>100,555,569</b>	<b>73,158,587</b>	<b>21,394,135</b>	<b>94,552,723</b>

Revenue Requirement 93,489,824

Over / (Under) Recovery 1,062,899

**North Texas Municipal Water District  
Method 9 - 2003**

	Wtr Yr 03 Actual (1,000 gal)	Adjustments for Contracts (1,000 gal)	Adjusted Actual (1,000 gal.)	2003 Total
<b>Members</b>				\$ 0.997
Allen	4,124,397	-	4,124,397	\$ 4,111,084
Farmersville	225,417	-	225,417	\$ 224,689
Forney	788,921	-	788,921	\$ 786,375
Frisco	5,607,266	-	5,607,266	\$ 5,589,167
Garland	12,904,220	-	12,904,220	\$ 12,862,568
McKinney	6,350,897	-	6,350,897	\$ 6,330,398
Mesquite	5,575,688	-	5,575,688	\$ 5,557,691
Mesquite # 3	1,170,130	711,820	1,881,950	\$ 1,875,875
Plano	22,745,013	-	22,745,013	\$ 22,671,597
Princeton	287,581	-	287,581	\$ 286,653
Richardson	10,135,415	-	10,135,415	\$ 10,102,700
Rockwall	2,234,227	-	2,234,227	\$ 2,227,015
Royse City	286,471	-	286,471	\$ 285,546
Wylie	1,042,381	-	1,042,381	\$ 1,039,016
<b>Total</b>	<b>73,478,024</b>	<b>711,820</b>	<b>74,189,844</b>	<b>\$ 73,950,375</b>
<b>Customers</b>				\$ 1.047
Caddo Basin	245,280	-	245,280	\$ 256,752
Cash SUD	221,385	-	221,385	\$ 231,740
College Mound WSC	62,017	-	62,017	\$ 64,918
Copeville WSC	68,468	-	68,468	\$ 71,670
East Fork SUD	188,012	-	188,012	\$ 196,806
Fairview	394,901	-	394,901	\$ 413,371
Fate	77,744	-	77,744	\$ 81,380
Forney Lake WSC	131,507	-	131,507	\$ 137,658
Gasonia-Scurry WSC	101,254	-	101,254	\$ 105,990
Josephine	33,301	-	33,301	\$ 34,859
Kaufman	392,227	-	392,227	\$ 410,572
Kaufman Four One	356,603	-	356,603	\$ 373,282
Lavon WSC	124,858	17,531	142,389	\$ 149,049
Little Elm	368,734	-	368,734	\$ 385,981
Lucas	271,766	-	271,766	\$ 284,477
Melissa	32,160	16,504	48,664	\$ 50,940
Milligan WSC	149,894	-	149,894	\$ 156,905
Mt. Zion WSC	100,946	-	100,946	\$ 105,667
Murphy	655,870	-	655,870	\$ 686,546
Nevada WSC	71,043	-	71,043	\$ 74,366
North Collin WSC	274,347	-	274,347	\$ 287,179
Parker	306,201	-	306,201	\$ 320,523
Rose Hill WSC	16,160	-	16,160	\$ 16,916
Rowlett	2,772,637	-	2,772,637	\$ 2,902,319
Sachse	612,776	-	612,776	\$ 641,437
Sachse #2	388,403	-	388,403	\$ 406,569
Seis Lagos MUD	74,712	-	74,712	\$ 78,206
Sunnyvale	362,405	-	362,405	\$ 379,355
Wylie NE WSC	118,559	-	118,559	\$ 124,104
<b>Total</b>	<b>8,974,170</b>	<b>34,035</b>	<b>9,008,205</b>	<b>\$ 9,429,539</b>
<b>Total</b>	<b>82,452,194</b>	<b>745,855</b>	<b>83,198,049</b>	<b>\$ 83,379,914</b>
Revenue Requirement		\$	83,379,914	
Member Rate		\$	1.00	
Customer Rate		\$	1.05	
		74,189,844	73,950,375	
		9,008,205	9,429,539	
			83,379,914	

**North Texas Municipal Water District**  
**Method 9 - 2004**

	Wtr Yr 04 Actual (1,000 gall)	Adjustments for Contracts	Adjusted Actual	2004 Total
Members				\$ 0.985
Allen	4,362,143	-	4,362,143	\$ 4,296,123
Farmersville	246,458	-	246,458	\$ 242,728
Forney	891,245	-	891,245	\$ 877,756
Frisco	5,645,797	-	5,645,797	\$ 5,560,349
Garland	12,612,613	-	12,612,613	\$ 12,421,723
McKinney	6,582,712	-	6,582,712	\$ 6,483,084
Mesquite	4,814,443	-	4,814,443	\$ 4,741,577
Mesquite # 3	1,597,147	359,710	1,956,857	\$ 1,927,240
Plano	22,149,517	-	22,149,517	\$ 21,814,287
Princeton	289,199	-	289,199	\$ 284,822
Richardson	9,532,442	-	9,532,442	\$ 9,388,170
Rockwall	2,332,266	-	2,332,266	\$ 2,296,967
Royse City	327,863	-	327,863	\$ 322,901
Wylie	1,266,615	-	1,266,615	\$ 1,247,445
Total	72,650,460	359,710	73,010,170	\$ 71,905,173
Customers				\$ 1.035
Caddo Basin	223,734	-	223,734	\$ 231,535
Cash SUD	257,909	-	257,909	\$ 266,901
College Mound WSC	52,093	-	52,093	\$ 53,909
Copeville WSC	73,935	-	73,935	\$ 76,513
East Fork SUD	202,927	-	202,927	\$ 210,002
Fairview	420,325	-	420,325	\$ 434,980
Fate	113,197	-	113,197	\$ 117,144
Forney Lake WSC	135,370	17,756	153,126	\$ 158,465
Gasonia-Scurry WSC	98,508	-	98,508	\$ 101,942
Josephine	38,203	-	38,203	\$ 39,535
Kaufman	419,659	-	419,659	\$ 434,290
Kaufman Four One	396,336	-	396,336	\$ 410,154
Lavon WSC	141,538	851	142,389	\$ 147,353
Little Elm	504,167	-	504,167	\$ 521,745
Lucas	301,984	-	301,984	\$ 312,513
Melissa	59,467	13,533	73,000	\$ 75,545
Milligan WSC	127,646	-	127,646	\$ 132,096
Mt Zion WSC	108,816	-	108,816	\$ 112,610
Murphy	792,811	-	792,811	\$ 820,452
Nevada WSC	71,813	-	71,813	\$ 74,317
North Collin WSC	284,428	-	284,428	\$ 294,345
Parker	344,660	-	344,660	\$ 356,677
Rose Hill WSC	7,689	-	7,689	\$ 7,957
Rowlett	2,772,411	-	2,772,411	\$ 2,869,072
Sachse	762,689	-	762,689	\$ 789,280
Sachse #2	194,171	194,232	388,403	\$ 401,945
Seis Lagos MUD	76,473	-	76,473	\$ 79,139
Sunnyvale	376,311	-	376,311	\$ 389,431
Wylie NE WSC	120,048	-	120,048	\$ 124,233
Total	9,479,318	226,372	9,705,690	\$ 10,044,080
Total	82,129,778	586,082	82,715,860	81,949,253
Revenue Requirement		\$	81,949,252	
Member Rate		\$	0.98	
Customer Rate		\$	1.03	
	73,010,170		71,905,172	
	9,705,690		10,044,080	
			81,949,252	

**North Texas Municipal Water District**  
**Method 9 - 2005**

	Wtr Yr 05 Actual (1,000 gall)	Adjustments for Contracts	Adjusted Actual	2005 Total
Members				\$ 1 04
Allen	4,687,958	-	4,687,958	\$ 4,859,599
Farmersville	242,487	-	242,487	\$ 251,365
Forney	1,059,328	-	1,059,328	\$ 1,098,113
Frisco	6,467,274	-	6,467,274	\$ 6,704,062
Garland	12,435,423	-	12,435,423	\$ 12,890,724
McKinney	7,166,992	-	7,166,992	\$ 7,429,399
Mesquite	4,885,178	-	4,885,178	\$ 5,064,040
Mesquite # 3	1,351,516	680,248	2,031,764	\$ 2,106,153
Plano	22,432,203	-	22,432,203	\$ 23,253,519
Princeton	337,039	-	337,039	\$ 349,379
Richardson	8,553,732	-	8,553,732	\$ 8,866,912
Rockwall	2,471,592	-	2,471,592	\$ 2,562,085
Royse City	338,437	-	338,437	\$ 350,828
Wylie	1,387,214	-	1,387,214	\$ 1,438,004
Total	73,816,373	680,248	74,496,621	\$ 77,224,186
Customers				\$ 1
Caddo Basin	240,325	-	240,325	\$ 261,140
Cash SUD	256,282	-	256,282	\$ 278,479
College Mound WSC	9,825	-	9,825	\$ 10,676
Copeville WSC	66,320	-	66,320	\$ 72,064
East Fork SUD	221,755	-	221,755	\$ 240,962
Fairview	478,582	-	478,582	\$ 520,034
Fate	155,139	-	155,139	\$ 168,576
Forney Lake WSC	164,447	7,348	171,795	\$ 186,675
Gasonia-Scurry WSC	107,566	-	107,566	\$ 116,883
Josephine	41,031	-	41,031	\$ 44,585
Kaufman	409,164	-	409,164	\$ 444,603
Kaufman Four One	382,065	-	382,065	\$ 415,157
Lavon WSC	148,610	-	148,610	\$ 161,482
Little Elm	610,479	-	610,479	\$ 663,355
Lucas	308,034	-	308,034	\$ 334,714
Lucas #3	-	-	-	\$ -
Melissa	86,408	-	86,408	\$ 93,892
Milligan WSC	128,680	-	128,680	\$ 139,825
Mt. Zion WSC	108,196	-	108,196	\$ 117,567
Murphy	906,941	-	906,941	\$ 985,494
Nevada WSC	68,787	-	68,787	\$ 74,745
North Collin WSC	290,010	-	290,010	\$ 315,129
Parker	392,852	-	392,852	\$ 426,878
Prosper	95,406	141,169	236,575	\$ 257,066
Rose Hill WSC	12,847	-	12,847	\$ 13,960
Rowlett	2,734,709	-	2,734,709	\$ 2,971,571
Sachse	611,056	-	611,056	\$ 663,982
Sachse #2	385,477	2,926	388,403	\$ 422,044
Seis Lagos MUD	71,594	-	71,594	\$ 77,795
Sunnyvale	391,036	-	391,036	\$ 424,905
Wylie NE WSC	143,816	-	143,816	\$ 156,272
Total	10,027,439	151,443	10,178,882	\$ 11,060,508
Total	83,843,812	831,691	84,675,503	\$ 88,284,694
Revenue Requirement		\$	88,284,693	
Member Rate		\$	1 04	
Customer Rate		\$	1.09	
		74,496,621	\$ 77,224,185	
		10,178,882	\$ 11,060,508	
		\$	88,284,693	



North Texas Municipal Water District  
Method 9 - 2006

	Wtr Yr 06 Actual (1,000 gall)	Adjustments for Contracts	Adjusted Actual	FY 06 Total
Members				\$ 0.93
Allen	5,588,259	-	5,588,259	\$ 5,207,914
Farmersville	280,467	-	280,467	\$ 261,378
Forney	1,416,868	-	1,416,868	\$ 1,320,434
Frisco	7,918,529	-	7,918,529	\$ 7,379,583
Frisco #2	419,410	-	419,410	\$ 390,864
Garland	13,721,955	-	13,721,955	\$ 12,788,020
McKinney	8,385,134	-	8,385,134	\$ 7,814,430
McKinney #3	350,012	-	350,012	\$ 326,190
Mesquite	5,756,029	-	5,756,029	\$ 5,364,266
Mesquite # 3	1,359,175	747,496	2,106,671	\$ 1,963,288
Plano	26,265,050	-	26,265,050	\$ 24,477,414
Princeton	409,624	-	409,624	\$ 381,744
Richardson	10,050,090	-	10,050,090	\$ 9,366,067
Rockwall	3,284,236	-	3,284,236	\$ 3,060,706
Royse City	470,150	-	470,150	\$ 438,151
Wylie	1,721,763	-	1,721,763	\$ 1,604,577
Total	87,396,751	747,496	88,144,247	\$ 82,145,027
Customers				\$ 0.98
Caddo Basin SUD	293,451	-	293,451	\$ 288,151
Cash SUD	305,643	-	305,643	\$ 300,123
College Mound WSC	62,710	-	62,710	\$ 61,577
Copeville WSC	77,927	-	77,927	\$ 76,520
East Fork SUD	324,226	-	324,226	\$ 318,370
Fairview	721,185	-	721,185	\$ 708,159
Fate	279,932	-	279,932	\$ 274,876
Fate #2	-	-	-	\$ -
Forney Lake WSC	295,577	-	295,577	\$ 290,238
Gassonia-Scurry WSC	107,875	-	107,875	\$ 105,927
Josephine	57,407	-	57,407	\$ 56,370
Kaufman	438,403	-	438,403	\$ 430,485
Kaufman Four One	450,363	-	450,363	\$ 442,229
Lavon WSC	217,256	-	217,256	\$ 213,332
Little Elm - Interim	925,163	-	925,163	\$ 908,453
Little Elm - Permanent	107,415	-	107,415	\$ 105,475
Lucas	212,681	-	212,681	\$ 208,840
Lucas #3	290,897	-	290,897	\$ 285,643
Melissa	135,737	-	135,737	\$ 133,285
Milligan WSC	147,744	-	147,744	\$ 145,076
Mt. Zion WSC	159,302	-	159,302	\$ 156,425
Murphy	1,193,806	-	1,193,806	\$ 1,172,244
Nevada WSC	56,413	-	56,413	\$ 55,394
Nevada WSC #2	31,766	-	31,766	\$ 31,192
North Collin WSC	318,780	-	318,780	\$ 313,022
Parker	470,812	-	470,812	\$ 462,308
Prosper	208,182	66,818	275,000	\$ 270,033
Rose Hill SUD	42,818	-	42,818	\$ 42,045
Rowlett	3,192,039	-	3,192,039	\$ 3,134,386
Sachse	734,691	-	734,691	\$ 721,421
Sachse #2	431,099	-	431,099	\$ 423,313
Seis Lagos MUD	111,094	-	111,094	\$ 109,087
Sunnyvale	559,135	-	559,135	\$ 549,036
Wylie NE SUD	197,289	-	197,289	\$ 193,726
Total	13,158,818	66,818	13,225,636	\$ 12,986,762.67
Total	100,555,569	814,314	101,369,883	\$ 95,131,790.00
Revenue Requirement		\$	95,131,790	\$ 95,131,790.39
Member Rate		\$	0.93	
Customer Rate		\$	0.98	
	88,144,247	\$	82,145,027	
	13,225,636	\$	12,986,763	
		\$	95,131,790	

