

permits, material, labor, and equipment, and upon the ability of the District to finance the cost of the Projects and other System facilities through the actual sale of the District's Bonds and (ii) subject to all present and future valid laws, orders, rules, and regulations of the United States of America, the State of Texas, and any regulatory body having jurisdiction.

(c) Title to Water; Indemnification. Title to all treated water supplied to each Contracting Party shall be in the District up to each Point of Delivery, at which point title shall pass to the receiving Contracting Party. The District and each of the Contracting Parties shall save and hold each other party harmless from all claims, demands, and causes of action which may be asserted by anyone on account of the transportation and delivery of said water while title remains in such party. Notwithstanding any other provision of this Contract, it is specifically provided that water obtained or resulting from the wastewater treatment operations of any Contracting Party shall be under the sole and exclusive dominion, control, and ownership of such Contracting Party and the District shall have no right, title, or interest in or claim against such water of any nature whatsoever.

(d) Payments Solely From Revenues. The District shall never have the right to demand payment by any Initial Contracting Party of any obligations assumed by it or imposed on it under and by virtue of this Contract from funds raised or to be raised by taxes, and the obligations under this Contract shall

never be construed to be a debt of such kind as to require any of the Initial Contracting Parties to levy and collect a tax to discharge such obligation.

(e) Operating Expenses of Initial Contracting Parties.

Each of the Initial Contracting Parties represents and covenants that all payments to be made by it under this Contract shall constitute reasonable and necessary "operating expenses" of its waterworks system, in accordance with Vernon's Ann. Tex. Civ. St. Articles 1113 and 4413(32c). It is further recognized that the waterworks system of each Initial Contracting Party is presently combined with its sewer system in accordance with law for operating and financing purposes. Each of the Initial Contracting Parties, respectively, represents and has determined that the treated water supply to be obtained from the System, including the Projects and other System facilities, is absolutely necessary and essential to the present and future operation of its waterworks system and is the only available and adequate source of supply of treated water therefor. Accordingly, the payments required by this Contract to be made by each Initial Contracting Party shall constitute reasonable and necessary operating expenses of its waterworks system and shall be made as provided by law, including the aforesaid Articles 1113 and 4413(32c). In accordance with said Article 1113, such payments shall have priority over the payment of principal of and interest on all bonds and other

similar obligations heretofore or hereafter issued by any Initial Contracting Party.

(f) Initial Contracting Parties' Rates For Water and Sewer System Services. Each of the Initial Contracting Parties agrees throughout the term of this Contract to continuously operate and maintain its combined waterworks and sewer system, and to fix and collect such rates and charges for water and sewer services to be supplied by its combined waterworks and sewer system as aforesaid as will produce revenues in an amount equal to at least (i) all of its payments under this Contract and (ii) all other amounts required to be paid from said revenues by law and the provisions of the ordinances or resolutions authorizing its revenue bonds or other obligations now or hereafter outstanding.

(g) Initial Contracting Parties' Unconditional Obligations. Recognizing the fact that the Initial Contracting Parties urgently require the facilities and services of the System, and that such facilities and services are essential and necessary for actual use and for standby purposes, and recognizing the fact that the District will use payments received from the Initial Contracting Parties to pay and secure the Bonds, it is hereby agreed that each of the Initial Contracting Parties shall be unconditionally obligated to pay, without

offset or deduction, its proportionate share of each Annual Requirement, as provided and determined by this Contract (including the obligations for paying for "minimums" as described in Section 9 (c) hereof), regardless of whether or not the District actually acquires, constructs, or completes the Projects or other System facilities or is actually delivering water from the System to any Contracting Party, or whether or not any Contracting Party actually receives or uses water from the System whether due to Force Majeure or otherwise, and regardless of any other provisions of this or any other contract or agreement between any of the parties hereto. This covenant by the Initial Contracting Parties shall be for the benefit of, and enforceable by, the owners of the Bonds as well as the District.

Section 11. FORCE MAJEURE. If by reason of force majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of each Contracting Party to make the payments required under Section 9 of this Contract, then if such party shall give notice and full particulars of such force majeure in writing to the other parties within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such

party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force Majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas, or any Civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, or on account of any other causes not reasonably within the control of the party claiming such inability.

Section 12. INSURANCE. The District agrees to carry and arrange for fire, casualty, public liability, and/or other insurance, including self insurance, on the System for purposes and in amounts which, as determined by the District, ordinarily would be carried by a privately owned utility company owning and operating such facilities, except that the District shall not be required to provide liability insurance except to insure itself against risk of loss due to claims for which it can, in the opinion of the District's legal counsel, be liable under the Texas Tort Claims Act or any similar law or judicial decision. Such insurance will provide, to the extent feasible and practicable, for the restoration of damaged or destroyed

properties and equipment, to minimize the interruption of the services of such facilities. All premiums for such insurance shall constitute an Operation and Maintenance Expense of the System.

Section 13. TERM AND EFFECT OF CONTRACT. (a) This Contract shall, upon execution by the District and all of the Initial Contracting Parties, be effective as of the Contract Date, and this Contract shall continue in force and effect until all Bonds and all interest thereon shall have been paid or provided for, and thereafter shall continue in force and effect during the entire useful life of the System. The requirement for making the Annual Payments as prescribed in Section 9 of this Contract shall commence as of October 1, 1988. Until October 1, 1988, payments for treated water shall continue to be made to the District by the Initial Contracting Parties in accordance with the eleven separate existing treated water supply contracts, and amendments thereto, between the District and the Initial Contracting Parties.

(b) It is specifically agreed and understood that this Contract, as of the Contract Date, will supersede all of the contracts, agreements, and arrangements between each of the parties hereto with respect to the System and treated water from the System and the Bonds, and that this Contract, as of the Contract Date, will completely amend and supersede all such contracts, agreements, and arrangements with respect to the

System and treated water from the System and the Bonds, and will constitute the sole agreement between the parties hereto or any of them with respect to the System and treated water from the System and the Bonds; and all such previous contracts, agreements, and arrangements shall be void and shall be of no force or effect, except for payments due and liabilities accrued thereunder prior to October 1, 1988, and except as provided in subsections (a) and (c), of this Section 13, and except that the "AGREEMENT BETWEEN THE NORTH TEXAS MUNICIPAL WATER DISTRICT AND THE CITY OF MCKINNEY FOR AN ADDITIONAL POINT OF DELIVERY", authorized by said City's resolution adopted September 2, 1986, and the District's resolution adopted December 18, 1986, shall be and remain in full force and effect until its expiration, and said City shall make payments to the District thereunder in addition to those required under this Contract, with such additional payments to be treated and applied as "other revenues" in accordance with Section 9(b) of this Contract.

(c) It is recognized by the parties to this Contract that the eleven previous treated water supply contracts, and amendments thereto, between the District and the Initial Contracting Parties, respectively, which are being amended hereby, together with the proceedings relating thereto, previously have been submitted to an Attorney General of Texas, along with bonds of the District heretofore issued, as provided in the District

Act, and that an Attorney General, in his certificates and opinions relating to such bonds, found that such contracts were made in accordance with the Constitution and laws of the State of Texas, and that they are valid and enforceable in accordance with their terms and provisions. Further, an Attorney General approved each of such contracts, with the effect that pursuant to the provisions of the District Act such contracts "shall be valid and binding and shall be incontestable for any cause". In order to protect the rights of the owners of the Bonds and the parties to this Contract, it is specifically agreed and understood by the parties to this Contract that, any provisions of this Contract to the contrary notwithstanding, if for any reason whatsoever this Contract, or any part of this Contract significantly affecting the rights of the owners of the Bonds, should be held to be invalid or unconstitutional, or in contravention of any law or any constitutional provisions, then the foregoing contracts shall be construed and deemed to be and to have been in full force and effect at all times to the extent required to protect the rights of the owners of the Bonds and the parties to such contracts. It is further agreed and understood by the parties to this Contract that this Contract is amendatory in nature and is not intended to, and does not, abrogate the rights of the owners of any Bonds, and is not intended to, and does not, affect adversely in any way the security therefor, but is intended to and does confirm the



security therefor, substantially restate, clarify, carry forward, update, improve, and extend the provisions of the previous contracts.

Section 14. MODIFICATION. No change or modification of this Contract shall be made which will affect adversely the prompt payment when due of all moneys required to be paid by any Contracting Party under the terms of this Contract or any similar contract, and no such change shall be effective which would cause a violation of any provisions of any Bond Resolution. No change or modification of this Contract shall be made without the written consent of all parties hereto.

Section 15. REGULATORY BODIES AND LAWS. This Contract is subject to all applicable Federal and State laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having or asserting jurisdiction, but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum having jurisdiction.

Section 16. NOTICES. Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any party to any other party must be in writing and may be

given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by prepaid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to the District, to:

North Texas Municipal Water District  
P. O. Drawer C  
Wylie, Texas 75098

If to the Initial Contracting Parties, as follows:

City of Farmersville  
303 S. Main  
Farmersville, Texas 75031

City of Forney  
101 E. Main Street  
Forney, Texas 75126

City of Garland  
200 N. Fifth Street  
P. O. Box 469002  
Garland, Texas 75040

City of McKinney  
P. O. Box 517  
McKinney, Texas 75069

City of Mesquite  
711 N. Galloway  
Mesquite, Texas 75149

City of Plano  
P. O. Box 860358  
Plano, Texas 75086-0358

City of Princeton  
306 N. Front Street  
Princeton, Texas 75077

City of Richardson  
411 W. Arapaho Road  
Richardson, Texas 75080

City of Rockwall  
205 W. Rusk  
Rockwall, Texas 75087

City of Royse City  
P. O. Drawer A  
Royse City, Texas 75089

City of Wylie  
P. O. Box 428  
Wylie, Texas 75098

The parties hereto shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days' written notice to the other parties hereto.

Section 17. SEVERABILITY. The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional,

under the laws or constitutions of the State of Texas or the United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the parties hereto shall be construed and remain in force accordingly.

Section 18. REMEDIES UPON DEFAULT. It is not intended hereby to specify (and this Contract shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies (other than termination) existing at law or in equity may be availed of by any party hereto and shall be cumulative. Recognizing however, that the District's undertaking to provide and maintain a supply of water hereunder is an obligation, failure in the performance of which cannot be adequately compensated in money damages alone, the District agrees, in the event of any default on its part, that each Contracting Party shall have available to it the equitable remedy of mandamus and specific performance in addition to any

other legal or equitable remedies (other than termination) which may also be available. Recognizing that failure in the performance of any Initial Contracting Party's obligations hereunder could not be adequately compensated in money damages alone, each Initial Contracting Party agrees in the event of any default on its part that the District shall have available to it the equitable remedy of mandamus and specific performance in addition to any other legal or equitable remedies (other than termination) which may also be available to the District. No waiver or waivers of any breach or default (or any breaches or defaults) by any party hereto or of performance by any other party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be waiver of subsequent breaches or defaults of any kind, character, or description, under any circumstances.

Section 19. VENUE. All amounts due under this Contract, including, but not limited to, payments due under this Contract or damages for the breach of this Contract, shall be paid and be due in Collin County, Texas, which is the County in which the principal administrative offices of the District are located. It is specifically agreed among the parties to this Contract that Collin County, Texas, is a principal place of performance of this Contract; and in the event that any legal

proceeding is brought to enforce this Contract or any provision hereof, the same shall be brought in Collin County, Texas.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written, which is the date of this Contract.

NORTH TEXAS MUNICIPAL WATER DISTRICT

BY   
President, Board of Directors

ATTEST:

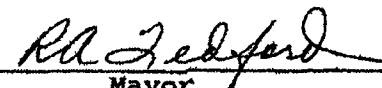
  
Secretary, Board of Directors

APPROVED AS TO FORM AND LEGALITY:

  
Attorneys for the District

(DISTRICT SEAL)

CITY OF FARMERSVILLE, TEXAS

BY   
Mayor

ATTEST:

  
City Secretary

APPROVED AS TO FORM AND LEGALITY:

Joe Caston  
City Attorney

(CITY SEAL)

CITY OF FORNEY, TEXAS

Don T. Cates  
Mayor

ATTEST:

Shelly Green  
City Secretary

APPROVED AS TO FORM AND LEGALITY:

Robert K. Hillard  
City Attorney

(CITY SEAL)

CITY OF GARLAND, TEXAS

Ruth Nicholson  
Mayor

ATTEST:

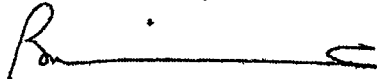
Alice Church  
City Secretary

APPROVED AS TO FORM AND LEGALITY:

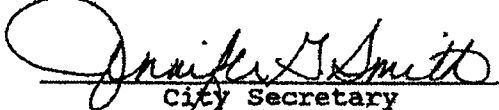
Charles H. Harty  
City Attorney

(CITY SEAL)

CITY OF MCKINNEY, TEXAS

BY   
Mayor

ATTEST:

  
City Secretary

APPROVED AS TO FORM AND LEGALITY:

  
City Attorney

(CITY SEAL)


CITY OF MESQUITE, TEXAS

BY   
Mayor

ATTEST:

  
City Secretary

APPROVED AS TO FORM AND LEGALITY:

  
City Attorney

(CITY SEAL)

CITY OF PLANO, TEXAS

BY   
Mayor



ATTEST:

Jackie Blahely  
City Secretary

APPROVED AS TO FORM AND LEGALITY:

Larry Oltman  
City Attorney

(CITY SEAL)

CITY OF PRINCETON, TEXAS

BY Mary K. Edwards  
Mayor

ATTEST:

Winnie Price  
City Secretary

APPROVED AS TO FORM AND LEGALITY:

Mark H. P.  
City Attorney

(CITY SEAL)

CITY OF RICHARDSON, TEXAS

BY Charles Spann  
Mayor

ATTEST:

Paula Miller  
City Secretary

APPROVED AS TO FORM AND LEGALITY

Peter S. Smith  
City Attorney

(CITY SEAL)

CITY OF ROCKWALL, TEXAS

BY *John R. Miller*  
Mayor

ATTEST:

*Mary Nichols*  
City Secretary

APPROVED AS TO FORM AND LEGALITY

*Robert*  
City Attorney

(CITY SEAL)

CITY OF ROYSE CITY, TEXAS

*Ann Buckner*  
Mayor

ATTEST:

*Doris Williams*  
City Secretary

APPROVED AS TO FORM AND LEGALITY:

*Robert*  
City Attorney

(CITY SEAL)

CITY OF WYLIE, TEXAS

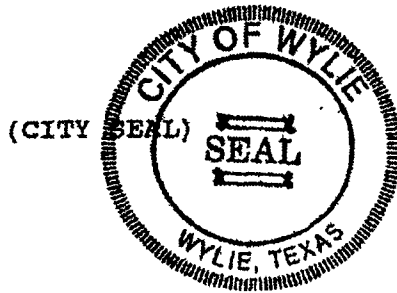
*[Signature]*  
Mayor

ATTEST:

*Carolyn Jones*  
City Secretary

APPROVED AS TO FORM AND LEGALITY

*Robert L. Dillard III*  
City Attorney *P65*



# **ATTACHMENT C**

## **North Texas Municipal Water District's September 28, 2018 Announcement of FY2019 Rate Increase to Petitioning Cities**



**NORTH TEXAS MUNICIPAL  
WATER DISTRICT**

*Regional Service Through Unity*

September 28, 2018

Mr. Dan Johnson  
City Manager  
City of Richardson  
P. O. Box 830309  
Richardson, TX 75083

RE: 2018-19 Annual Budget Charges

Dear Mr. Johnson:

The 2018-19 Annual Budget was approved by the NTMWD Board of Directors at the September 2018 Board Meeting. The water rate is being adjusted from \$2.78 to \$2.92 per 1,000 gallons, the excess water rate is being adjusted from 40.0¢ to 42.0¢ per 1,000 gallons and the City's Minimum Annual Demand is 11,019,311,000 gallons for 2018-19. Enclosed are the 2018-19 Budget Summary and Billing Schedules for the following charges:

• Regional Water System	\$ 32,176,388.12
• Regional Wastewater System	\$ 7,598,138.00
• Upper East Fork Interceptor System	\$ 3,986,487.00
• Regional Solid Waste System	\$ 4,016,288.00

The NTMWD Board of Director's goal is to continue to provide an effective, responsible level of service while maintaining a reasonable cost to the cities. Your continued cooperation and support will allow the District to maintain an excellent level of service.

Mr. Dan Johnson  
City Manager  
City of Richardson  
September 28, 2018, Page Two

Should you have any questions or need additional information, please contact Erik Felthous, Assistant Deputy - Finance, by email at [efelthous@ntmwd.com](mailto:efelthous@ntmwd.com).