	Increase / (Decrease)							Wtr Yr Increase / (Decrease)						Gallons per Capita per Day Consumption (Current Year)	Gallons per Capita per Day Consumption (Prior Year)	Percentage Change in GPCPD Consumption	Surcharge Amount (Per 1,000 gal.) \$0.05	Surcharge Amount Rebated	Total Adjusted Surcharge	Total Revenue
	Wtr Yr 03 Ann Min	Wtr Yr 03 Actual	Increase (Decrease)	Excess Rate Contract Minimum	Increase / (Decrease)			FY 03 Ann Min	FY 03 Annual Billing	FY 03 FY 03			FY 03 Total							
					Full Rate	Excess Rate	Rebate Rate			Full Billing	FY 03 Excess Billing	FY 03 Rebate								
	(1,000 gal)	(1,000 gal)	(1,000 gal)	(1,000 gal)	(1,000 gal)	(1,000 gal)	(1,000 gal)	(1,000 gal)												
Members																				
Allen	3,952,728	4,124,397	171,669	-	-	171,669	-	3,952,728	\$ 3,430,873	\$ 0,870	\$ 0,200	\$ 0,200	\$ 3,473,207	173	168	4%	\$ 206,220	\$ -	\$ 206,220	\$ 3,679,427
Farmersville	290,606	225,417	(65,181)	-	-	-	(65,181)	290,606	252,829	-	-	-	(13,038)	114	99	15%	\$ 11,271	\$ (11,271)	\$ -	\$ 238,791
Forney	743,504	788,921	45,417	-	-	45,417	-	743,504	646,848	-	-	9,083	-	145	122	19%	\$ 39,446	-	\$ 39,446	\$ 895,378
Frisco	4,394,752	5,607,266	1,212,514	-	-	1,212,514	-	4,394,752	\$ 3,823,434	\$ 0,000	\$ 242,503	-	\$ 4,065,937	255	242	5%	\$ 280,363	-	\$ 280,363	\$ 4,346,300
Garland	13,660,013	12,904,220	(755,793)	-	-	(755,793)	-	13,660,013	\$ 11,884,211	\$ -	-	(151,159)	\$ 11,733,053	136	126	8%	\$ 645,211	\$ (645,211)	\$ -	\$ 11,733,053
McKinney	5,748,746	6,350,897	602,151	-	-	602,151	-	5,748,746	\$ 5,001,409	\$ -	\$ 120,430	-	\$ 5,121,839	187	174	7%	\$ 317,545	-	\$ 317,545	\$ 5,439,384
Mesquite	6,041,180	5,575,688	(465,492)	-	-	(465,492)	-	6,041,180	\$ 5,255,827	\$ -	-	(93,098)	\$ 5,162,728	124	115	8%	\$ 278,784	\$ (278,784)	\$ -	\$ 5,162,728
Mesquite #3	1,881,950	1,170,130	(711,820)	2,256,486	-	-	-	1,881,950	\$ 1,637,297	\$ -	-	-	\$ 1,637,297	124	115	8%	\$ 58,507	\$ (58,507)	\$ -	\$ 1,637,297
Plano	26,719,809	22,745,013	(3,974,796)	-	-	(3,974,796)	-	26,719,809	\$ 23,246,234	\$ -	-	(378,959)	\$ 22,451,275	220	216	2%	\$ 1,137,251	-	\$ 1,137,251	\$ 23,588,526
Princeton	328,903	281,681	(47,222)	-	-	(47,222)	-	328,903	\$ 286,059	\$ -	-	(28,804)	\$ 284,844	84	84	0%	\$ 14,379	\$ (14,379)	\$ -	\$ 277,814
Richardson	11,019,311	10,135,415	(883,896)	-	-	(883,896)	-	11,019,311	\$ 9,568,801	\$ -	-	(176,779)	\$ 9,410,021	238	235	1%	\$ 506,771	-	\$ 506,771	\$ 9,916,792
Rockwall	2,188,525	2,234,227	45,702	-	-	45,702	-	2,188,525	\$ 1,904,017	\$ -	\$ 9,140	-	\$ 1,913,157	176	160	10%	\$ 111,711	-	\$ 111,711	\$ 2,024,669
Royce City	227,416	266,471	9,055	-	-	9,055	-	227,416	\$ 241,352	\$ -	\$ 1,811	-	\$ 243,163	131	117	12%	\$ 14,324	\$ (14,324)	\$ -	\$ 243,163
Wylie	907,331	1,042,381	135,050	-	-	135,050	-	907,331	\$ 789,378	\$ -	\$ 27,010	-	\$ 816,388	131	107	22%	\$ 52,119	\$ (52,119)	\$ -	\$ 816,388
Total	78,154,676	73,478,024	(4,676,652)	-	-	(4,676,652)	-	78,154,676	\$ 67,994,568	\$ -	\$ 444,312	(1,237,278)	\$ 67,201,602				\$ 3,673,901	\$ (1,074,594)	\$ 2,599,307	\$ 69,800,905

North Texas Municipal Water District  
Method 10 - 2004

				Increase / (Decrease)			Wtr Yr Increase / (Decrease)							Gallons per Capita per Day Consumption (Current Year)	Gallons per Capita per Day Consumption (Prior Year)	Percentage Change in GPCPD Consumption	Surcharge Amount (Per 1,000 gal.) \$0.05	Surcharge Amount Rebated	Total Adjusted Surcharge	Total Revenue
	Wtr Yr 04 Ann Min (1,000 gal)	Wtr Yr 04 Actual (1,000 gal)	Increase (Decrease) (1,000 gal)	Contract Minimum (1,000 gal)	Increase / (Decrease)			FY 04 Ann Min (1,000 gal)	FY 04 Annual Billing	FY 04 Full Billing	FY 04 Excess Billing	FY 04 Rebate	FY 04 Total							
					Full Rate (1,000 gal)	Excess Rate (1,000 gal)	Rebate Rate (1,000 gal)													
Members																				
Allen	4,124,387	4,362,143	237,746	-	-	237,746		4,124,387	\$ 0,920	\$ 0,920	\$ 0,200	\$ 0,200	\$ 3,841,894	162	173	-6%	\$ 218,107	\$ (163,580)	\$ 54,527	\$ 3,896,521
Farmersville	290,608	246,458	(44,150)	-	-	-	(44,150)	290,608	\$ 267,359	-	\$ -	\$ (8,830)	\$ 258,529	110	114	-4%	\$ 12,323	\$ (12,323)	-	\$ 258,529
Forney	788,921	891,245	102,324	-	-	102,324		788,921	\$ 725,807	-	\$ 20,485	-	\$ 746,272	85	145	-41%	\$ 44,562	\$ (44,562)	-	\$ 746,272
Frisco	5,607,266	5,645,797	38,531	-	-	38,531		5,607,266	\$ 5,158,685	-	\$ 7,706	-	\$ 5,166,391	209	255	-18%	\$ 282,290	\$ (268,175)	\$ 14,114	\$ 5,180,505
Garland	13,660,013	12,612,613	(1,047,400)	-	-	-	(1,047,400)	13,660,013	\$ 12,567,212	-	\$ -	\$ (209,480)	\$ 12,357,732	123	136	-10%	\$ 630,631	\$ (630,631)	-	\$ 12,357,732
McKinney	6,350,897	6,582,712	231,815	-	-	231,815		6,350,897	\$ 5,842,825	-	\$ 46,363	-	\$ 5,889,188	156	187	-17%	\$ 329,136	\$ (312,679)	\$ 16,457	\$ 5,905,645
Mesquite	6,041,180	4,814,443	(1,226,737)	-	-	-	(1,226,737)	6,041,180	\$ 5,557,886	-	\$ -	\$ (245,347)	\$ 5,312,538	106	124	-15%	\$ 240,722	\$ (240,722)	-	\$ 5,312,538
Mesquite # 3	1,956,857	1,597,147	(359,710)	2,256,486	-	-	-	1,956,857	\$ 1,800,308	-	\$ -	\$ -	\$ 1,800,308	106	124	-15%	\$ 79,857	\$ (79,857)	-	\$ 1,800,308
Plano	26,719,809	22,149,517	(4,570,292)	-	-	(4,570,292)		26,719,809	\$ 24,582,224	-	\$ -	\$ (914,058)	\$ 23,668,166	192	220	-13%	\$ 1,107,476	\$ (1,052,102)	\$ 55,374	\$ 23,723,540
Princeton	328,803	289,199	(39,604)	-	-	-	(39,604)	328,803	\$ 302,499	-	\$ -	\$ (7,921)	\$ 294,578	85	84	1%	\$ 14,460	\$ (14,460)	-	\$ 294,578
Richardson	11,019,311	9,532,442	(1,486,869)	-	-	-	(1,486,869)	11,019,311	\$ 10,137,766	-	\$ -	\$ (287,374)	\$ 9,840,382	200	238	-16%	\$ 476,622	\$ (452,791)	\$ 23,831	\$ 9,864,223
Rockwall	2,234,227	2,332,266	98,039	-	-	98,039		2,234,227	\$ 2,065,489	-	\$ 19,608	-	\$ 2,075,097	130	176	-26%	\$ 116,513	\$ (116,513)	-	\$ 2,075,097
Royse City	286,471	327,863	41,392	-	-	41,392		286,471	\$ 263,553	-	\$ 8,276	-	\$ 271,832	117	131	-11%	\$ 16,393	\$ (16,393)	-	\$ 271,832
Wylie	1,042,381	1,266,615	224,234	-	-	224,234		1,042,381	\$ 958,991	-	\$ 44,847	-	\$ 1,003,837	114	131	-13%	\$ 63,331	\$ (63,331)	-	\$ 1,003,837
Total	80,451,141	72,650,460	(7,800,681)	-	-	974,081	(6,415,052)	80,451,141	\$ 74,015,050	-	\$ 194,816	\$ (1,683,010)	\$ 72,526,856				\$ 3,632,523	\$ (3,468,220)	\$ 164,303	\$ 72,691,158

North Texas Municipal Water District  
Method 10 - 2005

	FY05			Increase / (Decrease)			Wtr Yr Increase / (Decrease)						Gallons per Capita per Day Consumption (Current Year)	Gallons per Capita per Day Consumption (Prior Year)	Percentage Change in GPCPD Consumption	Surcharge Amount (Per 1,000 gal.) \$0.05	Surcharge Amount Rebated	Total Adjusted Surcharge	Total Revenue	
	Wtr Yr 05 Ann Min (1,000 gal)	Wtr Yr 05 Actual (1,000 gal)	Increase (Decrease) (1,000 gal)	Excess Rate Contract Minimum (1,000 gal)	Full Rate (1,000 gal)	Excess Rate (1,000 gal)	Rebate Rate (1,000 gal)	FY 05 Ann Min (1,000 gal)	FY 05 Annual Billing	FY 05 Full Billing	FY 05 Excess Billing	FY 05 Rebate								FY 05 Total
Members																				
Allen	4,362,143	4,687,958	325,815	-	-	325,815	-	4,362,143	\$ 4,231,279	\$ -	\$ 65,163	\$ -	\$ 4,296,442	188	162	16%	\$ 234,398	\$ -	\$ 234,398	\$ 4,530,840
Farmersville	270,808	242,487	(28,321)	-	-	-	(28,121)	270,808	\$ 282,490	\$ -	\$ -	\$ (5,624)	\$ 256,866	127	110	15%	\$ 12,124	\$ (12,124)	\$ -	\$ 256,866
Forney	891,245	1,059,328	168,083	-	-	168,083	-	891,245	\$ 864,508	\$ -	\$ 33,617	\$ -	\$ 898,124	123	85	45%	\$ 52,966	\$ (52,966)	\$ -	\$ 898,124
Frisco	5,645,797	6,467,274	821,477	-	-	821,477	-	5,645,797	\$ 5,478,423	\$ -	\$ 164,295	\$ -	\$ 5,640,718	254	209	22%	\$ 323,364	\$ -	\$ 323,364	\$ 5,964,082
Garland	13,960,013	12,435,423	(1,224,590)	-	-	-	(1,224,590)	13,960,013	\$ 13,250,213	\$ -	\$ -	\$ (244,918)	\$ 13,005,295	141	123	15%	\$ 621,771	\$ -	\$ 621,771	\$ 13,627,066
McKinney	6,582,712	7,166,992	584,280	-	-	584,280	-	6,582,712	\$ 6,385,231	\$ -	\$ 116,856	\$ -	\$ 6,502,087	194	156	24%	\$ 358,350	\$ -	\$ 358,350	\$ 6,860,436
Mesquite	6,041,180	4,885,178	(1,156,002)	-	-	-	(1,156,002)	6,041,180	\$ 5,859,945	\$ -	\$ -	\$ (231,200)	\$ 5,628,744	125	106	18%	\$ 244,259	\$ (244,259)	\$ -	\$ 5,628,744
Mesquite # 3	2,031,764	1,351,516	(680,248)	2,256,486	-	-	-	2,031,764	\$ 1,970,811	\$ -	\$ -	\$ -	\$ 1,970,811	125	106	18%	\$ 67,576	\$ (67,576)	\$ -	\$ 1,970,811
Plano	26,719,609	22,432,203	(4,287,406)	-	-	-	(4,287,606)	26,719,609	\$ 25,918,215	\$ -	\$ -	\$ (857,521)	\$ 25,060,694	238	192	24%	\$ 1,121,610	\$ -	\$ 1,121,610	\$ 26,182,304
Princeton	328,803	337,039	8,236	-	-	8,236	-	328,803	\$ 318,939	\$ -	\$ 1,847	\$ -	\$ 320,586	109	85	26%	\$ 16,852	\$ (16,852)	\$ -	\$ 320,586
Richardson	11,019,311	8,553,732	(2,465,579)	-	-	-	(2,465,579)	11,019,311	\$ 10,688,732	\$ -	\$ -	\$ (493,116)	\$ 10,195,616	223	200	12%	\$ 427,687	\$ -	\$ 427,687	\$ 10,623,302
Rockwall	2,332,266	2,471,592	139,326	-	-	139,326	-	2,332,266	\$ 2,262,298	\$ -	\$ 27,865	\$ -	\$ 2,290,163	191	130	47%	\$ 123,580	\$ -	\$ 123,580	\$ 2,413,743
Royse City	327,863	338,437	10,574	-	-	10,574	-	327,863	\$ 318,027	\$ -	\$ 2,115	\$ -	\$ 320,142	129	117	10%	\$ 16,922	\$ (16,922)	\$ -	\$ 320,142
Wylie	1,266,615	1,387,214	120,599	-	-	120,599	-	1,266,615	\$ 1,228,617	\$ -	\$ 24,120	\$ -	\$ 1,252,736	137	114	20%	\$ 69,361	\$ (69,361)	\$ -	\$ 1,252,736
Total	81,480,129	73,816,373	(7,663,756)		-	2,178,390	(9,161,898)	81,480,129	\$ 79,035,725	\$ -	\$ 435,678	\$ (1,832,380)	\$ 77,639,024				\$ 3,690,819	\$ (480,080)	\$ 3,210,759	\$ 80,849,782

North Texas Municipal Water District  
Method 10 - 2006

	Increase / (Decrease)																			Wtr Yr Increase / (Decrease)																			Gallons per Capita per Day Consumption (Current Year)	Gallons per Capita per Day Consumption (Prior Year)	Percentage Change in GPCPD Consumption	Surcharge Amount (Per 1,000 gal.) \$0.05	Surcharge Amount Rebated	Total Adjusted Surcharge	Total Revenue																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
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	Excess Rate			Full Rate	Excess Rate	Rebate Rate	FY 06 Ann Min	FY 06 Annual Billing	FY 06 Full Billing	FY 06 Excess Billing	FY 06 Rebate	FY 06 Total	Gallons per Capita per Day Consumption (Current Year)	Gallons per Capita per Day Consumption (Prior Year)	Percentage Change in GPCPD Consumption	Surcharge Amount (Per 1,000 gal.) \$0.05	Surcharge Amount Rebated	Total Adjusted Surcharge	Total Revenue																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
	Wtr Yr 06 Ann Min (1,000 gal)	Wtr Yr 06 Actual (1,000 gal)	Increase (Decrease) (1,000 gal)																	FY06 Excess Rate Contract Minimum (1,000 gal)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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## Fitch Rates Garland, Texas' Water and Sewer Bank Note 'AA'; Outlook Stable

September 17, 2015 04:21 PM Eastern Daylight Time

AUSTIN, Texas—(BUSINESS WIRE)—Fitch Ratings has assigned an 'AA' rating to the bank notes corresponding to the city of Garland, Texas (the city) water and sewer commercial paper notes as follows:

—Approximately \$90 million series 2015

In addition, Fitch affirms the 'AA' rating on the following outstanding bonds:

—\$108.8 million water and sewer system revenue bonds series 2007, 2008, 2009, 2010, 2011, 2011A, and 2012 at 'AA',

—\$28.9 million water and sewer system revenue refunding and improvement bonds, series 2013 at 'AA', and

—\$35.9 million water and sewer system revenue refunding and improvement bonds, new series 2014 at 'AA'.

The Rating Outlook is Stable.

### SECURITY

All bonds are payable from a pledge of the net revenues of the city's water and sewer system (the system). The outstanding prior lien bonds are senior to the new series 2014 bonds. With issuance in 2014 of the new lien bonds, the prior lien was closed. The bank notes represent a fourth lien on system revenues and are subordinate to the outstanding prior lien bonds, the new series 2014 bonds, and certificates of obligation issued by the city secured by a lien on and pledge of system net revenues.

### KEY RATING DRIVERS

**SATISFACTORY FINANCIAL METRICS** System financial performance (specifically as it relates to debt service coverage [DSC], days cash, and free cash flow [FCF]) has weakened over the last several years, driven by escalating purchased water and debt service costs.

**WHOLESALE COST AND RATE PRESSURES** The city's dependence on its wholesale water provider North Texas Municipal Water District (NTMWD) creates cost pressure outside of the utility's direct control. Rates hikes generally have kept pace with rising water costs, but additional system rate adjustments to accommodate wholesaler and debt service cost increases could reduce affordability over the medium term.

**INCREASING DEBT LEVELS** Direct system debt per customer levels become elevated above the 'AA' median when taking into consideration planned debt to support capital projects. System debt levels are further pressured by off-balance-sheet debt of NTMWD.

**ASSURED SUPPLY** The system has assured water supply through 2030 from its long-term, perpetual contract with NTMWD.

**MATURE DALLAS METRO SUBURB** The city is part of the larger Dallas-Fort Worth-Arlington (DFW) metropolitan statistical area (MSA) economy and employment base. Anchored by manufacturing and distribution, Garland's overall economic base remains sound.

### RATING SENSITIVITIES

**DETERIORATION OF FINANCIAL MARGINS** Weakening financial metrics could negatively impact the rating. Achieving improved financial metrics as outlined in management's system forecasts will be key to maintaining the rating.

### CREDIT PROFILE

The water system serves approximately 68,000 city customers and purchases its water on a wholesale basis under a perpetual contract from NTMWD. Existing and projected water supplies from NTMWD reportedly are sufficient to meet all customer demands through 2030. The wastewater system serves around 66,000 customers within the city as well as portions of five other cities, including the city of Dallas.

### WEAKENED FINANCIAL PERFORMANCE

System operations have been pressured by increasing debt service and purchased water costs, and financial metrics are now below Fitch's 'AA' median category medians. Since fiscal 2012, the city's purchased water rate has increased on average 11% annually, and NTMWD rates are anticipated to continue increasing by 7%-11% annually through fiscal 2021. Also impacting the system were drought-related water use restrictions implemented late in fiscal 2011, which remained in place until May 1, 2015. Reduced water demand in fiscal 2014 and into 2015 led to usage that fell short of projections.

Audited fiscal 2014 results point to senior lien annual DSC declining to 1.8x (1.4x net of transfers out) from a high of 3.0x in fiscal 2011. All-in DSC, which includes about \$18 million in outstanding general obligation debt along with \$35 million in subordinate lien bonds, dropped to 1.5x (1x net of transfers out) for the year from a good 2.4x in fiscal 2011. These reduced coverage levels fall short of Fitch's 'AA' category median levels of 1.8x DSC on an all-in basis including transfers. Exhibit CE-4  
Page 2 of 3

Fiscal 2015 estimates point to all-in DSC weakening further to 1.4x, while DSC on the closed senior lien grows to 2.2x due to declining annual requirements. Liquidity, which showed some improvement in fiscals 2012 and 2013, registering at 187 and 172 days of cash on hand, respectively, dipped to 155 days in fiscal 2014. Given capital needs are anticipated to be entirely debt-funded, cash balances, which are weak for the 'AA' category, are expected to remain at similar levels over the forecast period.

#### SOME IMPROVEMENT IN FINANCES ANTICIPATED

Through the fiscal 2016-2019 forecast period all-in DSC gradually improves from 1.6x in 2016 to 1.8x by 2018 before dropping to a still adequate 1.5x in fiscal 2019. The forecast incorporates increased debt carrying costs associated with financing the capital plan, rising operating expenses, and water rate increases of 9%-15% as well as more modest 1.5%-2.0% sewer rate adjustments.

Senior lien DSC over the forecast period grows from 2.6x to 2.9x as a result of declining annual debt service. All liens on system revenues (without general government backing) are rated on par, reflecting the small amounts of subordinate bonds outstanding (16% of total debt burden) and the nominal distinction in coverage between the two liens. The ratings may diverge in the future if these factors change.

#### ABOVE-AVERAGE TRANSFER TO GENERAL FUND

Fitch notes that transfers out of the system are high - averaging 11% of operating revenue over the past five fiscal years - and are projected to increase to about 14% over the forecast period. Transfers out of the system combined with limited surplus cash from operations after payment of operating and debt service costs have left a minimal amount of free cash flow (FCF) available to cover depreciation expense. FCF for fiscal 2014 fell to just 5%, down from 91% in fiscal 2011 and well under the 'AA' median of 94%.

#### INCREASING WHOLESALE WATER RATES

Water costs associated with the NTMWD contract increased 14% in fiscal 2013 and 10% fiscal years 2014 and 2015. NTMWD rates are expected to rise from 7%-11% annually through 2021, driven by the need for regulatory upgrades. The city has raised its own water rates in an effort to keep up with rising purchased water costs, increasing rates by 9.2% in fiscal 2013, and by 10.5% each in fiscal years 2014 and 2015. Purchased water costs make up approximately 40% of fiscal 2014 operating expenses and this figure is expected to grow to 52% by fiscal 2019. Despite raising user charges, operating revenues only increased by 4% and 2% in fiscal years 2013 and 2014, respectively, while operating expenses grew by 6.3% and 5% over the same period.

#### RATE FLEXIBILITY DIMINISHING

The monthly bill at \$78.80 (assuming usage of 7,500 gallons per month for water and 6,000 gallons per month for sewer) is the highest in the Dallas/Fort Worth Metroplex and currently registers at around 1.8% of median household income (MHI). Rates still fall under Fitch's 2% of MHI affordability threshold but are forecast to grow to 2.4% of MHI by 2019 with planned rates increases.

#### GROWING DEBT BURDEN

The system's fiscal 2015-2019 capital improvement plan (CIP) totals \$173 million and will be entirely debt-financed, a negative credit consideration. The city is using a planned \$90 million commercial paper (CP) program to finance a significant portion of the CIP, followed by \$125 million in CP in 2018. Approximately 70% of the CIP addresses sewer system improvements that will ensure compliance with new and enhanced regulatory and operational standards while the remaining 30% is for water system improvements.

Direct system debt per customer of \$1,823 aligns closely to the 'AA' category median of \$1,934, but debt-to-net plant is high at 59% compared to the 'AA' median of 50%. Debt levels are projected to grow to \$2,232 within five years, exceeding the 'AA' median of \$2,049. Further, system debt levels increase by approximately 44% when off-balance-sheet debt of NTMWD is included, pushing system debt levels well above the category 'AA' rating median. Positively, the system benefits from very rapid amortization, with principal payout at 74% and 100% in 10 and 20 years, respectively.

#### MATURE, STABLE ECONOMIC BASE

Garland (general obligation bonds rated 'AAA' by Fitch with a Stable Outlook) benefits from its location within the DFW MSA. Manufacturing and distribution remain the city's primary economic engines, and the city's industrial market reportedly is the second largest in the DFW metroplex. City wealth levels are on par with state and national levels. April 2015 unemployment is favorable at 3.8%, compared to the state's 4.2% and the nation's 5.4%. The individual poverty rate of 16.2% is just slightly higher than the U.S. and lower than the state.

#### BANK NOTES RATING

Fitch has reviewed the interest rates, cure periods and amortization schedules specified in the documents governing the bank notes. Under the terms of the revolving credit agreement, the city is required to amortize bank note amounts over a period of approximately three years. While the terms of potential bank notes could pressure the system's financial performance if the entire CP authorization were to become bank notes for a sustained period of time, Fitch believes that the system's financial profile and its implied market access to take out such notes with long-term debt mitigate this concern.