Sincerely,

  
THOMAS W. KULA  
Executive Director / General Manager

TWK/EAF/dtf  
Enclosures

cc: John Murphy, Director, NTMWD  
John Sweeden, Director, NTMWD  
Keith Dagen, Director of Finance  
Darryl Fourte, Director of Public Services  
Don Magner, First Assistant City Manager  
Travis Switzer, Assistant Director of Public Services – Environmental Operations

**REGIONAL WATER SYSTEM  
BUDGET SUMMARY  
September 27, 2018**

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2017-18 Budget Change	2018-19 PROPOSED	2018-19 Budget Change
<b>Revenues:</b>							
Treated Water Sales							
Members	\$ 209,429,504	\$ 233,740,290	\$ 264,183,739	\$ 260,107,618	-1.5%	\$ 285,621,847	8.1%
Customers	43,114,579	48,832,124	55,208,745	56,002,362	1.4%	60,361,183	9.3%
Retail Customers	21,688	21,514	20,000	20,000	0.0%	20,000	0.0%
Raw Water Sales	2,086	1,462	2,780	1,500	-48.0%	2,805	0.9%
Total	252,567,857	282,595,390	319,415,265	316,131,479	-1.0%	346,005,835	8.3%
Other Charges							
Administrative	5,068,955	4,775,460	4,111,990	4,111,990	0.0%	4,823,180	17.3%
IT Services	130,197	753,913	1,011,760	983,245	-2.8%	1,008,485	-0.3%
Laboratory	2,133,305	2,325,340	1,891,990	1,891,990	0.0%	2,135,645	12.9%
Maintenance & Technical Services	1,087,468	1,300,530	1,103,500	1,234,405	11.9%	1,592,270	44.3%
Permitting	538,555	580,775	364,525	364,525	0.0%	516,880	41.8%
Regulatory Compliance	240,115	637,825	242,030	242,030	0.0%	220,995	-8.7%
Research & Development	590,935	667,485	585,090	585,090	0.0%	669,975	14.5%
Safety	-	-	387,980	387,980	0.0%	445,175	11.9%
Inspectors	1,899,884	2,107,694	2,090,000	2,527,000	20.9%	2,656,500	27.1%
Other	780,965	1,005,763	367,711	474,531	28.1%	276,995	-24.7%
Total	12,470,379	14,154,784	12,166,676	12,812,786	5.3%	14,346,100	17.9%
Interest Income	80,182	192,825	144,000	412,335	186.3%	432,950	200.7%
Total	\$ 265,118,418	\$ 296,942,999	\$ 331,725,840	\$ 329,356,600	-0.7%	\$ 360,784,885	8.8%
<b>Expenditures:</b>							
Personnel							
Salaries & Wages	26,363,934	29,073,914	32,815,570	32,670,225	-0.4%	36,373,130	10.8%
Other	12,483,943	13,532,369	14,007,855	14,565,415	4.0%	15,124,200	8.0%
Total	38,847,878	42,606,283	46,823,425	47,235,640	0.9%	51,497,330	10.0%
Supplies							
Fuel	346,034	364,497	451,890	407,290	-9.8%	508,370	12.5%
Chemicals	19,864,911	19,387,857	25,385,285	27,824,755	9.6%	27,862,830	9.8%
Other	5,058,555	6,305,100	5,848,085	6,178,155	5.6%	6,756,695	15.5%
Total	25,269,500	26,057,454	31,685,060	34,410,200	8.6%	35,127,895	10.9%
Services							
Power	13,116,950	14,462,476	16,541,160	13,341,700	-19.3%	17,548,645	6.1%
Water Purchases	2,662,651	3,195,449	5,614,880	3,839,660	35.2%	7,843,335	39.7%
Other	20,238,718	22,398,272	24,291,095	24,439,155	0.6%	24,410,765	0.5%
Total	36,018,320	40,057,197	46,447,135	41,420,505	-10.8%	49,802,745	7.2%
Capital Outlay	2,770,231	2,788,715	2,272,500	2,304,745	1.4%	1,527,460	-32.8%
Escrow - Rsv for Maint	-	50,000.00	50,000	50,000	0.0%	50,000	0.0%
Capital Improvement Fund	76,902,555	67,255,000	68,185,000	77,325,000	13.4%	48,600,000	-28.7%
Debt Service	85,053,349	111,769,284	136,128,740	123,625,410	-9.2%	173,843,115	27.7%
Special Projects	-	530,674	95,000	63,500	-33.2%	120,000	26.3%
Total	\$ 264,861,832	\$ 291,114,606	\$ 331,686,860	\$ 326,435,000	-1.6%	\$ 360,568,545	8.7%
Revenues Over / (Under) Expenditures	256,586	5,828,393	38,980	2,921,600	na	216,340	na

# REGIONAL WATER SYSTEM MEMBERS

## 2018 - 19 BILLING SCHEDULE

	ALLEN	FARMERSVILLE	FORNEY	FRISCO	GARLAND	MCKINNEY	MESQUITE	PLANO	PRINCETON	RICHARDSON	ROCKWALL	ROYSE CITY	WYLIE	TOTAL
MINIMUM ANNUAL DEMAND (1,000 Gal)	6,011,208	280,467	1,956,185	10,986,490	13,721,955	11,963,029	8,297,666	26,719,809	535,076	11,019,311	3,953,622	493,325	1,877,558	97,815,701
OCTOBER	\$1,462,719.36	\$68,246.64	\$475,994.20	\$2,673,370.80	\$3,338,998.60	\$2,911,000.68	\$2,019,095.72	\$6,501,811.28	\$130,199.92	\$2,681,362.12	\$962,037.24	\$120,036.00	\$456,866.36	\$23,801,738.92
NOVEMBER	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,368.00	962,049.00	120,043.00	456,873.00	23,801,828.00
DECEMBER	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,368.00	962,049.00	120,043.00	456,873.00	23,801,828.00
JANUARY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,368.00	962,049.00	120,043.00	456,873.00	23,801,828.00
FEBRUARY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,368.00	962,049.00	120,043.00	456,873.00	23,801,828.00
MARCH	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,368.00	962,049.00	120,043.00	456,873.00	23,801,828.00
APRIL	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,368.00	962,049.00	120,043.00	456,873.00	23,801,828.00
MAY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,368.00	962,049.00	120,043.00	456,873.00	23,801,828.00
JUNE	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,368.00	962,049.00	120,043.00	456,873.00	23,801,828.00
JULY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,368.00	962,049.00	120,043.00	456,873.00	23,801,828.00
AUGUST	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,368.00	962,049.00	120,043.00	456,873.00	23,801,828.00
SEPTEMBER	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,368.00	962,049.00	120,043.00	456,873.00	23,801,828.00
TOTAL	17,552,727.36	818,963.64	5,712,060.20	32,080,550.80	40,068,108.60	34,932,044.68	24,229,184.72	78,021,542.28	1,562,421.92	32,178,388.12	11,544,576.24	1,440,509.00	5,482,469.36	285,621,846.92



**REGIONAL WASTEWATER SYSTEM  
BUDGET SUMMARY  
September 27, 2018**

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2017-18 Budget Change	2018-19 PROPOSED	2018-19 Budget Change
<b>Revenues.</b>							
Wastewater Sales							
Members	\$ 52,019,552	\$ 56,204,243	\$ 62,156,830	\$ 61,679,665	0.77%	\$ 67,986,690	9.4%
Customers	2,237,238	1,333,326	1,721,500	1,847,830	7.34%	2,037,170	18.3%
Total	54,256,789	57,537,569	63,878,330	63,527,495	0.55%	70,023,860	9.6%
Other Charges							
Other	615,427	668,429	580,470	631,995	8.88%	571,735	-1.5%
Total	615,427	668,429	580,470	631,995	8.88%	571,735	-1.5%
Interest Income	24,493	47,159	40,525	118,055	191.31%	62,715	54.8%
Total	<u>\$ 54,896,710</u>	<u>\$ 58,253,157</u>	<u>\$ 64,499,325</u>	<u>\$ 64,277,545</u>	0.34%	<u>\$ 70,658,310</u>	9.5%
<b>Expenditures:</b>							
Personnel							
Salaries & Wages	6,966,529	7,221,964	8,081,040	7,748,160	-4.12%	8,436,090	4.4%
Other	3,316,684	3,648,024	3,699,840	3,806,110	2.87%	3,876,715	4.8%
Total	10,283,213	10,869,987	11,780,880	11,554,270	-1.92%	12,312,805	4.5%
Supplies							
Fuel	435,262	376,775	593,690	493,690	-16.84%	562,170	5.3%
Chemicals	4,852,383	4,390,856	4,886,285	4,906,330	0.41%	5,044,645	3.2%
Other	2,922,505	3,176,231	2,785,540	3,025,840	8.63%	3,036,550	9.0%
Total	8,210,150	7,943,863	8,265,515	8,425,860	1.94%	8,643,365	4.6%
Services							
Power	2,788,573	2,485,553	2,960,000	2,894,500	-2.21%	3,247,600	9.7%
Other	12,616,172	13,376,281	13,301,425	13,162,880	-1.04%	14,682,665	10.4%
Total	15,404,745	15,861,834	16,261,425	16,057,380	-1.25%	17,930,265	10.3%
Capital Outlay	2,133,701	882,488	1,623,500	1,674,400	3.14%	1,928,300	18.8%
Escrow							
Reserve for Maintenance	100,000	-	-	-	na	432,750	na
Preventive Maintenance	-	-	-	-	na	200,000	na
Capital Improvement Fund	630,630	-	-	-	na	750,000	na
Debt Service	18,134,270	22,694,985	26,568,005	26,565,635	-0.01%	28,460,825	7.1%
Special Projects	-	-	-	-	na	-	na
Total	<u>\$ 54,896,710</u>	<u>\$ 58,253,157</u>	<u>\$ 64,499,325</u>	<u>\$ 64,277,545</u>	-0.34%	<u>\$ 70,658,310</u>	9.5%
Revenues Over / (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	na	<u>-</u>	na

**REGIONAL WASTEWATER SYSTEM  
MEMBER CITY CHARGES  
September 27, 2018**

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2018-19 PROPOSED
<b>Member City Charges:</b>					
Allen	\$ 4,561,141	\$ 5,054,815	\$ 5,742,710	\$ 5,271,260	\$ 5,811,354
Forney	1,522,571	1,581,689	1,646,469	1,842,066	2,030,804
Frisco	2,025,456	2,503,674	2,674,772	2,802,785	3,089,958
Heath	811,786	817,993	890,948	822,255	906,502
McKinney	9,614,868	10,055,202	11,439,759	10,904,959	12,022,279
Mesquite	7,968,638	8,342,185	9,128,040	9,453,603	10,422,220
Plano	16,653,164	17,994,200	20,126,753	19,139,003	21,099,982
Princeton	442,887	514,418	538,274	613,500	676,358
Prosper	733,680	908,037	1,021,833	980,550	1,081,017
Richardson	5,688,739	5,929,765	6,525,420	6,891,886	7,598,138
Rockwall	1,083,525	1,373,136	1,176,378	1,797,385	1,981,545
Seagoville	913,097	1,129,131	1,245,474	1,160,313	1,266,533
<b>Total</b>	<b>\$ 52,019,552</b>	<b>\$ 56,204,243</b>	<b>\$ 62,156,830</b>	<b>\$ 61,679,665</b>	<b>\$ 67,986,690</b>
<b>Cost per 1,000</b>	<b>\$ 1.54</b>	<b>\$ 1.91</b>	<b>\$ 2.11</b>	<b>\$ 1.96</b>	<b>\$ 2.14</b>

**Flows (1,000):**

Allen	2,953,688	2,647,091	2,726,407	9.239%	2,686,254	8.546%	2,713,117	8.548%
Forney	985,981	828,294	781,677	2.649%	938,724	2.987%	948,111	2.987%
Frisco	1,311,638	1,311,117	1,269,874	4.303%	1,428,310	4.544%	1,442,593	4.545%
Heath	525,694	428,364	422,986	1.433%	419,024	1.333%	423,214	1.333%
McKinney	6,226,363	5,265,679	5,431,136	18.405%	5,557,208	17.680%	5,812,780	17.683%
Mesquite	5,160,303	4,368,611	4,333,625	14.685%	4,817,592	15.327%	4,865,768	15.330%
Plano	10,784,198	9,423,151	9,555,370	32.381%	9,753,308	31.030%	9,850,841	31.035%
Princeton	286,803	269,388	255,551	0.866%	312,642	0.985%	315,768	0.995%
Prosper	475,114	475,518	485,125	1.644%	499,692	1.590%	504,689	1.590%
Richardson	3,683,894	3,105,282	3,098,006	10.498%	3,512,182	11.174%	3,547,304	11.176%
Rockwall	701,665	719,080	558,497	1.893%	915,954	2.814%	925,114	2.915%
Seagoville	591,300	591,300	591,300	2.004%	591,300	1.881%	591,300	1.883%
<b>Total</b>	<b>33,686,641</b>	<b>29,432,876</b>	<b>29,509,554</b>	<b>100.000%</b>	<b>31,432,190</b>	<b>100.000%</b>	<b>31,740,599</b>	<b>100.000%</b>

# REGIONAL WASTEWATER SYSTEM

## 2018-19 BILLING SCHEDULE

	ALLEN	FORNEY	FRISCO	HEATH	MCKINNEY	MESQUITE	PLANO	PRINCETON	PROSPER	RICHARDSON	ROCKWALL	SEAGOVILLE	TOTAL
OCTOBER	\$968,554	\$338,464	\$514,988	\$151,082	\$2,003,709	\$1,737,030	\$3,518,862	\$112,718	\$180,167	\$1,266,348	\$330,255	\$211,083	\$11,331,080
NOVEMBER	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
DECEMBER	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
JANUARY	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
FEBRUARY	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
MARCH	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
APRIL	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
MAY	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
JUNE	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
JULY	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
AUGUST	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
TOTAL	<u>\$5,811,354</u>	<u>\$2,030,804</u>	<u>\$3,089,958</u>	<u>\$908,502</u>	<u>\$12,022,279</u>	<u>\$10,422,220</u>	<u>\$21,099,982</u>	<u>\$676,358</u>	<u>\$1,081,017</u>	<u>\$7,598,138</u>	<u>\$1,981,545</u>	<u>\$1,266,533</u>	<u>\$87,986,690</u>

UPPER EAST FORK INTERCEPTOR SYSTEM  
BUDGET SUMMARY  
September 27, 2018

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2017-18 Budget Change	2018-19 PROPOSED	2018-19 Budget Change
<b>Revenues</b>							
Wastewater Sales							
Members	\$ 23,318,567	\$ 27,642,363	\$ 31,805,395	\$ 31,591,435	-0.7%	\$ 34,124,830	7.3%
Customers	1,328,447	882,125	1,206,830	1,389,950	15.2%	1,403,150	16.3%
Total	24,648,014	28,524,487	33,012,225	32,981,385	-0.1%	35,527,980	7.6%
Transfer from PM Escrow	-	-	845,450	845,450	0.0%	-	-100.0%
Other	164,258	165,566	195,480	206,340	5.6%	234,100	19.8%
Interest Income	5,852	20,904	20,775	40,250	83.7%	33,550	61.5%
Total	\$ 24,818,124	\$ 28,710,957	\$ 34,073,930	\$ 34,073,425	0.0%	\$ 35,795,630	5.1%
<b>Expenditures:</b>							
Personnel							
Salaries & Wages	982,771	1,171,370	1,271,060	1,368,885	7.7%	1,428,885	12.4%
Other	531,874	486,538	618,475	644,685	4.2%	672,345	8.7%
Total	1,514,646	1,657,908	1,889,535	2,013,570	6.6%	2,101,230	11.2%
Supplies							
Fuel	37,171	47,080	43,080	63,080	46.4%	51,290	19.1%
Chemicals	1,837,137	2,037,956	2,153,310	2,185,175	1.5%	2,316,210	7.6%
Other	530,199	518,221	567,270	621,530	9.6%	652,925	15.1%
Total	2,404,507	2,603,256	2,763,660	2,869,785	3.8%	3,020,425	9.3%
Services							
Power	1,463,178	1,252,578	1,375,000	1,375,000	0.0%	1,334,100	3.0%
Other	3,420,768	4,510,911	4,651,175	4,508,825	-3.1%	5,503,035	18.3%
Total	4,883,945	5,763,489	6,026,175	5,883,825	-2.4%	6,837,135	13.5%
Capital Outlay	405,461	139,763	290,000	203,350	-29.9%	235,000	-19.0%
Escrow							
Preventative Maintenance	-	1,000,000	-	-	na	-	na
Rsv for Maintenance	-	-	-	-	na	58,030	na
Total	-	1,000,000	-	-	na	58,030	na
Capital Improvement Fund	2,593,620	-	200,000	200,000	0.0%	550,000	175.0%
Debt Service	13,015,945	17,546,540	22,904,560	22,905,095	0.0%	22,993,810	0.4%
Special Projects	-	-	-	-	na	-	na
Total	\$ 24,818,124	\$ 28,710,957	\$ 34,073,930	\$ 34,073,425	0.0%	\$ 35,795,630	5.1%
Revenues Over/(Under) Expenditures	-	-	-	-	na	-	na

UPPER EAST FORK INTERCEPTOR SYSTEM  
MEMBER CITY CHARGES  
September 27, 2018

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2018-19 PROPOSED
<b>Member City Charges:</b>					
Allen	\$ 2,786,032	\$ 3,352,619	\$ 3,915,567	\$ 3,697,660	\$ 3,995,317
Frisco	1,237,190	1,661,369	1,823,747	1,956,192	2,124,352
McKinney	5,872,944	6,667,273	7,800,001	7,649,976	8,265,340
Plano	10,172,072	11,933,309	13,723,076	13,426,269	14,506,279
Princeton	270,519	341,259	367,013	430,379	464,998
Prosper	500,929	672,940	762,711	731,070	782,057
Richardson	2,478,660	3,013,593	3,413,280	3,689,689	3,986,487
Total	<u>\$ 23,318,567</u>	<u>\$ 27,642,363</u>	<u>\$ 31,805,395</u>	<u>\$ 31,591,435</u>	<u>\$ 34,124,830</u>
Cost per 1,000	\$ 0.94	\$ 1.27	\$ 1.44	\$ 1.38	\$ 1.47

**Flows (1,000):**

Allen	2,953,688	2,647,091	2,726,407	12.311%	2,686,254	11.705%	2,713,117	11.708%
Frisco	1,311,638	1,311,117	1,269,874	5.734%	1,426,310	6.224%	1,442,593	6.225%
McKinney	6,226,363	5,265,679	5,431,136	24.524%	5,557,208	24.215%	5,812,780	24.221%
Plano	10,784,198	9,423,151	9,555,370	43.147%	9,753,308	42.500%	9,850,841	42.509%
Princeton	286,803	269,389	255,551	1.154%	312,642	1.362%	315,768	1.363%
Prosper	531,075	531,075	531,075	2.398%	531,075	2.314%	531,075	2.292%
Richardson	2,628,064	2,379,287	2,376,665	10.732%	2,660,318	11.679%	2,707,121	11.682%
Total	<u>24,721,829</u>	<u>21,826,789</u>	<u>22,146,078</u>	100.000%	<u>22,949,115</u>	100.000%	<u>23,173,295</u>	100.000%

# UPPER EAST FORK INTERCEPTOR SYSTEM

## 2018-19 BILLING SCHEDULE

	<u>ALLEN</u>	<u>FRISCO</u>	<u>MCKINNEY</u>	<u>PLANO</u>	<u>PRINCETON</u>	<u>PROSPER</u>	<u>RICHARDSON</u>	<u>TOTAL</u>
OCTOBER	\$665,877	\$354,052	\$1,377,550	\$2,417,709	\$77,498	\$130,337	\$664,407	\$5,687,430
NOVEMBER	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
DECEMBER	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
JANUARY	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
FEBRUARY	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
MARCH	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
APRIL	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
MAY	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
JUNE	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
JULY	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
AUGUST	<u>332,944</u>	<u>177,030</u>	<u>688,779</u>	<u>1,208,857</u>	<u>38,750</u>	<u>65,172</u>	<u>332,208</u>	<u>2,843,740</u>
TOTAL	<u>\$3,995,317</u>	<u>\$2,124,352</u>	<u>\$8,265,340</u>	<u>\$14,506,279</u>	<u>\$464,998</u>	<u>\$782,057</u>	<u>\$3,986,487</u>	<u>\$34,124,830</u>