Additional information is available at [www.fitchratings.com](http://www.fitchratings.com)

In addition to the sources of information identified in Fitch's Revenue-Supported Rating Criteria, this action was additionally informed by information from Creditscope and the Municipal Advisory Council of Texas

Exhibit CE-4  
Page 3 of 3

#### Applicable Criteria

Revenue-Supported Rating Criteria (pub 16 Jun 2014)

[https://www.fitchratings.com/creditscope/reports/report\\_frame.cfm?mt\\_id=750012](https://www.fitchratings.com/creditscope/reports/report_frame.cfm?mt_id=750012)

U S Water and Sewer Revenue Bond Rating Criteria (pub 03 Sep 2015)

[https://www.fitchratings.com/creditscope/reports/report\\_frame.cfm?mt\\_id=869223](https://www.fitchratings.com/creditscope/reports/report_frame.cfm?mt_id=869223)

#### Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

[https://www.fitchratings.com/creditscope/press\\_releases/content/ndf\\_frame.cfm?pr\\_id=990954](https://www.fitchratings.com/creditscope/press_releases/content/ndf_frame.cfm?pr_id=990954)

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## Issuer Default Ratings

Rated entities in a number of sectors, including financial and non-financial corporations, sovereigns, insurance companies and certain sectors within public finance, are generally assigned Issuer Default Ratings (IDRs). IDRs are also assigned to certain entities in global infrastructure and project finance. IDRs opine on an entity's relative vulnerability to default on financial obligations. The threshold default risk addressed by the IDR is generally that of the financial obligations whose non-payment would best reflect the uncured failure of that entity. As such, IDRs also address relative vulnerability to bankruptcy, administrative receivership or similar concepts.

In aggregate, IDRs provide an ordinal ranking of issuers based on the agency's view of their relative vulnerability to default, rather than a prediction of a specific percentage likelihood of default.

### **AAA: Highest credit quality.**

'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

### **AA: Very high credit quality.**

'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

### **A: High credit quality.**

'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

### **BBB: Good credit quality.**

'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

### **BB: Speculative.**

'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments.

### **B: Highly speculative.**

'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

**CCC: Substantial credit risk.**

Default is a real possibility.

**CC: Very high levels of credit risk.**

Default of some kind appears probable.

**C: Near default**

A default or default-like process has begun, or the issuer is in standstill, or for a closed funding vehicle, payment capacity is irrevocably impaired. Conditions that are indicative of a 'C' category rating for an issuer include:

- a. the issuer has entered into a grace or cure period following non-payment of a material financial obligation;
- b. the issuer has entered into a temporary negotiated waiver or standstill agreement following a payment default on a material financial obligation;
- c. the formal announcement by the issuer or their agent of a distressed debt exchange;
- d. a closed financing vehicle where payment capacity is irrevocably impaired such that it is not expected to pay interest and/or principal in full during the life of the transaction, but where no payment default is imminent

**RD: Restricted default.**

'RD' ratings indicate an issuer that in Fitch's opinion has experienced:

- a. an uncured payment default on a bond, loan or other material financial obligation, but
- b. has not entered into bankruptcy filings, administration, receivership, liquidation, or other formal winding-up procedure, and
- c. has not otherwise ceased operating.

This would include:

- i. the selective payment default on a specific class or currency of debt;
- ii. the uncured expiry of any applicable grace period, cure period or default forbearance period following a payment default on a bank loan, capital markets security or other material financial obligation;
- iii. the extension of multiple waivers or forbearance periods upon a payment default on one or more material financial obligations, either in series or in parallel; ordinary execution of a distressed debt exchange on one or more material financial obligations.

**D: Default.**

'D' ratings indicate an issuer that in Fitch's opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure or that has otherwise ceased business.

Default ratings are not assigned prospectively to entities or their obligations; within this context, non-payment on an instrument that contains a deferral feature or grace period will generally not be considered a default until after the expiration of the deferral or grace period, unless a default is otherwise driven by bankruptcy or other similar circumstance, or by a distressed debt exchange.

In all cases, the assignment of a default rating reflects the agency's opinion as to the most appropriate rating category consistent with the rest of its universe of ratings and may differ from the definition of default under the terms of an issuer's financial obligations or local commercial practice.

### Country Ceilings

Country Ceilings are expressed using the symbols of the long-term issuer primary credit rating scale and relate to sovereign jurisdictions also rated by Fitch on the Issuer Default Rating (IDR) scale. They reflect the agency's judgment regarding the risk of capital and exchange controls being imposed by the sovereign authorities that would prevent or materially impede the private sector's ability to convert local currency into foreign currency and transfer to non-resident creditors — transfer and convertibility (T&C) risk. They are not ratings but expressions of a cap for the foreign currency issuer ratings of most, but not all, issuers in a given country. Given the close correlation between sovereign credit and T&C risks, the Country Ceiling may exhibit a greater degree of volatility than would normally be expected when it lies above the sovereign Foreign Currency Rating.

### Limitations

For Limitations, please see *Usage and Limitations of Credit Ratings and Other Forms of Opinions and Specific Limitations Relevant to Ratings Assigned Using the Primary Credit Rating Scale, Bank Viability Ratings and Bank Support Ratings*.

### Corporate Finance Obligations

Ratings of individual securities or financial obligations of a corporate issuer address relative vulnerability to default on an ordinal scale. In addition, for financial obligations in corporate finance, a measure of recovery given default on that liability is also included in the rating assessment. This notably applies to covered bonds ratings, which incorporate both an indication of the probability of default and of the recovery given a default of this debt instrument.

The relationship between the issuer scale and obligation scale assumes a generic historical average recovery. Individual obligations can be assigned ratings higher, lower, or the same as that entity's issuer rating or IDR, based on their relative ranking or based on explicit Recovery Ratings.

***RR1: Outstanding Recovery Prospects Given Default***

'RR1' rated securities have characteristics consistent with securities historically recovering 91%–100% of current principal and related interest.

***RR2: Superior Recovery Prospects Given Default***

'RR2' rated securities have characteristics consistent with securities historically recovering 71%–90% of current principal and related interest.

***RR3: Good Recovery Prospects Given Default***

'RR3' rated securities have characteristics consistent with securities historically recovering 51%–70% of current principal and related interest.

***RR4: Average Recovery Prospects Given Default***

'RR4' rated securities have characteristics consistent with securities historically recovering 31%–50% of current principal and related interest.

***RR5: Below Average Recovery Prospects Given Default***

'RR5' rated securities have characteristics consistent with securities historically recovering 11%–30% of current principal and related interest.

***RR6: Poor Recovery Prospects Given Default***

'RR6' rated securities have characteristics consistent with securities historically recovering 0%–10% of current principal and related interest.

**Limitations**

For Limitations, please see *Usage and Limitations of Credit Ratings and Other Forms of Opinions and Specific Limitations Relevant to Recovery Ratings*.

**Public Finance and Global Infrastructure Obligations**

Ratings of public finance obligations and ratings of infrastructure and project finance obligations on the long-term scale, including the financial obligations of sovereigns, consider the obligations' relative vulnerability to default. These ratings are assigned to an individual security or tranche in a transaction. In limited cases in U.S. public finance, where Chapter 9 of the Bankruptcy Code provides reliably superior prospects for ultimate recovery to local government obligations that benefit from a statutory lien on revenues, Fitch reflects this in a security rating with limited notching above the IDR. Recovery expectations can also be reflected in a security rating in the U.S. during the pendency of a bankruptcy proceeding under the Code if there is sufficient visibility on potential recovery prospects.

**AAA: Highest Credit Quality.**

'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

**AA: Very High Credit Quality.**

'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

**A: High Credit Quality.**

'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

**BBB: Good Credit Quality.**

'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

**BB: Speculative.**

'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time.

**B: Highly Speculative.**

'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

**CCC: Substantial Credit Risk.**

Default is a real possibility.

**CC: Very High Levels of Credit Risk.**

Default of some kind appears probable.

**C: Exceptionally high levels of credit risk.**

Default appears imminent or inevitable.

**D: Default.**

Indicates a default. Default generally is defined as one of the following:

- a. Failure to make payment of principal and/or interest under the contractual terms of the rated obligation;
- b. bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of the business of an issuer/obligor; or

- c. distressed exchange of an obligation, where creditors were offered securities with diminished structural or economic terms compared with the existing obligation to avoid a probable payment default.

**Notes:**

*In U.S. public finance, obligations may be pre-refunded, where funds sufficient to meet the requirements of the respective obligations are placed in an escrow account. When obligation ratings are maintained based on the escrowed funds and their structural elements, the ratings carry the suffix “pre” (e.g. ‘AAApr’, ‘AA+pre’).*

**Limitations**

For Limitations please see *Usage and Limitations of Credit Ratings and Other Forms of Opinions and Specific Limitations Relevant to Ratings Assigned Using the Primary Credit Rating Scale, Bank Viability Ratings and Bank Support Ratings*).

**Structured Finance**

Ratings of structured finance obligations on the long-term scale consider the obligations' relative vulnerability to default. These ratings are typically assigned to an individual security or tranche in a transaction and not to an issuer.

**AAA: Highest Credit Quality.**

'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

**AA: Very High Credit Quality.**

'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

**A: High Credit Quality.**

'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

**BBB: Good Credit Quality.**

'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

**BB: Speculative.**

'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time.

**S&P Global**  
Ratings

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## Summary:

## Garland, Texas; Water/Sewer

### Primary Credit Analyst:

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Rationale

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## Summary:

# Garland, Texas; Water/Sewer

### Credit Profile

US\$21.87 mil wtr and swr sys rev rfdg bnds ser 2017 dtd 05/15/2017 due 03/01/2028

*Long Term Rating*

AA-/Stable

New

## Rationale

S&P Global Ratings assigned its 'AA-' long-term rating to Garland, Texas' series 2017 water and sewer system revenue refunding bonds. At the same time, we affirmed our 'AA-' rating on the city's outstanding subordinate-lien debt, as well as our 'AA' rating on the city's senior-lien revenue bonds outstanding. The rating reflects the combination of an extremely strong enterprise risk profile and a strong financial risk profile. The outlook is stable.

The city in 2014 closed its senior lien, which had about \$121 million in debt outstanding prior to the refunding. The 'AA' senior-lien rating reflects our opinion of the system's general creditworthiness (issuer credit rating) based on the application of our criteria, titled "Rating Methodology And Assumptions For U.S. Municipal Waterworks And Sanitary Sewer Utility Revenue Bonds," published Jan. 19, 2016. Because the subordinate-lien bondholders could potentially become materially disadvantaged in a situation of extraordinary distress, we continue to make a one-notch rating distinction between the two liens.

The enterprise risk profile reflects our view of the system's:

- Service area participation in the broad and diverse Dallas-Fort Worth-Arlington metropolitan statistical area (MSA) economy, one that in our opinion remains strong;
- The water system's role as a distributor of North Texas Municipal Water District (NTMWD) treated water, greatly reducing operational and financial risk to the city. Garland, however, is one of four NTMWD member cities that in late 2016 petitioned the state public utility commission to review the district's wholesale water rates. Still, we do not currently expect the review to affect the rating; and,
- Operational management assessment (OMA) of 'strong', which in our view indicates very high alignment between operations and the system's strategic planning.

The financial risk profile reflects our view of the system's:

- Debt service coverage (DSC) that in our opinion remains thin for a 'AA' rating, as the city faces challenges balancing recurring revenue requirements that continue to rise even as the city's consumption patterns remain flat;
- Good liquidity and reserves, stabilized by the city's willingness to adjust not only base rates but pass through substantial wholesale increases from its treated water provider; and
- Strong financial management practices and policies, indicating that internal financial controls and best practices are well-embedded across the city, including in the water and wastewater funds.

We understand that the city will use the proceeds of the series 2017 bonds to refund eligible maturities of its senior-lien series 2008 system revenue bonds for interest-cost savings. While there is a debt service reserve fund



*Summary: Garland, Texas; Water/Sewer*

(DSRF) for the senior lien bonds, no DSRF exists for the subordinate lien. Given the utility's consistently solid liquidity and reserves, however, we do not view this to be a credit weakness. The 2014 master resolution covenants that management must set rates to achieve budgeted DSC of at least 1.25x average annual debt service, and must also achieve that same level of DSC to issue additional junior-lien bonds. We understand that the city is unlikely to issue additional debt until fiscal 2018, when it may convert the then-outstanding commercial paper (CP) notes to long-term debt. The city established the CP program in 2015 as an interim funding mechanism for its capital improvement plan, and currently has \$25 million in notes outstanding.

**Enterprise risk**

The city, with an estimated population of 236,000, provides retail water and sewer service to almost 69,000 metered accounts in the largest suburb in Dallas County. It also provides wholesale sewer service to all of nearby Rowlett and Sachse and portions of Sunnyvale, Richardson, and Dallas. Besides its participation in the Dallas MSA, the city has its own deep and mature employment base, with income indicators in line with the national level and a low 4.3% unemployment rate as of March 2017. Leading employment sectors in the city include a deep and diverse manufacturing component, warehousing and distribution, and retail, including a destination retail center anchored by Bass Pro Shops.

Given the city's largely built-out status of development and its treated water counterpart, Garland's capital improvement plan (CIP) has been generally limited to infrastructure rehabilitation and replacement, for which it has historically been proactive. This has allowed rates to remain relatively affordable. Based on S&P Global Ratings' universal assumption of 6,000 gallons of residential service, a monthly water and sewer bill is currently about \$79, or 2% of median household effective buying income. Aside from fully recouping any cost increases in wholesale water, the city reviews and adjusts rates regularly, generally implementing base rate adjustments at least in line with inflation.

Based on our operational management assessment, we view Garland to be a '1' on a scale of 1-6, with '1' being the strongest. In our opinion, this indicates the strongest alignment of operations and organizational goals. The strong OMA includes the city's role as a distributor of North Texas Municipal Water District treated water, greatly reducing operating and financial risk to the city. Additionally, the city has established a robust demand-side management program—including for times of drought—and has very low nonrevenue water. Lastly, we understand that the city is nearing the end of a 10-year, proactive nonmandatory program to reduce sanitary sewer overflows.

Consistent with our criteria, titled "Methodology: Industry Risk," published Nov. 19, 2013, we consider industry risk for the system to be very low, the most favorable assessment possible on a '1' to '6' scale, with '1' being the best.

**Financial risk**

The water and sewer funds' financial position reflected the negative impact of the drought in 2013 and again in 2014, and a single-year record rainfall for the region in 2015. As such, the system struggled to balance mandatory water conservation measures and below-average sales in 2015 with steadily increasing revenue requirements. Because of this, all-in debt DSC continues to hover at about 1.1x, a level we consider an outlier for the current rating. All-in coverage ratio is S&P Global Ratings' internally adjusted DSC calculation that treats certain recurring debt-like obligations such as take-or-pay minimum or capacity payments as if they were actually debt, since NTMWD essentially has issued debt on Garland's behalf to build the regional infrastructure. While the city also has historically

*Summary: Garland, Texas; Water/Sewer*

limited transfer payments from the water and sewer funds to formulaic payment in lieu of taxes, we also consider net transfers as part of this adjusted coverage metric because they are a recurring use of utility operating revenues. Actual annual DSC is stronger, generally 1.4x or better even during the worst of the drought.

Garland is a full requirements treated water customer of NTMWD, and follows the district's recommendations for water conservation. As the drought persisted across north Texas, the city responded by greatly limiting outdoor watering even as it passed through substantial wholesale rate adjustments from the district, compounding the elasticity of demand. Even with the pressure on net margins, however, system liquidity of about \$25 million is well above management's 45-day minimum reserve policy. Although the five-year CIP for both the water and sewer systems of about \$181 million through fiscal 2021 will be mostly debt-financed, given the city's willingness to adjust rates and the generally good condition of the system, it is our view that the forecast for financial performance will continue to approximate recent performance.

Based on our financial management assessment, we view the city to be a '1' on a scale of 1-6, with '1' being the strongest. An FMA of 'strong' indicates that practices are strong, well embedded, and likely sustainable. The city maintains most of the best practices deemed critical to supporting credit quality and these are well embedded in the utility's daily operations and practices. Formal policies support many of these activities, adding to the likelihood that these practices will be continued into the future and transcend changes in the operating environment or personnel. This includes a well-defined long-term CIP, supported by a financial forecast that estimates the impact on rates and the likelihood of additional debt. The city's finance team also regularly monitors and reports on budget-to-actual performance and bases all budgets and forecasts on what we view as reasonably conservative assumptions.

## Outlook

The stable outlook reflects S&P Global Ratings' opinion that Garland's largely built-out status, role as a distributor of a regional treated water supplier, and strong financial management policies will likely allow the city to at least maintain its current financial performance over our two-year outlook horizon.

### Upside scenario

The current CIP does not indicate a substantial or overly aggressive need for debt financing or drawdown of liquidity and reserves. However, the all-in coverage is currently thin for the rating level. While the city has demonstrated a willingness to stabilize this with substantial rate increases, the key to a higher rating would be consistently stronger all-in coverage.

### Downside scenario

We understand the difficulty in budgeting during prolonged patterns of extreme weather while still addressing total revenue requirements. However, prolonged periods of all-in coverage of below 1.1x could weigh on the rating, all other things being equal.

## Ratings Detail (As Of May 9, 2017)

Garland WS

*Long Term Rating*

AA/Stable

Affirmed

*Summary: Garland, Texas; Water/Sewer***Ratings Detail (As Of May 9, 2017) (cont.)**

## Garland WS

<i>Long Term Rating</i>	AA-/Stable	Affirmed
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## Garland WS (AGM)

<i>Unenhanced Rating</i>	AA(SPUR)/Stable	Affirmed
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**Garland wtr & swr**

<i>Unenhanced Rating</i>	AA(SPUR)/Stable	Affirmed
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Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.globalcreditportal.com](http://www.globalcreditportal.com). All ratings affected by this rating action can be found on the S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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## Summary:

## Mesquite, Texas; Water/Sewer

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Rationale

## Summary:

# Mesquite, Texas; Water/Sewer

### Credit Profile

US\$14.695 mil waterworks and swr sys rev rfdg and imp bnds ser 2017 dtd 05/01/2017 due 03/01/2037

*Long Term Rating*

AA/Stable

New

### **Mesquite wtrwks**

*Unenhanced Rating*

AA(SPUR)/Stable

Outlook Revised

## Rationale

S&P Global Ratings revised its outlook to stable from negative and affirmed its 'AA' rating on Mesquite, Texas' waterworks and sewer system revenue debt. We also assigned our 'AA' rating and stable outlook to the city's series 2017 waterworks and sewer system revenue refunding and improvement bonds.

The outlook revision reflects our view that the system's all-in coverage metric has recovered from recent performance that we believed was thin for the rating level, and is likely sustainable at the improved levels given management's commitment to maintaining improved margins despite increasing fixed costs. We recognize the inherent difficulties in implementing aggressive mandatory water conservation measures such as the city did for several years even as its operating costs were rising. Since water restrictions were lifted in 2015, the system's financial risk profile has continued to rebound without deferring any capital investments in the system.

The ratings reflect our opinion of the system's extremely strong enterprise risk profile, including:

- A stable, primarily residential, customer base that benefits from participation in the strong, broad and diverse Dallas metropolitan statistical area (MSA);
- The city's role as a distribution and collection-only system; treatment is provided by the North Texas Municipal Water District (NTMWD), which greatly reduces operational risk to the city--although Mesquite is one of four NTMWD member cities that in late 2016 petitioned the state public utility commission to review the district's wholesale water rates, we can predict neither the timing nor outcome but do not currently view the dispute as likely to affect the rating; and
- Management's willingness to adjust rates as necessary, including passing through in full any wholesale increases received from NTMWD. We believe an adjustment to rates implemented in November 2014 should improve all-in debt service coverage (DSC).

The ratings also reflect Mesquite's strong financial risk profile, characterized by:

- Coverage metrics that are now more in line with similarly rated peers and likely to continue to improve from an average of 1.1x the past three years to over 1.2x in the upcoming three years by our calculation;
- Extremely strong liquidity and reserves; and
- Strong financial management, as the city has a number of policies and best practices that should support a consistent financial performance in the future. It is also a key in maintaining the current rating, as there is a better-than-average likelihood that the system's finances will rebound within the next two years.

*Summary: Mesquite, Texas; Water/Sewer*

The system's first-lien pledge of net revenues secures the bonds. Bond proceeds will be used primarily to refund for savings eligible maturities of the series 2009 revenue bonds, as well as to fund new projects. A debt service reserve fund in the amount of average annual debt service provides additional liquidity.

**Enterprise risk profile**

The system provides retail water and sewer service to over 40,000 mainly residential customers in Mesquite, a mature Dallas suburb of roughly 143,000 residents. The system is a distribution and collection system, with all water supply, water treatment, and sewer treatment services provided by the NTMWD. Growth in the number of metered accounts and water sales has been flat for the past five years, with the only fluctuations in sales attributable to weather. The customer base is diverse, with the 10 leading customers accounting for about 10% of operating revenues. Mesquite's median household effective buying income (MHHEBI) is in line with the nation's. The city's system is not reliant on any of its principal customers for operating revenues.

Based on our operational management assessment (OMA), we view Mesquite to be a '3' on a scale of 1-6, with '1' being the strongest. This indicates, in our view, that operational and organizational goals are generally well aligned, even if some challenges exist. The OMA of "good" reflects the system's role as a distribution- and collection-only system, which greatly reduces operational risk to the city. While wholesale rate increases continue to pressure Mesquite's all-in coverage metric, they provide the city a secure, long-term water supply as well as wastewater treatment capacity at least through the life of the bonds, or likely beyond. The city also has a sanitary sewer overflow initiative in place with the Texas Commission on Environmental Quality, essentially a proactive measure for preventive collection system maintenance.

The city council consistently passes through wholesale rate increases from NTMWD, most recently in for fiscal 2017, with additional adjustments likely given the district's ongoing major water supply and treatment plant projects. Base-rate increases, exclusive of NTMWD pass-through costs, have been less frequent but have still been implemented as necessary based on an annual review of rates. As such, a residential water and sewer bill, assuming 6,000 gallons of service, is still very affordable at about \$83, or 2.3% of MHHEBI.

**Financial risk profile**

The system's financial performance is, on balance, strong, and continues to rebound from a period of weakness. Working capital at fiscal 2016 year-end totaled \$20.9 million, which was equivalent to a solid four months of operating expenses. The difficulty for the city, however, was that as the drought worsened from 2011 through 2015, it led to below-budgeted sales in both 2013 and 2014 and barely sufficient all-in coverage in each year. All-in coverage bounced back in fiscal 2015 to 1.17x. We have reviewed the forecast management supplied, and agree that the projections of consistently 1.2x or better all-in coverage are realistically attainable.

The city not only continues to pass along any wholesale rate increases from NTMWD, but also recently adjusted its retail rate schedule, a move that it believes will bolster its finances over time. All-in coverage is S&P Global Ratings' adjusted DSC metric that treats certain costs as if they were debt-like--such as take-or-pay minimums--even if they are legally treated as operating expenses.

The system annually makes significant transfers to the city's general fund. Transfers are limited by policy to 20% of customer charges and have historically been \$4.5 million per year. Based on our financial management assessment

*Summary: Mesquite, Texas; Water/Sewer*

(FMA), we view Mesquite to be a '1' on a scale of 1-6, with '1' being the strongest. An FMA of "strong" indicates that practices are strong, well embedded, and likely sustainable. The city maintains most of the best practices we believe are critical to supporting credit quality and these are well embedded in the government's daily operations and practices. Formal policies support many of these activities, adding to the likelihood that these practices will continue and transcend changes in the operating environment or personnel. These include regularly updated long-term financial and capital plans, monthly budget-to-actual reports available on the city's web site, and robust policies on debt management and permitted investments.

#### Outlook

The stable outlook is reflects S&P Global Ratings' expectation that management's focus on funding all of the system's revenue requirements—including fixed costs over which it has little control—while improving net revenues and not deferring any capital needs will support financial performance in line with projections over our two-year outlook horizon and likely beyond.

#### Upside scenario

Given the inherent economic stability of the city's mature service territory, the key to a higher rating, in our view, would be based primarily on sustained all-in coverage of 1.4x or better, which would be more in line with 'AA+' rated peers, all other things being equal.

#### Downside scenario

While we would view it as unlikely, the rating could be pressured most likely by a precipitous collapse in the financial risk profile, such as what might come from a rapid increase in debt due to an environmental regulatory enforcement action or an unaddressed structural imbalance between revenues and fixed costs.

#### Ratings Detail (As Of April 17, 2017)

North Texas Mun Wtr Dist (Lower East Fork) wastewtr

*Long Term Rating*

AA/Stable

Outlook Revised

**Mesquite wtrwks**

*Long Term Rating*

AA/Stable

Outlook Revised

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.globalcreditportal.com](http://www.globalcreditportal.com). All ratings affected by this rating action can be found on the S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.



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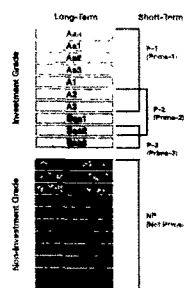
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## Rating Scale and Definitions

### Moody's Rating Scale

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### Moody's Short-Term Rating Definitions

Moody's short-term ratings are assigned to debt issues, issuers, and companies. The ratings are based on the issuer's ability to service its debt obligations. The ratings are assigned by Moody's Investors Service, a leading provider of credit ratings and research.

Moody's short-term ratings are assigned to debt issues, issuers, and companies. The ratings are based on the issuer's ability to service its debt obligations. The ratings are assigned by Moody's Investors Service, a leading provider of credit ratings and research.

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### Moody's Long-Term Rating Definitions

Moody's long-term ratings are assigned to debt issues, issuers, and companies. The ratings are based on the issuer's ability to service its debt obligations. The ratings are assigned by Moody's Investors Service, a leading provider of credit ratings and research.

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## Types of Ratings

### Long-Term Debt Ratings

Opinions of relative credit risk of fixed-income obligations with an original maturity of one year or more. These ratings address the possibility that a financial obligation will not be honored as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

### Short-Term Ratings

Opinions of the ability of issuers to honor short-term financial obligations which generally have an original maturity not exceeding 13 months.

### Issuer Ratings

Opinions of the ability of entities to honor senior unsecured financial obligations and contracts.

### Corporate Family Ratings

Moody's Corporate Family Ratings are generally employed for speculative grade corporate issuers. A Corporate Family Rating is an opinion of a corporate family's ability to honor all of its financial obligations and is assigned to a corporate family as if it had:

- a single class of debt
- a single consolidated legal entity structure

A Corporate Family Rating does not reference an obligation or class of debt and thus does not reflect priority of claim. It applies to all affiliates under the management control of the entity to which it is assigned. Moody's employs the general long-term rating scale for Corporate Family Ratings.

### Bank Ratings

Moody's will typically assign two ratings to a bank – Bank Deposit Ratings and Bank Financial Strength Rating.