**REGIONAL SOLID WASTE SYSTEM  
BUDGET SUMMARY  
September 27, 2018**

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2017-18 Budget Change	2018-19 PROPOSED
<b>Revenues:</b>						
Solid Waste Sales						
Members	\$ 23,313,045	\$ 24,669,171	\$ 25,856,330	\$ 24,700,160	-4.5%	\$ 26,116,955
Customers	4,402,391	6,091,050	5,467,725	5,507,105	0.7%	5,631,755
Total	27,715,436	30,760,220	31,324,055	30,207,265	-3.6%	31,748,710
Other Charges						
Sludge Disposal	2,835,493	3,184,844	3,132,900	3,169,430	1.2%	3,215,615
Composting	472,902	516,197	586,800	536,800	-8.5%	555,280
Other	181,312	501,028	787,750	1,408,685	78.8%	1,749,930
Total	3,489,706	4,202,068	4,507,450	5,114,915	13.5%	5,520,825
Interest Income	8,404	22,512	18,630	55,690	199.8%	32,210
Total	\$ 31,213,546	\$ 34,984,800	\$ 35,850,135	\$ 35,377,870	-1.3%	\$ 37,301,745
<b>Expenditures:</b>						
Personnel						
Salaries & Wages	6,683,772	7,276,064	7,304,235	7,271,185	-0.5%	7,755,610
Other	3,191,457	3,488,565	3,456,525	3,547,885	2.6%	3,620,870
Total	9,875,230	10,762,629	10,760,760	10,819,070	0.5%	11,376,480
Supplies						
Fuel	1,700,012	1,541,959	2,212,780	1,593,665	-28.0%	2,359,610
Chemicals	38,002	53,168	162,500	102,515	-36.9%	136,500
Other	1,929,073	1,728,880	1,847,460	1,987,745	7.6%	2,097,165
Total	3,667,086	3,324,008	4,222,740	3,683,925	-12.8%	4,593,275
Services						
Power	178,731	183,886	141,000	184,210	30.8%	139,200
Other	6,323,988	6,838,692	6,118,730	6,342,495	3.7%	6,454,750
Total	6,502,719	7,022,578	6,259,730	6,526,705	4.3%	6,593,950
Capital Outlay	4,355,691	4,379,721	4,726,600	4,508,895	-4.6%	4,697,500
Escrow						
Rsv for Maint	50,000	50,000	50,000	50,000	0.0%	50,000
Equip Replacement	600,000	50,000	1,681,765	1,681,765	0.0%	1,280,000
Total	650,000	100,000	1,731,765	1,731,765	0.0%	1,330,000
Capital Improvement Fund	980,000	3,779,500	1,360,000	1,360,000	0.0%	1,733,000
Debt Service	5,182,820	5,616,365	6,748,540	6,749,510	0.0%	6,937,540
Special Projects	-	-	40,000	-	-100.0%	40,000
Total	\$ 31,213,546	\$ 34,984,800	\$ 35,850,135	\$ 35,377,870	-1.3%	\$ 37,301,745
Revenues Over / (Under) Expenditures	-	-	-	-	NA	-

REGIONAL SOLID WASTE SYSTEM  
MEMBER CITY CHARGES  
September 27, 2018

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2018-19 PROPOSED
<b><u>Member City Charges:</u></b>					
Allen	\$ 2,270,890	\$ 2,415,852	\$ 2,539,834	\$ 2,468,399	\$ 2,578,379
Frisco	3,846,652	4,095,082	4,646,915	4,273,607	4,632,767
McKinney	4,958,917	5,381,333	5,452,259	5,380,796	5,647,893
Plano	8,310,401	8,805,414	9,074,795	8,804,561	9,241,628
Richardson	3,926,383	3,971,490	4,142,527	3,772,777	4,016,288
Total	<u>\$ 23,313,045</u>	<u>\$ 24,669,171</u>	<u>\$ 25,856,330</u>	<u>\$ 24,700,160</u>	<u>\$ 26,116,955</u>
Cost per Ton	\$ 36.62	\$ 37.92	\$ 38.25	\$ 37.17	\$ 38.25

**Billing Tons**

Allen	62,009	63,712	66,408	8.623%	66,408	8.983%	67,408
Frisco	105,051	108,003	121,501	17.872%	114,974	17.302%	121,117
McKinney	135,425	141,923	142,558	21.087%	144,761	21.784%	147,656
Plano	226,949	232,227	237,275	35.097%	236,872	35.846%	241,609
Richardson	107,223	104,738	108,313	16.021%	101,500	15.274%	105,000
Total	<u>636,657</u>	<u>650,603</u>	<u>676,055</u>	<u>100.000%</u>	<u>664,515</u>	<u>100.000%</u>	<u>682,790</u>



**Regional Solid Waste System  
Member Charge Allocation**

September 27, 2018

**I Bond Service Component - Contributing Weight**

**A Actual Tons 5 Year Average Tons**

	Allen	Frisco	McKinney	Plano	Richardson	Total
FY13	53,445	80,723	123,928	189,673	88,485	536,254
FY14	55,142	86,152	127,467	206,079	90,028	564,868
FY15	59,591	100,371	138,488	212,070	102,357	612,877
FY16	62,009	105,051	135,425	226,949	107,223	636,657
FY17	63,712	108,003	141,923	232,227	104,738	650,603
Average	58,780	96,060	133,446	213,400	98,566	600,252

**B 25% of Largest Year Tons**

	Allen	Frisco	McKinney	Plano	Richardson
Year	FY17	FY17	FY17	FY17	FY00
Tons	63,712	108,003	141,923	232,227	117,032
25%	15,928	27,001	35,481	58,057	29,258

**C Greater of 5 Year Average Tons or 25% of Largest Year Tons**

	Allen	Frisco	McKinney	Plano	Richardson	Total
Tons	58,780	96,060	133,446	213,400	98,566	600,252
Allocation	9.7925%	16.0033%	22.2317%	35.5517%	16.4208%	100.0000%

**II Operations and Maintenance Component - Estimated Contributing Weight**

	Allen	Frisco	McKinney	Plano	Richardson	Total
Tons	67,408	121,117	147,656	241,609	105,000	682,790
Allocation	9.8724%	17.7385%	21.6254%	35.3856%	15.3781%	100.0000%

**III FY19 Budget Member Charges**

**A Components**

	Bond	O&M	Total
Expenditures	\$ 6,937,540	\$ 30,364,205	\$ 37,301,745
Other Revenues	\$ (6,937,540)	\$ (4,247,250)	\$ (11,184,790)
Total	\$ -	\$ 26,116,955	\$ 26,116,955

**B Bond Service Component Charge**

	Allen	Frisco	McKinney	Plano	Richardson	Total
Allocation	9.7925%	16.0033%	22.2317%	35.5517%	16.4208%	100.0000%
Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**C Operations & Maintenance Component Charge**

	Allen	Frisco	McKinney	Plano	Richardson	Total
Allocation	9.8724%	17.7385%	21.6254%	35.3856%	15.3781%	100.0000%
Charges	\$ 2,578,379	\$ 4,632,767	\$ 5,647,893	\$ 9,241,628	\$ 4,016,287	\$ 26,116,955

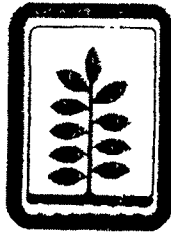
**D Total Charges**

	Allen	Frisco	McKinney	Plano	Richardson	Total
Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
O&M	\$ 2,578,379	\$ 4,632,767	\$ 5,647,893	\$ 9,241,628	\$ 4,016,287	\$ 26,116,955
Total	\$ 2,578,379	\$ 4,632,767	\$ 5,647,893	\$ 9,241,628	\$ 4,016,287	\$ 26,116,955

# REGIONAL SOLID WASTE SYSTEM

## 2018-19 BILLING SCHEDULE

	<u>ALLEN</u>	<u>FRISCO</u>	<u>MCKINNEY</u>	<u>PLANO</u>	<u>RICHARDSON</u>	<u>TOTAL</u>
OCTOBER	\$429,729	\$772,127	\$941,313	\$1,540,268	\$669,378	\$4,352,815
NOVEMBER	214,865	386,064	470,658	770,136	334,691	2,176,414
DECEMBER	214,865	386,064	470,658	770,136	334,691	2,176,414
JANUARY	214,865	386,064	470,658	770,136	334,691	2,176,414
FEBRUARY	214,865	386,064	470,658	770,136	334,691	2,176,414
MARCH	214,865	386,064	470,658	770,136	334,691	2,176,414
APRIL	214,865	386,064	470,658	770,136	334,691	2,176,414
MAY	214,865	386,064	470,658	770,136	334,691	2,176,414
JUNE	214,865	386,064	470,658	770,136	334,691	2,176,414
JULY	214,865	386,064	470,658	770,136	334,691	2,176,414
AUGUST	<u>214,865</u>	<u>386,064</u>	<u>470,658</u>	<u>770,136</u>	<u>334,691</u>	<u>2,176,414</u>
TOTAL	<u>\$2,578,379</u>	<u>\$4,632,767</u>	<u>\$5,647,893</u>	<u>\$9,241,628</u>	<u>\$4,016,288</u>	<u>\$26,116,955</u>



*DK*

*Kars*

**NORTH TEXAS MUNICIPAL  
WATER DISTRICT**

*Regional Service Through Unity*

September 28, 2018

Mr. Bruce Glasscock  
City Manager  
City of Plano  
P. O. Box 860358  
Plano, TX 75086-0358

RE: 2018-19 Annual Budget Charges

Dear Mr. Glasscock:

The 2018-19 Annual Budget was approved by the NTMWD Board of Directors at the September 2018 Board Meeting. The water rate is being adjusted from \$2.78 to \$2.92 per 1,000 gallons, the excess water rate is being adjusted from 40.0¢ to 42.0¢ per 1,000 gallons and the City's Minimum Annual Demand is 26,719,809,000 gallons for 2018-19. Enclosed are the 2018-19 Budget Summary and Billing Schedules for the following charges:

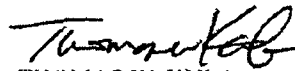
• Regional Water System	\$ 78,021,842.28
• Regional Wastewater System	\$ 21,099,982.00
• Upper East Fork Interceptor System	\$ 14,506,279.00
• Regional Solid Waste System	\$ 9,241,628.00
• Plano Water Transmission Facilities	\$ 4,000.00
• Wastewater Pretreatment Program	\$ 32,498.00

The NTMWD Board of Director's goal is to continue to provide an effective, responsible level of service while maintaining a reasonable cost to the cities. Your continued cooperation and support will allow the District to maintain an excellent level of service.

Mr. Bruce Glasscock  
City Manager  
City of Plano  
September 28, 2018, Page Two

Should you have any questions or need additional information, please contact Erik Felthous, Assistant Deputy - Finance by email at [efelthous@ntmwd.com](mailto:efelthous@ntmwd.com).

Sincerely,



THOMAS W. KULA  
Executive Director / General Manager

TWK/EAF/df  
Enclosures

cc: Phil Dyer, Director, NTMWD  
Rod Hogan, Director, NTMWD  
Denise Tacke, Finance Director  
Karen Rhodes-Whitley, Budget Director  
Gerald Cosgrove, Director of Public Works  
Ryan Delzell, Environmental Waste Services Manager

**REGIONAL WATER SYSTEM  
BUDGET SUMMARY  
September 27, 2018**

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2017-18 Budget Change	2018-19 PROPOSED	2018-19 Budget Change
<b>Revenues:</b>							
Treated Water Sales							
Members	\$ 209,429,504	\$ 233,740,290	\$ 264,183,739	\$ 260,107,618	1.6%	\$ 265,621,847	4.1%
Customers	43,114,579	48,832,124	55,208,745	58,002,362	1.4%	60,361,183	9.3%
Retail Customers	21,688	21,514	20,000	20,000	0.0%	20,000	0.0%
Raw Water Sales	2,066	1,462	2,780	1,500	-46.0%	2,805	0.9%
Total	252,567,857	282,595,390	319,415,265	316,131,479	-1.0%	346,005,835	8.3%
Other Charges							
Administrative	5,068,955	4,775,450	4,111,990	4,111,990	0.0%	4,823,180	17.3%
IT Services	130,197	753,913	1,011,760	983,245	2.8%	1,008,485	-0.3%
Laboratory	2,133,305	2,325,340	1,891,990	1,891,990	0.0%	2,135,645	12.9%
Maintenance & Technical Services	1,087,468	1,300,530	1,103,500	1,234,405	11.8%	1,592,270	44.3%
Permitting	538,555	580,775	364,525	364,525	0.0%	516,880	41.8%
Regulatory Compliance	240,115	637,825	242,030	242,030	0.0%	220,995	-8.7%
Research & Development	590,935	667,485	585,090	585,090	0.0%	669,975	14.5%
Safety	-	-	397,980	397,980	0.0%	445,175	11.9%
Inspectors	1,899,884	2,107,694	2,090,000	2,527,000	20.9%	2,655,500	27.1%
Other	780,965	1,005,763	367,711	474,531	28.1%	276,995	-24.7%
Total	12,470,379	14,154,784	12,166,576	12,812,786	5.3%	14,346,100	17.0%
Interest Income	80,182	192,625	144,000	412,335	188.3%	432,950	200.7%
Total	\$ 265,118,418	\$ 296,942,999	\$ 331,725,840	\$ 329,356,600	-0.7%	\$ 360,794,885	8.6%
<b>Expenditures:</b>							
Personnel							
Salaries & Wages	26,363,934	29,073,914	32,815,570	32,670,225	-0.4%	36,373,130	10.8%
Other	12,483,943	13,532,369	14,007,855	14,565,415	4.0%	15,124,200	8.0%
Total	38,847,878	42,606,283	46,823,425	47,235,640	0.9%	51,497,330	10.0%
Supplies							
Fuel	346,034	364,497	451,690	407,290	9.8%	508,370	12.5%
Chemicals	19,864,911	19,387,857	25,385,285	27,824,755	9.6%	27,862,830	9.8%
Other	5,058,555	6,305,100	5,848,085	6,178,155	5.6%	6,756,695	15.5%
Total	25,269,500	26,057,454	31,685,060	34,410,200	8.8%	35,127,895	10.8%
Services							
Power	13,118,950	14,462,476	16,541,160	13,341,700	-19.3%	17,548,645	6.1%
Water Purchases	2,662,651	3,195,449	5,614,880	3,639,650	-36.2%	7,843,335	39.7%
Other	20,238,718	22,399,272	24,291,095	24,439,155	0.6%	24,410,765	0.5%
Total	36,018,320	40,057,197	46,447,135	41,420,505	-10.8%	49,802,745	7.2%
Capital Outlay	2,770,231	2,788,715	2,272,500	2,304,745	1.4%	1,527,460	32.8%
Escrow - Rsv for Maint	-	60,000.00	50,000	50,000	0.0%	50,000	0.0%
Capital Improvement Fund	76,902,555	67,256,000	68,185,000	77,325,000	13.4%	48,600,000	28.7%
Debt Service	85,053,349	111,769,284	136,128,740	123,625,410	-9.2%	173,843,115	27.7%
Special Projects	-	530,674	95,000	63,500	-33.2%	120,000	28.3%
Total	\$ 264,881,832	\$ 291,114,606	\$ 331,686,860	\$ 326,435,000	-1.6%	\$ 360,568,545	8.7%
Revenues Over / (Under) Expenditures	256,586	5,828,393	38,880	2,921,600	na	216,340	na

# REGIONAL WATER SYSTEM MEMBERS

## 2018 - 19 BILLING SCHEDULE

	ALLEN	FARMERSVILLE	FORNEY	FRISCO	GARLAND	MCKINNEY	MESQUITE	PLANO	PRINCETON	RICHARDSON	ROCKWALL	ROYSE CITY	WYLIE	TOTAL
MINIMUM ANNUAL DEMAND (1,000 Gal)	6,011,208	260,467	1,956,185	10,986,490	13,721,955	11,963,029	8,297,666	26,719,809	535,076	11,019,311	3,953,622	493,325	1,877,558	97,815,701
OCTOBER	\$1,482,719.36	\$68,246.64	\$475,994.20	\$2,673,370.80	\$3,336,998.60	\$2,911,000.64	\$2,019,095.72	\$6,501,811.28	\$130,199.92	\$2,681,382.12	\$962,037.24	\$120,036.00	\$456,866.36	\$23,801,828.92
NOVEMBER	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
DECEMBER	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
JANUARY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
FEBRUARY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
MARCH	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
APRIL	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
MAY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
JUNE	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
JULY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
AUGUST	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
SEPTEMBER	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
TOTAL	17,552,727.36	818,983.64	5,712,060.20	32,080,550.80	40,068,108.60	34,832,044.68	24,229,184.72	78,021,842.28	1,562,421.92	32,178,388.12	11,544,576.24	1,440,509.00	5,482,468.36	285,021,846.92

**REGIONAL WASTEWATER SYSTEM  
BUDGET SUMMARY  
September 27, 2018**

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2017-18 Budget Change	2018-19 PROPOSED	2018-19 Budget Change
<b>Revenues:</b>							
Wastewater Sales.							
Members	\$ 52,019,552	\$ 56,204,243	\$ 62,156,830	\$ 61,679,665	-0.77%	\$ 67,986,690	9.4%
Customers	2,237,238	1,333,326	1,721,500	1,847,830	7.34%	2,037,170	10.3%
Total	54,256,789	57,537,569	63,878,330	63,527,495	-0.55%	70,023,860	9.6%
Other Charges							
Other	615,427	668,429	580,470	631,995	8.88%	571,735	-1.5%
Total	615,427	668,429	580,470	631,995	8.88%	571,735	-1.5%
Interest Income	24,493	47,169	40,525	118,055	191.31%	62,715	54.6%
Total	<u>\$ 54,896,710</u>	<u>\$ 58,253,157</u>	<u>\$ 64,499,325</u>	<u>\$ 64,277,545</u>	-0.34%	<u>\$ 70,658,310</u>	9.5%
<b>Expenditures:</b>							
Personnel							
Salaries & Wages	6,966,529	7,221,964	8,081,040	7,748,160	-4.12%	8,436,090	4.4%
Other	3,316,684	3,648,024	3,699,840	3,806,110	2.87%	3,876,715	1.8%
Total	10,283,213	10,869,987	11,780,880	11,554,270	-1.92%	12,312,805	4.5%
Supplies							
Fuel	435,262	376,775	593,690	493,890	-16.84%	562,170	-5.3%
Chemicals	4,852,383	4,390,856	4,886,285	4,906,330	0.41%	5,044,645	3.2%
Other	2,922,505	3,176,231	2,785,540	3,025,840	8.63%	3,036,550	0.0%
Total	8,210,150	7,943,863	8,265,515	8,425,860	1.94%	8,643,365	2.6%
Services							
Power	2,788,573	2,485,553	2,960,000	2,894,500	-2.21%	3,247,600	9.7%
Other	12,616,172	13,376,281	13,301,425	13,162,880	-1.04%	14,682,665	10.4%
Total	15,404,745	15,861,834	16,261,425	16,057,380	-1.25%	17,930,265	10.3%
Capital Outlay	2,133,701	882,488	1,623,500	1,674,400	3.14%	1,928,300	15.0%
Escrow							
Reserve for Maintenance	100,000	-	-	-	na	432,750	na
Preventive Maintenance	-	-	-	-	na	200,000	na
Capital Improvement Fund	630,630	-	-	-	na	750,000	na
Debt Service	18,134,270	22,694,985	26,568,005	26,565,635	-0.01%	28,460,825	7.1%
Special Projects	-	-	-	-	na	-	na
Total	<u>\$ 54,896,710</u>	<u>\$ 58,253,157</u>	<u>\$ 64,499,325</u>	<u>\$ 64,277,545</u>	-0.34%	<u>\$ 70,658,310</u>	9.5%
Revenues Over / (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	na	<u>-</u>	na