**Bank Deposit Ratings:** Opinions of a bank's ability to repay punctually its foreign and/or domestic currency deposit obligations. Moody's deposit ratings are intended to incorporate those aspects of credit risk that are relevant to the prospective payment performance of the rated bank with respect to its foreign and/or domestic currency deposit obligations.

**Bank Financial Strength Ratings:** Opinions of a bank's intrinsic safety and soundness and, as such, exclude certain external credit risk and credit support elements that are addressed by Moody's Bank Deposit Ratings.

### Insurance Financial Strength Ratings

Opinions of the ability of insurance companies to repay punctually senior policyholder claims and obligations.

### National Scale Ratings

Opinions of the relative creditworthiness of issuers and issues within a particular country. National Scale Ratings are not designed to be compared among countries.

### Money Market and Bond Fund Ratings

Opinions of the investment quality of shares in mutual funds and similar investment vehicles which principally invest in short-term and long-term fixed-income obligations, respectively.

## About the Company

Moody's Investors Service is among the world's most respected, widely utilized sources for credit ratings, research and risk analysis. In addition to our core ratings business, Moody's publishes market-leading credit opinions, deal research and commentary serving more than 9,300 customer accounts at some 2,400 institutions around the globe.

Moody's independence and integrity have earned us the trust of capital market participants worldwide. Our ratings and analysis track debt covering more than:

- 100 sovereign nations
- 12,000 company issuers
- 29,000 public finance issuers
- 96,000 structured finance obligations

Credit ratings and research help investors analyze the credit risks associated with fixed-income securities. Such independent credit ratings and research also contribute to efficiencies in fixed-income markets and other obligations such as insurance policies and derivative transactions by providing credible and independent assessments of credit risk.

Moody's default studies validate our predictive ratings. Published research and investor briefings that draw thousands of attendees each year keep investors current with the rationale for our credit opinions.

In addition to its ratings services, Moody's publishes investor-oriented credit research, including in-depth research on major debt issuers, industry studies, special reports and credit opinion handbooks. While research analysis and data are delivered through a number of channels, most of Moody's clients use [www.moody.com](http://www.moody.com) for access to such services in a real-time environment.

Moody's maintains offices in most of the world's major financial centers and employs approximately 3,000 people worldwide, including more than 1,000 analysts. The firm also has expanded into developing markets through joint ventures or affiliation agreements with local rating agencies.

Customers include a wide range of corporate and governmental issuers of securities as well as institutional investors, dealers, creditors, investment banks, commercial banks, and other financial intermediaries.

### About Moody's Corporation

Moody's Corporation (NYSE:MC) is the parent company of the Moody's Investors Service credit rating agency, the Moody's RMV quantitative credit risk analysis business, and Moody's Economy.com, a provider of economic research and data services. The corporation with reported revenue of \$2.0 billion in 2006, employs approximately 3,000 people worldwide and maintains offices in 27 countries.

5. An S&P Global Ratings issue credit rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program (including ratings on medium-term note programs and commercial paper programs). It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. The opinion reflects S&P Global Ratings' view of the obligor's capacity and willingness to meet its financial commitments as they come due, and this opinion may assess terms, such as collateral security and subordination, which could affect ultimate payment in the event of default.

6. Issue credit ratings can be either long-term or short-term. Short-term ratings are generally assigned to those obligations considered short-term in the relevant market. Short-term ratings are also used to indicate the creditworthiness of an obligor with respect to put features on long-term obligations. Medium-term notes are assigned long-term ratings.

### 1. Long-Term Issue Credit Ratings

7. Issue credit ratings are based, in varying degrees, on S&P Global Ratings' analysis of the following considerations:

The likelihood of payment—the capacity and willingness of the obligor to meet its financial commitments on an obligation in accordance with the terms of the obligation,

The nature and provisions of the financial obligation, and the promise we impute, and

The protection afforded by, and relative position of, the financial obligation in the event of a bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

8. Issue ratings are an assessment of default risk but may incorporate an assessment of relative seniority or ultimate recovery in the event of default. Junior obligations are typically rated lower than senior obligations, to reflect the lower priority in bankruptcy, as noted above. (Such differentiation may apply when an entity has both senior and subordinated obligations, secured and unsecured obligations, or operating company and holding company obligations.)

**Table 1**

Long-Term Issue Credit Ratings*	
Category	Definition
AAA	An obligation rated 'AAA' has the highest rating assigned by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is extremely strong.
AA	An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitments on the obligation is very strong.
A	An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong.
BBB	An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.
BB, B, CCC, CC, and C	Obligations rated 'BB', 'B', 'CCC', 'CC', and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions.
BB	An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation.
B	An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation.
CCC	An obligation rated 'CCC' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitments on the obligation.
CC	An obligation rated 'CC' is currently highly vulnerable to nonpayment. The 'CC' rating is used when a default has not yet occurred but S&P Global Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.
C	An obligation rated 'C' is currently highly vulnerable to nonpayment, and the obligation is expected to have lower relative seniority or lower ultimate recovery compared with obligations that are rated higher.
D	An obligation rated 'D' is in default or in breach of an imputed promise. For non-hybrid capital instruments, the 'D' rating category is used when payments on an obligation are not made on the date due, unless S&P Global Ratings believes that such payments will be made within five business days in the absence of a stated grace period or within the earlier of the stated grace period or 30 calendar days. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. An obligation's rating is lowered to 'D' if it is subject to a distressed exchange offer.
NR	This indicates that no rating has been requested, or that there is insufficient information on which to base a rating, or that S&P Global Ratings does not rate a particular obligation as a matter of policy.

\*The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

### 2. Short-Term Issue Credit Ratings

**Table 2**

Short-Term Issue Credit Ratings	
Category	Definition
A-1	A short-term obligation rated 'A-1' is rated in the highest category by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments on these obligations is extremely strong.
A-2	A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitments on the obligation is satisfactory.
A-3	A short-term obligation rated 'A-3' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken an obligor's capacity to meet its financial commitments on the obligation.
B	A short-term obligation rated 'B' is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments, however, it faces major ongoing uncertainties that could lead to the obligor's inadequate capacity to meet its financial commitments.
C	A short-term obligation rated 'C' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments on the obligation.
D	A short-term obligation rated 'D' is in default or in breach of an imputed promise. For non-hybrid capital instruments, the 'D' rating category is used when payments on an obligation are not made on the date due, unless S&P Global Ratings believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. An obligation's rating is lowered to 'D' if it is subject to a distressed exchange offer.

### B. Issuer Credit Ratings

9. An S&P Global Ratings issuer credit rating is a forward-looking opinion about an obligor's overall creditworthiness. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation.

10. Counterparty credit ratings, corporate credit ratings, and sovereign credit ratings are all forms of issuer credit ratings.

11. Issuer credit ratings can be either long-term or short-term.

### 1. Long-Term Issuer Credit Ratings

**Table 3**

#### Long-Term Issuer Credit Ratings\*

Category	Definition
AAA	An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by S&P Global Ratings.
AA	An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.
A	An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.
BBB	An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments.
BB, B, CCC, and CC	Obligors rated 'BB', 'B', 'CCC', and 'CC' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'CC' the highest. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions.
BB	An obligor rated 'BB' is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments.
B	An obligor rated 'B' is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.
CCC	An obligor rated 'CCC' is currently vulnerable and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.
CC	An obligor rated 'CC' is currently highly vulnerable. The 'CC' rating is used when a default has not yet occurred but S&P Global Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.
R	An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others.
SD and D	An obligor rated 'SD' (selective default) or 'D' is in default on one or more of its financial obligations including rated and unrated obligations but excluding hybrid instruments classified as regulatory capital or in nonpayment according to terms. An obligor is considered in default unless S&P Global Ratings believes that such payments will be made within five business days of the due date in the absence of a stated grace period or within the earlier of the stated grace period or 30 calendar days. A 'D' rating is assigned when S&P Global Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when S&P Global Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. An obligor's rating is lowered to 'D' or 'SD' if it is conducting a distressed exchange offer.
NR	An issuer designated 'NR' is not rated.

\*The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

## 2. Short-Term Issuer Credit Ratings

Table 4

Category	Short-Term Issuer Credit Ratings Definition
A-1	An obligor rated 'A-1' has strong capacity to meet its financial commitments. It is rated in the highest category by S&P Global Ratings. Within this category, certain obligors are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments is extremely strong.
A-2	An obligor rated 'A-2' has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category.
A-3	An obligor rated 'A-3' has adequate capacity to meet its financial obligations. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments.
B	An obligor rated 'B' is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments, however, it faces major ongoing uncertainties that could lead to the obligor's inadequate capacity to meet its financial commitments.
C	An obligor rated 'C' is currently vulnerable to nonpayment that would result in an 'SD' or 'D' issuer rating and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.
R	An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others.
SD and D	An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated), excluding hybrid instruments classified as regulatory capital or in nonpayment according to terms, when it came due. An obligor is considered in default unless S&P Global Ratings believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. A 'D' rating is assigned when S&P Global Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when S&P Global Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations, excluding hybrid instruments classified as regulatory capital, but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. An obligor's rating is lowered to 'D' or 'SD' if it is conducting a distressed exchange offer.
NR	An issuer designated 'NR' is not rated

## II. CREDITWATCH, RATING OUTLOOKS, LOCAL CURRENCY AND FOREIGN CURRENCY RATINGS

12. The following section explains CreditWatch and rating outlooks and how they are used. Additionally, this section explains local currency and foreign currency ratings

### A. CreditWatch

13. CreditWatch highlights our opinion regarding the potential direction of a short-term or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by S&P Global Ratings' analytical staff. Ratings may be placed on CreditWatch under the following circumstances

When an event has occurred or, in our view, a deviation from an expected trend has occurred or is expected and when additional information is necessary to evaluate the current rating. Events and short-term trends may include mergers, recapitalizations, voter referendums, regulatory actions, performance deterioration of securitized assets, or anticipated operating developments.

When we believe there has been a material change in performance of an issue or issuer, but the magnitude of the rating impact has not been fully determined, and we believe that a rating change is likely in the short-term.

A change in criteria has been adopted that necessitates a review of an entire sector or multiple transactions and we believe that a rating change is likely in the short-term.

14. A CreditWatch listing, however, does not mean a rating change is inevitable, and when appropriate, a range of potential alternative ratings will be shown. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised, "negative" means a rating may be lowered, and "developing" means that a rating may be raised, lowered, or affirmed

### B. Rating Outlooks

15. An S&P Global Ratings outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

Positive means that a rating may be raised.

Negative means that a rating may be lowered.

Stable means that a rating is not likely to change.

Developing means a rating may be raised or lowered.

N.M. means not meaningful.

### C. Local Currency and Foreign Currency Ratings

16. S&P Global Ratings' issuer credit ratings make a distinction between foreign currency ratings and local currency ratings. An issuer's foreign currency rating will differ from its local currency rating when the obligor has a different capacity to meet its obligations denominated in its local currency, vs. obligations denominated in a foreign currency.

## III. SPECIAL-PURPOSE RATINGS

## NORTH TEXAS MUNICIPAL WATER DISTRICT

NOVEMBER 1969

ADMINISTRATIVE MEMORANDUM NO.3

ANNUAL MINIMUM - CITY OF MCKINNEY

This memorandum has been prepared at the request of the Board of Directors for an analysis of the "McKinney Problem". The problem is not new as it has been discussed for several years, and in essence, does not pertain only to McKinney but has affected several of the member cities. The problem is not complicated, but the solution becomes heavily involved in the method of establishing water rates for the member cities which is a very complicated issue.

In a Special Meeting on July 31, 1969, the Board of Directors met with a delegation from McKinney. At this time the City Manager and the Legal Counsel for McKinney made formal statements concerning the original contract between the District and McKinney, and provided information showing that the City of McKinney had paid slightly over 305,000 dollars more for water since 1957 than the per thousand gallon rate established for member cities. This was caused by the City over estimating their needs in the original contract, and the established practice of the District requiring the minimum to be either the highest use of any previous year or the 6th year minimum as established in the contract since 1963. Copies of these statements were provided the Board of Directors along with the Minutes of this meeting. At the close of this special meeting the "McKinney Matter" was referred to the Retail Water Rates Committee with a request to report to the Board before February 1970.

Then in a Regular Meeting on October 23, 1969 this matter was referred to the Executive Director for study. The following is the information gathered and analyzed to develop the conclusions made in this memorandum.

HISTORICAL REVIEW

The North Texas Municipal Water District was originally established by the ten member cities as a cooperative effort to provide adequate water resources on an equal basis to all ten member cities without any additional cost for the distance from the treatment facility or any other additional cost involved in transmission of water. This was a simple concept of "all for one and one for all" that has evolved over the years into a complex hybrid situation involving Customer Cities, Water Supply Corporations, and rural individual customers.

As the District was being established it became apparent that if Revenue Bonds were to be sold it would be necessary to have the City of Dallas as a customer in order to lend stability to the total District operation. Also it became evident that the member cities must establish minimum annual payments at least through the first six years of operation.

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The member cities then bargained for, estimated, and projected their growth and needs to the year 1970. Minimums were established in the contracts for the first six years of operation of the District based on these findings. The following table represents material taken from a report submitted by Forrest and Cotton, Inc. in June of 1954 concerning the ten member cities and their future potential.