**REGIONAL WASTEWATER SYSTEM  
MEMBER CITY CHARGES  
September 27, 2018**

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2018-19 PROPOSED
<b>Member City Charges:</b>					
Allen	\$ 4,561,141	\$ 5,054,815	\$ 5,742,710	\$ 5,271,260	\$ 5,811,354
Forney	1,522,571	1,581,689	1,646,469	1,842,066	2,030,804
Frisco	2,025,456	2,503,674	2,674,772	2,802,785	3,089,958
Heath	811,788	817,993	890,948	822,255	906,502
McKinney	9,614,868	10,055,202	11,439,759	10,904,959	12,022,279
Mesquite	7,968,838	8,342,185	9,128,040	9,453,603	10,422,220
Plano	16,653,164	17,994,200	20,126,753	19,139,003	21,099,982
Princeton	442,887	514,418	538,274	613,500	676,358
Prosper	733,680	908,037	1,021,833	980,550	1,081,017
Richardson	5,688,739	5,929,765	6,525,420	6,891,986	7,598,138
Rockwall	1,083,525	1,373,136	1,176,378	1,797,385	1,981,545
Seagoville	913,097	1,129,131	1,245,474	1,160,313	1,266,533
<b>Total</b>	<b>\$ 52,019,552</b>	<b>\$ 56,204,243</b>	<b>\$ 62,156,830</b>	<b>\$ 61,679,665</b>	<b>\$ 67,986,690</b>
<b>Cost per 1,000</b>	<b>\$ 1.54</b>	<b>\$ 1.91</b>	<b>\$ 2.11</b>	<b>\$ 1.96</b>	<b>\$ 2.14</b>

**Flows (1,000):**

Allen	2,953,688	2,647,091	2,726,407	8.739%	2,686,254	8.546%	2,713,117	8.548%
Forney	885,981	828,294	781,677	2.649%	938,724	2.987%	948,111	2.987%
Frisco	1,311,638	1,311,117	1,269,874	4.303%	1,428,310	4.544%	1,442,593	4.545%
Heath	525,694	428,364	422,886	1.453%	419,024	1.333%	423,214	1.383%
McKinney	6,226,363	5,265,679	5,431,136	18.405%	5,557,208	17.680%	5,612,780	17.683%
Mesquite	5,160,303	4,368,611	4,333,625	14.665%	4,817,592	15.327%	4,865,768	15.330%
Plano	10,784,198	9,423,151	9,555,370	32.381%	9,753,308	31.030%	9,850,841	31.035%
Princeton	286,803	269,389	255,551	0.866%	312,642	0.995%	315,768	0.995%
Prosper	475,114	475,518	485,125	1.644%	499,692	1.590%	504,689	1.590%
Richardson	3,683,894	3,105,282	3,098,006	10.498%	3,512,182	11.174%	3,547,304	11.176%
Rockwall	701,665	719,080	558,497	1.893%	915,954	2.914%	925,114	2.915%
Seagoville	591,300	591,300	591,300	2.004%	591,300	1.881%	591,300	1.863%
<b>Total</b>	<b>33,686,641</b>	<b>29,432,876</b>	<b>29,509,554</b>	<b>100.000%</b>	<b>31,432,190</b>	<b>100.000%</b>	<b>31,740,599</b>	<b>100.000%</b>



# REGIONAL WASTEWATER SYSTEM

## 2018-19 BILLING SCHEDULE

	ALLEN	FORNEY	FRISCO	HEATH	MCKINNEY	MESQUITE	PLANO	PRINCETON	PROSPER	RICHARDSON	ROCKWALL	SEAGOVILLE	TOTAL
OCTOBER	\$968,554	\$338,464	\$514,988	\$151,082	\$2,003,709	\$1,737,030	\$3,516,862	\$112,718	\$180,167	\$1,286,348	\$330,255	\$211,083	\$11,331,060
NOVEMBER	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
DECEMBER	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
JANUARY	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
FEBRUARY	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
MARCH	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
APRIL	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
MAY	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
JUNE	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
JULY	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
AUGUST	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
TOTAL	<u>\$5,811,354</u>	<u>\$2,030,804</u>	<u>\$3,089,958</u>	<u>\$906,502</u>	<u>\$12,022,279</u>	<u>\$10,422,220</u>	<u>\$21,099,982</u>	<u>\$676,358</u>	<u>\$1,081,017</u>	<u>\$7,598,138</u>	<u>\$1,981,545</u>	<u>\$1,266,533</u>	<u>\$67,986,660</u>

UPPER EAST FORK INTERCEPTOR SYSTEM  
BUDGET SUMMARY  
September 27, 2018

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2017-18 Budget Change	2018-19 PROPOSED	2018-19 Budget Change
<b>Revenues:</b>							
Wastewater Sales							
Members	\$ 23,318,567	\$ 27,642,363	\$ 31,805,395	\$ 31,591,435	-0.7%	\$ 34,124,830	7.3%
Customers	1,329,447	882,125	1,206,830	1,389,950	15.2%	1,403,150	16.3%
Total	24,648,014	28,524,487	33,012,225	32,981,385	-0.1%	35,527,980	7.6%
Transfer from PM Escrow	-	-	845,450	845,450	0.0%	-	-100.0%
Other	164,258	165,566	195,480	206,340	5.6%	234,100	19.8%
Interest Income	5,852	20,904	20,775	40,250	63.7%	33,550	61.5%
Total	\$ 24,818,124	\$ 28,710,957	\$ 34,073,930	\$ 34,073,425	0.0%	\$ 35,795,630	5.1%
<b>Expenditures:</b>							
Personnel:							
Salaries & Wages	982,771	1,171,370	1,271,060	1,368,685	7.7%	1,428,865	12.4%
Other	531,874	486,538	618,475	644,685	4.2%	672,345	8.7%
Total	1,514,646	1,657,908	1,889,535	2,013,370	6.6%	2,101,230	11.2%
Supplies:							
Fuel	37,171	47,060	43,080	63,080	46.4%	51,290	19.1%
Chemicals	1,837,137	2,037,956	2,153,310	2,185,175	1.5%	2,316,210	7.6%
Other	530,199	518,221	567,270	621,530	9.6%	652,925	15.1%
Total	2,404,507	2,603,258	2,763,660	2,869,785	3.8%	3,020,425	9.3%
Services:							
Power	1,463,178	1,252,578	1,375,000	1,375,000	0.0%	1,334,100	-3.0%
Other	3,420,768	4,510,911	4,651,175	4,506,825	-3.1%	5,503,035	18.3%
Total	4,883,945	5,763,489	6,026,175	5,881,825	-2.4%	6,837,135	13.5%
Capital Outlay	405,461	139,763	290,000	203,350	-29.8%	235,000	-12.0%
Escrow							
Preventative Maintenance	-	1,000,000	-	-	na	-	na
Rsv for Maintenance	-	-	-	-	na	58,030	na
Total	-	1,000,000	-	-	na	58,030	na
Capital Improvement Fund	2,593,620	-	200,000	200,000	0.0%	550,000	175.0%
Debt Service	13,015,945	17,546,540	22,904,560	22,905,095	0.0%	22,993,810	0.4%
Special Projects	-	-	-	-	na	-	na
Total	\$ 24,818,124	\$ 28,710,957	\$ 34,073,930	\$ 34,073,425	0.0%	\$ 35,795,630	5.1%
Revenues Over/(Under) Expenditures	-	-	-	-	na	-	na

UPPER EAST FORK INTERCEPTOR SYSTEM  
MEMBER CITY CHARGES  
September 27, 2018

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2018-19 PROPOSED
<b>Member City Charges:</b>					
Allen	\$ 2,786,032	\$ 3,352,619	\$ 3,915,567	\$ 3,697,860	\$ 3,995,317
Frisco	1,237,190	1,661,369	1,823,747	1,966,192	2,124,352
McKinney	5,872,944	6,667,273	7,800,001	7,649,976	8,265,340
Plano	10,172,072	11,933,309	13,723,076	13,426,269	14,506,279
Princeton	270,519	341,259	367,013	430,379	464,988
Prosper	500,929	672,940	762,711	731,070	782,057
Richardson	2,478,880	3,013,593	3,413,280	3,689,689	3,986,487
Total	<u>\$ 23,318,567</u>	<u>\$ 27,642,363</u>	<u>\$ 31,805,395</u>	<u>\$ 31,591,435</u>	<u>\$ 34,124,830</u>
Cost per 1,000	\$ 0.94	\$ 1.27	\$ 1.44	\$ 1.38	\$ 1.47

**Flows (1,000):**

Allen	2,953,688	2,647,091	2,726,407	12.311%	2,686,254	11.765%	2,713,117	11.708%
Frisco	1,311,638	1,311,117	1,269,874	5.734%	1,428,310	6.224%	1,442,593	6.225%
McKinney	6,226,363	5,265,679	5,431,136	24.524%	5,557,206	24.215%	5,612,780	24.221%
Plano	10,784,198	9,423,151	9,555,370	43.147%	9,753,308	42.500%	9,850,841	42.506%
Princeton	286,803	269,389	255,551	1.154%	312,642	1.362%	315,768	1.363%
Prosper	531,075	531,075	531,075	2.388%	531,075	2.314%	531,075	2.282%
Richardson	2,628,064	2,379,287	2,376,665	10.732%	2,680,318	11.676%	2,707,121	11.682%
Total	<u>24,721,829</u>	<u>21,826,789</u>	<u>22,146,078</u>	100.000%	<u>22,949,115</u>	100.000%	<u>23,173,295</u>	100.000%

# UPPER EAST FORK INTERCEPTOR SYSTEM

## 2018-19 BILLING SCHEDULE

	<u>ALLEN</u>	<u>FRISCO</u>	<u>MCKINNEY</u>	<u>PLANO</u>	<u>PRINCETON</u>	<u>PROSPER</u>	<u>RICHARDSON</u>	<u>TOTAL</u>
OCTOBER	\$665,877	\$354,052	\$1,377,550	\$2,417,709	\$77,498	\$130,337	\$664,407	\$5,687,430
NOVEMBER	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
DECEMBER	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
JANUARY	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
FEBRUARY	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
MARCH	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
APRIL	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
MAY	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
JUNE	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
JULY	332,944	177,030	688,779	1,208,857	38,750	65,172	332,208	2,843,740
AUGUST	<u>332,944</u>	<u>177,030</u>	<u>688,779</u>	<u>1,208,857</u>	<u>38,750</u>	<u>65,172</u>	<u>332,208</u>	<u>2,843,740</u>
TOTAL	<u>\$3,995,317</u>	<u>\$2,124,352</u>	<u>\$8,265,340</u>	<u>\$14,506,279</u>	<u>\$464,998</u>	<u>\$782,057</u>	<u>\$3,986,487</u>	<u>\$34,124,830</u>

REGIONAL SOLID WASTE SYSTEM  
BUDGET SUMMARY  
September 27, 2018

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2017-18 Budget Change	2018-19 PROPOSED
<b>Revenues:</b>						
Solid Waste Sales						
Members	\$ 23,313,045	\$ 24,669,171	\$ 25,856,330	\$ 24,700,160	-4.6%	\$ 26,116,955
Customers	4,402,391	6,091,050	5,467,725	5,507,105	0.7%	5,631,755
Total	27,715,436	30,760,220	31,324,055	30,207,265	-3.6%	31,748,710
Other Charges						
Sludge Disposal	2,835,493	3,184,844	3,132,900	3,169,430	1.2%	3,215,615
Composting	472,902	516,197	586,800	536,800	-8.5%	555,280
Other	181,312	501,028	787,750	1,408,685	78.8%	1,749,930
Total	3,489,706	4,202,068	4,507,450	5,114,915	13.5%	5,520,825
Interest Income	8,404	22,512	18,630	55,690	188.8%	32,210
Total	\$ 31,213,546	\$ 34,984,800	\$ 35,850,135	\$ 35,377,870	-1.3%	\$ 37,301,745
<b>Expenditures:</b>						
Personnel						
Salaries & Wages	6,683,772	7,276,064	7,304,235	7,271,185	-0.5%	7,755,610
Other	3,191,457	3,486,565	3,456,525	3,547,885	2.6%	3,620,870
Total	9,875,230	10,762,629	10,760,760	10,819,070	0.6%	11,376,480
Supplies						
Fuel	1,700,012	1,541,959	2,212,780	1,593,665	-28.0%	2,359,610
Chemicals	38,002	53,168	162,500	102,515	-36.9%	136,500
Other	1,829,073	1,728,880	1,847,460	1,987,745	7.6%	2,097,165
Total	3,667,086	3,324,008	4,222,740	3,683,925	-12.6%	4,593,275
Services						
Power	178,731	183,886	141,000	184,210	30.6%	139,200
Other	6,323,968	6,838,692	6,118,730	6,342,495	3.7%	6,454,750
Total	6,502,719	7,022,578	6,259,730	6,526,705	4.2%	6,593,950
Capital Outlay	4,355,691	4,379,721	4,726,600	4,506,895	-4.6%	4,697,500
Escrow						
Res for Maint	50,000	50,000	50,000	50,000	0.0%	50,000
Equip Replacement	600,000	50,000	1,681,765	1,681,765	0.0%	1,280,000
Total	650,000	100,000	1,731,765	1,731,765	0.0%	1,330,000
Capital Improvement Fund	980,000	3,779,500	1,360,000	1,360,000	0.0%	1,733,000
Debt Service	5,182,820	5,616,385	6,748,540	6,749,510	0.0%	6,937,540
Special Projects	-	-	40,000	-	100.0%	40,000
Total	\$ 31,213,546	\$ 34,984,800	\$ 35,850,135	\$ 35,377,870	-1.3%	\$ 37,301,745
Revenues Over / (Under) Expenditures	-	-	-	-	na	-

REGIONAL SOLID WASTE SYSTEM  
MEMBER CITY CHARGES  
September 27, 2018

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2018-19 PROPOSED
<b><u>Member City Charges:</u></b>					
Allen	\$ 2,270,690	\$ 2,415,852	\$ 2,539,834	\$ 2,468,399	\$ 2,578,379
Frisco	3,846,652	4,095,082	4,646,915	4,273,607	4,632,767
McKinney	4,958,917	5,381,333	5,452,259	5,380,796	5,647,893
Piano	8,340,401	8,805,414	9,074,795	8,804,581	9,241,628
Richardson	3,926,383	3,971,490	4,142,527	3,772,777	4,016,288
Total	<u>\$ 23,313,045</u>	<u>\$ 24,669,171</u>	<u>\$ 25,856,330</u>	<u>\$ 24,700,160</u>	<u>\$ 26,116,955</u>
Cost per Ton	\$ 36.62	\$ 37.92	\$ 38.25	\$ 37.17	\$ 38.25
<b><u>Billing Tons:</u></b>					
Allen	62,009	63,712	66,408	66,408	67,408
Frisco	105,051	108,003	121,501	114,974	121,117
McKinney	135,425	141,923	142,558	144,761	147,656
Piano	226,949	232,227	237,275	238,872	241,809
Richardson	107,223	104,738	108,313	101,500	105,000
Total	<u>636,657</u>	<u>650,603</u>	<u>676,055</u>	<u>664,515</u>	<u>682,790</u>

**Regional Solid Waste System  
Member Charge Allocation**

September 27, 2018

**I Bond Service Component - Contributing Weight**

**A. Actual Tons 5 Year Average Tons**

	Allen	Frisco	McKinney	Plano	Richardson	Total
FY13	53,445	80,723	123,928	189,673	88,485	536,254
FY14	55,142	86,152	127,467	206,079	90,028	564,868
FY15	59,591	100,371	138,488	212,070	102,357	612,877
FY16	62,009	105,051	135,425	226,949	107,223	636,657
FY17	63,712	108,003	141,923	232,227	104,738	650,603
Average	58,780	96,060	133,446	213,400	98,566	600,252

**B 25% of Largest Year Tons**

	Allen	Frisco	McKinney	Plano	Richardson
Year	FY17	FY17	FY17	FY17	FY00
Tons	63,712	108,003	141,923	232,227	117,032
25%	15,928	27,001	35,481	58,057	29,258

**C Greater of 5 Year Average Tons or 25% of Largest Year Tons**

	Allen	Frisco	McKinney	Plano	Richardson	Total
Tons	58,780	96,060	133,446	213,400	98,566	600,252
Allocation	9.7925%	16.0033%	22.2317%	35.5517%	16.4208%	100.0000%

**II. Operations and Maintenance Component - Estimated Contributing Weight**

	Allen	Frisco	McKinney	Plano	Richardson	Total
Tons	67,408	121,117	147,656	241,609	105,000	682,790
Allocation	9.8724%	17.7385%	21.6254%	35.3856%	15.3781%	100.0000%

**III FY19 Budget Member Charges**

**A Components**

	Bond	O&M	Total
Expenditures	\$ 6,937,540	\$ 30,364,205	\$ 37,301,745
Other Revenues	\$ (6,937,540)	\$ (4,247,250)	\$ (11,184,790)
Total	\$ -	\$ 26,116,955	\$ 26,116,955

**B. Bond Service Component Charge**

	Allen	Frisco	McKinney	Plano	Richardson	Total
Allocation	9.7925%	16.0033%	22.2317%	35.5517%	16.4208%	100.0000%
Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**C. Operations & Maintenance Component Charge**

	Allen	Frisco	McKinney	Plano	Richardson	Total
Allocation	9.8724%	17.7385%	21.6254%	35.3856%	15.3781%	100.0000%
Charges	\$ 2,578,379	\$ 4,632,767	\$ 5,647,893	\$ 9,241,628	\$ 4,016,287	\$ 26,116,955

**D. Total Charges**

	Allen	Frisco	McKinney	Plano	Richardson	Total
Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
O&M	\$ 2,578,379	\$ 4,632,767	\$ 5,647,893	\$ 9,241,628	\$ 4,016,287	\$ 26,116,955
Total	\$ 2,578,379	\$ 4,632,767	\$ 5,647,893	\$ 9,241,628	\$ 4,016,287	\$ 26,116,955

# REGIONAL SOLID WASTE SYSTEM

## 2018-19 BILLING SCHEDULE

	<u>ALLEN</u>	<u>FRISCO</u>	<u>MCKINNEY</u>	<u>PLANO</u>	<u>RICHARDSON</u>	<u>TOTAL</u>
OCTOBER	\$429,729	\$772,127	\$941,313	\$1,540,268	\$669,378	\$4,352,815
NOVEMBER	214,865	386,064	470,658	770,136	334,691	2,176,414
DECEMBER	214,865	386,064	470,658	770,136	334,691	2,176,414
JANUARY	214,865	386,064	470,658	770,136	334,691	2,176,414
FEBRUARY	214,865	386,064	470,658	770,136	334,691	2,176,414
MARCH	214,865	386,064	470,658	770,136	334,691	2,176,414
APRIL	214,865	386,064	470,658	770,136	334,691	2,176,414
MAY	214,865	386,064	470,658	770,136	334,691	2,176,414
JUNE	214,865	386,064	470,658	770,136	334,691	2,176,414
JULY	214,865	386,064	470,658	770,136	334,691	2,176,414
AUGUST	<u>214,865</u>	<u>386,064</u>	<u>470,658</u>	<u>770,136</u>	<u>334,691</u>	<u>2,176,414</u>
TOTAL	<u>\$2,578,379</u>	<u>\$4,632,767</u>	<u>\$5,647,893</u>	<u>\$9,241,628</u>	<u>\$4,016,288</u>	<u>\$26,116,955</u>



SEWER SYSTEM  
DETAIL LISTING  
202 PLANO WATER TRANSMISSION FACILITIES  
September 27, 2018

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2018-19 PROPOSED
<b>Revenues:</b>					
Sewer Sales					
Water Facilities	\$ 745,234	\$ 243,576	\$ 8,870	\$ 5,895 -33.5%	\$ 4,000 -54.8%
Sewer Facilities	-	-	-	- na	- na
Interceptor Facilities	-	-	-	- na	- na
Total	745,234	243,576	8,870	5,895 -33.5%	4,000 -54.9%
Other Charges:					
Effluent	-	-	-	- na	- na
Lease	-	-	-	- na	- na
Pretreatment	-	-	-	- na	- na
Debt Acquisition	-	-	-	- na	- na
Transfer from Reserve for Maintenance	-	-	-	3,000 na	- na
Other	-	-	-	- na	- na
Total	-	-	-	3,000 na	- na
Interest Income	102	150	105	70 -33.3%	- -100.0%
Total	\$ 745,336	\$ 243,726	\$ 8,975	\$ 8,965 -0.1%	\$ 4,000 -55.4%
<b>Expenditures:</b>					
Personnel:					
Salaries & Wages	-	-	-	- na	- na
Other	-	-	-	- na	- na
Total	-	-	-	- na	- na
Supplies:					
Fuel	-	-	-	- na	- na
Chemicals	-	-	-	- na	- na
Other	-	-	1,000	1,000 0.0%	1,000 0.0%
Total	-	-	1,000	1,000 0.0%	1,000 0.0%
Services:					
Power	-	-	-	- na	- na
Other	1	486	3,465	2,615 -24.5%	3,000 -13.4%
Total	1	486	3,465	2,615 -24.5%	3,000 -13.4%
Capital Outlay	-	-	-	- na	- na
Escrow					
Reserve for Maintenance	-	-	-	- na	- na
Equipment Replacement	-	-	-	- na	- na
Total	-	-	-	- na	- na
Capital Improvement Fund	-	-	-	- na	- na
Debt Service	745,335	243,240	4,510	5,350 18.6%	- -100.0%
Special Projects	-	-	-	- na	- na
Total	\$ 745,336	\$ 243,726	\$ 8,975	\$ 8,965 -0.1%	\$ 4,000 -55.4%
Revenues Over / (Under) Expenditures	-	-	-	- na	- na

PLANO WATER TRANSMISSION FACILITIES

2018-19 BILLING SCHEDULE

OCTOBER	\$660
NOVEMBER	334
DECEMBER	334
JANUARY	334
FEBRUARY	334
MARCH	334
APRIL	334
MAY	334
JUNE	334
JULY	334
AUGUST	<u>334</u>
TOTAL	<u><u>\$4,000</u></u>

**SEWER SYSTEM  
DETAIL LISTING  
604 WASTEWATER PRETREATMENT PROGRAM  
September 27, 2018**

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2018-19 PROPOSED
<b>Revenues:</b>					
Sewer Sales					
Water Facilities	-	-	-	- n/a	- n/a
Sewer Facilities	-	-	-	- n/a	- n/a
Interceptor Facilities	-	-	-	- n/a	- n/a
Total	-	-	-	- n/a	- n/a
Other Charges:					
Effluent	-	-	-	- n/a	- n/a
Lease	-	-	-	- n/a	- n/a
Pretreatment	\$ 755,648	\$ 889,535	\$ 947,715	\$ 963,475 1.7%	\$ 1,022,435 7.8%
Debt Acquisition	-	-	-	- n/a	- n/a
Other	19,191	11,500	-	- n/a	- n/a
Total	774,839	881,035	947,715	963,475 1.7%	1,022,435 7.8%
Interest Income	576	1,681	1,345	2,490 85.1%	2,615 94.4%
Total	\$ 775,415	\$ 882,725	\$ 949,060	\$ 965,965 1.8%	\$ 1,025,050 8.0%
<b>Expenditures:</b>					
Personnel:					
Salaries & Wages	408,347	409,968	450,140	452,760 0.6%	472,600 5.0%
Other	160,734	181,458	199,455	213,740 7.2%	231,365 18.0%
Total	569,081	591,426	649,595	666,500 2.6%	703,965 8.4%
Supplies:					
Fuel	2,650	3,571	6,840	6,840 0.0%	6,840 0.0%
Chemicals	-	-	-	- n/a	- n/a
Other	44,007	26,685	48,315	48,315 0.0%	48,530 0.4%
Total	46,657	30,256	55,155	55,155 0.0%	55,370 0.4%
Services:					
Power	-	-	-	- n/a	- n/a
Other	159,678	261,043	244,310	244,310 0.0%	265,715 8.8%
Total	159,678	261,043	244,310	244,310 0.0%	265,715 8.8%
Capital Outlay	-	-	-	- n/a	- n/a
Escrow					
Reserve for Maintenance	-	-	-	- n/a	- n/a
Equipment Replacement	-	-	-	- n/a	- n/a
Total	-	-	-	- n/a	- n/a
Capital Improvement Fund	-	-	-	- n/a	- n/a
Debt Service	-	-	-	- n/a	- n/a
Special Projects	-	-	-	- n/a	- n/a
Total	\$ 775,415	\$ 882,725	\$ 949,060	\$ 965,965 1.8%	\$ 1,025,050 8.0%
Revenues Over/(Under) Expenditures	-	-	-	- n/a	- n/a

SEWER SYSTEM  
DETAIL LISTING  
604 WASTEWATER PRETREATMENT PROGRAM  
September 27, 2018

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2018-19 PROPOSED
420000-4001 - Allen	\$ 39,389	\$ 53,579	\$ 80,657	\$ 66,693	\$ 74,995
420000-4008 - Forney	24,877	37,951	40,328	42,874	44,997
420000-4009 - Frisco	12,439	13,395	13,443	14,291	14,999
420000-4014 - McKinney	145,118	173,014	192,680	196,506	212,488
420000-4015 - Mesquite	188,590	200,919	201,641	214,370	224,986
420000-4018 - Plano	26,950	29,022	29,126	30,965	32,498
420000-4021 - Rockwall	25,914	44,649	53,771	57,165	59,996
420000-4026 - Seagoville	37,316	40,184	40,328	42,874	44,997
420000-4028 - Sunnyvale	24,877	26,789	26,886	28,583	29,998
420000-4029 - Terrell	155,483	167,433	188,035	178,642	187,488
420000-4031 - Wylie	76,705	82,600	100,820	90,512	94,995
Total	\$ 756,648	\$ 869,535	\$ 947,715	\$ 963,475	\$ 1,022,435
User Months					
Allen	38	48	72	56	60
Forney	24	34	36	36	36
Frisco	12	12	12	12	12
McKinney	140	155	172	165	170
Mesquite	180	180	180	180	180
Plano	26	26	26	26	26
Rockwall	25	40	48	48	48
Seagoville	36	36	36	36	36
Sunnyvale	24	24	24	24	24
Terrell	150	150	150	150	150
Wylie	74	74	90	76	76
Total	728	779	846	809	818

# WASTEWATER PRETREATMENT PROGRAM

## 2018-19 BILLING SCHEDULE

	<u>ALLEN</u>	<u>FORNEY</u>	<u>FRISCO</u>	<u>MCKINNEY</u>	<u>MESQUITE</u>	<u>PLANO</u>	<u>ROCKWALL</u>	<u>SEAGOVILLE</u>	<u>SUNNYVALE</u>	<u>TERRELL</u>	<u>WYLIE</u>	<u>TOTAL</u>
OCTOBER	\$12,495	\$7,497	\$2,499	\$35,406	\$37,496	\$5,408	\$9,996	\$7,497	\$4,998	\$31,248	\$15,825	\$170,365
NOVEMBER	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
DECEMBER	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
JANUARY	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
FEBRUARY	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
MARCH	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
APRIL	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
MAY	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
JUNE	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
JULY	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
AUGUST	<u>6,250</u>	<u>3,750</u>	<u>1,250</u>	<u>17,708</u>	<u>18,749</u>	<u>2,709</u>	<u>5,000</u>	<u>3,750</u>	<u>2,500</u>	<u>15,624</u>	<u>7,917</u>	<u>85,207</u>
TOTAL	<u>\$74,995</u>	<u>\$44,997</u>	<u>\$14,999</u>	<u>\$212,486</u>	<u>\$224,986</u>	<u>\$32,498</u>	<u>\$59,996</u>	<u>\$44,997</u>	<u>\$29,998</u>	<u>\$187,488</u>	<u>\$94,995</u>	<u>\$1,022,435</u>



**NORTH TEXAS MUNICIPAL  
WATER DISTRICT**

*Regional Service Through Unity*

September 28, 2018

Mr. Bryan Bradford  
City Manager  
City of Garland  
P. O. Box 469002  
Garland, TX 75046-9002

RE: 2018-19 Annual Budget Charges

Dear Mr. Bradford:

The 2018-19 Annual Budget was approved by the NTMWD Board of Directors at the September 2018 Board Meeting. The water rate is being adjusted from \$2.78 to \$2.92 per 1,000 gallons, the excess water rate is being adjusted from 40.0¢ to 42.0¢ per 1,000 gallons and the City's Minimum Annual Demand is 13,721,955,000 gallons for 2018-19. Enclosed are the 2018-19 Budget Summary and Billing Schedules for the following charges:

- Regional Water System \$ 40,068,108.60

The NTMWD Board of Director's goal is to continue to provide an effective, responsible level of service while maintaining a reasonable cost to the cities. Your continued cooperation and support will allow the District to maintain an excellent level of service.

Should you have any questions or need additional information, please contact Erik Felthous, Assistant Deputy - Finance, by email at [efelthous@ntmwd.com](mailto:efelthous@ntmwd.com).

Sincerely,

  
THOMAS W. KULA  
Executive Director / General Manager

TWK/EAF/df  
Enclosures

cc: Don Gordon, Director, NTMWD  
Jack May, Director, NTMWD  
Matt Watson, Director of Finance  
Wes Kucera, Managing Director of Water & Wastewater Utilities

**REGIONAL WATER SYSTEM  
BUDGET SUMMARY  
September 27, 2018**

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2017-18 Budget Change	2018-19 PROPOSED	2018-19 Budget Change
<b>Revenues:</b>							
Treated Water Sales							
Members	\$ 209,429,504	\$ 233,740,290	\$ 264,183,739	\$ 260,107,618	-1.5%	\$ 285,621,847	8.1%
Customers	43,114,579	48,832,124	55,208,745	56,002,362	1.4%	60,361,183	9.3%
Retail Customers	21,688	21,514	20,000	20,000	0.0%	20,000	0.0%
Raw Water Sales	2,086	1,462	2,780	1,500	-46.0%	2,805	0.9%
Total	252,567,857	282,595,390	319,415,265	316,131,479	-1.0%	346,005,835	8.3%
Other Charges							
Administrative	5,068,955	4,775,460	4,111,990	4,111,990	0.0%	4,823,180	17.3%
IT Services	130,187	753,913	1,011,760	983,245	-2.8%	1,008,485	-0.3%
Laboratory	2,133,305	2,325,340	1,891,990	1,891,990	0.0%	2,135,645	12.9%
Maintenance & Technical Services	1,087,468	1,300,530	1,103,500	1,234,405	11.9%	1,592,270	44.3%
Permitting	538,555	580,775	364,525	364,525	0.0%	516,880	41.8%
Regulatory Compliance	240,115	637,825	242,030	242,030	0.0%	220,995	-8.7%
Research & Development	590,935	667,485	585,090	585,090	0.0%	669,975	14.5%
Safety	-	-	397,980	397,980	0.0%	445,175	11.9%
Inspectors	1,899,884	2,107,694	2,090,000	2,527,000	20.9%	2,656,500	27.1%
Other	780,965	1,005,763	367,711	474,531	28.1%	276,995	-24.7%
Total	12,470,379	14,154,784	12,168,576	12,812,786	5.3%	14,346,100	17.9%
Interest Income	80,182	192,825	144,000	412,335	185.3%	432,950	200.7%
Total	\$ 265,118,418	\$ 296,942,999	\$ 331,725,840	\$ 329,356,600	-0.7%	\$ 360,784,885	8.8%
<b>Expenditures:</b>							
Personnel							
Salaries & Wages	26,363,934	29,073,914	32,815,570	32,670,225	-0.4%	36,373,130	10.8%
Other	12,483,943	13,532,389	14,007,855	14,665,415	4.0%	15,124,200	8.0%
Total	38,847,878	42,606,283	46,823,425	47,235,640	0.9%	51,497,330	10.0%
Supplies							
Fuel	346,034	364,497	451,690	407,290	-8.8%	508,370	12.5%
Chemicals	19,864,911	19,387,857	25,385,285	27,824,755	9.8%	27,862,830	9.8%
Other	5,058,555	6,305,100	5,848,085	6,178,155	5.6%	6,756,695	15.5%
Total	25,269,500	26,057,454	31,685,060	34,410,200	8.8%	35,127,895	10.8%
Services							
Power	13,116,950	14,462,476	16,541,160	13,341,700	-18.3%	17,548,645	6.1%
Water Purchases	2,662,651	3,195,449	5,614,880	3,639,650	-35.2%	7,843,335	38.7%
Other	20,238,716	22,399,272	24,291,095	24,439,155	0.6%	24,410,765	0.5%
Total	36,018,320	40,057,197	46,447,135	41,420,505	-10.8%	49,802,745	7.2%
Capital Outlay	2,770,231	2,788,715	2,272,500	2,304,745	1.4%	1,527,460	-32.8%
Escrow - Rsv for Maint	-	50,000.00	50,000	50,000	0.0%	50,000	0.0%
Capital Improvement Fund	76,902,555	67,255,000	68,185,000	77,325,000	13.4%	48,600,000	-28.7%
Debt Service	85,053,349	111,769,284	136,128,740	123,625,410	-9.2%	173,843,115	27.7%
Special Projects	-	530,674	95,000	63,500	-33.2%	120,000	26.3%
Total	\$ 264,861,832	\$ 291,114,606	\$ 331,686,860	\$ 326,435,000	-1.6%	\$ 360,568,545	8.7%
Revenues Over / (Under) Expenditures	256,586	5,828,393	38,980	2,921,600	na	216,340	na

# REGIONAL WATER SYSTEM MEMBERS

## 2018 - 19 BILLING SCHEDULE

	ALLEN	FARMERSVILLE	FORNEY	FRISCO	GARLAND	MCKINNEY	MESQUITE	PLANO	PRINCETON	RICHARDSON	ROCKWALL	ROYSE CITY	WYLIE	TOTAL
MINIMUM ANNUAL DEMAND (1,000 Gal)	6,011,208	280,467	1,956,185	10,986,490	13,721,955	11,963,029	8,297,666	26,719,809	535,076	11,019,311	3,953,822	483,325	1,877,558	97,815,701
OCTOBER	\$1,462,719.36	\$68,246.64	\$475,994.20	\$2,673,370.80	\$3,338,998.60	\$2,911,000.68	\$2,019,095.72	\$6,501,811.28	\$130,199.82	\$2,681,362.12	\$962,037.24	\$120,038.00	\$456,866.36	\$23,801,738.92
NOVEMBER	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
DECEMBER	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
JANUARY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
FEBRUARY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
MARCH	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
APRIL	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
MAY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
JUNE	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
JULY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
AUGUST	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
SEPTEMBER	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
TOTAL	17,552,727.36	818,963.64	5,712,060.20	32,080,550.80	40,068,106.60	34,932,044.68	24,229,184.72	78,021,842.28	1,562,421.82	32,176,388.12	11,544,576.24	1,440,509.00	5,482,469.36	285,821,846.92





**NORTH TEXAS MUNICIPAL  
WATER DISTRICT**

*Regional Service Through Unity*

September 28, 2018

Mr. Cliff Keheley  
City Manager  
City of Mesquite  
P. O. Box 850137  
Mesquite, TX 75185-0137

RE: 2018-19 Annual Budget Charges

Dear Mr. Keheley:

The 2018-19 Annual Budget was approved by the NTMWD Board of Directors at the September 2018 Board Meeting. The water rate is being adjusted from \$2.78 to \$2.92 per 1,000 gallons, the excess water rate is being adjusted from 40.0¢ to 42.0¢ per 1,000 gallons and the City's Minimum Annual Demand is 8,297,666,000 gallons for 2018-19. Enclosed are the 2018-19 Budget Summary and Billing Schedules for the following charges:

• Regional Water System	\$ 24,229,184.72
• Regional Wastewater System	\$ 10,422,220.00
• Lower East Fork Interceptor	\$ 1,439,042.00
• Wastewater Pretreatment Program	\$ 224,986.00

The NTMWD Board of Director's goal is to continue to provide an effective, responsible level of service while maintaining a reasonable cost to the cities. Your continued cooperation and support will allow the District to maintain an excellent level of service.

Mr. Cliff Keheley  
City Manager  
City of Mesquite  
September 28, 2018, Page Two

Should you have any questions or need additional information, please contact Erik Felthous, Assistant Deputy - Finance by email at [efelthous@ntmwd.com](mailto:efelthous@ntmwd.com).