(TABLE NO. 1 FROM REPORT OF FORREST AND COTTON DATED JUNE 1954)

TABLE NO. 1Showing 1950 Census and Anticipated 1970 Populationsof the Cities Comprising theNorth Texas Municipal Water District

<u>Name of City</u>	<u>County</u>	<u>Population 1950 Census</u>	<u>Population Anticipated In 1970</u>
Garland	Dallas	10,291	37,600
McKinney	Collin	10,525	23,500
Plano	Collin	2,115	7,270
Mesquite	Dallas	1,684	10,500
Rockwall	Rockwall	1,499	4,400
Farmersville	Collin	1,949	4,080
Forney	Kaufman	1,418	2,810
Wylie	Collin	1,292	2,780
Royse City	Rockwall	1,243	2,220
Princeton	Collin	531	1,480
Total		32,547	96,640

It is obvious that the majority of the error was in projecting too small a growth, especially for the communities adjacent to the City of Dallas. However population projection at its best is an educated guess of the future and we would be willing to submit that the projections made from 1970 to 1985 will be further off than those made in 1954. From the projections made by Forrest and Cotton in November 1968 the projected population of the member cities for 1970 should be 183,800 and including members and direct customers a total of 278,286. If we consider that the District serves many small water supply corporations indirectly through the member cities we are presently serving in excess of 300,000 population.

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The six year minimum as established in the individual contracts was exceeded at various times by the majority members of the District. McKinney is presently the only member city that has not exceeded the six year minimum. Table No. 2 provides the information concerning the six year minimum, the date the city first exceeded this minimum, and the projected 1970 minimum.

TABLE NO. 2

Member City's Contractual Six-Year Minimum

Date First Exceeded

And 1970 Estimated Minimum

<u>City</u>	<u>6th Year Minimum</u>	<u>Date Exceeded</u>	<u>1970 Minimum</u>
Farmersville	89,000,000	1969	109,609,000
Forney	62,000,000	1966	135,390,000
Gariand	1,040,000,000	1958	4,296,243,000
McKinney	628,000,000		(576,966,000)*
Mesquite	183,000,000	1957	1,898,469,000
Piano	142,000,000	1962	685,397,000
Princeton	28,000,000	1963	31,327,000*
Rockwall	83,000,000	1962	196,302,000
Royse City	51,000,000	1968	63,564,000
Wylie	61,000,000	1963	71,675,000*

( ) Actual Estimated 1969 Use

\* These cities will not meet the 1969 minimums

Since the end of the first six years of operation the Board of Directors has established a rate in accordance with the individual contracts and the bond indenture before February 10 of the then current year. The procedure for the establishment of this rate has been in conformance with the Bond indenture, which provides that the Board will request a recommendation from the consulting engineers concerning the rate to be established and will adopt this rate unless they find it to be arbitrary, unreasonable or improper. The basic criteria for the existing rate is to provide minimums for each member city based on the highest use in any previous year or the sixth year contract minimum which ever is higher. Then the revenues from other sources, customer and interest plus payments from the City of Dallas, are deducted from the overall needs of the District and the balance divided into the minimums to establish the actual rate per thousand gallons. From 1957 through 1968 this has resulted in an average cost per 1000 gallons of 17.68 cents. How-

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ever a variation has resulted between the member cities due to the method utilized in establishing the minimums and the sale of excess water, from a high of 23.8 cents to a low of 16.9 cents.

To attempt to evaluate this rate is very difficult because to determine the actual cost for treated water delivered to the underground reservoirs of a community is difficult to obtain. And when obtainable many times does not include the full cost due to the accounting methodology of the particular city and the sale of various bonds being utilized for more than one function. However, we can consider the suburban communities purchasing water from the City of Dallas who for the past several years have averaged a cost of 25 cents per thousand gallons and presently are operating on an average cost of approximately 30 cents per thousand gallons.

The rate per 1000 gallons or the cost of receiving water from the District is not the only advantage to the member cities. At this time we would like to point out that the member cities of the District, do in essence, own the facilities but are not required to carry the bonded indebtedness against their individual operating departments. This allows the city a greater ability to sell their own revenue bonds as it reduces the bonded indebtedness the city would have, and also reduces the coverage factor necessary for selling revenue bonds which usually runs from 1.5 times to 1.75 times. The combined strength of the cities has resulted in very economical interest rates for the District, usually lower than the majority of the cities would obtain individually. Also we believe that the quality, production, and treatment, as reflected in the reports from the State Health Department, have exceeded the quality that would normally have been provided on a smaller basis by the individual community, especially is this true in the smaller units. With the combined efforts of the District, laboratory facilities, chemist, and other personnel of the District have been of a high quality and possibly would have exceeded that of the smaller individual cities. In all, the member cities not only have received a cost advantage, but an advantage in production and control.

#### RATE REVIEW

The establishment of any rate schedule is very difficult and comprises many complex aspects that are not at first apparent. The rate must perform, or in other words provide the necessary revenue to cover the expense involved, but further it must be based on a method meeting the requirements of the philosophical foundation of the entity.

Various methods can be utilized in application of rate making. A rate could be provided on a flat rate basis, sliding scale basis, actual cost plus basis, a flat rate minimum with a sliding scale balance, and then any of the above with certain variations for demand. Each method can be used with equity under various conditions and is usually determined by the philosophical foundation of the entity.



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The North Texas Municipal Water District does have one ingredient that complicates even further any attempt at rate making - the Bond Indenture. We agree with the brief submitted by Roland Boyd in July of 1969 which answers the question, "Does the Board have the authority to adjust the minimum for the City of McKinney." We believe that in this brief Mr. Boyd points out that the Board of Directors as the policy making body does have the authority to establish the rate and method of rate application after the sixth year, as long as the rate will produce adequate revenue to cover the expenses of the District. But the restrictiveness of this Indenture in the financial operation continues to hamper the effectiveness of the financial operation which in turn has the effect of eliminating some of the methods for establishing rates.

Actually, further study needs to be made of all the various methods and the effects on the District over the past years of these rates, to determine if any changes would be appropriate. Also we would like to study the methods employed by other water districts and water authorities throughout the nation to determine if there is a better method. At the moment I think we must recognize several factors;

1. That the method presently being utilized by the District has produced results and made the District very sound financially without any extreme inequities,
2. Any organization that continues to manipulate the method of rate establishment, finds itself in continual problems; each unusual situation will result in a request for modification of the method which could possibly result in tension among the members and eventual destruction or disunity within the organization, and
3. That the District's Consultants both engineering and financial have continually recommended this method.

If we analyze each factor in the existing method of rate establishment we can easily see that by using a basis of annual minimums we assure the District of financial stability. This not only meets the provisions of the Bond Indenture and enabling legislation which created the District, but lends itself to good financial credit and enables the District to sell bonds at a reasonable rate. Therefore the use of the annual minimum has a great deal of justification. The real question becomes, "How do we establish the annual minimum?" Should it be on an average basis of past usage, or the highest use in any previous year, or the highest use in any previous year or the legal contract sixth year minimum, or some other technique. As with any formula method we must realize that when you change, modify, or reduce one side this will affect the other. If the base or the total amount of revenue to be raised remains the same and we change the minimum requirement, then of necessity the rate must automatically

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compensate. What we are determining is that if we use a 3 or 5 year average to set the annual minimum, and with many of the cities growing in a rapid pattern, the total annual minimum would decrease in volume which would result in a higher rate. Therefore the community with a slow growth rate or static position would pay a higher annual payment than under the present method. We must also remember that the method of the highest use was determined as the appropriate method in that this did require the fast growing city that was placing additional demand for capacity in treatment, storage, and transmission facilities to pay higher annual minimums to help carry the burden of these requirements.

In the existing formula the actual rate per thousand gallons is determined by dividing the annual minimums of all the member cities plus Richardson into the outstanding need after deducting the revenue from the other customers and the City of Dallas from the total dollar needs of the District.

Another factor in the formula is the sale of excess water over the volume as established as the annual minimum. The rate is reduced on the excess water to 7 cents per thousand gallons. The sale of excess water in this fashion was originally established in the contracts with the member cities and in the Bond Indenture for the first six years. Undoubtedly several factors were considered when this method was established;

1. That the District was to be a non profit organization and in the Bond Indenture at the end of the fiscal year all Revenue Funds would be closed out to a Bond Retirement Fund and the Replacement and Improvement Fund thereby eliminating the possibility of the District carrying forward excess revenues earned in one year to off set operational requirements in the next; and
2. The fact that the District would budget in the payment of the annual minimums all operational cost and the City should not be required to pay additional for debt service and coverage; and
3. That the City purchasing water in excess would be given an advantage on the price of this water due to the excess sale raising the minimum for the City in the coming year thereby requiring future higher annual payments whether they took all of the water or not.

In 1965 another factor was added which relates to the minimum. This policy was adopted by the Board providing for a penalty of increasing the next year's minimum of any city that exceeded a rate of flow 2.75 times the average daily use during any 120 minute period. This is an item that relates to demand on the District's system and is a factor which effects the cost of operation. A high ratio of maximum flow to average daily use increases tremendously the cost of transmission and treatment plant facilities. As the ratio increases during

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peak periods, facilities will remain idle during lower use times, thereby creating a higher unit cost of operation. Many factors can affect this ratio, one being the design of the distribution system of the individual city to provide storage to level peak demands placed on the District. As cities become more urbanized, we find larger groups irrigating lawns etc., and the ratio widening, especially if the community is not heavily industrialized which tends to reduce the ratio due to the stabilizing effect of the constant industrial use. In today's modern society we find most utility companies providing some penalty for heavy demands especially on the larger type of user. Most of us can recall that the electric utilities several years ago started applying demand charges against residential customers; however, the majority have abandoned this procedure but do still utilize the demand charge on heavy industrial and commercial users. Again the effect of demand and the method of treatment of this factor in the overall establishment of a rate needs further study and the implementation of the penalty clause in the District's rate for high demand has not been implemented to the point to make any adequate determination of its effectiveness or equitability.

#### McKINNEY PROBLEM

As has been briefly mentioned before, the McKinney Problem involves the method of establishing the minimum annual payment to the member cities. The original estimates of the needs and growth of McKinney were over estimated in the original contract, resulting in a larger sixth year volume for the annual minimum than McKinney has reached to date.

There is no denying the fact that the citizens of McKinney ratified the contract, as approved by the City Council, by a large majority and that in this contract they believed their growth would utilize the volumes of water. As honorable gentlemen they have maintained their side of the contract and paid an additional cost for water over the past 13 years in the amount of approximately \$305,000. Taking information from the analysis submitted by McKinney, beginning in the year 1963 (the end of the six year period), which reflects the penalties and credits of the various cities based on the minimums and the rates by the year through 1968, it is shown that the City of McKinney has paid approximately 20 per cent penalty for not reaching their minimum while Farmersville has paid approximately 7 per cent, Forney 3/10 of one per cent, Princeton 4 per cent, Rockwall 3 per cent, Royse City 6.5 per cent, and Wylie 8.5 per cent; with the cities of Garland receiving credit of approximately 3.5 per cent, Mesquite 4.2 per cent and Plano 11.2 per cent. Also it should be mentioned that the District in constructing the lines for the City of McKinney and the overall design of the treatment facilities, built in adequate capacity for the City of McKinney. It is obvious that in a static condition, the City of McKinney should pay for the improvements which were built at their request and which they legally contracted. At the end of the six year period there was justification in requiring McKinney

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to pay a penalty due to the added investment made by the District for their use; however, during the intervening years the total capacity of the existing filter plant has been utilized by other cities or customers. The transmission facilities from Wylie to McKinney and the underground storage tank at McKinney originally cost approximately \$611,498.00. Deducting from this amount approximately 1/5 which would be the allocation to Princeton and Farmersville would leave a total justified cost against the City of McKinney of \$489,199.00. According to the records of the District approximately 5.2 MGD was built for McKinney, during July 1969 McKinney peaked for a short period of time at a rate of 4.5 MGD with a daily average of approximately 3 MGD.

Any retroactive changes or payments would be very detrimental to the Water District, especially in establishing precedent for future situations. In fact such payments might be illegal as the rates were established and previously paid in good faith by all, and any retroactive changes would create additional rates on others in order for the payment to be made. Plus it is our understanding that the City of McKinney does not request any reconsideration of the past, but only consideration as of the 1970 year.

Many solutions have been discussed. It has been suggested that the various member cities be allowed credit for the water supply corporations and other customers which are receiving service from the transmission mains serving the particular member city. In total these customers are using approximately 111 million gallons annually which includes the individual rural customers. Utilizing this approach, McKinney would still not reach the minimum by approximately 21 million gallons and the result would be a very difficult policy matter to administer. How could you determine which member city should receive the benefits, especially when the customer was served by a transmission main that served more than one city, or as in the case of Wylie Northeast where the customer was adjacent to one city but being served from the transmission main of three other cities. Also it is obvious that once the member cities reach the sixth year minimum the effect of applying the usage of the customers would not be beneficial to the city.

If the McKinney Minimum should be reduced, it would appear that the best approach would be to change the basis for establishing the minimum by deleting the requirement of the sixth year minimum in the contract and utilizing the highest year's previous use. At the present time based on estimates for the 1970 minimums, McKinney will be short of the sixth year minimum by 51,034,000 gallons and estimating a rate of 23 cents per thousand gallons would have additional cost to McKinney of \$11,738.00. Table 3 reflects the approximate cost to the various member cities if McKinney was allowed to use the highest previous year usage rather than the six year minimum.