Sincerely,

  
THOMAS W. KULA  
Executive Director / General Manager

TWK/EAF/df  
Enclosures

cc: Terry Sam Anderson, Director, NTMWD  
David Paschall, Director, NTMWD  
Debbie Mol, Director of Finance

**REGIONAL WATER SYSTEM  
BUDGET SUMMARY  
September 27, 2018**

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2017-18 Budget Change	2018-19 PROPOSED	2018-19 Budget Change
<b>Revenues</b>							
Treated Water Sales							
Members	\$ 209,429,504	\$ 233,740,290	\$ 264,183,739	\$ 260,107,618	-1.5%	\$ 285,621,847	8.1%
Customers	43,114,579	48,832,124	55,208,745	56,002,362	1.4%	60,381,183	9.3%
Retail Customers	21,688	21,514	20,000	20,000	0.0%	20,000	0.0%
Raw Water Sales	2,086	1,462	2,780	1,500	-48.0%	2,805	0.9%
Total	252,567,857	282,595,390	319,415,265	318,131,479	-1.0%	346,005,835	8.3%
Other Charges							
Administrative	5,068,955	4,775,460	4,111,990	4,111,990	0.0%	4,823,160	17.3%
IT Services	130,197	753,913	1,011,760	983,245	-2.8%	1,008,485	-0.3%
Laboratory	2,133,305	2,325,340	1,891,990	1,891,990	0.0%	2,135,645	12.9%
Maintenance & Technical Services	1,087,468	1,300,530	1,103,500	1,234,405	11.8%	1,592,270	44.3%
Permitting	538,555	580,775	364,525	364,525	0.0%	516,880	41.8%
Regulatory Compliance	240,115	837,825	242,030	242,030	0.0%	220,995	-8.7%
Research & Development	590,935	667,485	585,090	585,090	0.0%	669,975	14.5%
Safety	-	-	397,980	397,980	0.0%	445,175	11.8%
Inspectors	1,899,884	2,107,694	2,090,000	2,527,000	20.9%	2,656,500	27.1%
Other	780,965	1,005,763	367,711	474,531	29.1%	276,995	-24.7%
Total	12,470,379	14,154,784	12,166,576	12,812,786	5.3%	14,346,100	17.9%
Interest Income	80,182	192,825	144,000	412,335	189.3%	432,950	200.7%
Total	\$ 265,118,418	\$ 296,942,999	\$ 331,725,840	\$ 329,356,600	-0.7%	\$ 360,784,885	8.8%
<b>Expenditures:</b>							
Personnel							
Salaries & Wages	26,363,934	29,073,914	32,815,570	32,670,225	-0.4%	36,373,130	10.8%
Other	12,483,943	13,532,369	14,007,855	14,565,415	4.0%	15,124,200	8.0%
Total	38,847,878	42,606,283	46,823,425	47,235,640	0.9%	51,497,330	10.0%
Supplies							
Fuel	346,034	364,497	451,690	407,290	-9.8%	508,370	12.5%
Chemicals	19,864,911	19,387,857	25,385,285	27,824,755	9.6%	27,862,830	9.8%
Other	5,058,555	6,305,100	5,848,085	6,178,155	5.6%	6,756,695	15.5%
Total	25,269,500	26,057,454	31,685,060	34,410,200	8.8%	35,127,895	10.9%
Services							
Power	13,116,950	14,462,476	16,541,160	13,341,700	-18.3%	17,548,645	6.1%
Water Purchases	2,662,651	3,195,449	5,614,880	3,639,650	-35.2%	7,843,335	39.7%
Other	20,238,718	22,399,272	24,291,095	24,439,155	0.6%	24,410,765	0.5%
Total	36,018,320	40,057,197	46,447,135	41,420,505	-10.8%	49,802,745	7.2%
Capital Outlay	2,770,231	2,788,715	2,272,500	2,304,745	1.4%	1,527,460	-32.8%
Escrow - Rsv for Maint	-	50,000.00	50,000	50,000	0.0%	50,000	0.0%
Capital Improvement Fund	76,902,555	67,255,000	68,185,000	77,325,000	13.4%	48,600,000	-28.7%
Debt Service	85,053,349	111,769,284	136,128,740	123,625,410	-8.2%	173,843,115	27.7%
Special Projects	-	530,674	95,000	63,500	-33.2%	120,000	26.3%
Total	\$ 264,861,832	\$ 291,114,606	\$ 331,686,860	\$ 326,435,000	-1.6%	\$ 360,568,545	8.7%
Revenues Over / (Under) Expenditures	256,586	5,828,393	38,980	2,921,600	na	216,340	na

# REGIONAL WATER SYSTEM MEMBERS

## 2018 - 19 BILLING SCHEDULE

	ALLEN	FARMERSVILLE	FORNEY	FRISCO	GARLAND	MCKINNEY	MESQUITE	PLANO	PRINCETON	RICHARDSON	ROCKWALL	ROYSE CITY	WYLIE	TOTAL
MINIMUM ANNUAL DEMAND (1,000 Gal)	6,011,208	290,467	1,956,185	10,966,490	13,721,955	11,963,029	8,287,666	26,719,808	535,076	11,019,311	3,853,622	493,325	1,877,558	97,815,701
OCTOBER	\$1,462,719.36	\$68,246.64	\$475,994.20	\$2,673,370.80	\$3,338,998.60	\$2,911,000.88	\$2,019,095.72	\$6,501,811.28	\$130,199.92	\$2,681,362.12	\$962,037.24	\$120,036.00	\$456,866.36	\$23,801,738.92
NOVEMBER	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
DECEMBER	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
JANUARY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
FEBRUARY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
MARCH	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
APRIL	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
MAY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
JUNE	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
JULY	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
AUGUST	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
SEPTEMBER	1,462,728.00	68,247.00	476,006.00	2,673,380.00	3,339,010.00	2,911,004.00	2,019,099.00	6,501,821.00	130,202.00	2,681,366.00	962,049.00	120,043.00	456,873.00	23,801,828.00
TOTAL	17,552,727.36	818,963.64	5,712,060.20	32,080,550.80	40,068,108.60	34,932,044.68	24,229,184.72	78,021,642.28	1,562,421.92	32,176,388.12	11,544,576.24	1,440,509.00	5,482,469.36	285,621,846.92

**REGIONAL WASTEWATER SYSTEM  
BUDGET SUMMARY  
September 27, 2018**

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2017-18 Budget Change	2018-19 PROPOSED	2018-19 Budget Change
<b>Revenues</b>							
Wastewater Sales							
Members	\$ 52,019,552	\$ 56,204,243	\$ 62,156,830	\$ 61,679,665	-0.77%	\$ 67,986,690	9.4%
Customers	2,237,238	1,333,326	1,721,500	1,847,830	7.34%	2,037,170	18.3%
Total	54,256,789	57,537,569	63,878,330	63,527,495	-0.55%	70,023,860	9.6%
Other Charges							
Other	615,427	668,429	580,470	631,995	8.88%	571,735	1.5%
Total	615,427	668,429	580,470	631,995	8.88%	571,735	1.5%
Interest Income	24,493	47,159	40,525	118,055	191.31%	62,715	54.8%
Total	<u>\$ 54,896,710</u>	<u>\$ 58,253,157</u>	<u>\$ 64,499,325</u>	<u>\$ 64,277,545</u>	0.34%	<u>\$ 70,658,310</u>	9.5%
<b>Expenditures:</b>							
Personnel							
Salaries & Wages	6,966,529	7,221,964	8,081,040	7,748,160	-4.12%	8,436,090	4.4%
Other	3,316,684	3,648,024	3,699,840	3,806,110	2.87%	3,876,715	4.8%
Total	10,283,213	10,869,987	11,780,880	11,554,270	-1.92%	12,312,805	4.5%
Supplies							
Fuel	435,262	376,775	593,690	493,690	-16.84%	562,170	5.3%
Chemicals	4,852,383	4,390,856	4,886,285	4,906,330	0.41%	5,044,645	3.2%
Other	2,922,505	3,176,231	2,785,540	3,025,840	8.63%	3,036,550	0.0%
Total	8,210,150	7,943,863	8,265,515	8,425,860	1.94%	8,643,365	4.6%
Services							
Power	2,788,573	2,485,553	2,960,000	2,894,500	-2.21%	3,247,600	9.7%
Other	12,616,172	13,376,281	13,301,425	13,162,880	-1.04%	14,682,665	10.4%
Total	15,404,745	15,861,834	16,261,425	16,057,380	-1.25%	17,930,265	10.3%
Capital Outlay	2,133,701	882,488	1,623,500	1,674,400	3.14%	1,928,300	18.8%
Escrow							
Reserve for Maintenance	100,000	-	-	-	na	432,750	na
Preventive Maintenance	-	-	-	-	na	200,000	na
Capital Improvement Fund	630,630	-	-	-	na	750,000	na
Debt Service	18,134,270	22,694,985	26,568,005	26,565,635	-0.01%	28,460,825	7.1%
Special Projects	-	-	-	-	na	-	na
Total	<u>\$ 54,896,710</u>	<u>\$ 58,253,157</u>	<u>\$ 64,499,325</u>	<u>\$ 64,277,545</u>	-0.34%	<u>\$ 70,658,310</u>	9.5%
Revenues Over / (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	na	<u>-</u>	na

**REGIONAL WASTEWATER SYSTEM  
MEMBER CITY CHARGES  
September 27, 2018**

	<b>2015-16 ACTUAL</b>	<b>2016-17 ACTUAL</b>	<b>2017-18 BUDGET</b>	<b>2017-18 AMENDED</b>	<b>2018-19 PROPOSED</b>
<b>Member City Charges:</b>					
Allen	\$ 4,561,141	\$ 5,054,815	\$ 5,742,710	\$ 5,271,260	\$ 5,811,354
Forney	1,522,571	1,581,689	1,646,469	1,842,066	2,030,804
Frisco	2,025,456	2,503,674	2,674,772	2,802,785	3,089,958
Heath	811,786	817,993	890,948	822,255	906,502
McKinney	9,614,868	10,055,202	11,439,759	10,904,959	12,022,279
Mesquite	7,968,638	8,342,185	9,128,040	9,453,603	10,422,220
Plano	16,653,164	17,994,200	20,126,753	19,139,003	21,099,982
Princeton	442,887	514,418	538,274	613,500	676,358
Prosper	733,680	908,037	1,021,833	980,550	1,081,017
Richardson	5,688,739	5,929,765	6,525,420	6,891,986	7,598,138
Rockwall	1,083,525	1,373,136	1,176,378	1,797,385	1,981,545
Seagoville	913,097	1,129,131	1,245,474	1,160,313	1,266,533
<b>Total</b>	<b>\$ 52,019,552</b>	<b>\$ 56,204,243</b>	<b>\$ 62,156,830</b>	<b>\$ 61,679,665</b>	<b>\$ 67,986,690</b>
Cost per 1,000	\$ 1 54	\$ 1 91	\$ 2 11	\$ 1 96	\$ 2 14

**Flows (1,000):**

Allen	2,953,688	2,647,091	2,726,407	9 239%	2,686,254	8 546%	2,713,117	8 548%
Forney	985,981	828,294	781,677	2 649%	938,724	2 987%	948,111	2 987%
Frisco	1,311,638	1,311,117	1,269,874	4 303%	1,428,310	4 544%	1,442,593	4 545%
Heath	525,694	428,364	422,986	1 433%	419,024	1 333%	423,214	1 333%
McKinney	6,226,363	5,265,679	5,431,136	18 405%	5,557,208	17 880%	5,612,780	17 683%
Mesquite	5,160,303	4,368,611	4,333,625	14 685%	4,817,592	15 327%	4,865,768	15 330%
Plano	10,784,198	9,423,151	9,555,370	32 381%	9,753,308	31 030%	9,850,841	31 035%
Pnncceton	286,803	269,389	255,551	0 860%	312,642	0 995%	315,768	0 995%
Prosper	475,114	475,518	485,125	1 644%	499,692	1 590%	504,689	1 590%
Richardson	3,683,894	3,105,282	3,098,006	10 498%	3,512,182	11 174%	3,547,304	11 176%
Rockwall	701,665	719,080	558,497	1 893%	915,954	2 914%	925,114	2 915%
Seagoville	591,300	591,300	591,300	2 004%	591,300	1 881%	591,300	1 883%
<b>Total</b>	<b>33,686,641</b>	<b>29,432,876</b>	<b>29,509,554</b>	<b>100 000%</b>	<b>31,432,190</b>	<b>100 000%</b>	<b>31,740,599</b>	<b>100 000%</b>

# REGIONAL WASTEWATER SYSTEM

## 2018-19 BILLING SCHEDULE

	ALLEN	FORNEY	FRISCO	HEATH	MCKINNEY	MESQUITE	PLANO	PRINCETON	PROSPER	RICHARDSON	ROCKWALL	SEAGOVILLE	TOTAL
OCTOBER	\$968,554	\$338,464	\$514,988	\$151,082	\$2,003,709	\$1,737,030	\$3,516,662	\$112,718	\$180,167	\$1,266,348	\$330,255	\$211,083	\$11,331,060
NOVEMBER	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
DECEMBER	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
JANUARY	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
FEBRUARY	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
MARCH	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
APRIL	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
MAY	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
JUNE	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
JULY	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
AUGUST	484,280	169,234	257,497	75,542	1,001,857	868,519	1,758,332	56,364	90,085	633,179	165,129	105,545	\$5,665,563
TOTAL	<u>\$5,811,354</u>	<u>\$2,030,804</u>	<u>\$3,089,958</u>	<u>\$906,502</u>	<u>\$12,022,279</u>	<u>\$10,422,220</u>	<u>\$21,099,982</u>	<u>\$676,358</u>	<u>\$1,081,017</u>	<u>\$7,598,138</u>	<u>\$1,981,545</u>	<u>\$1,266,533</u>	<u>\$67,986,690</u>

**SEWER SYSTEM  
DETAIL LISTING  
503 LOWER EAST FORK INTERCEPTOR  
September 27, 2018**

	<u>2015-16 ACTUAL</u>	<u>2016-17 ACTUAL</u>	<u>2017-18 BUDGET</u>	<u>2017-18 AMENDED</u>	<u>2018-19 PROPOSED</u>
<b>Revenues:</b>					
Sewer Sales					
Water Facilities	-	-	-	- na	- na
Sewer Facilities	-	-	-	- na	- na
Interceptor Facilities	\$ 1,570,994	\$ 1,677,345	\$ 1,856,430	\$ 1,853,335 -0.17%	\$ 1,839,960 -0.9%
Total	1,570,994	1,677,345	1,856,430	1,853,335 -0.17%	1,839,960 0.8%
Other Charges					
Effluent	-	-	-	- na	- na
Lease	-	-	-	- na	- na
Pretreatment	-	-	-	- na	- na
Debt Acquisition	-	-	-	- na	- na
Transfer from Reserve for Maintenance	-	-	-	12,860 na	- na
Other	775	649	-	- na	- na
Total	775	649	-	12,860 na	- na
Interest Income	194	1,471	1,035	3,405 228.0%	3,580 245.9%
Total	<u>\$ 1,571,963</u>	<u>\$ 1,679,465</u>	<u>\$ 1,857,465</u>	<u>\$ 1,869,600 0.7%</u>	<u>\$ 1,843,540 0.7%</u>
<b>Expenditures:</b>					
Personnel					
Salaries & Wages	9,152	9,095	-	- na	- na
Other	945	4,893	-	- na	- na
Total	10,097	13,989	-	- na	- na
Supplies					
Fuel	-	-	-	- na	- na
Chemicals	85,901	45,100	63,790	63,790 0.0%	65,540 2.7%
Other	7,600	18,886	27,350	25,950 -5.1%	45,875 67.7%
Total	93,501	61,786	91,140	89,740 -1.5%	111,415 22.2%
Services					
Power	33,832	25,631	27,500	27,500 0.0%	25,000 9.1%
Other	143,378	304,275	318,590	333,850 4.5%	322,350 0.9%
Total	177,009	329,905	347,090	361,350 4.1%	347,350 0.1%
Capital Outlay	-	-	-	- na	- na
Escrow					
Reserve for Maintenance	2,000	-	-	- na	- na
Preventive Maintenance	-	-	115,000	115,000 0.0%	144,265 25.4%
Total	2,000	-	115,000	115,000 0.0%	144,265 25.4%
Capital Improvement Fund	-	-	-	- na	- na
Debt Service	1,289,365	1,273,785	1,304,235	1,303,510 -0.1%	1,240,510 -4.8%
Special Projects	-	-	-	- na	- na
Total	<u>\$ 1,571,963</u>	<u>\$ 1,679,465</u>	<u>\$ 1,857,465</u>	<u>\$ 1,869,600 0.7%</u>	<u>\$ 1,843,540 -0.7%</u>
Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>- na</u>	<u>- na</u>



SEWER SYSTEM  
DETAIL LISTING  
503 LOWER EAST FORK INTERCEPTOR  
September 27, 2018

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2018-19 PROPOSED
420000-4015 - Mesquite	\$ 1,228,882	\$ 1,311,860	\$ 1,451,924	\$ 1,449,503	\$ 1,439,042
420000-4026 - Seagoville	342,312	365,485	404,506	403,832	400,918
Total	\$ 1,570,994	\$ 1,677,345	\$ 1,856,430	\$ 1,853,335	\$ 1,839,960
Annual Flow (1,000)					
Mesquite	2,711,950	2,711,950	2,711,950	2,711,950	2,711,950
Seagoville	755,550	755,550	755,550	755,550	755,550
Total	3,467,500	3,467,500	3,467,500	3,467,500	3,467,500
				100.000%	100.000%

LOWER EAST FORK INTERCEPTOR

2018-19 BILLING SCHEDULE

	<u>MESQUITE</u>	<u>SEAGOVILLE</u>	<u>TOTAL</u>
OCTOBER	\$239,832	\$66,818	\$306,650
NOVEMBER	119,921	33,410	153,331
DECEMBER	119,921	33,410	153,331
JANUARY	119,921	33,410	153,331
FEBRUARY	119,921	33,410	153,331
MARCH	119,921	33,410	153,331
APRIL	119,921	33,410	153,331
MAY	119,921	33,410	153,331
JUNE	119,921	33,410	153,331
JULY	119,921	33,410	153,331
AUGUST	<u>119,921</u>	<u>33,410</u>	<u>153,331</u>
TOTAL	<u>\$1,439,042</u>	<u>\$400,918</u>	<u>\$1,839,960</u>