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TABLE NO. 3  
ASSUMED CONDITION\* COMPARISON OF  
COST IN CHANGING BASIS OF MCKINNEY MINIMUM

	<u>% Of Total</u>	<u>Additional Dollars</u>
Farmersville	1.27	149.07
Förney	1.58	185.46
Garland	50.05	5,874.87
McKinney	7.32	859.22
Mesquite	22.12	2,596.45
Plano	7.99	937.87
Princeton	.36	42.26
Rockwall	2.28	267.63
Royse City	.74	86.86
Wylie	.84	98.60
Richardson	<u>5.45</u>	<u>639.71</u>
	100.00%	\$11,738.00

\*Assuming the 1970 minimums as estimated on October 31, 1969 and a rate of 23 cents per thousand gallons.

It should be mentioned that in table 3, per cent of total is the percentage of the total minimums of the member cities plus Richardson, and does not reflect the other customer cities nor the City of Dallas as these are fixed revenue portions that do not change with member city rates. Therefore the percentage of total does not really reflect the percentage of total water consumed by that member city of the total volume produced by the District, but only a percentage of the total of the cities whose rate is effected by the minimums established by the District. Also the rate is assumed to be 23 cents per thousand gallons and a change either up or down in this rate would effect the amount additionally paid by the city. Later in this memorandum we draw conclusions and offer recommendations.

#### OTHER PROBLEMS

In the review and study of the McKinney Problem and the methods of establishing rates; other problems have been mentioned and again solutions suggested. One such problem is that a city may for some unusual reason have a high usage year such as the City of Wylie, who in 1964 used in excess of 71 MG and has not reached that usage again. Also the City of Princeton in 1966 established a minimum which they have not reached to date. This could occur due to a policy established by the

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City on the sale of water or in a very small city to the loss of a major customer. This type of situation can create a hardship on a particular member city, but if we use the averaging technique over a three or five year period we find that the overall result deters from the philosophy that the fast growing cities should be supplying additional dollars to take care of advance planning and construction to meet their future needs. Plus under certain conditions the overall reduced minimums could result in a higher rate that actually would create larger payments by individual cities. One possible solution that would appear more feasible would be to provide that the minimum would be established based on the highest use in the past five years of each member city which then would allow any uncontrolled detriment to be rescinded after a five year period.

Another situation which is frequently mentioned is that excess water is being sold at a reduced amount providing a credit to the fast growing city year after year. From analyzing this situation two factors appear to be most prevalent; one is that the city purchasing the excess water will have a much larger minimum established for the coming year and if the excess water was required due to weather conditions rather than growth the city would stand to suffer a penalty in the future which is somewhat offset by the reduced excess water sales. Also due to the Bond Indenture and the method of closing out the revenues at the end of each year, if the excess water sales were at a higher rate the result would only mean that larger sums would be available for the retirement fund which purchases low interest, long maturity bonds and the replacement and improvement fund. It is estimated at this time that the District will sell 1,470,639,000 gallons in excess of the 1969 annual minimums to the member cities which will produce \$102,944.73 in additional revenue. If the regular rate of 19.2 cents per thousand had been charged the revenue would have increased by \$179,417.95 for total excess water sales of \$282,362.68. No doubt this was an exceptional year in that we had a very dry summer following a very wet summer in 1968, but until we can assure ourselves that the excess funds can be used in a more effective manner for all the member cities it would seem that increasing the charge for excess water would not be in the best interest of the District. Also, we must consider the reason that most utilities use a sliding scale providing a lower rate per unit of service as the total volume increases to such a point that the unit of service barely covers cost at the extreme end of the sliding scale. This is done to encourage use, and also because as the total volume increases to any one customer the unit cost, especially in transporting and transmission, reduces as the unit volume increases. Therefore the policy of selling excess water at a reduced rate does provide some means of providing a reduced over all schedule to the larger volume user without endangering the financing of the District and as has been previously mentioned provides somewhat of a buffer in the case that the next year should be less than the new established minimum for that member city.

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#### CONCLUSIONS

1. The "McKinney Problem" is not a problem affecting the City of McKinney only but has been the method of establishing the annual minimum thereby requiring an analysis of the method for rate making of the District.
2. The method of establishing the rates of the North Texas Municipal Water District has proven to produce adequate results; however, from the information furnished by the representatives from McKinney at a meeting before the Board of Directors, it would appear that a large penalty has been placed on the City of McKinney for over estimating their original needs.
3. The Board of Directors does have the authority to change the method of rate making on the member cities and could have made such changes any time after the end of the six year period. It is assumed that in the past no correction was made of the error in judgment by the citizens of McKinney due to the financial effect on the other cities involved.
4. Any change in the method of establishing the rates is a dangerous one, due to the inevitability of unusual circumstances arising which would appear to create an inequitable situation in the eyes of one or another of the member cities. It would appear that any changes should be made only after a thorough analysis of all possibilities, and be made with the attitude that this change would take care of the situation for a number of years in the future to prohibit any serious future contention between the member cities.
5. It should be remembered that sometime in the past it was determined to utilize the sixth year contractual minimum as the absolute minimum any member city would be allowed to use and several of the other cities suffered a penalty, perhaps, not as large in dollar volume but a considerable penalty on a total percentage basis and a change at this point might not be fair to these cities.
6. With the large minimums established in the 1969 year it is very possible that many of the member cities will not reach the new minimums in the coming year; thereby causing a penalty payment and if changes are made for one city's benefit now - - - - - .
7. The North Texas Municipal Water District is a large business and the methodology utilized in establishing the rate is vital for its financial future and is directly related to the philosophical structure of the District. From the investigations made to develop this report it is obvious there is a need to study both the method utilized in establishing the rates and the philosophical structure of the District. Change is one of the major characteristics of our social environment and fear of change can result into an archaic trend that develops into the paralysis of a growing organization.

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7. (continued)

But change for change's sake, and change made without a thorough analysis of the effects on all parties concerned can lead to a chaotic condition of self-destruction. It is our opinion that any major change in the method of establishing the rates for member cities should be delayed for a minimum of one year with a request that a full extensive study be made of all methods of rate making and of the future operations of the District. The study would need to include but not be limited to:

- A. An analysis of the existing contracts and their relationship to the activities of the District and the future improvements thereto;
- B. An analysis of the rate and its ability to provide the necessary financing for the extensive future transmission improvements to various areas of the District plus the development of a policy on what is the responsibility of the District in transporting water within a community to additional receiving points, etc;
- C. The delay would provide adequate time for an analysis of the new accounting procedures to determine the cost of the various functions and further analysis of the means available to work within the framework of the existing bond indenture.

SOLUTIONS

The request of the City of McKinney for consideration of a reduction in their annual minimum is definitely a policy matter. The preceding memorandum has been made at the request of the Board of Directors to provide information and analysis of the situation and hopefully to assist the Board in their final determination. The ultimate responsibility for the performance of this District rests with you, the Board of Directors, and the long range good for the District will ultimately be the best for each individual community. If each member city becomes a political unit striving for its own short term best interest the result could be detrimental to all.

The following three proposed solutions are made in an attempt to assist the Board in possible feasible answers to the question.

SOLUTION NO. 1

Basis: In the original contracts with all of the member cities volumes for annual minimums were established and each community voted to pay for these volumes of water on a take or pay arrangement. At the end of the six year contractual period it was determined that the basis of the rate would be the highest previous years use or the sixth year minimum annual amount in the



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SOLUTION NO. 1 (Continued)

contract whichever was greater. For the past several years this policy has been enforced and many unusual situations have arisen between the various member cities. The long range future of the water district depends on each member city paying their share for improvements and water. Any adjustments in the policy could adversely effect the future stability of the District. Therefore no change will be made in the existing policy of rate making.

Rate Policy: The policy for establishing annual payment of member cities shall be to establish annual minimums for each city based on the highest years previous use or the sixth year annual minimum in the original contract, whichever is greater. The rate shall be established by dividing the minimums into the remaining needed dollars after deducting all other sources of revenue from the total needed dollars as required by the current budget. Water taken in excess of the established minimums will be sold at a rate of seven cents per thousand gallons.

SOLUTION NO. 2

Basis: The City of McKinney, in the formation of the District entered into a contract establishing various minimums through the first six years. An error was made by over estimating the needs of this community. All of the other member cities of the District have reached and exceeded the minimum as established for the sixth year annual minimum in the original contract, and during the past several years the City of McKinney has paid a penalty sufficient to off set capital improvements constructed by the District in their behalf. Therefore the method of establishing rates should be amended.

Rate Policy: The policy for establishing the annual payment of member cities shall be to establish annual minimums for each city based on the highest years previous use. The rate shall be established by dividing the minimums into the remaining needed dollars after deducting all other sources of revenue from the total dollar needs as required by the current budget. Excess water taken by any member city over and above the minimum shall be sold at the rate of seven cents per thousand gallons.

SOLUTION NO. 3

Basis: After thirteen years of operation the North Texas Municipal Water District has satisfactorially proven to be financially sound. In evaluating the method of establishing rates it has been determined that a more equitable policy for all members would be to slightly modify the requirements on the establishment of minimums.

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SOLUTION NO. 3 (Continued)

Rate Policy: The policy for establishing the annual payments of each member city shall be to establish annual minimums for each city based on the highest years previous use in the past five years. The rate shall be established by dividing the minimums into the remaining needed dollars after deducting all other sources of revenue from the total dollar needs as required by the current budget. Excess water taken by any member city over and above the minimum shall be sold at the rate of seven cents per thousand gallons.

RECOMMENDATION

We have attempted to fully review the question as to whether the City of McKinney should receive consideration in the establishment of their minimum. After an evaluation of the material included in this memorandum, the problem still remains complex and strong arguments can be sustained in any direction desired. However, if the original philosophical foundation of the District has merit, then we must recommend Solution No. 2. The reasons for this recommendation are:

- A. The Citizens of McKinney made an error in judgment on the six year minimum in the original contract. Other member cities made errors of a greater magnitude, but were in the other direction and the District has performed to satisfy the additional requirements. Of course the additional usage has resulted in an overall benefit to the entire District, but the error in judgment of these cities reflects the difficult problem of projecting the future needs of individual communities.
- B. The City of McKinney has honored their contract requirements with the District and from an analysis of the cost of the transmission main and storage facilities has paid in excess of the cost for the unused portions thereof. The plant and storage capacity allocated for the additional usage has been used by others.
- C. The difference in annual payments to the various member cities if McKinney is allowed to reduce their minimum to the highest previous year has reduced to a point that it would not be an extreme burden on the other member cities.

We hope that this memorandum will be of assistance to the members of the Board in determining the appropriate policy for the method of establishing the annual payments from the member cities. We will be happy to try to answer any additional questions you may have concerning this matter. We wish to stress again that this is certainly a policy question and we await your decision.

NORTH TEXAS MUNICIPAL WATER DISTRICT

TO: MEMBER CITIES  
FROM: CARL W. RIEHN, EXECUTIVE DIRECTOR  
SUBJECT: QUESTIONS CONCERNING PROPOSED WATER SYSTEM CONTRACTS  
DATE: MAY 6, 1988

During the meeting held by the North Texas Municipal Water District on the new proposed Member City Water System Contracts, several questions were raised. Also, on Monday, May 2, the City Manager of Plano provided a list of written questions. The attached document is an attempt to answer these questions from the perspective of the NTMWD.

It is anticipated that in the next few weeks meetings will be arranged with individual cities and small groups of cities for a further review of the proposed contract. I hope that you will review this document and we can then proceed to further discussions. Should you have additional questions, please feel free to contact my office. Also, if you have suggestions it would be appreciated.

## NORTH TEXAS MUNICIPAL WATER DISTRICT

## QUESTIONS AND ANSWERS

## PROPOSED WATER SYSTEM CONTRACT

MAY 1988

Several questions and concerns have been brought to the attention of the North Texas Municipal Water District concerning the new proposed water system contract for Member Cities. The majority of the questions reflect a lack of understanding of contract revenue bonds and/or the historical policies of the NTMWD and its relationship to the cities. Therefore, this memorandum is being prepared in an attempt to explain and answer these concerns.

To adequately review the contract you must be familiar with the program. The NTMWD is a unique utility service organization created by and controlled by Member Cities through their appointment of the Board of Directors. The policies and regulations have been developed over a number of years with the primary intent to assure adequate quantities and quality of water delivered to the Member Cities at the lowest cost. One of the major differences between the NTMWD and most water districts, is the acceptance of the responsibility to meet the long term (unknown) water needs of Member Cities with a reciprocal commitment from the city to pay the cost. This was derived from the old contracts which state, "District agrees, during the period of this contract to tender and make available to the City, for its own use and at the delivery point as hereinafter specified, treated water in the volume required by the City, .....and City agrees to pay the District for such service....". This responsibility has been accepted seriously by the NTMWD Board of Directors and Staff, therefore, long range water supply planning, treatment facilities, and distribution networks have been developed and/or planned to live up to this responsibility. As the District grew from approximately 32,000 population to a population in excess of 750,000, with a long range projection of 2,000,000, the wisdom of the municipalities became even more apparent in jointly utilizing a single regional agency for these purposes. But the cities must recognize the need for a modern contractual relationship that will maintain the financial integrity of the NTMWD, while at the same time providing a fair basis of cost between the cities. The principles utilized for the past thirty plus years have been incorporated into the new proposed contract.

The following questions and answers hopefully will provide a basis for better understanding or a means in which to generate discussion over the items involved. We will paraphrase the questions as best we can from the discussions and written materials furnished.