**SEWER SYSTEM  
DETAIL LISTING  
604 WASTEWATER PRETREATMENT PROGRAM  
September 27, 2018**

	<u>2015-16 ACTUAL</u>	<u>2016-17 ACTUAL</u>	<u>2017-18 BUDGET</u>	<u>2017-18 AMENDED</u>	<u>2018-19 PROPOSED</u>
<b>Revenues:</b>					
Sewer Sales					
Water Facilities	-	-	-	- na	- na
Sewer Facilities	-	-	-	- na	- na
Interceptor Facilities	-	-	-	- na	- na
Total	-	-	-	- na	- na
Other Charges					
Effluent	-	-	-	- na	- na
Lease	-	-	-	- na	- na
Pretreatment	\$ 755,648	\$ 869,535	\$ 947,715	\$ 963,475 1.7%	\$ 1,022,435 7.9%
Debt Acquisition	-	-	-	- na	- na
Other	19,191	11,500	-	- na	- na
Total	774,839	881,035	947,715	963,475 1.7%	1,022,435 7.9%
Interest Income	576	1,691	1,345	2,490 85.1%	2,815 84.4%
Total	<u>\$ 775,415</u>	<u>\$ 882,725</u>	<u>\$ 949,060</u>	<u>\$ 965,965 1.8%</u>	<u>\$ 1,025,050 8.0%</u>
<b>Expenditures:</b>					
Personnel					
Salaries & Wages	408,347	409,968	450,140	452,760 0.6%	472,600 5.0%
Other	160,734	181,458	199,455	213,740 7.2%	231,365 18.0%
Total	569,081	591,426	649,595	666,500 2.6%	703,965 8.4%
Supplies					
Fuel	2,650	3,571	6,840	6,840 0.0%	6,840 0.0%
Chemicals	-	-	-	- na	- na
Other	44,007	26,685	48,315	48,315 0.0%	48,530 0.4%
Total	46,657	30,256	55,155	55,155 0.0%	55,370 0.4%
Services					
Power	-	-	-	- na	- na
Other	159,676	261,043	244,310	244,310 0.0%	265,715 8.8%
Total	159,676	261,043	244,310	244,310 0.0%	265,715 8.8%
Capital Outlay	-	-	-	- na	- na
Escrow					
Reserve for Maintenance	-	-	-	- na	- na
Equipment Replacement	-	-	-	- na	- na
Total	-	-	-	- na	- na
Capital Improvement Fund	-	-	-	- na	- na
Debt Service	-	-	-	- na	- na
Special Projects	-	-	-	- na	- na
Total	<u>\$ 775,415</u>	<u>\$ 882,725</u>	<u>\$ 949,060</u>	<u>\$ 965,965 1.8%</u>	<u>\$ 1,025,050 8.0%</u>
Revenues Over/(Under) Expenditures	-	-	-	- na	- na

SEWER SYSTEM  
DETAIL LISTING  
604 WASTEWATER PRETREATMENT PROGRAM  
September 27, 2018

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2017-18 AMENDED	2018-19 PROPOSED
420000-4001 - Allen	\$ 39,389	\$ 53,579	\$ 80,657	\$ 66,693	\$ 74,995
420000-4008 - Forney	24,877	37,951	40,328	42,874	44,997
420000-4009 - Frisco	12,439	13,395	13,443	14,291	14,999
420000-4014 - McKinney	145,118	173,014	192,680	196,506	212,486
420000-4015 - Mesquite	186,580	200,919	201,641	214,370	224,986
420000-4018 - Plano	26,950	29,022	29,126	30,965	32,498
420000-4021 - Rockwall	25,914	44,649	53,771	57,165	59,996
420000-4026 - Seagoville	37,318	40,184	40,328	42,874	44,997
420000-4028 - Sunnyvale	24,877	26,789	26,886	28,583	29,998
420000-4029 - Terrell	155,483	167,433	168,035	178,642	187,488
420000-4031 - Wylie	76,705	82,800	100,820	90,512	94,995
Total	\$ 755,646	\$ 869,535	\$ 947,715	\$ 963,475	\$ 1,022,435
User Months					
Allen	38	48	72	6 5%	60 7 2%
Forney	24	34	36	4 3%	36 4 4%
Frisco	12	12	12	1 4%	12 1 5%
McKinney	140	155	172	20 3%	170 20 8%
Mesquite	180	180	180	21 3%	180 22 0%
Plano	26	26	26	3 1%	26 3 2%
Rockwall	25	40	48	6 7%	48 6 8%
Seagoville	36	36	36	4 3%	36 4 4%
Sunnyvale	24	24	24	2 8%	24 2 8%
Terrell	150	150	150	17 7%	150 18 3%
Wylie	74	74	90	10 8%	76 8 3%
Total	729	779	846	100%	818 100%

# WASTEWATER PRETREATMENT PROGRAM

## 2018-19 BILLING SCHEDULE

	<u>ALLEN</u>	<u>FORNEY</u>	<u>FRISCO</u>	<u>MCKINNEY</u>	<u>MESQUITE</u>	<u>PLANO</u>	<u>ROCKWALL</u>	<u>SEAGOVILLE</u>	<u>SUNNYVALE</u>	<u>TERRELL</u>	<u>WYLIE</u>	<u>TOTAL</u>
OCTOBER	\$12,495	\$7,497	\$2,499	\$35,406	\$37,496	\$5,408	\$9,996	\$7,497	\$4,998	\$31,248	\$15,825	\$170,365
NOVEMBER	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
DECEMBER	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
JANUARY	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
FEBRUARY	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
MARCH	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
APRIL	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
MAY	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
JUNE	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
JULY	6,250	3,750	1,250	17,708	18,749	2,709	5,000	3,750	2,500	15,624	7,917	85,207
AUGUST	<u>6,250</u>	<u>3,750</u>	<u>1,250</u>	<u>17,708</u>	<u>18,749</u>	<u>2,709</u>	<u>5,000</u>	<u>3,750</u>	<u>2,500</u>	<u>15,624</u>	<u>7,917</u>	<u>85,207</u>
TOTAL	<u>\$74,995</u>	<u>\$44,997</u>	<u>\$14,999</u>	<u>\$212,486</u>	<u>\$224,986</u>	<u>\$32,498</u>	<u>\$59,996</u>	<u>\$44,997</u>	<u>\$29,998</u>	<u>\$187,488</u>	<u>\$94,995</u>	<u>\$1,022,435</u>

# **ATTACHMENT D**

## **City of Garland's 2017 Bond Rating**

## **FITCH RATES GARLAND, TEXAS' WATER AND SEWER REV BONDS 'AA'; OUTLOOK STABLE**

Fitch Ratings-Austin-05 May 2017: Fitch Ratings has assigned a 'AA' rating to the following Garland, Texas (the city) revenue bonds:

--Approximately \$21.9 million water and sewer system revenue refunding bonds, new series 2017.

The bonds will be sold via negotiation on May 16. Proceeds will be used to refund outstanding series 2008 bonds for savings.

In addition, Fitch has affirmed the rating on the following outstanding obligations (pre-refunding) at 'AA':

--\$121.6 million water and sewer system revenue bonds, series 2008, 2009, 2010, 2011, 2011A, 2012 and 2013;

--\$47.9 million water and sewer system revenue bonds, new series 2014 and 2016;

--\$90 million bank notes corresponding to water and sewer commercial paper notes, series 2015

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 (through series 2013) are senior to the new series bonds, which are a second lien obligation. The prior lien is closed. The bank notes represent a fourth lien on system revenues and are subordinate to the outstanding prior lien bonds, the second lien new series bonds, and certificates of obligation issued for the benefit of the system.

### **KEY RATING DRIVERS**

**SATISFACTORY FINANCIAL METRICS:** Financial metrics have been pressured by rising operating costs, debt service and transfers-out. Debt service coverage (DSC) was a sound 1.7x on an all-in basis in fiscal 2016, but coverage net of transfers to the city's general fund was a slim 1.2x all-in and this is projected to decline further in the five year forecast.

**LIMITED EXCESS CASH FLOW:** The system makes large annual transfers to the city's general fund totaling 11% of operating revenues (\$11.9 million in fiscal 2016). The transfers absorb most of the excess cash flow, increasing the need for debt-funding of capital improvements.

**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. Rate increases generally have kept pace with rising water costs, but the city does not have a direct pass-through of NTMWD costs. 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.

**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 result from increasing wholesale or debt service costs that outpace revenue recovery, which would negatively affect the rating. In particular, debt service coverage net of transfers that decline below 1.0x, as reflected in the five-year financial forecast, would likely lead to a rating downgrade.

#### CREDIT PROFILE

The water system serves approximately 69,200 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 at least 2030. The wastewater system serves around 67,000 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 resulting in financial metrics stressed against Fitch's 'AA' category medians. Fitch downgraded the rating in 2015 as a result of this trend. Since fiscal 2012 the city's purchased water rate has increased on average 11% annually and NTMWD rates are anticipated to continue to rise by 7% to 11% annually through fiscal 2021.

Audited fiscal 2016 results were slightly weaker than prior projections ending the year with an adequate 1.7x all in DSC but a weak 1.2x net of transfers out compared with prior projections at 1.8x all-in (1.4x net of transfers out). These results continue to reflect a declining trajectory from results as recent as fiscal 2011 at a high of 2.4x all-in DSC (1.8x net of transfers out) and fall short of Fitch's 'AA' category median levels of 2.3x DSC on an all-in basis, and 2.2x all-in DSC net of transfers out. Cash balances improved only slightly in 2016 but remain weak for the 'AA' category, at 140 days cash on hand at the close of fiscal 2016 from 180 days in fiscal 2011.

#### WEAK FORECAST WITH LARGE TRANSFERS OUT NOTABLY PRESSURES RATING

The five year forecast for fiscal 2017 - 2021 is weaker than what was previously projected and further raises credit concerns over the large transfers out of the system. All-in DSC is forecast at 1.7x for fiscal 2017, declining gradually to a minimum 1.5x. However, factoring the transfers out, the DSC gradually declines to less than 1x by fiscal 2020. Actual results that fail to achieve DSC net of transfers above 1.0x are expected to result in a negative rating action. The forecast incorporates increased debt carrying costs associated with financing the capital plan, rising operating expenses, and annual water rate increases averaging about 5% as well as more modest 1% to 3% sewer rate adjustments.

Transfers out of the system have averaged 11% of operating revenue over the past five fiscal years and projected at similar levels 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 2016 is considered weak at 29%, down from 91% in fiscal 2011.

#### RISING WHOLESALE WATER COSTS



Water costs associated with the NTMWD contract increased 14% in fiscal 2013 and 10% annually through the current fiscal year. NTMWD rates are expected to rise further ranging from 7% to 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 an average of about 10% annually from fiscal 2013 to 2015, and a large 14.6% in fiscal 2016. The fiscal 2017 rate increase was a modest 3.8% and projections reflect moderate rate increases averaging about 5% annually. Purchased water costs make up approximately 35% of fiscal 2016 water and sewer operating expenses and this figure is expected to grow to 52% by fiscal 2021. The large fiscal 2016 rate increase helped bring operating revenue growth in line with expenditure growth over the five year period from fiscal 2012 to fiscal 2016.

#### DIMINISHING RATE FLEXIBILITY

The monthly bill at \$87.80 (assuming usage of 7,500 gallons per month for water and 6,000 gallons per month for sewer) is above average as compared against other municipal systems in the Dallas/Fort Worth Metroplex and registers at around 1.8% of median household income (MHI). Rates still fall under Fitch's 2% of MHI affordability threshold.

#### GROWING DEBT BURDEN

The system's revised fiscal 2017 - 2021 capital improvement plan (CIP) totals \$181 million and will be entirely debt-financed. The city utilizes a commercial paper (CP) program to finance the CIP, planning to fix out with long-term bond sales in fiscal years 2018 and 2021. Approximately 63% of the CIP addresses sewer system improvements that will ensure compliance with new and enhanced regulatory and operational standards while the remaining 37% is for water system improvements.

Direct system debt per customer of \$1,661 is below the 'AA' category median of \$1,823, but debt-to-net plant is high at 53% compared to the 'AA' median of 45%. Debt levels are projected to grow to \$2,200 within five years. Positively, the system benefits from very rapid amortization, with principal payout at 80% and 100% in 10 and 20 years, respectively, compared with the category medians of 45% and 86%, respectively.

#### SYSTEM AND SERVICE AREA

Garland (GO and Issuer Default Rating 'AAA/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 slightly below the state and national levels. February 2017 unemployment is favorable at 4.3%, compared to the state's 5.1% and the nation's 4.9%.

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SOAH Docket No. 473-17-4964.WS: PUC Docket No. 46662  
Pet. Cities' Second Supp Response to NTMWD's First RFI 1-22 Attachment  
Nov. 22, 2017 | Page 4 of 29

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In addition to the sources of information identified in Fitch's Revenue-Supported Rating Criteria, this action was additionally informed by information from Lumesis.

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

Applicable Criteria  
Revenue-Supported Rating Criteria (pub. 16 Jun 2014)  
<https://www.fitchratings.com/site/re/750012>  
U.S. Water and Sewer Revenue Bond Rating Criteria (pub. 30 Nov 2016)  
<https://www.fitchratings.com/site/re/890402>

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# **ATTACHMENT E**

**Settlement Agreement between North  
Texas Municipal Water District, National  
Wildlife Federation, and Lone Star  
Chapter of the Sierra Club, effective  
August 28, 2014**

**SETTLEMENT AGREEMENT BETWEEN  
NORTH TEXAS MUNICIPAL WATER DISTRICT,  
NATIONAL WILDLIFE FEDERATION, AND LONE STAR CHAPTER OF THE  
SIERRA CLUB**

THIS SETTLEMENT AGREEMENT is made and entered into as of August 28, 2014 (the "Effective Date"), by and between the North Texas Municipal Water District (the "District"), the National Wildlife Federation ("NWF"), and the Lone Star Chapter of the Sierra Club (the "Sierra Club"). The District, NWF, and Sierra Club are also referred to herein individually as a "Party", or collectively as the "Parties."

**RECITALS**

WHEREAS on December 29, 2006, the District filed Application No. 12151 (the "TCEQ Application") with the Texas Commission on Environmental Quality ("TCEQ") to appropriate state water in the Red River Basin for the Lower Bois d'Arc Creek Reservoir Project and to authorize an interbasin transfer of state water to the Trinity River and Sulphur River basins (the "Reservoir Project"),

WHEREAS, the District is pursuing the Reservoir Project to meet the current and future water supply needs of its member cities and customers ("Member Cities and Customers") for whom the District supplies potable water,

WHEREAS, the District filed with the U.S. Army Corps of Engineers ("USACE") a Clean Water Act Section 404 permit application (the "USACE Application") on July 1, 2008 for the Reservoir Project,

WHEREAS, NWF and Sierra Club each filed comments and requested a contested case hearing on the TCEQ Application,

WHEREAS, the Executive Director of TCEQ has found the TCEQ Application to be administratively complete, has prepared a draft permit, and recommends that TCEQ grant the TCEQ Application,

WHEREAS, the District, NWF, and Sierra Club have agreed upon measures to address concerns regarding the TCEQ Application that caused NWF and Sierra Club to file requests for a contested case hearing

WHEREAS, the District believes that it is in its interest and the public interest for TCEQ to issue draft Water Use Permit No. 12151 (the "Draft Permit") with certain special conditions as agreed upon between the District, NWF, and Sierra Club, and NWF and Sierra Club agree to not oppose the issuance of the Draft Permit if it includes the agreed-upon special conditions and if the District implements the measures included in this Settlement Agreement, and

*Settlement Agreement between District, NWF, and Sierra Club*

WHEREAS, based on the agreements set out herein, NWF and Sierra Club wish to withdraw their respective comments and hearing requests with respect to the TCEQ Application, and to abstain from further challenging, protesting, or contesting the TCEQ Application or the USACE Application for the associated Reservoir Project, except to the extent provided for in this Settlement Agreement.

NOW THEREFORE, for good and valuable consideration, the sufficiency and adequacy of which the Parties acknowledge by their execution of this Settlement Agreement, and in consideration of the mutual promises and covenants contained in this Settlement Agreement, including the recitals set forth above which are hereby incorporated for all purposes, the Parties agree as follows:

AGREEMENT

- A. The District, without acknowledging or admitting the validity of any of NWF's or Sierra Club's concerns or comments relating to the TCEQ Application, agrees as follows:

1. Ongoing Collaboration

The District, in order to maintain the collaborative relationship established with NWF and Sierra Club through the negotiation and execution of this Settlement Agreement, will continue to regularly communicate and coordinate with NWF and Sierra Club regarding the Reservoir Project and its water conservation, water quality, and mitigation efforts. By this coordination and communication, the District seeks to collaborate with NWF and Sierra Club to ensure that any actions the District pursues will have minimal environmental impacts, and in the event of such impacts, the District will continue to pursue mitigation so as to ensure such impacts are sufficiently offset.

With specific reference to water conservation, the District will keep NWF and Sierra Club notified of, and will invite representatives of NWF and Sierra Club to attend, meetings, presentations, or symposiums held for, or hosted with, the District, its Member Cities and Customers, and to provide an opportunity for NWF and Sierra Club to afford feedback to the District and make recommendations to the District regarding such meetings, presentations, or symposiums, and the water conservation measures being addressed

2. Revisions to Draft Permit, Draft Monitoring Plan, Draft Accounting Plan, and Draft Mitigation Plan

This Settlement Agreement contemplates certain revisions to the Draft Permit, the draft monitoring plan, and the draft accounting plan. The District agrees to use its best efforts to pursue TCEQ's approval of any such revisions to such documents within a reasonable time, as agreed upon by the Parties, but, in any event, prior to the time that the TCEQ considers whether to refer the District's application to the State Office of Administrative Hearings for a contested case hearing.

*Settlement Agreement between District NWF, and Sierra Club*

This Settlement Agreement also contemplates revisions to the mitigation plan to be implemented through the USACE permitting process in order to incorporate quantified targets for mitigation of adverse impacts to stream habitats resulting from the Reservoir Project. Those revisions are still under development at the time of the execution of this Settlement Agreement. The District agrees to seek and support the approval of, and to implement, mitigation measures providing at least as much mitigation for each category of affected habitat as set out in the January 2014 draft of the mitigation plan, with the addition of specific quantified targets for mitigation of adverse impacts to stream habitats, which are to be based on a quantification of the habitat value of streams adversely affected by the Reservoir Project. The District further agrees to develop those revisions in good faith, based on the representations made to NWF and Sierra Club, and to provide NWF and Sierra Club at least fourteen (14) days to review and comment on the revised draft mitigation plan before it is presented to the USACE for review.

Copies of the revised Draft Permit and the revised monitoring plan, both revised as agreed upon by the Parties, are included as Exhibit 1 and Exhibit 2, respectively, and are incorporated herein. The revised accounting plan is still under development and the District agrees that the revised accounting plan it submits to TCEQ for approval will be consistent with Exhibit 1.

The District acknowledges that the inclusion of the terms and conditions in the Draft Permit as incorporated in Exhibit 1 is material to the agreement of NWF and Sierra Club to unconditionally withdraw their respective hearing requests, as provided in Section B.2. below and enter into this Agreement. The District agrees to use its best efforts to ensure that the terms and conditions of the revised Draft Permit, incorporated as Exhibit 1, are included in the final permit issued to the District for the TCEQ Application. If, after NWF and Sierra Club withdraw their hearing requests, a contested case hearing is held and it appears that the issuance of a final permit for the TCEQ Application may not include the same terms and conditions as are included as Exhibit 1, the District agrees to promptly notify and coordinate with NWF and Sierra Club regarding this possibility and to afford NWF and Sierra Club the opportunity, through the District's filings and testimony, to assist the District in responding to and objecting to proposed changes to the terms and conditions of the Draft Permit that are inconsistent with the provisions of the Draft Permit included as Exhibit 1. The District acknowledges that the provisions of this paragraph are material to the agreement by NWF and Sierra Club to undertake the obligations they have agreed to in this Settlement Agreement.

3. Dedication of City of Bonham Return Flows

By contract dated December 21, 2004, the District supplies potable water to the City of Bonham ("Bonham"). Section 17(b) of the contract provides "[t]o the extent that effluent produced by [Bonham] is discharged to watercourses of the State, the right of [Bonham] to reuse such effluent produced from its wastewater treatment plant is terminated, and NTMWD shall have the right as between the parties, and pursuant to any necessary authorization of the State, to appropriate and reuse such discharged effluent."

*Settlement Agreement between District, NWF, and Sierra Club*

Given its contract rights to Bonham's return flows, the District agrees to dedicate these return flows to the environment by passing them through the proposed reservoir and dam to Bois d'Arc Creek at certain times. The District agrees that, within sixty (60) days of the final permits pursuant to the TCEQ Application and the USACE Application being issued and no longer subject to appeal, it will file, and diligently prosecute, an application seeking to appropriate return flows associated with the City of Bonham Wastewater Treatment Plant (TPDES Permit No. WQ0010070001) to the District, for use for various purposes, including for instream use protection purposes, for the Reservoir Project. The Parties acknowledge that it may be necessary to prosecute the application to appropriate Bonham return flows in stages in order to achieve an appropriation of the return flows for instream use protection purposes and the District agrees to do so, if necessary to achieve that objective. The District also agrees to file and diligently prosecute an application to add instream use protection as an authorized use for Water Use Permit No. 12151 ("Permit 12151") if such an application is necessary to achieve the purposes of this Section A.3. In particular, the District will use Bonham return flows to help comply with the subsistence flow requirements of Permit 12151. In the event Bonham return flows under the District's control exceed 1 cfs during subsistence conditions, the District agrees to dedicate, and pass downstream through the dam, for environmental flow purposes any Bonham return flows in excess of the subsistence flow requirements.

The District acknowledges that the provisions of this paragraph are material to the agreement by NWF and Sierra Club to undertake the obligations they have agreed to in this Settlement Agreement.

4. Water Conservation

- a. Within sixty (60) days of the final permits being issued pursuant to the TCEQ Application and the USACE Application and no longer subject to appeal, or earlier at the discretion of the District, the District agrees to commission a comprehensive analysis of the potential for water use reduction and efficiency in the industrial, commercial, and institutional ("ICI") sectors by ICI water users within the District's service area;
- b. Within one hundred eighty (180) days of the final permits being issued pursuant to the TCEQ Application and the USACE Application and no longer subject to appeal, or earlier at the discretion of the District, based on the findings of the ICI analysis described in Section A.4.a of this Settlement Agreement, the District agrees to develop, in cooperation with the District's Member Cities and Customers and in collaboration with ICI water users within the District's service area, a program to reduce the per unit or per capita ICI water use within the District, including the incorporation of the ICI program as an enhanced water conservation strategy in the District's Water Conservation Plan (the "District WCP"), and the setting of quantifiable targets for ICI water use reductions in the District WCP:



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- c. Within sixty (60) days of the final permits being issued pursuant to the TCEQ Application and the USACE Application and no longer subject to appeal, or earlier at the discretion of the District, the District agrees to amend the District WCP to include a goal of a minimum one percent (1%) per year reduction in Total Gallons Per Capita Per Day ("GPCD") (on a five-year rolling annual average), both with and without credit for reuse, with such annual goal to continue, as practicable, even when Total GPCD (both with and without credit for reuse) has reached 140 GPCD;
- d. Within one hundred eighty (180) days of the final permits being issued pursuant to the TCEQ Application and the USACE Application and no longer subject to appeal, or earlier at the discretion of the District, the District, working through and in cooperation with Member Cities and Customers, agrees to establish and incorporate as an enhanced water conservation strategy in the District's Model Water Conservation Plan for Member Cities and Customers, a program to provide rebates for the purchase and installation of high efficiency card- or coin-operated commercial clothes washers, as well as rebates for the purchase and installation of other high water efficiency and water conserving items, where such other rebates are determined to be cost-effective;
- e. Within sixty (60) days of the final permits being issued pursuant to the TCEQ Application and the USACE Application and no longer subject to appeal, or earlier at the discretion of the District, the District agrees to incorporate as one of the basic required water conservation strategies in the District's Model Water Conservation Plan for Member Cities and Customers the adoption of an increasing block water rate structure by those customers, so as to encourage water conservation and discourage excessive use and waste of water; and,
- f. The District agrees to commit to an ongoing annual budget for its water conservation programs that is adequate to implement the District WCP, which would, for at least the first ten (10) years following the date when final permits are issued pursuant to the TCEQ Application and the USACE Application and are no longer subject to appeal, provide funding at least as high as the current (FY 2014) dollar amount, adjusted for inflation.

The District acknowledges that the provisions of this Paragraph 4 are material to the agreement by NWF and Sierra Club to undertake the obligations they have agreed to in this Settlement Agreement.

5. Riverby Ranch Water Rights

To address and mitigate potential impacts associated with the development of the Reservoir Project, the District has proposed near-site mitigation on the 14,958.58-acre Riverby Ranch. The District acquired this property for mitigation purposes because it is uniquely suited to afford appropriate mitigation for the Reservoir Project's impacts, including the federal goal of "no overall net loss of wetlands." In addition to the real

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property associated with the mitigation site, the District also acquired two water rights, Permit Nos. 4033A and 4044A, which collectively authorize the diversion of up to 9,159,332 acre-feet of water from several points on the Red River adjacent to the Riverby Ranch, for irrigation use on the Ranch (the "Riverby Water Rights"). Within ninety (90) days of the final permits being issued pursuant to the TCEQ Application and the USACE Application and no longer subject to appeal, the District agrees to file, and thereafter diligently prosecute, an application to add instream use protection as an authorized use for the Riverby Water Rights, at a location downstream of the currently authorized diversion locations.

The District's mitigation consultants, Freese & Nichols, Inc., have concluded that the water supply that could be afforded by the Riverby Water Rights may not be necessary for the long-term maintenance and management of the Riverby Ranch mitigation site, but that this artificial water supply may be useful in the initial phases of mitigation at the Riverby Ranch. The District agrees to make those water rights available, as appropriate, for the initial phases of mitigation. In the event such an artificial water supply is deemed useful beyond the initial phases of mitigation development at the Riverby Ranch, based on the results of Year 5 monitoring as required in the District's mitigation plan, the District agrees to consider, in collaboration with USACE, whether to dedicate all or a portion of the Riverby Water Rights for use in connection with the Riverby Ranch mitigation site. If the USACE determines such dedication necessary, the District agrees to dedicate, consistent with that determination, the Riverby Water Rights for mitigation purposes.

In the event the entire water supply provided by the Riverby Water Rights is determined by the USACE not to be necessary or appropriate for permanent dedication to and maintenance of the Riverby Ranch mitigation site, either through an express decision by the appropriate USACE officials or through a deemed decision, the District agrees to implement the two measures set out below. A decision that a permanent dedication is not necessary or appropriate shall be deemed to have been made if the appropriate USACE officials have not expressly determined that a permanent dedication is necessary or appropriate prior to the seventh anniversary of the date on which the permit issued pursuant to the USACE Application is no longer subject to appeal. The District agrees that, within ninety (90) days of the earlier of an express decision or a deemed decision as described in this paragraph, the District will: (1) dedicate the Riverby Water Rights to the Texas Water Trust for a term of not less than ten (10) years, to the extent such water rights are not being used for a purpose other than instream use protection by the District during such term; and (2) grant NWF or the Sierra Club, or a designee, a right of first refusal to purchase the Riverby Water Rights for instream use protection purposes if the District determines to sell such water rights.

B. NWF and Sierra Club agree to the following:

1. Ongoing Collaboration

NWF and Sierra Club, in order to maintain the collaborative relationship established with

*Settlement Agreement between District NWF, and Sierra Club*

the District through the negotiation and execution of this Settlement Agreement, will continue to regularly communicate and coordinate with the District regarding the Reservoir Project and the District's water conservation, water quality, and mitigation efforts. By this coordination and communication, NWF and Sierra Club seek to collaborate with the District and to provide recommendations and feedback on the Reservoir Project to ensure that any actions the District pursues will have minimal environmental impacts, and in the event of such impacts, mitigation to sufficiently offset such impacts.

2. Withdraw Request for Contested Case Hearing

NWF and Sierra Club agree that they shall each execute a Notice of Withdrawal letter to TCEQ to unconditionally withdraw their respective requests for hearing on the TCEQ Application within three (3) working days of the Effective Date of this Settlement Agreement. The Notice of Withdrawal letter shall take the form of the letter attached hereto as Exhibit 3. In the event there is a contested case hearing or a court challenge on the District's TCEQ Application and if the District affords NWF and Sierra Club a reasonable opportunity, through the District's filings and evidence in the relevant proceeding, to support the inclusion of permit terms consistent with Exhibit 1, NWF and Sierra Club agree to restrict their participation in any such proceedings to assisting the District's efforts to ensure the inclusion of permit terms and conditions in any final permit issued by TCEQ that are consistent, or not inconsistent, with the terms and provisions of the Draft Permit included in Exhibit 1. NWF and Sierra Club acknowledge that the provisions of this paragraph are material to the District's agreement to undertake the obligations it has agreed to in this Settlement Agreement.

3. Agreement to Not Oppose Reservoir Project and Associated Permitting

Except as contemplated in Section B.4. of this Settlement Agreement, NWF and Sierra Club agree that they will not participate in, or fund other groups' participation in, any other proceeding before TCEQ, or any other state or federal agency, or administrative, state or federal court, for the purpose of opposing, contesting, litigating, or appealing: (1) the TCEQ Application; (2) the USACE Application and the associated Clean Water Act Section 401 Certification; and (3) the Environmental Impact Statement ("EIS") required for the USACE Application. NWF and Sierra Club acknowledge that the provisions of this paragraph are material to the District's agreement to undertake the obligations it has agreed to in this Settlement Agreement.

4. Comments and Challenge to EIS and USACE Permit; Defense of Permit Terms

NWF and Sierra Club may choose to file written comments on the draft EIS to be published in response to the USACE Application and nothing in this Settlement Agreement prevents them from doing so, subject to the terms of this Section B.4. If NWF and/or Sierra Club do file written comments, they hereby agree to provide the District any such comments on the draft EIS at least thirty (30) days in advance of the last date authorized for filing comments on the draft EIS, and to delay their filing of comments twenty-one (21) days after providing the comments to the District so that the

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District may seek to address same. However, if the comment period on the draft EIS is less than ninety (90) days, those times periods shall be adjusted proportionately (e.g., if the comment period is 60 days, NWF and Sierra Club will provide a draft of comments to the District at least twenty (20) days in advance of the comment deadline and will afford the District at least fourteen (14) days to address the comments of NWF and/or Sierra Club prior to the filing of such comments). In the event the District fails to address such comments to the satisfaction of NWF or Sierra Club, NWF and Sierra Club each reserves the right to submit public comments on the draft EIS to USACE.

NWF is a national organization and Sierra Club is part of a national organization and, as a result, both have interests in broader national and regional issues that must be considered in agreeing to limit their ability to participate in litigation. NWF and Sierra Club's previously summarized agreement not to participate in, or fund participation in, any proceeding challenging the EIS or the permit issued pursuant to the USACE Application (the "USACE Permit") only applies if those documents are consistent with this Settlement Agreement and if, in the good faith judgment of NWF or Sierra Club, such a challenge is not necessary to prevent the potential creation of significant adverse precedent on important policy issues beyond the adequacy of mitigation for specific impacts related to the Reservoir Project as identified in the January 2014 draft mitigation plan. Although NWF and Sierra Club consider such an eventuality highly unlikely, because neither the EIS nor the Record of Decision is in existence at this time and because there is no way to fully anticipate what issues might be raised in those processes, it is not possible to eliminate that possibility entirely. In the interest of maintaining the collaborative relationship that has been created with the District, in the unlikely event that NWF or Sierra Club identify the potential need to pursue a challenge to the EIS or the USACE Permit, NWF and Sierra Club agree that they will notify the District as soon as reasonably possible and will make reasonable efforts to work cooperatively with the District in an attempt to resolve the issue or issues in order to avoid the filing of such a challenge. NWF and Sierra Club also reserve the right to participate in any proceeding challenging the EIS and USACE Permit to the extent the documents are inconsistent with this Settlement Agreement.

In addition to the rights to challenge the EIS or USACE Permit preserved to them in the preceding paragraph, NWF and Sierra Club may participate in any court challenge to the USACE Permit for the sole purpose of supporting the inclusion of terms consistent with Sections A.2 and A.5 of this Settlement Agreement, as such provisions relate to the mitigation plan and the implementation and maintenance of mitigation as required by USACE. NWF and Sierra Club acknowledge that the provisions of this paragraph are material to the District's agreement to undertake the obligations it has agreed to in this Settlement Agreement.

C. Additional Conditions

1. The Parties expressly agree that the obligations contained in this Settlement Agreement for actions beyond the agreement to pursue changes to the Draft Permit as reflected in Exhibit 1 and accompanying documents and to the mitigation plan are conditioned on the receipt by the District of final permits that are not subject to

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appeal from TCEQ and USACE regarding the TCEQ Application and USACE Application.

2. The provisions of Section B of this Settlement Agreement are critical to the District's decision to accept revisions to the Draft Permit as reflected in Exhibit 1 and to enter into this Settlement Agreement, and represent the consideration for the District's entering into this Settlement Agreement.
3. The provisions of Section A of this Settlement Agreement are critical to the decisions by NWF and Sierra Club to withdraw their hearing requests and to agree, as set out herein, to limit their ability to litigate the granting of permits pursuant to the TCEQ Application and USACE Application, and represent the consideration for NWF and Sierra Club entering into this Settlement Agreement.
4. If a permit containing provisions substantially different than those in Exhibit 1 is ultimately proposed or approved by TCEQ in response to the TCEQ Application, the District retains the right to pursue all administrative and judicial remedies to contest such a permit. If the District affords NWF and Sierra Club a reasonable opportunity, through the District's filings and evidence in the relevant proceeding, to support the inclusion of permit terms consistent with Exhibit 1, the agreement above by NWF and Sierra Club to forego opposition to the issuance of a permit consistent with Exhibit 1 shall preclude their participation in such proceedings for any purpose other than to assist the District's efforts to ensure inclusion of terms consistent with Exhibit 1, as long as the District complies with terms and conditions of this Settlement Agreement.
5. The agreement by NWF and Sierra Club herein to limit participation in any proceedings challenging the TCEQ Application and USACE Application includes a commitment by NWF and Sierra Club to not fund any individual or entity in participating in any proceedings challenging the TCEQ Application and/or the USACE Application, except in a manner that would be consistent with Section B.4 of this Settlement Agreement if NWF or Sierra Club were the entity opposing the USACE Application.
6. This Settlement Agreement shall be governed by, and construed and enforced under the laws of the State of Texas.
7. This Settlement Agreement was executed in Travis County, Texas and the obligations of each of the Parties to this Settlement Agreement shall be performed or are performable in Travis County, Texas or Collin County, Texas, as appropriate. The Parties expressly agree that all judicial proceedings to enforce any of the provisions of this Settlement Agreement shall take place in Travis County, Texas or Collin County, Texas.
8. This Settlement Agreement contains the entire agreement of the Parties with respect to the subject matter of this Settlement Agreement. No agreement, statement, or promise made by any Party or by or to any employee, agent, or

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officer of any Party, that is not contained in this Settlement Agreement shall be valid, binding, or of any force or effect. Any amendments to this Settlement Agreement must be in writing and signed by the Parties.

9. This Settlement Agreement shall be binding upon the Parties hereto and their respective successors, heirs, and representatives.
10. With the exception of any provision material to the Parties' execution of this Settlement Agreement, or to the extent it would otherwise frustrate the central purpose of this Settlement Agreement, if one or more provisions contained in this Settlement Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Settlement Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.
11. The Parties agree that monetary damages for breach of this Settlement Agreement may be difficult to quantify, that under no circumstances shall monetary damages be available as a remedy for a breach of this Settlement Agreement, and that the obligations of this Settlement Agreement shall be enforceable only through injunctive or other equitable relief. Therefore, if any Party fails to perform any obligation in accordance with the terms, provisions and conditions of this Settlement Agreement, then the other Party may institute suit for specific performance against the non-performing Party to compel performance of the obligation.
12. This Settlement Agreement is based upon the active participation of the Parties. Neither the execution nor the delivery of this Settlement Agreement shall create or constitute a partnership, joint venture, or any other form of business organization or arrangement between the Parties, except for the contractual arrangements specifically set forth in this Settlement Agreement. No Party shall have any power to assume or create any obligation on behalf of the other Party.
13. The obligations under this Settlement Agreement shall be conditioned upon the execution of the Settlement Agreement by authorized representatives of the Parties. Each person signing on behalf of the Parties hereby confirms that he/she has the authority to execute this Settlement Agreement on behalf of the Party indicated by his/her signature and to bind such Party. The Parties further agree to execute such memoranda, documents, or agreements as may be required in the future to implement this Settlement Agreement.

*[signatures on following pages]*

*Settlement Agreement between District NWF, and Sierra Club*

IN WITNESS WHEREOF, the Parties hereto acting under authority of their respective governing bodies have caused this Settlement Agreement to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written, which is the Effective Date of this Settlement Agreement

**NORTH TEXAS MUNICIPAL WATER DISTRICT**

August 28, 2014  
Date

By Darwin Whiteside  
Darwin Whiteside, President of the Board

ATTEST

By Terry Sam Anderson  
Terry Sam Anderson, Secretary of the Board

*[signature on following page]*

Settlement Agreement between District NWF and Sierra Club

NATIONAL WILDLIFE FEDERATION

8/27/2019  
Date

By Myron G. Hoss  
Myron G. Hoss

[signature on following page]



*Settlement agreement between District VII and Sierra Club*

LONE STAR CHAPTER OF THE SIERRA CLUB

August 27, 2014  
Date

By Ken Kramer  
Ken Kramer